



## ***Corporate Governance Compliance Rating Report***



***Doğuş Otomotiv Servis ve Ticaret A.Ş.***

15 December 2015

Validity Period 15.12.2015-15.12.2016

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Doğu Otomotiv Servis ve Ticaret Anonim Şirketi is compiled;

in accordance with the criteria stated in CMB's Corporate Governance Directive, no II-17.1, printed on Official Gazette dated January 3<sup>rd</sup> 2014, numbered 28871; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of directive no II-17,1 issued on Official Gazette no 28871, dated January 3, 2014.

The Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 70 copies of documents, data and files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

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Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

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**DOĞUŞ OTOMOTİV  
SERVİS VE TİCARET A.Ş.**

**CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE**

**BIST SECOND GROUP**

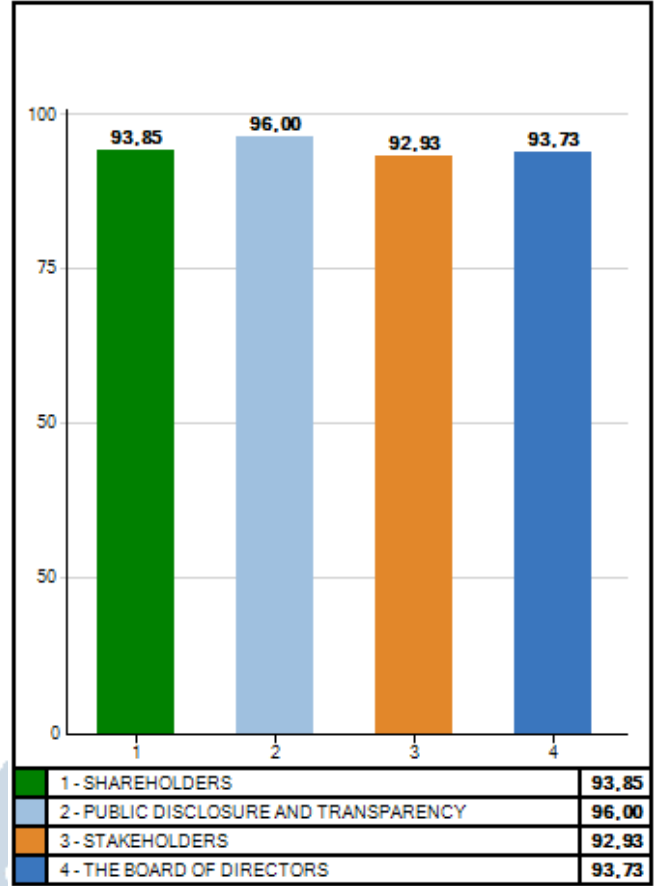
**9.42**

**Kobirate Uluslararası Kredi Derecelendirme  
ve Kurumsal Yönetim Hizmetleri A.Ş.**

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### 1. FIFTH PERIOD REVISED RATING RESULT

The process of rating of compliance of **Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi** with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş., through onsite examinations of the documents, interviews held with executives and persons involved, examination of information open to public and other comprehensive reviews and observations. Methodology and rating process is based on Capital Markets Board's (CMB) Corporate Governance Principles Communiqué no II-17,1 issued on Official Gazette no 28871, dated January 3, 2014.

According to CMB Bulletin dated 13.01.2015 and numbered 1/3, **Doğuş Otomotiv** is on **BİST 2<sup>nd</sup> Group** Companies list. The Company has been evaluated examination of 401 criteria, described in the methodology of Kobirate A.Ş., developed for "Second Group Companies of the BIST". At the end of the rating done under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors, Corporate Governance Compliance Rating Grade of **Doğuş Otomotiv** has been determined as **9.42**.

This result signifies that the company has largely achieved compliance with the CMB's Corporate Governance Principles. Possible risks for the company are determined and controlled. Public disclosure activities and

transparency are at a high level. Right of shareholders and stakeholders are treated fairly. The structure and working conditions of board of directors is generally compliant with corporate governance principles. As a result, this grade shows that the Company highly deserves to be on the list of BIST Corporate Governance Index.

▪ At the section of Shareholders, it is seen that the Company has achieved a grade of **93.85**. The developments that have been effective for the Company to achieve this grade are listed below;

- General Assembly information document contains information on whether the shareholders have sent written requests to the Investor Relations Department to put items on the agenda or not,

- Shareholders are briefed in the Corporate Governance Compliance Report on how to use the right of requesting private audit as an individual right. Reference was given to Articles 438/439 of Turkish Commercial Law no 6102.

Operations involving Relations with the Shareholders are performed by the Investors Relations Department and Hasan Hüsnü GÜZELÖZ is the Head of the Department. Müge YÜCEL (manager) and Bahar EFEOĞLU AĞAR (specialist) work in this department.

In order to achieve compliance to CMB's Corporate Governance Directive, numbered II-17.1, Investors Relations Department Director Hasan Hüsnü GÜZELÖZ was appointed as Member of Corporate Governance Committee and it was disclosed to public with a material event disclosure, dated 30.06.2014. Hasan Hüsnü GÜZELÖZ and Müge YÜCEL have licenses of Capital Market Activities Advanced Level and Corporate Governance Rating Specialist. Bahar Efeoğlu AĞAR also has the license of Corporate Governance Rating Specialist.

There is no practice of cancelling or restricting shareholders' right to obtain and examine information by the Articles and/or a

decision by any corporate organ. The Company conducts its disclosures for shareholders and public in accordance with its "Disclosure Policy". This policy is accessible on the Company's corporate website.

The ordinary general assembly meeting to discuss the operations of 2014 took place on 27.03.2015. The announcement of the meeting was made 3 (three) weeks before the meeting through Turkish Trade Registry Gazette dated 04.03.2015 and numbered 8771, Public Disclosure Platform, Central Securities Depository Institution and E – general assembly system.

General Assembly information document gives information on number of shares reflecting company's shareholder structure, voting rights and privileges in voting rights. Document clearly emphasizes that one share gives one vote right and there is no privilege for any group of shareholders.

TRY 255,034,055.00 distributable net profits (Donations and fund earnings according to KVK 5/e added) were earned through activities in 2014. Use of this profit is explained in the section "*ii. Dividend Distribution*" of our report.

▪ The Company has achieved the grade of **96.00** in the section of Public Disclosure and Transparency. Company's activities in the field of public disclosure and transparency continue with same sensitivity. The fact that the annual report contains responsibility statements of those members of Board of Directors who are responsible for financial reporting is deemed as an area that has been improved in this period. The improvement is seen as the reason for the increase of Company's grade in this section.

The persons who are responsible for disclosure statements and have the authority of signature are; Dr. Berk Çağdaş (Financial and Administrative Affairs – CFO), Yeşim Yalçın (Financial Affairs Director), Kerem Talih (Finance and Administrative Affairs Director)

and Engin Kaya (General Accounting Manager). These persons are charged with monitoring every subject that may be relevant to the issue of public disclosure.

Corporate website and annual reports are in compliance with the criteria specified in the principles and they are being used as effective means of disclosure.

▪ In the section of Stakeholders the Company has received the grade of **92.93**.

Compensation policy for employees has been prepared and disclosed to public through the corporate website.

Procedures on recruitment, remuneration, health, leave rights, promotion, task alteration, disciplinary practices, death, resignation and retirement have been developed and our impression is that the company sticks to these policies in practice. It is thought that principle of providing equal opportunities for people in equal positions has been respected both in the preparation and implementation of procedures and policies.

Corporate Social Responsibility and Sustainability policies have been prepared and disclosed to the public.

- Thanks to its policies and practices in sustainability, Doğuş Otomotiv achieved to take its place among 29 (twenty nine) companies in the BIST Sustainability Index for the period between November 2015 and October 2016.

- Doğuş Otomotiv Internal Audit Department has passed "Internal Audit Quality Assurance" evaluation. This evaluation is approved by The Institute of Internal Auditing-Turkey, as a token of the importance it gives to having internal audit activities conducted at international standards. As a result of this evaluation, the Department won "2014 Internal Audit Awareness Award" in the category of "Corporate Awareness".

These two important developments are the most important reasons for the increase of Company's grade in this section.

▪ In the section of Board of Directors, Doğuş Otomotiv has achieved the grade of **93.73**.

Interviews at the Company and examination of decision books of Board of Directors and Committees revealed that the Board and the Committees continue their regular activities.

The Board of Directors has described corporate strategic objectives. Posts of Chairman of the Board and CEO are hold by different individuals and their powers are described. There are 9 (nine) members of the Board of Directors. 1 (one) member is executive and 8 (eight) members are non – executive. 3 (three) of the non – executive members are independent.

Committees referred by the Principles, including Audit, Corporate Governance, Early Detection of Risk and Remuneration Committees are formed. A Separate Nomination Committee hasn't been established because of the Board's structure. Duties of this committee are carried out by Remuneration Committee. Operation rules, mandates and membership structures for committees have been determined in written documents, disclosed to public and put on to corporate website. All members of the Audit Committee and minimum the Chairman of other committees are appointed from independent members. The CEO / General Manager has no assignment in any of these committees.

Board of Directors held 12 (twelve) meetings in 2014 and 11 (eleven) meetings as of November 2015. There is 1 (one) more planned meeting of Board of Directors until yearend.

Audit Committee held 9 (nine) meetings in 2014 and 8 (eight) meetings as of November 2015. There is 1 (one) more planned meeting until yearend. Committee held one joint

meeting with Early Detection of Risk Committee.

Corporate Governance Committee holds the functions of Sustainability Committee, in addition to its duties defined in Corporate Governance Principles. The Committee held 5 (five) meetings in 2014 and 3 (three) meetings as of November 2015. There is 1 (one) more planned meeting until yearend.

Early Detection of Risk Committee held 6 (six) meetings in 2014. One of them was a joint meeting with the Audit Committee. It held 5 (five) meetings as of November 2015 and there is 1 (one) more planned meeting until yearend. Again one of the meetings was a joint meeting with the Audit Committee. The reports that are prepared after the meetings have been presented to the Board of Directors and Company Auditor.

Remuneration Committee held 2 (two) meetings in 2014 and 3 (three) meetings as of November 2015. The Committee conducted comprehensive activities with three alternatives in its areas of duty. Results of these activities have been presented to the Board of Directors of Doğuş Holding in written documents.

It is determined that the Committees relay their agendas and suggestions for items of agenda to the Board of Directors in writing.

Guidelines on Compensation of Directors and Top Executives have been determined and disclosed to public through corporate website.

Quality assurance assessment for Doğuş Otomotiv's internal audit practices was conducted in 2014. The general purpose was to evaluate compliance of internal audit practices with International Internal Audit Standards, to see to what degree does its performance meet the expectations of top

management. Another goal is to find out opportunities for improvement by comparing Company's internal audit practices with other best practices in similar industries. As a result of quality assurance assessment, which was conducted by an independent and international audit company, it has been determined that practices of Internal Audit Department are "Generally Compliant" with Standards and Ethical Rules. These activities are seen as a significant indicator of Company's attitude which is open to improvement and development and they show the sensitivity of the Board of Directors in bringing internal audit practices to international standards.

As mentioned above, the fact that Board of Directors has the habit of taking proactive decisions; its attitude, which is open to improvement and development and efficient operations of Committees, particularly of Remuneration Committee, are main reasons for the grade increase in this section.

## 2. COMPANY PROFILE AND CHANGES WITHIN LAST YEAR

### A. Company Profile:



<b>Company Name</b>	: Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
<b>Company Address</b>	: <b>Kanuni Merkez</b> Maslak Mahallesi, Ahi Evran Cad., Doğuş Center No:4 İç Kapı No:7, Sarıyer/ İSTANBUL <b>Yönetim Merkezi</b> Şekerpınar Mahallesi Anadolu Caddesi No: 22 41490 Şekerpınar - Çayırova / Kocaeli
<b>Company Phone</b>	: (0262) 6769090
<b>Company Facsimile</b>	: (0262) 6769096
<b>Company's Web Address</b>	: <a href="http://www.dogusotomotiv.com.tr">www.dogusotomotiv.com.tr</a>
<b>Date of Incorporation</b>	: 19/11/1999
<b>Registered Number</b>	: 429183 / 376765
<b>Paid in Capital</b>	: 220.000.000.-TL
<b>Line of Business</b>	: ;Import of automotive and spare parts, sales – marketing and services
<b>Company's Sector</b>	: Automotive Sector

#### **Company's Representative in Charge of Rating:**

**H. Müge YÜCEL**

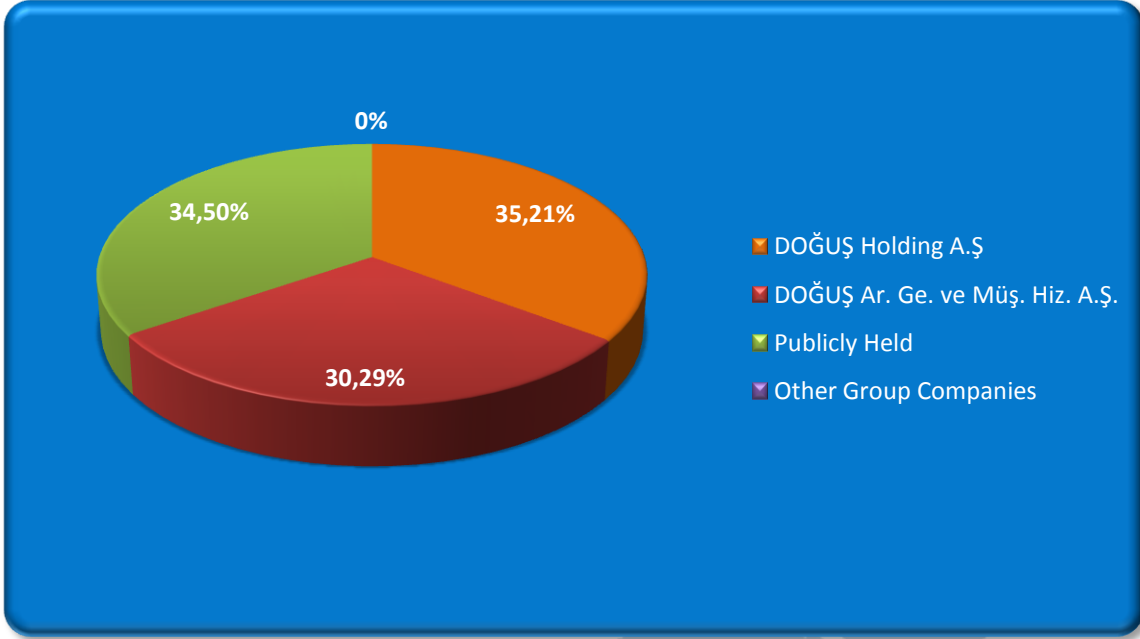
**Investor Relations Manager**

[muyucel@dogusotomotiv.com.tr](mailto:muyucel@dogusotomotiv.com.tr)

**0262 676 9058**



### Shareholders Structure



Shareholder Name (*)	Share (TL)	Share (%)
DOĞUŞ Holding A.Ş.	77.461.218,00	35,21
DOĞUŞ Ar. Ge. ve Müş. Hiz. A.Ş.	66.638.086,00	30,29
Publicly Held	75.900.000,00	34,50
Other Group Companies	696,00	0,00
<b>TOTAL</b>	<b>220.000.000,00</b>	<b>100,00</b>

tr

### Real Person Ultimate Controlling Shareholders (As of report date)

Shareholder Name	Share (%)
Şahenk Family	73,45 %
Others	26,55 %
<b>Total</b>	<b>100,00%</b>

Source: www.kap.gov.tr

### Company Board of Directors

Name/ Surname	Title	Executive/ Non Executive
Aclan ACAR	Chairman of Board of Directors	Non - Executive
Süleyman Kadir Tuğtekin	Deputy Chairman of Board of Directors	Non - Executive
H.Murat Aka	Member of Board of Directors	Non - Executive
Emir Ali Bilaloğlu	Member of Board of Directors / CEO	Executive
Özlem Denizmen Kocatepe	Member of Board of Directors	Non - Executive
E.Nevzat Öztangut	Member of Board of Directors	Non - Executive
R.Yılmaz Argüden	Independent Member of Board of Directors & Chairman of Corporate Governance and Early Risk Detection Committees	Non - Executive
Ferruh Eker	Independent Member of Board of Directors & Chairman of Audit Committee	Non - Executive
E.Gülten Özgül	Independent Member of Board of Directors & Chairperson of Remuneration Committee	Non - Executive

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Company Board of Executives

Name/ Surname	Title
Emir Ali Bilaloğlu	Member of Board of Directors & CEO
Dr. İ. Berk Çağdaş	General Manager & Member of Executive Board responsible for Finance, Budget Planning, Risk Management, Strategy and New Business, General Accounting, Internal Control and Investor Relations
Giovanni Gino Bottaro	Brand General Manager for Audi, Bentley, Lamborghini Bugatti & Member of Executive Board
İlhami Eksin	Brand General Manager for Scania Marine and Industrial Engines, Thermo King, Scania-Krone-Meiller& Member of Executive Board
Anıl Gürsoy	Brand General Manager for Seat, Porsche, DOD & Member of Executive Board
Kerem Galip Güven	Brand General Manager for VW Commercial Vehicles & Member of Executive Board
Mustafa Karabayır	General Manager for Spare Parts and Logistics & Member of Executive Board
Tolga Senyücel	General Manager for Skoda & Member of Executive Board
Vedat Uygun	Brand General Manager for VW Passenger Cars & Member of Executive Board

Source: Doğu Otomotiv Servis ve Ticaret A.Ş.

## Committees Formed Within The Board

### Corporate Governance Committee

Name/ Surname	Title	Job
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
E. Nevzat ÖZTANGUT	Member of Board of Directors	Committee Member
H. Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director	Committee Member

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Audit Committee

Name/ Surname	Title	Job
Ferruh EKER	Independent Member of Board of Directors	Committee Chairman
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors	Committee Member

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Early Risk Detection Committee

Name/ Surname	Title	Job
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
H. Murat AKA	Member of Board of Directors	Committee Member
H. Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director	Committee Member

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Remuneration Committee

Name/ Surname	Title	Job
E. Gülden ÖZGÜL	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
Süleyman Kadir TUĞTEKİN	Member of Board of Directors	Committee Member

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Dealer Committee**

Name/ Surname	Title
Cem YURTBAY	Advisor for Chairman of Board of Directors
Emir Ali BİLALOĞLU	Member of Board of Directors & CEO

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Strategic Planning and Business Development Committee**

Name/ Surname	Title
Özlem Denizmen KOCATEPE	Member of Board of Directors
Emir Ali BİLALOĞLU	Member of Board of Directors & CEO
Süleyman Kadir TUĞTEKİN	Member of Board of Directors

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Disciplinary Committee**

Name/ Surname	Title
Emir Ali BİLALOĞLU	Member of Board of Directors & CEO
H. Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Compliance Committee**

Name/ Surname	Title
E. Nevzat ÖZTANGUT	Member of Board of Directors
H.Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director
H.Murat AKA	Member of Board of Directors

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Human Resources Committee**

Name/ Surname	Title
Aclan ACAR	Chairman of Board of Directors
Emir Ali BİLALOĞLU	Member of Board of Directors & CEO
H.Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### **Investor Relations Department**

Name/ Surname	Title	Contact Info
Hasan Hüsnü GÜZELÖZ	Advisor for Chairman of Board of Directors and Investor Relations Department Director	0(262) 676 9035 <a href="mailto:Hguzeloz@dogusotomotiv.com.tr">Hguzeloz@dogusotomotiv.com.tr</a>
H. Müge YÜCEL	Investor Relations Manager	0(262) 676 9058 <a href="mailto:muyucel@dogusotomotiv.com.tr">muyucel@dogusotomotiv.com.tr</a>
Bahar Efeoğlu AĞAR	Investor Relations Specialist	0(262) 676 9059 <a href="mailto:befeoglu@dogusotomotiv.com.tr">befeoglu@dogusotomotiv.com.tr</a>

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

**Balance-Sheet Comparison of Company's Certain Selected Items of last two yearends  
(000 TL)**

	2013/12	2014/12	Change %
Current Assets	1.281.701	1.442.182	12,52
Fixed Assets	1.182.645	1.385.075	17,11
Total Assets	2.464.346	2.827.257	14,72
Short Term Liabilities	1.075.520	1.528.824	42,14
Long Term Liabilities	270.762	62.098	-77,06
Equity	1.118.064	1.236.335	10,58

Source: www.kap.gov.tr

**Income Statement Comparison of Company's Certain Selected Items of last two yearends  
(000 TL)**

	2013/12	2014/12	Değişim %
Net Sales	6.602.663	7.692.702	16,5
Gross Profit	749.616	872.988	16,4
Operational Profit	307.535	326.235	6
FVAÖK	338.086	364.686	7,9
Net Period Profit/Loss	224.728	253.078	12,6

Source: www.kap.gov.tr

**The Market Where THE Capital Market Instrument is Traded and the Indexes that the Company is Included**

- YILDIZ PAZAR

-BIST SERVICES / -BIST İstanbul / -BIST CORPORATE GOVERNANCE / -BIST SUSTAINABIKLITY INDEX /

-BIST DIVIDEND / -BIST DIVIDEND 25 / -BIST TRADE / -BIST ALL / -BIST NATIONAL / -BIST 100 / -BIST 30 /

-BIST 50

**The Bottom and Peak Closing Values of Company's Shares traded on the BIST during last Year**

<i>Bottom</i>	<i>Peak</i>
8,91-(15.10.2014)	17,25-(27.05.2015)

Source : Dođuş Otomotiv Servis ve Tic. A.Ş.

**Affiliated Companies, Information about Financial Fixed Assets and Financial Investments  
(As of 01.12.2015)**

Commercial Title	Line of Business	Paid In/Issued Capital	Company Share in Capital	Currency	Company Share in Capital (%)	Relationship with the Company
D-Auto Suisse SA	Auto Purchase-Sale and PS Services- Lausanne/Switzerland	11,788,000,00	11,782,248,00	CHF	99,95	AFILLIATED COMPANY
Doğuş Auto-Mısır For Trading Manufacturing Vehicles JSC	Auto Purchase-Sale and PS Services - Egypt	72,000,000,00	71,950,000,00	EGP	99,93	AFILLIATED COMPANY
D-Auto Limited Liability Company	Auto Purchase-Sale and PS Services - Iraq	150,000,000,00	150,000,000,00	IQD	100,00	AFILLIATED COMPANY
Doğuş Oto Pazarlama Ve Ticaret A.Ş.	Auto Purchase-Sale and PS Services	45,000,000,00	43,288,270,00	TL	96,20	AFILLIATED COMPANY
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	IT Infrastructure and Software	6,750,000,00	3,105,000,00	TL	46,00	SUBSIDIARY
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	Insurance Intermediary Services	1,265,000,00	531,232,00	TL	41,99	SUBSIDIARY
Vdf Servis ve Ticaret A.Ş.	Automotive Products and Services	5,100,000,00	1,924,230,00	TL	37,73	SUBSIDIARY
Volkswagen Doğuş Finansman A.Ş.	Automotive Consumer Finance	130,000,024,00	62,400,003,00	TL	48,00	SUBSIDIARY
Yüce Auto Motorlu Araçlar Ticaret A.Ş.	Skoda Turkey Distributor	2,100,000,00	1,049,999,40	TL	50,00	SUBSIDIARY
Meiller Doğuş Damper Sanayi ve Ticaret Ltd. Şti.	Damper Production and Sales	56,400,000,00	27,636,000,00	TL	49,00	BUSINESS PARTNERSHIP
Tüvtürk Güney Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	25,250,000,00	8,332,836,00	TL	33,00	BUSINESS PARTNERSHIP
Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	67,100,000,00	22,143,895,00	TL	33,00	BUSINESS PARTNERSHIP

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

## **B. Changes within last year:**

### ***i. Changes in Capital and Articles of Association:***

There have been no changes in the Capital or Articles of Association within the period of rating.

### ***ii. Dividend Distribution:***

At its meeting on 27.02.2015, the Board of Directors discussed the issue of distribution of net period profit earned as a result of activities in 2014. The following decision was taken:

“Our Company has decided that 2014 net period profit to be distributed as determined in the attached dividend distribution scheme and to present the suggestion to the General Assembly that Board of Directors should determine the date of cash dividend distribution, on condition of being no later than 31<sup>st</sup> May, 2015.” According to this decision;

Total donations of TRY 3,399,055, made within the year, donations and fund returns in accordance with CTL 5/e are added to the net distributable period profit of TRY 251,635,000 and the figure of TRY 255,034,055 has been reached for the net distributable period profit. From this amount TRY 13.900.000 has been deducted as legally required general contingency reserves and TRY 87,735,000 as extraordinary contingency reserves. It has been decided to present the suggestion of distributing TRY 150,000,000 in cash to shareholders to the General Assembly. The dividend distribution suggestion of Board of Directors was discussed at the General Assembly meeting on 27.03.2015 as the 6<sup>th</sup> item of agenda and approved. Dividend distribution was made on 09.04.2015.

### ***iii. Policies:***

No change has been made in Company Policies (Disclosure Policy, Dividend Policy, Remuneration Policy, Employee Compensation Policy, Corporate Social Responsibility Policy, Human Resources Policy, Donations and Aids Policy) within the period of rating.

### ***iv. Management and Organization:***

It is learned that there has been no changes in Company’s management and organization.

### ***v. Changes in Group Companies, Subsidiaries and Affiliated Companies:***

▪ According to Company’s material event disclosure dated 28.01.2015, 21.08.2015 and 06.10.2015; agreement was reached for VDF A.Ş (Volkswagen Doğuş Finansman A.Ş., of which the Company owns 48 %) to purchase all (100%) shares of Man Finansman A.Ş. (owned by Man Finance International GMBH) for Euro 18,500,000. Share Purchasing Contract was signed on August 20, 2015. After the permission of BRSA, transfer of shares was completed on 06.10.2015.

After the transfer of shares, Volkswagen Doğuş Finansman A.Ş. had 13,999,900, Volkswagen Financial Services AG 51, Doğuş Otomotiv Servis ve Ticaret A.Ş. 47, Doğuş Holding A.Ş. 1 and Doğuş Nakliyat ve Ticaret A.Ş. 1 shares of the total 14,000,000 shares of Man Finansman A.Ş.

It is said that process will be started to merge Man Finansman A.Ş. with Company’s subsidiary Volkswagen Doğuş Finansman A.Ş.

Company's material event disclosure on 02.12.2015 disclosed that the process of merger between Man Finansman A.Ş and Volkswagen Dođuş Finansman A.Ş. was completed and the merger process was registered by Istanbul Trade Registry Office. It was declared that Company's share in Volkswagen Dođuş Finansman A.Ş. did not change after the merger.

- According to Company's material event disclosure dated 29.01.2015 and 08.04.2015, the Company and Dođuş Group signed a contract with Bernard Krone GmbH to sell its 49 % share in the total capital of Krone Dođuş Treyler Sanayi Ve Ticaret A.Ş on 29.01.2015. After getting required legal approvals, the sale was completed by the date of statement. Sale figure was disclosed as TRY 24,010,000.

- LeasePlan Corporation N.V. and Dođuş Otomotiv Servis ve Ticaret A.Ş. for sale of Dođuş Group's shares in LPD Holding A.Ş., which represented 49 % of total capital, on 05.11.2014 and this development was disclosed to public with a material event disclosure on the same date. According to Company's material event disclosure on 16.02.2015, after the contract required legal approvals were obtained and transfer of shares were completed. Sale figure was disclosed as 23,887,477.55.

- With a material event disclosure on 19.11.2015 it was disclosed that the decision was taken to stop production in Meiller Dođuş Damper Sanayi Ve Ticaret Limited Őirketi - which the Company had 49 % of shares – and therefore to conclude administrative, legal and financial processes to terminate employees' work contracts.

It was disclosed that distributorship activities of Meiller brand would be continued by Dođuş Otomotiv and that negotiations were continuing between shareholders to determine the future of Meiller Dođuş Damper Sanayi Ve Ticaret Limited Őirketi.



### 3. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

There are four basic principles of corporate governance in OECD Corporate Governance Principles. These are: fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group, established

within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014, according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "implement or disclose", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

The methodology takes into consideration the criteria stated in CMB's Corporate Governance Communiqué, no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

In this analysis, the full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

**401** criteria are used in the rating process for BIST Second Group companies in order to measure the compliance of firms with corporate governance principles. These criteria are translated into Corporate Governance Rating Question Sets through Kobirate A.S.'s unique software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

**Shareholders 25 %**

**Public Disclosure and Transparency 25 %**

**Stakeholders 15 %**

**Board of Directors 35 %**

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014, numbered II-17.1, is restricted to 85 % of the full points. Remaining 15 % is reached by measuring company's efficiency in applying CMB's Corporate Governance Principles, degree to which the company is internalized these practices and the value that these internalized practices create for the company. The existence of those practices that are not included in CMB's Corporate Governance Principles, but determined as good corporate practices by Kobirate A.Ş. Corporate Governance Compliance Rating Methodology

are also considered as part of the remaining 15 % and affect the company's grade.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

**4. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ**  
**A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS**

GRADE	DEFINITIONS
9–10	<p>The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognised and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.</p>
7–8,9	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. Benefits of the shareholders are fairly taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.</p>
6–6,9	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board. Under these conditions, the Company is not eligible for inclusion in the BIST Corporate Governance Index.</p>

GRADE	DEFINITIONS
4-5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency. Structure and working conditions of the Board appear to be at a level that might cause the investor to incur material losses.</p>