



Corporate Governance Compliance Rating Report



Doğuş Otomotiv Servis ve Ticaret A.Ş.

16 December 2022

Validity Period 16.12.2022-16.12.2023

LIMITATIONS

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

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

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 communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 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.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr).

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.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

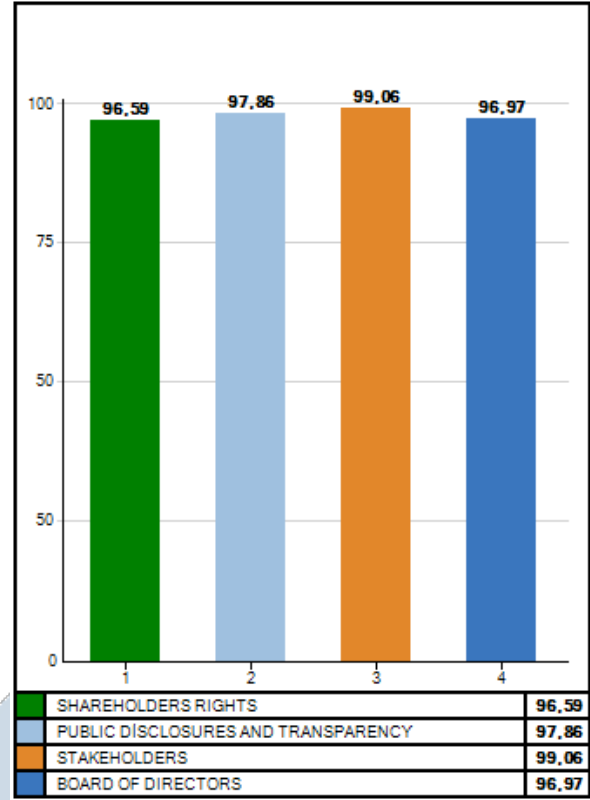
CMB CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE GRADE

BIST FIRST GROUP COMPANY

9.74

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SUMMARY AND CONCLUSION OF THE RATING

This report of rating of compliance of Doğuş Otomotiv Servis ve Ticaret A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to public, interviews held with executives and persons involved, and of other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to CMB decision dated 13.01.2022 , No.2/27, Doğuş Otomotiv is on the list of BIST 1st Group Companies list. The Company has been evaluated through examination of **456** criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of Doğuş Otomotiv has been revised as **9.74**.

This result signifies that the company has achieved a high level of compliance with CMB's Corporate Governance Principles and highly deserves to be on the BIST corporate governance index.

The level of public disclosure and transparency are high. Rights of the shareholders and

stakeholders are treated fairly. Composition and operational conditions of the Board highly comply with the Corporate Governance Principles. Potential risks that the Company may be exposed are identified and can be managed.

When the activities of Doğuş Otomotiv for the last one year are examined, it is seen that it has been developing and maintaining its compliance with Corporate Governance Principles.

In view of rating process under main headings in brief;

It has been seen that the Company has obtained the grade of **96.59** in the Shareholders Section and achieved very good level of compliance with CMB Corporate Governance Principles. The existence of the Investor Relations Department to conduct a healthy relationship with shareholders, duly convention and invitation of general assemblies, preparation of dividend policy, and having no restrictions on the transfer of shares are among positive policies.

Doğuş Otomotiv has achieved a grade of **97.86** for the section of Public Disclosure and Transparency. It has prepared a disclosure policy and revealed it to the public. Its corporate website has been designed to allow investors easy access to the up-to-date information they require and described by Principles.

The annual report's content is sufficient and information is given in a graphic and easy-to-understand format. As a result of the studies conducted, it has been determined that the company has achieved a very good level of compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **99.06** in the section of Stakeholders. In this section, the Company has achieved very good compliance with the CMB's Corporate Governance Principles. Human resources policy has been prepared. Issues concerning employees, such

as recruitment, job descriptions, performance evaluation, promotion, rewarding, leaves and social rights have been regulated and disclosed to the employees.

Work processes and standards have been established and it has been observed that customers are informed about these processes.

Methods to procure products and services from outside have been determined and put into written documents.

Ethical Rules are set forth and introduced to employees to act pursuant to such rules. Annual report gives information about social responsibility projects.

The company has established its sustainability policies and continues to practice them effectively.

As for the Board of Directors Section, the Company's grade is **96.97**, representing a very good compliance with CMB's Corporate Governance Principles.

It has been confirmed that the Board of Directors has set Company's strategic goals, audits the performance of company management, and pays further attention to company affairs to be in compliance with the legislation, the Articles of Association, and internal regulations.

The duties of chairman of the board of directors and general manager are carried out by the same person, and the reason for this preference is explained in the Public Disclosure Platform.

Board of Directors convenes regularly. Meeting procedures are written in Articles of Association and internal regulations.

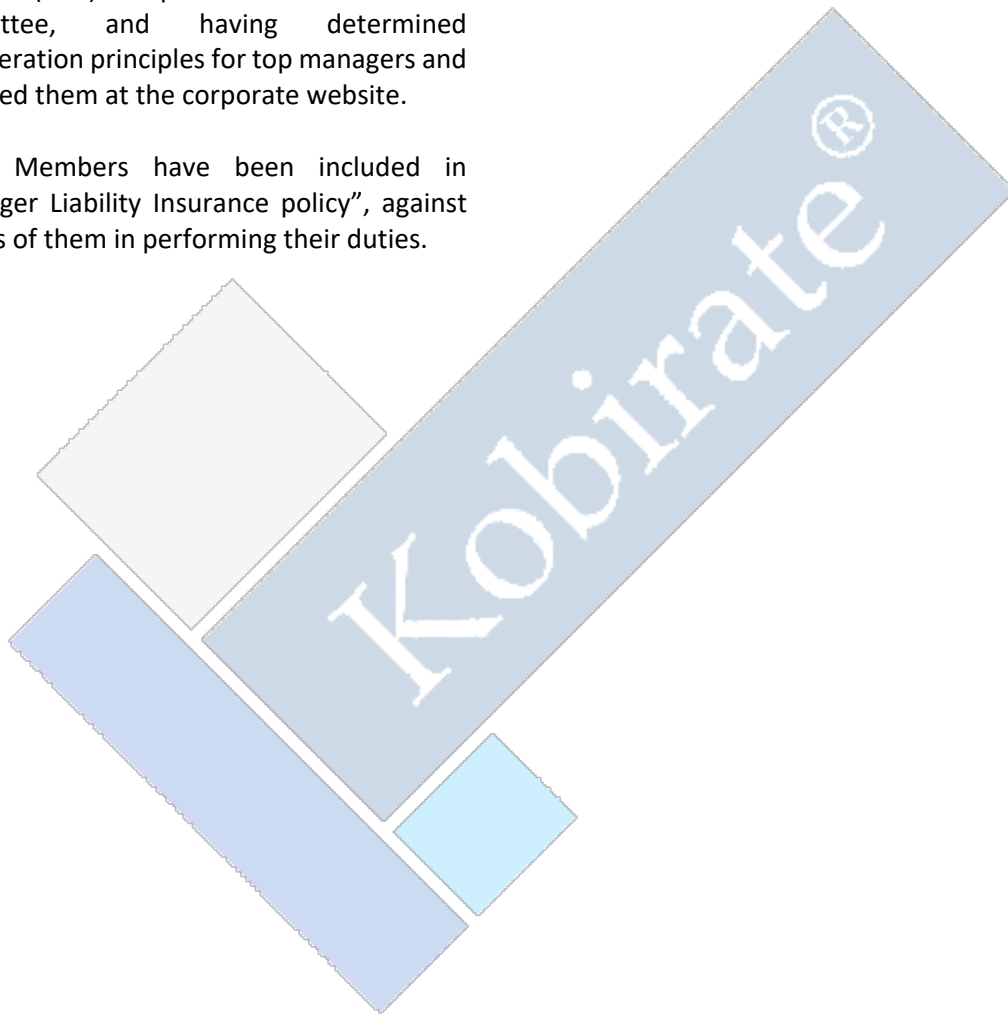
The Audit, Corporate Governance and Sustainability, Early Risk Detection, Remuneration and Nomination Committees, referred to by the Principles, have been

established, their working principles have been prepared as written documents.

II. Pursuant to the Capital Markets Board Communiqué No. 17-1, the Investor Relations Department Officer has been appointed as a Member of the Corporate Governance Committee.

On the other hand, there are other significant practices in terms of compliance with the Corporate Governance Principles, such as having a majority of non – executive members, having 2 (two) independent members in the committee, and having determined remuneration principles for top managers and disclosed them at the corporate website.

Board Members have been included in “Manager Liability Insurance policy”, against defects of them in performing their duties.



2. 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. The Corporate Governance Principles, first announced by the OECD in 1999, were updated for the first time in 2004 and took their final form in Istanbul on April 10, 2015, during Turkey's G20 Presidency.

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, 2014 and 2020 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", 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 CMB has decided to create a new corporate governance reporting framework, and the new framework has been shared with the public with the Capital Markets Board Bulletin dated 10.01.2019 and numbered 2019/2 and the announcement dated 11.01.2019. Within the scope of the new reporting framework, it has been decided that the explanations will be made in the following order. Disclosure of the Compliance Report Format ("CRF") to report compliance with voluntary principles, and disclosure of the Corporate Governance Information Form ("CGIF") to provide information on current corporate governance practices. In accordance with the Turkish Commercial Code and the CMB's Corporate Governance Communiqué (II-17.1), CRF and CGIF must be announced on the Public Disclosure Platform at least three weeks before the date of the general assembly meeting, on the same date as the annual activity reports, and before the due date of the announcement period of the annual financial reports on the Public Disclosure Platform.

The Communiqué on Amending the "Corporate Governance Communiqué (II-17,1)" published in the Official Gazette numbered 31262 on

October 2, 2020 by the Capital Markets Board (II-17,1.a) and regulations regarding the voluntary sustainability principles compliance framework were included.

The compliance framework has been published on the Capital Markets Board website. The Sustainability Compliance Framework is examined under the Headings A- General Principles B- Environmental Principles C- Social Principles D- Corporate Governance Principles.

The practice has been determined according to the "Comply or Explain" principle. It is anticipated that the annual reports include whether the sustainability principles are applied or not, and if not, a reasoned explanation and an explanation of the effects that have occurred. In case of a significant change during the period, it is anticipated that the relevant change will be included in the interim annual reports.

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 revised on February 2022, has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

It has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871.

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

456 criteria are used in the rating process for BIST 1st 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.Ş.'s unique software PERFECRATE.

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 FEBRUARY 2022 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 is restricted to 85 % of the full points.

A rating is made with a system that completes the section grades up to 100 by the company's

compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

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.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB’s Corporate Governance Principles

✗ Improper / Erroneous Application of CMB’s Corporate Governance principles

✓/✗ Practices required to be improved in compliance with CMB’s Corporate Governance Principles

3. COMPANY PROFILE



Company Name
Company Address

: Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
: **Legal Headquarter**
Maslak Mahallesi, Ahi Evran Cad. (Doğuş Power Center) No:4 iç
Kapı No:3 Sarıyer/ İSTANBUL
Administrative Center

Company Phone
Company Fax Number
Company's Web Address
Date of Incorporation
Registered Number
Paid-in Capital
Line of Business

Şekerpınar Mahallesi Anadolu Caddesi No: 22 41490
Şekerpınar - Çayırova / Kocaeli
: (0262) 6769090
: (0262) 6769596
: www.dogusotomotiv.com.tr
: 19/11/1999
: 429183 / 376765
: 220,000,000 TL

Company's Sector

: Automotive and spare parts import, sales-marketing
and service providing
: Automotive Sector

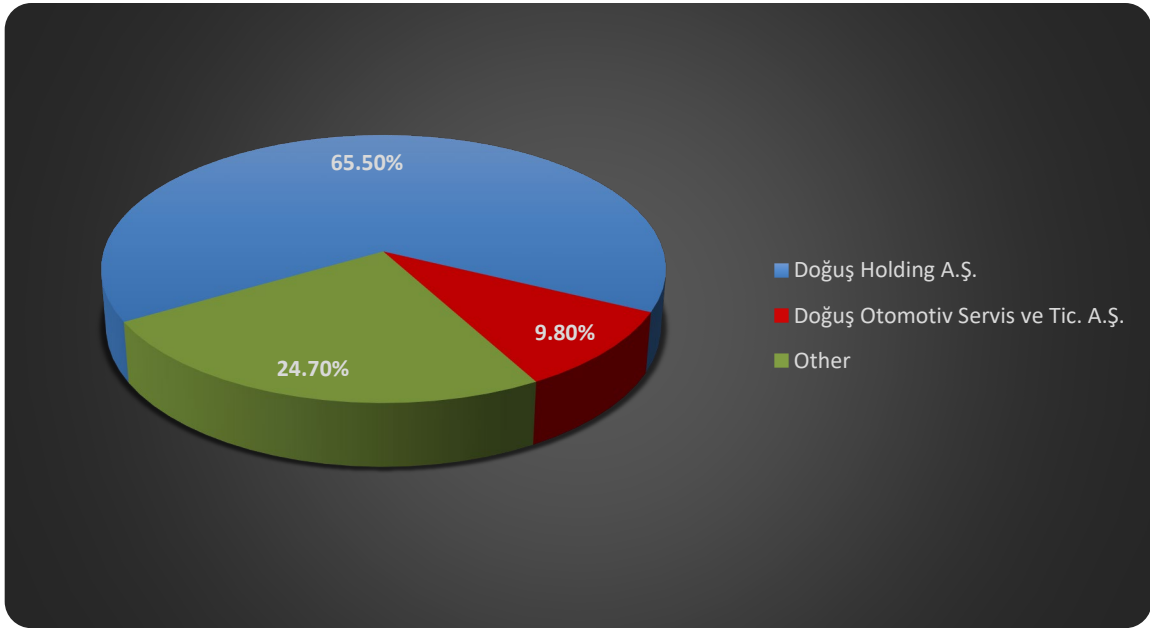
Company's Representative in Charge of Rating

Yavuz Arda YILDIZ
Investor Relations Department Officer

yatirimciiliskileri@dogusotomotiv.com.tr

0262 676 90 58

**Company Shareholder Structure
(As of the Report Date)**



Shareholder Name (*)	Share (TL)	Share (%)
DOĞUŞ Holding A.Ş	144,099,708	65.50
Doğuş Otomotiv Servis ve Ticaret A.Ş.	21,485,007	9.80
Other	54,414,993	24.70
TOTAL	220,000,000.00	100.00

Source: Doğuş Otomotiv Servis ve Ticaret A.Ş

Information on Real Person Final Shareholders can be accessed from the link “Real and Legal Persons with Indirect Capital Ownership as of Latest Status - <https://www.kap.org.tr/tr/sirket-bilgileri/genel/4028e4a240e8d16e0140e951bf04007b>

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Emir Ali BİLALOĞLU	Chairman of the Board of Directors / Chief Executive Officer	Executive
Gür ÇAĞDAŞ	Deputy Chairman	Non - executive
Özlem DENİZMEN KOCATEPE	Member of Board of Directors	Non - executive
Koray ARIKAN	Member of Board of Directors	Non - executive
A. Yasemin AKAD	Independent Member of Board of Directors	Non - executive
Adnan MEMİŞ	Independent Member of Board of Directors	Non - executive

Source: www.kap.gov.tr

Company Executive Board

Name/ Surname	Title
Emir Ali BİLALOĞLU	Chairman of the Board of Directors & Chief Executive Officer
Koray BEBEKOĞLU	Digital Transformation and Corporate Communication General Manager
Giovanni Atilla Gino BOTTARO	Volkswagen Passenger Cars Brand General Manager
Anıl GÜRSOY	Seat, Porsche, DOD Brand General Manager
Kerem Galip GÜVEN	Audi, Bentley, Lamborghini, and Bugatti Brand General Manager
Mustafa KARABAYIR	Spare Parts & Logistics Services General Manager
Ela KULUNYAR	Human Resources and Process Management General Manager
Tolga SENYÜCEL	Volkswagen Commercial Vehicles Brand General Manager and Scania- ThermoKing, DOD Heavy Vehicle, Scania Industrial and Marine Engines General Manager
Kerem TALİH	Financial Affairs General Manager

Source: www.kap.gov.tr

Committees Formed Within Board of Directors

Corporate Governance and Sustainability Committee

Name Surname	Title	Duty
A. Yasemin AKAD	Independent Member of Board of Directors	Committee Chairman
Koray ARIKAN	Member of Board of Directors	Committee Member
Gür ÇAĞDAŞ	Deputy Chairman	Committee Member
H. Hüsnü GÜZELÖZ ⁽¹⁾	Consultant	Committee Member
Yavuz Arda YILDIZ	Investor Relations Department Officer	Committee Member

Source: www.kap.gov.tr

⁽¹⁾ Hasan Hüsnü Güzelöz left his duties in the company with the decision of the board of directors dated 28.04.2017 and numbered 2017/25 and works only as a consultant in committees.

The Audit Committee

Name Surname	Title	Duty
Adnan MEMİŞ	Independent Member of Board of Directors	Committee Chairman
A. Yasemin AKAD	Independent Member of Board of Directors	Committee Member

Source: www.kap.gov.tr

Early Detection of Risk Committee

Name Surname	Title	Duty
Adnan MEMİŞ	Independent Member of Board of Directors	Committee Chairman
Koray ARIKAN	Member of Board of Directors	Committee Member
Gür ÇAĞDAŞ	Deputy Chairman	Committee Member
H. Hüsnü GÜZELÖZ ⁽²⁾	Consultant	Committee Member

Source: www.kap.gov.tr

⁽²⁾ See:Footnote:1

Remuneration and Nomination Committee

Name Surname	Title	Duty
A. Yasemin AKAD	Independent Member of Board of Directors	Committee Chairman
Özlem DENİZMEN KOCATEPE	Member of Board of Directors	Committee Member

Source: www.kap.gov.tr

Investor Relations Unit

Name Surname	Title	Contact
Yavuz Arda YILDIZ	Investor Relations Department Officer	0(262) 676 9058 - 0(262) 676 90 59 AYildiz@dogusotomotiv.com.tr

Source: www.kap.gov.tr

Balance-Sheet Comparison of Company's Certain Selected Items for yearends of last two years (Thousand TL)

	2020/12	2021/12	Change %*	09/2022
Current Assets	4,601,874	6,583,292	43	11,609,778
Fixed Assets	2,515,260	3,171,307	26	4,801,357
Total Assets	7,117,134	9,754,599	37	16,411,135
Short-Term Liabilities	4,467,121	5,086,738	13.87	7,242,917
Long-Term Liabilities	354,279	304,178	- 14,14	483,171
Paid Capital	220,000	220,000	-	220,000
Equity	2,295,734	4,363,683	90	8,685,047

Source: Doğu Otomotiv Servis ve Ticaret A.Ş. 31.12.2021 Consolidated Financial Statements and Independent Audit Report and 30.09.2022 Summary Consolidated Financial Statements and Review Report for the Nine-Month Interim Period

* 2020/12 and 2021/12 period change

Income Comparison of Company's Certain Selected Items for yearends of last two years (Thousand TL)

	2020/12	2021/12	Change %*	09/2022
Revenue	18.900.148	24.306.203	28.6	30.712.276
Cost Of Sales	(16.425.050)	(20.784.706)	26.54	(23.929.764)
Gross Profit	2.475.098	3.521.497	42.27	6.782.512
Profit/Loss Before Taxes	1.287.663	2.968.589	130.5	5.872.834
Period Profit / Loss	1.041.870	2.336.056	124.2	5.478.783

Source: Doğu Otomotiv Servis ve Ticaret A.Ş. 31.12.2021 Consolidated Financial Statements and Independent Audit Report and 30.09.2022 Summary Consolidated Financial Statements and Review Report for the Nine-Month Interim Period

* 2020/12 and 2021/12 period change

Information Related to the Subsidiaries, Financial Fixed Assets and Financial Investments

Trade name	Line of Business	Paid in/Issued Capital	Company's Share in Capital	Currency	Company's Share in Capital (%)	The Nature of the Relationship with the Company
D-Auto Limited Liability Company	Auto Trading and After Sales Services -Iraq	150,000,000	150,000,000	IQD	100	SUBSIDIARY
Doğuş Oto Pazarlama Ve Ticaret A.Ş.	Auto Trading and After Sales Services	45,000,000	43,288,270	TL	96.20	SUBSIDIARY
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	Information Technology Infrastructure and Software	226,400,000	49,255,692	TL	21.756	AFFILIATE
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	Insurance Brokerage Services	1,265,000	531,232	TL	41.99	AFFILIATE
Vdf Servis ve Ticaret A.Ş.	Automotive Products and Services	6,465,344	3,154,365	TL	48.79	AFFILIATE
Yüce Auto Motorlu Araçlar Ticaret A.Ş.	Skoda Turkey Distributor	2,100,000	1,049,999,7	TL	50	AFFILIATE
Tüvtürk Güney Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	291,246,000	96,115,000	TL	33	BUSINESS PARTNERSHIP
Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	510,150,000	168,300,000	TL	33	BUSINESS PARTNERSHIP

Source: www.kap.gov.tr

The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST STAR

BIST SUSTAINABILITY 25 / BIST W. AND RETAIL TRADE / BIST CORPORATE GOVERNANCE / BIST PARTICIPATION 50 / BIST 100 / BIST İSTANBUL / BIST PARTICIPATION ALL SHARES / BIST STARS / BIST ALL SHARES / BIST SUSTAINABILITY / BIST PARTICIPATION 30 / BIST SERVICES / BIST SUSTAINABILITY PARTICIPATION / BIST 100-30 / BIST PARTICIPATION 100

The Peak and Bottom Closing Values of the Company Stock in the BIST for the Last One Year (01.12.2021-01.12.2022)

Bottom (TL)	Peak (TL)
43.28- (10.01.2022)	156.40- (30.11.2022)

Source: Doğuş Otomotiv Servis ve Tic. A.Ş

Brief History of the Company and Information About Its Operations

It started its activities in 1994 as a distributor of VW AG with the title of Doğuř Otomotiv Sanayi ve Ticaret A.ř. It was restructured in 1999 and changed its trade name, and in 2004 it gathered all brands related to automotive activity under a single roof with the current title.

Doğuř Otomotiv is Turkey's leading automotive importer and one of the largest automotive distributors. It is the company with the largest brand and service network in Turkey in its sector.

Creating its business plans with the vision of "creative service beyond expectations", Doğuř Otomotiv builds its corporate strategy on the goal of "working with a focus on customer satisfaction".

Doğuř Otomotiv, which is the representative of 11 international brands and 12 product groups, each of which is a leader in its own sector in the fields of passenger cars, light commercial vehicles, heavy vehicles, industrial and marine engines, and cooling systems, offers a wide range of products including more than 80 models from Volkswagen Passenger Cars, Audi, SEAT, CUPRA, řkoda, Bentley, Lamborghini, Porsche, Volkswagen Ticari Araç, Scania to both individual and corporate customers.

The company also competes with Scania Engines in the industrial and marine engines market, Thermo King in cooling systems, and Doğuř Marine Services in After Sales Services and Spare Parts in the maritime sector. As of October 2021, the company opened its customer experience center in Galataport Istanbul under the name Doğuř Otomotiv Plus.

Considering unconditional customer satisfaction as its number one priority, Doğuř Otomotiv offers its customers widespread and uninterrupted sales, service, and spare parts services with more than 630 customer meeting points all over the country. In this context, the Company launched the Value and Care Center in 2014 in order to respond to all kinds of requests and needs of its customers at the highest level.

Doğuř Otomotiv has made significant investments in areas such as import and distribution, retail, IT infrastructure, logistics services, spare parts and accessories trade, customer services, second-hand vehicle trade, consumer financing, fleet leasing, vehicle inspection and insurance, with the strategy of being present in every stage of the lifecycle of a vehicle.

With more than 2000 employees, the company is one of the most important players in the automotive industry in Turkey. Doğuř Otomotiv shares, which were offered to the public in 2004, are traded on the Borsa Istanbul (BIST) with the code "DOAS. IS".

Doğuř Otomotiv shapes all of its business processes in line with its social, environmental and economic responsibility approach. In line with this perspective, the company published the first Corporate Responsibility Report of its sector in Turkey in 2009 and signed the United Nations Global Compact in 2010. The company uninterruptedly continues its social responsibility activities, which it started in 2004 with the slogan "Traffic is Life!" in order to increase the general responsibility, awareness and perception of traffic in the society in a positive way.

Doğuř Otomotiv is a member of Doğuř Group, which operates in the automotive, construction, media, food & beverage, tourism & retail, real estate and energy sectors.

Milestones

1994

Scania distributorship agreement,
Volkswagen and Audi distributorship agreement,
Volkswagen AG distributorship agreement,

1995

Scania Industrial and Marine Engines distributorship agreement,

1996

Porsche distributorship agreement,

Abolition of customs duty on vehicle imports from the EU,

1997

SEAT distributorship agreement Yüce Auto partnership,

1999

Skoda distributorship agreement Yüce Auto partnership,

Consumer finance partnership with Volkswagen Financial Services AG,

Starting of second-hand vehicle activities,

2003

Krone distributorship agreement,

Consolidation of operations,

Consolidation of automotive companies under the roof of Doğu Otomotiv,

2004

In order to increase traffic safety awareness in all segments of society, the corporate responsibility platform

"Traffic is Life!" has been created,

Doğu Otomotiv was offered to the public,

2005

First dividend payment,

2006

SEAT became 100% owned by Doğu Otomotiv,

Letter of goodwill with Lamborghini,

Letter of goodwill with Bentley,

Volkswagen Marine Engines agreement,

Second dividend payment,

Production agreement with Krone,

2007

11.4% market share,

TÜVTURK was established with the partnership of AKFEN and TÜV SÜD,

Porsche dealership agreement in Lausanne,

Lamborghini distributorship agreement,

Launching of OtoMotion,

Oto-Fix Express Service,

Meiller distributorship and co-production agreement,

Krone - Doğu co-production agreement,

Letter of goodwill with Bugatti,

Partnership with LeasePlan in fleet leasing,

2008

Thermo King distributorship agreement,

Krone Doğu Trailer Factory Groundbreaking Ceremony,

Porsche Lausanne Dealership Groundbreaking Ceremony,

Opening of Meiller Doğu Damper Factory,

Letter of goodwill with Thermo King,

Porsche Lausanne D-Auto Suisse SA company establishment,

2009

Gathering of all brands under one roof in Şekerpınar,

Opening of the Porsche Lausanne Dealership,

Publication of the Sustainability Report,

2010

Signing of the United Nations Global Compact,

2011

12.6% Market Share

Corporate Rating Score(7.80 Points),

Establishment of Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.,

2012

15.4% Market Share,

The Title of the Company that Raised the Most Corporate Rating Points (Score:8.63),

2013

17.8% Market Share

Increasing the Institutional Rating Score to 9.05,

Opening of Doğuş Krone Trailer Factory,

Company establishment of Erbil D-Auto LLC, Iraq,

2014

Volkswagen Doğuş Finans A.Ş.'s incorporation of Scania Finansman, which provides financial services in the heavy commercial vehicle sector,

Increasing the Corporate Rating Score to 9.25,

Maintaining the leadership in the Total Automotive Market all year and increasing its Market Share to 20.1%,

2015

20.6% Market share,

The inclusion of Man Finansman in the structure of Volkswagen Doğuş Finans A.Ş.,

The increase of the Corporate Rating score to 9.42,

The decision to discontinue Meiller production (Meiller distribution continues),

The termination of our production partnership and distribution agreement with Krone.

2016

21% Market share,

The increase of the Corporate Rating Score to 9.51,

The termination of the distribution agreement with Meiller.

D'Auto Suisse SA's incorporation of the Lausanne Bentley Showroom into its used luxury vehicle sales operation D-Occasion,

2017

The increase of the Corporate Rating Score to 9.63,

The liquidation of affiliated partnerships in Egypt,

Winning the award for the Year's Social Responsibility Project with Traffic is Life! in ODD Sales and Communication Awards,

2018

The renewal of the distribution agreement with VW AG on a permanent basis,

The transfer of Porsche and Bentley showrooms under the D-Auto Suisse SA company in Switzerland/Lausanne,

The increase of the Corporate Rating Score to 9.64.

2019

25th anniversary celebration,

The increase of the Corporate Governance Compliance Rating Score to 9.65,

2020

The establishment of the ISO 14001 Environmental Management System,

The increase of the Corporate Governance Compliance Rating Score to 9.67,

2021

The establishment and certification of ISO 14001:2015 Environmental Management System,

The increase of the Corporate Governance Compliance Rating Score to 9.70,

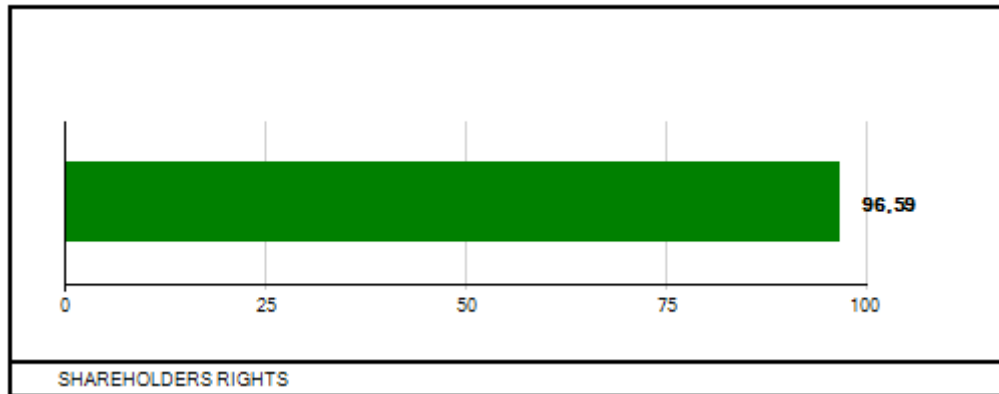
The launching of Dogus Marine Services.

2022

Completing the implementation and certification of ISO 9001 Quality Management System, ISO 27001 Information Security Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 50001 Energy Management System covering all Dogus Otomotiv facilities and operations.

4. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ There is an Investor Relations Department in order to conduct relations with Shareholders.
- ✓ The general meetings were held in accordance with the relevant laws, regulations, and articles of association.
- ✓ General Assembly meetings are held open to the public.
- ✓ The donation and aid policy of the company was created, submitted to the approval of the general assembly and disclosed to the public.
- ✓ At the general assembly meeting, the shareholders were informed about the amount and beneficiaries of the donations and aids made during the period.
- ✓ There is no privilege for voting.
- ✓ There are no arrangements making exercise of voting right difficult.
- ✓ Dividend distribution policy has been prepared, presented to the approval of the General Assembly, and disclosed to public.
- ✓ There is a regulation in the Articles of Association regarding the possibility of making advance dividend payments.
- ✓ There is no restriction on transfer of shares.

- ✓/* **Minority rights must be extended to those shareholders with less than 1 / 20 of the capital.**

In this section, as determined by CMB's Corporate Governance Principles, the company was evaluated on **111** different criteria, under the headings of **Facilitating the Exercise of Shareholders' Rights**, **Shareholders' Right to Obtain Information and to Examine**, **Shareholders' Right to Attend the General Assembly**, **Shareholders' Right to Vote**, **Rights of Minority Shareholders**, **Shareholders' Right for Dividend** and **Shareholders' Right to Transfer Their Shares** to whomever they want, whenever they want. The company's grade for this section has been revised as **96.59** points.

a. *Facilitating the Exercise of Shareholders' Rights*

Investor Relations activities are conducted by Mr. Yavuz Arda YILDIZ (Investor Relations Department Officer) reporting to Mr. Kerem TALİH (General Manager of Financial Affairs). Mr. Yavuz Arda YILDIZ has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses. In accordance with CMB Corporate Governance Directive no II.17-1, YILDIZ has also been appointed as member of Corporate Governance Committee and it was disclosed to public with Material Event Disclosure, dated 08.12.2022.

It has been found that the employees of the Investor Relations Department have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in protection and facilitation of shareholders' rights, starting with the right to obtain and review information.

Job description of Investor Relations Department has been made and it includes the duties stated at the 11/5 item of CMB Corporate Governance Directive No II-17.1.

Investors Relations Department reports regularly to the Board of Directors and Corporate Governance Committee about its activities and performance of shares.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate Internet website.

In this subsection, company practices are in accordance with the principles.

b. Right to Obtain Information and to Examine

The information required for the proper exercise of shareholders' rights are presented to the shareholders and to this end the company's corporate website (www.dogusotomotiv.com.tr) is used as an efficient platform.

The "Disclosure Policy" prepared by the Board of Directors is published electronically. Shareholders' right to obtain information is explained in detail in the aforementioned policy. It is understood that in accordance with the company's disclosure policy, all shareholders, potential investors and analysts are treated equally in the exercise of the right to receive and review information, and care is taken to deliver the disclosures with the same content to everyone at the same time. Within the framework of information sharing, all kinds of information that may be of interest to shareholders and market players are

announced to the public through material disclosures, and these disclosures are also published on the corporate website of the company.

Shareholders' right to obtain information and to examine is not cancelled or restricted by the Articles of Association or any department of the Company.

It has been observed that information requests from shareholders are answered as soon as possible, and sufficient care is taken to ensure that shareholders' right to obtain information and examination is exercised. It has been learned that in 2022, approximately 100 questions were received on average per month from shareholders, institutional investors and investment institution analysts via telephone and e-mail, and all of them were answered.

During the monitoring period, there was no warning/IPC received from regulatory/supervisory institutions on the grounds that the shareholders and related parties were not adequately informed. In addition, during the same period, it was learned that there were no disputes that were the subject of litigation for reasons such as the fact that the shareholders' requests for information and examination were left unanswered and rejected without justification.

There are no arrangements or policies that make it difficult for shareholders to demand the appointment of a special auditor from the general assembly.

It has been determined that the Company has achieved very good compliance with the Corporate Governance Principles in this subsection.

c. Right to Attend the General Assembly

The General Assembly meeting to discuss the operations of 2021 took place on 29.03.2022. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 04.03.2022 and numbered 10530, on the Public Disclosure Platform (KAP) and the

Central Registry Agency e-general assembly system (EGAS) on 28.02.2022. The date, time, place, agenda, and the sending department have been clearly described in the invitation.

The financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the partnership in accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders 3 weeks in advance.

The general assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the lowest possible cost. It is possible for shareholders to attend the meetings physically, through a representative or through the electronic general assembly system (EGKS).

Along with the general assembly meeting announcement, the information document prepared in accordance with the Article 1.3.1 General Assembly of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 was published on the company's website. In this document, it has been determined that information on the total number of shares and voting rights reflecting the shareholding structure of the company as of the date of disclosure, whether there are privileged shares in the company's capital, and the nature and scope of the privileges are shared with the shareholders. Similarly, it has been seen that information about the changes that will significantly affect the management and activities of the partnership and its subsidiaries, and whether the shareholders have requests to add an item to the agenda and whether there are any changes in the articles of association are also included.

During the preparation of the general assembly agenda, it was determined that the agenda headings were expressed clearly and

in a way that would not lead to different interpretations, and care was taken not to include phrases such as "other" "various" in the agenda.

At the general assembly meeting, Mr. Emir Ali BİLALOĞLU (Chairman and CEO), Mr. Koray ARIKAN (Member of the Board of Directors), and Ms. Özlem DENİZMEN KOCATEPE (Member of the Board of Directors) were present. In order to inform the attendant about the specific issues on the agenda Mr. Kerem TALİH (General Manager of Financial Affairs), Mr. Engin KAYA (General Accounting Manager) and Mr. Hasan Hüsnü GÜZELÖZ (Consultant and Member of Corporate Governance and Sustainability Committee) were present. In addition, the representative of the independent audit firm conducting the company's external audit attended the meeting.

When the minutes of the General Assembly are examined, it is determined that the agenda items were voted separately, the votes were counted and announced to the shareholders before the end of the meeting. It was observed that the chairman of the meeting took care to convey the topics on the agenda in an impartial and detailed manner, with a clear and understandable method, and the shareholders were given the opportunity to express their thoughts and ask questions under equal conditions.

It is understood from the explanations in the minutes of the general assembly and the interviews made with the relevant parties in the company that the chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting, which is not within the scope of trade secrets, is answered directly at the general assembly meeting.

In accordance with the provisions of the CMB's Communiqué numbered II-17.1, the general assembly was informed about the transactions made with related parties and the guarantees, pledges and mortgages given in favor of third parties.

The shareholders were informed about the donations made during the period and their beneficiaries, and the donation limit was also determined.

The general assembly invitations state that the meeting is open to the public, and this issue is also regulated by the articles of association.

Doğuş Otomotiv has achieved a very good level of compliance with the principles with its practices in the general assembly meeting processes.

d. Voting Right

Neither the Articles of Association nor the internal procedures contain any difficulties to exercise the voting right and opportunity to exercise the voting right in the easiest and most convenient manner is given to each shareholder.

It is possible for the shareholders to exercise their voting right in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are submitted with the specimen proxies to be used for this purpose at firm's headquarters and on corporate internet website.

Detailed explanations on the distribution of company shares, voting rights granted by the shares, privileges regarding voting and other issues are provided in the corporate website, annual activity reports and general assembly information documents.

The Company doesn't have a mutual subsidiary which brings a relationship of sovereignty.

Doğuş Otomotiv's practices in this subsection fully comply with corporate governance principles.

e. Minority Rights

There has been no violation of exercising basic minority shareholders' rights like attendance to the general assembly meeting,

representation by proxy and imposition of no upper limit for voting rights. In this manner it has been observed that care is given to the exercise of minority rights.

However, there is no adjustments made to extend minority rights with Articles of Association and covering those shareholders who have less than 1 / 20 of the capital.

f. Dividend Right

The method to be applied in profit distribution is regulated in Article 24 Of the articles of association. Likewise, in article 25/b of the articles of association, a regulation has been made that the company can distribute dividend advances to the shareholders in accordance with the Capital Market Legislation.

The Company has determined its profit distribution policy in accordance with the CMB communiqués, the criteria set out in the TCC and the relevant articles of the articles of association of the company and has disclosed it to the public electronically.

Dividend Policy is found to be containing minimum information enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods. Information like dividend distribution ratio, payment method and time have also been disclosed to public in this regard.

There are no privileges in the distribution of dividends. In addition, Article 24 of the Articles of Association includes the provision that "Dividends will be distributed equally to all existing shares as of the date of distribution, regardless of their issue and acquisition dates".

As a result of its activities in 2021, the company has achieved a net profit after tax of 2,033,340,685 TL according to its financial statements prepared in accordance with the Tax Procedure Law legislation and 2,331,581,000 TL according to its consolidated financial statements prepared in accordance

with the Capital Markets Board legislation. After deducting the legal and discretionary obligations from the profit obtained, the remaining 1,250,000,000 TL dividend was distributed in cash to the shareholders on 12.04.2022.

The profit distribution proposal of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

On the other hand, with the decision of the board of directors dated 09.11.2022, advance dividends were distributed from the third quarter interim profit. The company's announcement on the matter states: "In order to ensure the continuation of our principle of sustainable and as stable as possible dividend distribution, in consideration of the interests and expectations of shareholders in line with the goals and objectives determined by the Capital Markets Board regulations, the Turkish Commercial Code and our articles of association, and our dividend distribution policy, by taking into account the net profit generated during the 01.01.2022 - 30.09.2022 interim period, our Board of Directors, within the scope of the authority given to it by the 7th item of the agenda at the ordinary general assembly held on 29.03.2022, has decided to distribute 900,000,000 TL dividend advance, after deducting the legal reserves to be separated according to Turkish Commercial Code and our articles of association, as it will be seen in the consolidated financial statements announced to the public on 09.11.2022.

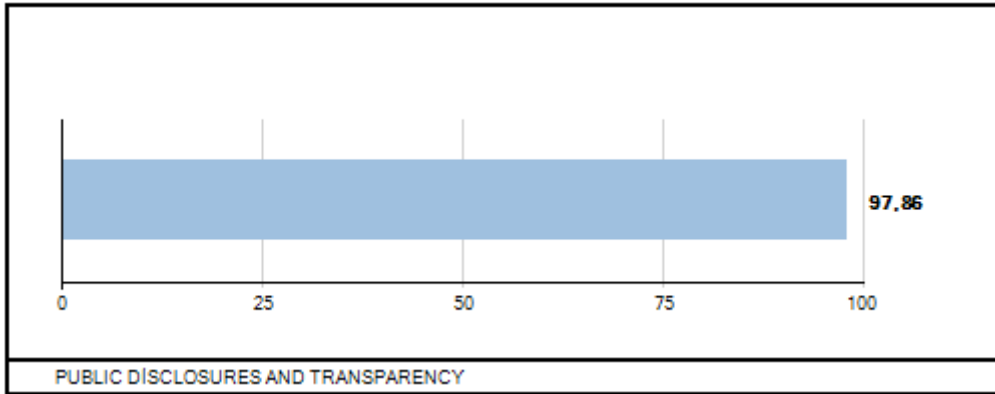
Doğuş Otomotiv's practices in this subsection fully comply with the principles.

g. Transfer of Shares

There are no articles in the Articles of Association that restrict transfer of shares. We have seen no practices that make it difficult to freely transfer shares.

In this subsection, the company has fully complied with the principles.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The information and documents, required by principles to be on the corporate website, are published based on last five years.
- ✓ The annual report is comprehensive, and its content mostly reflects the principles.

As for this section, the Company has been assessed by 93 different criteria under the headings of **Corporate Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company's grade was revised as **97.86**.

Doğuş Otomotiv, carries out public disclosures within the scope of its Public Disclosures Policies developed by the board and disclosed to the public. This policy is in line with the CMB's Special Circumstances Communiqué No. II.15-1 and is quite comprehensive.

The officials in the Company who are charged with disclosures and have the authority for signature are: Mr. Kerem TALİH (General

Manager of Financial Affairs), Mr. Engin Kaya (General Accounting Manager) Ms. Damla ÇOBANOĞLU (IFRS/CMB Reporting Manager) and Mr. İlyas AKGEDİK (Accounting Manager). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

The company's independent audit for 2021 was carried out by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. There are no cases where the independent audit avoided expressing opinion, expressed opinion with conditions or avoided signature in the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence and there was no legal conflict with it.

With the suggestion of Audit Committee and Board of Directors and approval of the General Assembly, it has been decided that 2022 audit to be conducted by the same company.

a. Corporate Website

The corporate website (www.dogusotomotiv.com.tr) is updated regularly and the website is being used as an active and effective platform for disclosure to the public. Information in corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

On the company's website, alongside with information bound to be disclosed by regulations, there is commercial registry info, information on latest shareholder and management structure, committees of board of directors and their working principles, information on whether there are privileged shares or not in the capital, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, material disclosures, important board decisions, financial reports, sustainability reports, annual reports, agendas of general assembly meetings, the lists of attendees, the proceedings of the assemblies, the specimen Proxy, dividend policy, disclosure policy, remuneration policy, compensation policy, donation policy, business ethics rules and information requests, questions and notifications and answers given under frequently-asked questions title.

The information provided to shareholders and potential investors covering the last five years.

This information on the website is also published in English for international investors.

On the other hand, financial statement statements, which are required to be disclosed to the public in accordance with the capital market legislation, are disclosed simultaneously in English as well as Turkish on the Public Disclosure Platform. English explanations are presented in such a way that they are accurate, complete, direct, understandable, sufficient and consistent with the Turkish language of the explanation to help those who will benefit from the explanation to make a decision.

The real person ultimate controlling shareholders of the company are disclosed both on the corporate website and on the Public Disclosure Platform.

In this subsection, it has been determined that Doğu Otomotiv's compliance with corporate governance principles is at a very good level.

b. Annual Report

It is seen that board of directors has prepared the annual report in such a way that public can access comprehensive, complete and correct information on company activities. The report also clearly points out the development of the company and the risks it is likely to face, and includes the evaluation of the board of directors on these issues.

The annual report for the accounting period ended on 31.12.2021 was approved and disclosed to the public by the decision of the Board of Directors dated 28 February 2022 and numbered 2022/13.

It is possible to reach many topics in the annual report, including;

Board members' and managers' ongoing jobs outside the company,

Independence declaration of the board members,

Evaluation of the board of directors regarding the members of the committees formed within the body of the board of directors, the frequency of their meetings, the working principles including the activities conducted, and the effectiveness of the committees,

Number of Board meetings in that year and attendance of Board Members,

Changes of regulations, which might significantly affect company operations,

Information about important lawsuits filed against the company and their possible consequences,

Information about conflicts of interest between the Company and other enterprises that provide services like investment consultancy or rating and these measures taken by the Company to prevent conflicts of interest,

Information about subsidiaries where direct participation ratio is over 5 %,

Social rights and professional training of employees, as well as other company activities that have social and environmental impacts and corporate social responsibility activities,

Information about the sector that company operates in and about its position within the sector.

Also, in addition to the issues specified in the legislation and other parts of the corporate governance principles, the annual reports include;

The period of the report, the title of the partnership, the trade registry number, contact information,

General explanations regarding the characteristics of business units and sales volumes,

Sales and improvements seen in them during the year, productivity rates and the reasons for significant changes in them compared to previous years,

Developments in investments, the status of benefiting from incentives, the extent to which they have been realized,

The financial resources of the company and the nature and amount of the capital market instruments, if any,

Changes made to the articles of association during the period and their reasons,

Profit distribution policy,

Declaration on Compliance with Corporate Governance Principles

Mandatory information to be provided to shareholders regarding related party transactions and balances,

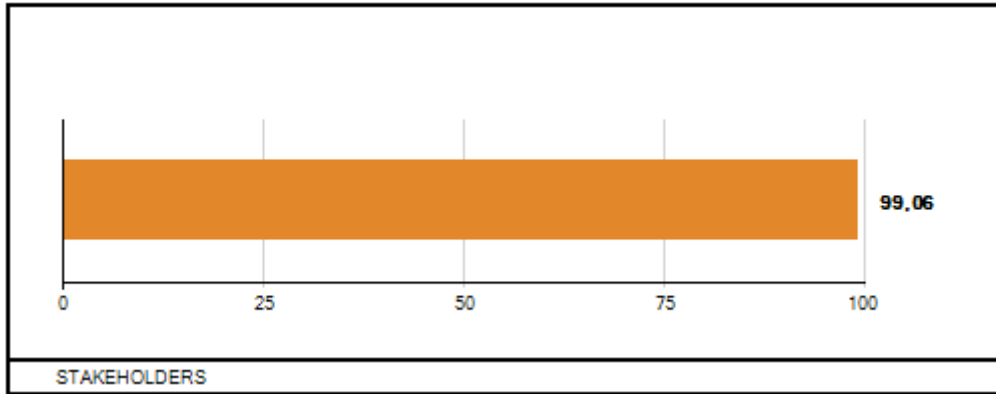
A lot of information, including other matters not included in the financial statements but that would be useful to users.

The company also includes the sustainability principles compliance report in its annual report in accordance with the "Communiqué Amending the Corporate Governance Communiqué (II-17,1) (II-17,1.a)" and the voluntary sustainability principles compliance framework format.

In the annual report, salaries, bonuses and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

It has been determined that the Company has achieved very good compliance with the Corporate Governance Principles in this subsection.

C. STAKEHOLDERS



Overview

- ✓ Business Ethics Rules have been prepared and disclosed in electronic environment.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Human resources policy and many internal regulations concerning customers and stakeholders have been prepared.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
- ✓ Compensation policy for employees has been prepared and disclosed to public.
- ✓ Care is given to confidentiality of information about customers and suppliers on trade secret basis.
- ✓ The Company has established and publicly disclosed its Corporate Social Responsibility Policies.
- ✓ An active mechanism has been prepared for company stakeholders to report Company's unethical and irregular actions to the Corporate

Governance Committee or Audit Committee.

- ✓ Structures supporting the participation of employees and stakeholders in company management have been established in company internal procedures.

In this section, the Company has been assessed by **104** different criteria under the headings of **Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility and Sustainability** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company's grade has been revised to **99.06**.

a. Corporate Policies on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organizations or interest groups as employees, creditors, customers, suppliers, trade unions, and various non-governmental organizations having an interest in the attainment of the company's objectives or in its operations. It is concluded that Doğu Otomotiv protects stakeholders' rights, which are specified in regulations and mutual contracts. The

impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end.

Stakeholders are adequately informed on company policies and procedures to protect their rights and the company's corporate website is being actively used for this purpose. Employees are informed through regular periodic information meetings and announcements regarding the company practices on the intranet.

The remuneration and compensation policy for employees has been prepared and disclosed to the public via the corporate website.

The "Dogus Otomotiv Code of Ethics", which all employees must comply with, includes the company's commitments and policies on all ethical issues and is published on the company's corporate website.

It has been observed that an active mechanism has been prepared for company stakeholders to report Company's unethical and irregular actions to the Corporate Governance Committee or Audit Committee.

Employees can report violations of the Code of Ethics or potential violations by calling the Ethics Line at 444 3845 [(ETIK - (in Eng.: ETHICS))] openly or anonymously if requested. Established as a reporting mechanism, the "Ethics Line" is managed and monitored by an independent organization, and the reports, complaints and information received are forwarded to the relevant committees of the company.

In this subsection Company has achieved a very good compliance with corporate governance principles.

b. Supporting Participation of Stakeholders in Corporation's Management

Although there are no regulations in the articles of association that support the direct participation of stakeholders in the company management, many internal regulations have been made for this purpose and are currently effective.

A "We are One Employee Committee" was formed in the company with the participation of representatives from each department. We are One Committee organized 4 (four) workshops in 2021 and the opinions and suggestions of the employees regarding the works and activities carried out within the scope of human resources practices were obtained. Applicable suggestions were included in the business plan, and information about the company was regularly shared with employees via intranet and e-mail within the framework of legal regulations. The Committee convened 3 (three) times in 2022 and recorded the decisions taken in minutes. There is 1 (one) more meeting planned for 2022.

The Committee elects an "Employee Representative" through the election it makes through democratic methods. The most recent election was held at the meeting held on October 11, 2022. The job description of the Employee Representatives has been made and they are obliged to convey the problems, needs, suggestions and expectations of all employees, including their personal rights, to the Board of Directors. Employee representatives attend the planned management and executive board meetings at least twice a year. Supporting the active participation of employees in the company's management by ensuring that problems, suggestions and feedback regarding business processes reach the senior management directly is considered as an important practice in terms of compliance with the principles.

In addition;

- The Suggestion System, which has been actively used since 2009, was opened to the use of employees as an "Idea Platform" where all ideas can be shared with its renewed interface in 2021. With the renewed platform,

it is aimed to create value for the contributors, the company and the future. In 2021, 2,111 ideas were submitted to the Idea Platform. 929 of these ideas were approved and 573 of them were implemented, resulting in improvements in in-house practices and business processes.

- In addition, the teams implement various process improvement projects in the areas of efficiency, quality, cost savings, additional turnover, customer satisfaction, employee satisfaction, corporate responsibility and occupational health and safety every year by improving their business processes related to their work areas. In this context, approximately 140 projects were implemented in 2021. The "Birthday of Ideas" graduation ceremony, where these ideas were awarded and with the participation of top management, was held online in 2021. While 137 employees received their awards from the members of the board of directors, all teams had the opportunity to watch the ceremony.

Customers are informed about company strategy and plans through Authorized Seller organizations held throughout the year.

The Company has significantly complied with the Principles with its practices in this subsection.

c. Human Resources Policy of the Corporation

Procedures on recruitment, working conditions, rewarding, disciplinary practices, power and responsibilities of employees, remuneration, health rights, leave rights, career planning, promotions, task alterations, and dismissal, death, resignation, retirement, and training have been developed and practices of acting in accordance with these procedures have been developed. Both during the development of the policies and in

practice we got the impression that equal opportunity is given to individuals under equal conditions.

It has been seen that the Basic Human Resources Policy that the Company has already disclosed to the public, aims to create employees who are in line with contemporary norms, focused on performance, successful, loyal, and highly motivated.

Performance and reward criteria have been established and disclosed to employees, in the determination of benefits provided to employees mentioned criteria are followed.

It is thought that Company's organizational structure is in line with work conditions.

As a result of the interviews with the relevant people and employees, it was learned that there was no discrimination between the employees on race, religion, language, and gender. Similarly, it is understood that safe working environments and conditions are provided for employees.

Training Policies have been established by the company for employees and annual training programs have been made in accordance with these policies.

As of the end of 2021, Doğu Otomotiv employed an average of 615 people, and as of September 2022, an average of 661 people were employed. In the January-December period of 2021, 12,077 man/hours of training was provided on different subjects and the average training per person was 19.6 hours. In the January-September period of 2022, a total of 15,086 man/hours of training was provided and the average training per person was realized as 22.8 hours in the same period.

Employees are not involved in any union organization.

Freedom to establish an association is not restricted, on the condition that permission is given.

Employee stock-options schemes are not developed.

In this subsection, Doğu Otomotiv's compliance with corporate governance principles is very good.

d. Relations with Customers and Suppliers

Documents and information obtained from customers and suppliers during the activities are kept under protection to ensure that irrelevant persons do not access this information within the scope of the security of trade secrets.

Practices for customers, suppliers and outsourced services have been prepared and their standards determined.

Customer satisfaction surveys are regularly conducted by an independent company. Customer requests received by the customer relations unit and customer opinions obtained through surveys are evaluated by authorized departments and necessary updates are made.

Doğu Otomotiv manages all business processes in accordance with company strategies, national and international laws and regulations, and the needs and expectations of its stakeholders. In this form of management, which also includes being customer-oriented, risk analyses are carried out by evaluating the sustainability of management systems applications.

In order to manage customer experiences in the best way according to innovations and changing dynamics, streamline customer communication processes with a proactive approach, create personalized offers and services with centralized data management and analysis, and keep customer satisfaction at the highest level, the CRM (Customer Relationship Management) Unit has been structured under the Digital Transformation and Corporate Communications Department.

With the vision of "Creating Supporter Customers", the company has combined the operation services (outsource) dialogue (interest management), roadside assistance and call center (survey and appointment) received from third parties within its own body in order to increase sales and after-sales customer satisfaction. In order to emphasize the importance given to the customer and the quality of service, the unit called "Value and Care Center" (DIM) was structured under the Digital Transformation and Corporate Communications Department in November 2014.

Doğu Otomotiv also effectively manages its supply chain. The selection criteria are to have TSE, ISO 9001 Certificate/TSE Quality Certificate, to be approved by the manufacturer, to have the current TOBB Capacity Report according to the sector, to have no SSI and tax debts. The company's selection and evaluation criteria, created in 21 different categories such as cleaning services, food services, printing, printed documents, staff transportation, security, and textiles, are currently being implemented. In 2011, an additional protocol was prepared for the contracts made with suppliers to anticipate economic, environmental, and social risks and ensure that Doğu Otomotiv's corporate sustainability vision is also adopted among suppliers.

The documented management systems of the company are mentioned under the title of "**Sustainability**".

Company's compliance with the principles in this subsection is at a very good level.

e. Ethical Rules, Corporate Social Responsibility

Doğu Otomotiv published the "Code of Ethics" in 2012, which clearly sets out the way it does business with all its stakeholders. With the Doğu Otomotiv Code of Ethics, prepared at global standards, the company has committed itself to displaying honest and ethical behavior in its relations with its employees, customers,

business partners and competitors. Given the importance of the knowledge levels and sensitivities of employees and managers in the proper and full implementation of Doğu Otomotiv Code of Ethics, the Doğu Otomotiv Ethics Line operates as a notification mechanism that all employees can access at any time and is managed by an independent organization.

On the other hand, trainings are organized to increase awareness of the Code of Ethics and to convey its content to all stakeholders, especially employees. Due to the pandemic in 2020 and 2021, face-to-face trainings were not given, but ethical training was continued through the e-learning system both as orientation training for new starters and as assigned training for individuals.

The Code of Ethics consists of four parts. Equal and Healthy Working Environment, Honesty and Justice in the Working Environment, Protection of Doğu Otomotiv Assets and Reputation, and Integrity and Justice in the Market with 54 case studies directly from the sector and elements that will facilitate the understanding of the practice.

Doğu Otomotiv Code of Ethics includes the company's commitments and policies on all ethical issues and is publicly published on the company's corporate website.

Doğu Otomotiv continues its activities with a sense of responsibility towards its stakeholders and society. In this context, the company launched the "Traffic is Life!" platform in 2004. The "Traffic is Life!" platform conducts awareness raising activities for different target groups on traffic safety in order to positively change the behavior and habits of individuals from all age groups in traffic and to ensure that the traffic safety phenomenon is incorporated into the daily life of the society.

The "Traffic is Life!" platform continued its "Traffic Safety Distance Education", which it started in 2013, in 2021 as well. Distance education, in the category of "Social Elective Course" recommended by the Council of Higher Education (YÖK), is the first corporate

responsibility project to enter the university SCORM system with its traffic safety content. With the project, more than 25,000 students in 14 universities have been reached so far.

Detailed information on the project can be found on the company's corporate website and annual activity reports.

In this subsection the Company has achieved a very good compliance with corporate governance principles.

f. Sustainability

Doğu Otomotiv has been publishing a Corporate Sustainability Report since 2009 in accordance with the GRI (Global Reporting Initiative) Global Reporting Framework. The corporate policies related to the performance areas reported within the scope of the said framework were studied in the sub-committees established by the members of the Corporate Responsibility Working Group in 2010, and the prepared policies were presented to the Corporate Sustainability Monitoring Committee and approved.

In 2017, the identified priority areas were renewed with the participation of the Corporate Sustainability Council and Corporate Sustainability Committee members, taking into account the changing terms and conditions and stakeholder expectations.

Performances related to the renewed priority areas started to be implemented in 2018, and work plans created in line with the targets related to these performances were implemented in 2019.

In 2020, the Bribery and Corruption Policy, the Prevention of Money Laundering, and the Financing of Terrorism policies, and the Environmental and Energy Management Policy were updated and added to the Doğu Otomotiv Code of Ethics.

Doğu Otomotiv Sustainability Report has been subject to limited audit by an independent

audit firm since 2018 and published together with the Audit Report.

The "Sustainability Council" formed was established by the representatives of all operational and administrative units of the company and its subsidiaries, and it met 4 times in 2021 with online meetings to evaluate the targets and performances concerning the company in the field of sustainability. The members of the Environmental Committee, which are required for the establishment of ISO 14001 Environmental Management System, were formed from the representatives of the relevant units among the members of this council, thus ensuring their connection to the Corporate Governance and Sustainability Committee.

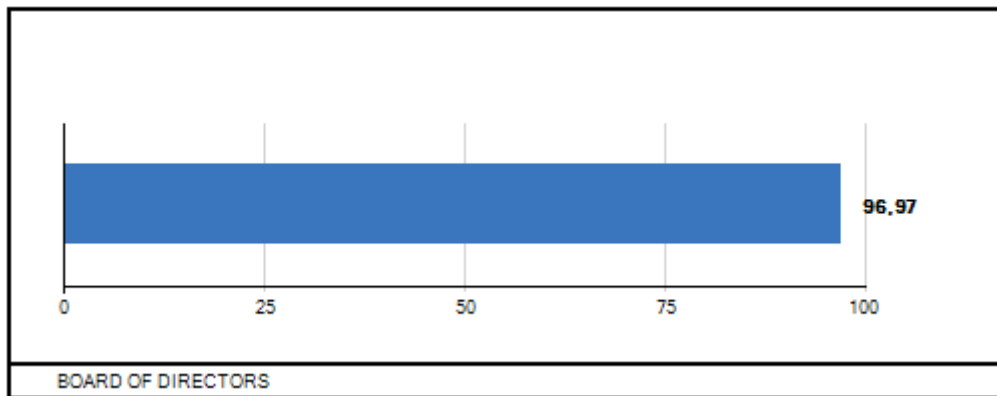
In 2020, the ISO 14001:2015 Environmental Management System was implemented and in 2021, the audits were successfully completed and the certificate was obtained. In addition, in 2022, the establishment and certification of ISO 9001 Quality Management System, ISO 27001 Information Security Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System, covering all Doğuş Otomotiv campus and operations, were completed.

Doğuş Otomotiv's Sustainability Policies and comprehensive reports are available on the corporate website.

The Company also discloses the "Sustainability Principles Compliance Report" in accordance with the voluntary sustainability principles compliance framework format specified in the Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" prepared by the Capital Markets Board and published in the Official Gazette No. 31262 on October 2, 2020, to the public in its annual activity reports.

Doğuş Otomotiv has been included in the "BIST Sustainability Index" since 2015 with its sustainability policies and practices in this field.

D. BOARD OF DIRECTORS



Overview

- ✓ Company's strategic targets, human, and financial sources it requires are determined by the Board of Directors.
- ✓ The number of Board Members is adequate for them to work productively and constructively.
- ✓ Majority of Board Members are non-executives.
- ✓ 2 of Board Members are independent members.
- ✓ There are 2 female members in the Board of Directors.
- ✓ Every Board Member has one vote.
- ✓ No member of the board of directors has the right to veto.
- ✓ There is not any loan/credit involvement between Board Members and company.
- ✓ Corporate Governance, Audit, Early Detection of Risk, Remuneration and Nomination Committees stated in the principles have been established and working principles are determined.
- ✓ Remuneration principles for members of board and top executives have been determined and disclosed to public.
- ✓ Director Liability insurance was issued and disclosed on the Public Disclosure Platform.
- ✓ There is a policy of performance assessment of Board as a whole and as individual members.

- ✓/✗ There are no rewarding or dismissal practices based on the performance of the Members of the Board of Directors.
- ✓/✗ Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.

In this section, the Company has been assessed by **148** different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for the Members of the Board of Directors and Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company's grade has been revised as **96.97**.

a. Function of the Board of Directors

By the strategic decisions it takes, Board of Directors manages and represents the company, keeping the risk, growth and return in balance while paying attention primarily to company's long-term interests under a reasonable and prudent risk management approach. In this sense, Board of Directors has described the corporate strategic objectives,

and determined necessary human and financial resources.

Board of Directors monitors company activities to be in compliance with regulations, Articles of Association, internal procedures and policies and it supervises management performance.

Board of Directors is authorized to make decisions, to determine strategy and represent the company at the highest level.

In this subsection Doğu Otomotiv has achieved a very good compliance with corporate governance principles.

b. Principles of Activity of the Board of Directors

It is our impression that the Company Board of Directors conducts its activities in an open, accountable, fair and responsible fashion.

The distribution of responsibilities among board members, as well as their duties and powers are disclosed to public in the annual report.

The Board of Directors has established internal control systems, including risk management and information systems and processes, that can minimize the effects of risks that may affect the company's stakeholders, especially the shareholders. It has been learned that the Board is reviewing the effectiveness of risk management and internal control systems.

The duties of chairman of the board of directors and chairman of the executive board/general manager are carried out by the same person. The reason for this preference is disclosed on the Public Disclosure Platform.

It is thought that Board of Directors plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders. To this end, the Board is in close cooperation with the

Corporate Governance Committee and Investor Relations Department.

On the other hand, it is observed that the board of directors is in constant and effective cooperation with the managers while fulfilling its duties and responsibilities, and it has been learned that the managers attend the board of directors meetings when it is necessary.

The damages to be caused to the company by the faults of the members of the board of directors during their duties are covered by insurance for 10 million USD and disclosed on the Public Disclosure Platform.

Regarding this subsection, the company has achieved a good level of compliance with corporate governance principles.

c. Structure of the Board of Directors

The Board of Directors of the Company consists of a total of 6 (six) persons, including 1 (one) chairman and 5 (five) members. The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and efficiently organize activities of committees.

5 (five) Board members are non – executives, while 1 (one) of them are executives. 2 (two) members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles.

The independent members of the Board of Directors submitted their written statements regarding their independence to the Remuneration and Nomination Committee within the framework of the criteria set out in the legislation, articles of association and principles. The Committee has submitted its evaluations regarding the candidate's proposals for independent membership and whether the candidate fulfills the independence criteria to the Board of Directors.

There are 2 (two) female members in the Board of Directors, which corresponds to 33.3% of the number of members. This structure complies with the "not less than 25%" criterion determined by the CMB as the rate of female members in the board of directors.

In this subsection Company has achieved a very good compliance with corporate governance principles.

d. Procedure of Board of Directors Meetings

According to article 10 of the company's articles of association, the board of directors convenes when the company's business requires it. However, having at least one meeting in month is obligatory. The same article include provisions on necessary majorities for holding meetings and taking decisions. Every Board Member has one vote. No veto right has been granted to any of the members.

It is understood from the examinations made on the documents that the Board convenes enough to fulfill its duties effectively. The Board held 12 (twelve) meetings in 2021 and 11 (eleven) meetings as of the end of November 2022.

In 2009, "Board of Directors Regulations" and "Board of Directors Working Procedure" were created and approved by the board. The "Board of Directors Working Procedure" was updated in 2020. It was observed that the meetings of the board of directors were held in accordance with the legislation, the articles of association and the aforementioned regulation and procedure.

Board of Director meetings are scheduled annually. The meeting agenda is created by the chairman of the board of directors, and requests from the members of the board of directors and managers regarding the agenda items are also taken into account. The call for meetings is made by e-mail. The secretariat of the board of directors informs the board

members by sending them the meeting agenda and documents related to the agenda at least 3 days before the meeting.

The secretariat of the Board of Directors is conducted by the Office Manager of the Executive Board Directorate, Ms. Bakiye ARABACIOĞLU.

There are no restrictions on board members for taking a job or jobs outside the company. In addition, The statement "Members of the Board of Directors are expected to fully attend all meetings" is included in the Working Procedure of the Board of Directors. In addition, when the number of meetings of the board and the participation of the members in the meetings are examined, it is understood that the members allocate enough time for the company's business.

In this subsection Doğu Otomotiv has achieved a very good compliance with corporate governance principles.

e. Committees Formed within the Structure of the Board of Directors

The Audit Committee, the Corporate Governance and Sustainability Committee, the Remuneration and Nomination Committee and the Early Detection of Risk Committee have been established in order for the Board of Directors to fulfill their duties and responsibilities.

The committees' duties, working principles and their members have been determined and approved by the Board of Directors as documents in writing; then they have been disclosed to public via company's corporate website and Public Disclosure Platform.

The company has stuck with the principle, which requires that all members of the Audit Committee and minimum the Chairmen of other committees are appointed from independent members and the General Manager has not been assigned to any committee.

All sources and support are provided by the Board to ensure that the committees perform their duties.

The committees invite the manager they deem necessary to their meetings and take advantage of his/her opinions. All the work done in the committees is written down and recorded.

Committees convene with the frequency deemed necessary for the efficiency of their activities. They report information on their activities and results of their meetings to the board of directors.

- **The audit committee** conducts its activities within the framework of the Committee Regulation approved by the board of directors and assists the board of directors in its oversight role regarding accounting, auditing, internal control system and financial reporting practices. The main responsibilities of the committee, which works on the issues defined in the corporate governance principles and included in the committee regulations, are as follows;

- Taking the necessary measures to carry out the independent external audit in an effective, sufficient and transparent manner,
- Auditing whether the financial reports accurately reflect the financial situation of the company and the results of the work done,
- Taking the necessary measures to ensure that the internal audit activities of the company are carried out effectively, adequately and transparently,
- Submitting the annual and interim financial statements and footnotes to be disclosed to the public in writing to the board of directors by taking the opinions of the company's responsible managers and independent auditors regarding the current legislation, the accounting principles followed by the company, their conformity with reality and accuracy,
- Reviewing the annual report to be disclosed to the public, and reviewing whether the information contained therein is correct and consistent with the information held by the committee.

The committee was formed of 2 (two) independent members and complied with the condition stated in the principles that "At least one of the members of the committee responsible for auditing should have 5 years of experience in auditing/accounting and finance".

The Audit Committee convened 8 (eight) times in 2021 and as of November 2022. The committee submitted 4 (four) reports on its work to the board of directors in 2021.

Secretarial function of the Board is carried out by Pınar POYRAZ (Manager of the Internal Audit Department).

Internal Audit:

Doğuş Otomotiv has an Internal Audit Department that operates under the audit committee in line with legal regulations and international standards. Within the framework of the annual audit plan prepared on the basis of risk and approved by the board of directors, the department regularly and systematically audits and reviews processes and internal control activities in line with the determined objectives.

With the internal control practices carried out in the company, it is aimed to protect the rights of the shareholders and stakeholders, to make financial and non-financial information about the company realistic and accessible, to comply with the legislation and the articles of association, and to carry out the operations effectively and efficiently.

Internal control activities are carried out by the triple audit method.

- Internal control system carried out by managers and employees,
- Financial Control and Risk Management activities restructured within the General Directorate of Financial Affairs,
- Direct internal audit works.

In 2021, a total of 8 (eight) meetings were held with the Audit Committee regarding the results

of independent audits and the regular audit, examination and investigation works carried out by the Internal Audit Department. In addition, the meetings of the Early Detection of Risk Committee were attended.

In 2021, Quality Assurance Assessment (QAR) service was obtained from the independent audit firm Ernst & Young in order to measure and monitor the audit quality and to evaluate the compliance of the Internal Audit Department's activities with the professional practice standards and ethical rules of the International Institute of Internal Auditors (IIA), and the highest grade "Compliant in General" was received as a result of the study.

- **The Corporate Governance and Sustainability Committee** is responsible for determining whether the corporate governance principles are applied in the Company, if not, the reason and the conflict of interest arising from not fully complying with these principles, and explaining them to the public with a corporate governance compliance report. On the other hand, the Committee informs the board of directors about preventive/remedial measures to ensure the implementation of sustainability principles, areas that may create opportunities, and results of activities.

The aforementioned committee consists of 5 (five) members; the chairman of the committee and one member is an independent board member. The Chairman of the Committee is an independent board member and two (2) members are non-executive board members. Another one (1) member serves as the Investor Relations Officer and has been appointed as a member of the Corporate Governance and Sustainability Committee in accordance with the Capital Markets Board's Communiqué II.17-1.

In this way, a structure has been made in accordance with the principle that if the Corporate Governance Committee consists of two members, both of them, and if it has more than two members, the majority of the

members are composed of non-executive members.

Corporate Governance Committee held 4 (four) meetings in 2021 and 3 (three) meeting as of November 2022. It has reported meeting results to the board of directors.

The Board of Directors' evaluations regarding the committee members, the frequency of meetings, the activities carried out and the effectiveness of the committees are disclosed to the public through annual activity reports. Working closely with the Corporate Governance and Sustainability Committees, Investor Relations Department reports to the board about its activities at least once a year.

Secretarial function of the Board is carried out by Yavuz Arda YILDIZ (Investor Relations and Risk Management Officer)

- **Early Detection of Risk Committee;** Consists of 4 (four) members. Its chairperson is an independent member.

The committee, which was established for the early detection of the causes that endanger the existence, development and continuation of the company, the implementation of the necessary measures and remedies, and the management of the risk, is responsible for operating and improving the system.

The Committee held a total of four (4) meetings in 2021, one of which was with the Internal Audit Department. In addition, it made a situation assessment by presenting a monthly report to the board of directors and shared the relevant reports with the auditor. As of November 2022, 3 (three) meetings were held.

The Compliance Function, which reports to the Early Detection of Risk Committee, held 3 (three) meetings in 2021 with its working group. The Compliance Function has structured its work within the framework of compliance with internal policies, legal regulations and legislative requirements, international standards and processes, identification and reporting of risks in related processes. The

Compliance Function aims to increase adherence to ethical principles and values by minimizing risk in the areas it serves, adhering to the Compliance Policy, within the scope of its 2021 activities.

Working principles of the committee have been prepared and disclosed to public in electronic environment.

Secretarial function of the Board is conducted by Ibrahim Fuat HASESKI (Investor Relations and Risk Management Manager).

- Remuneration and Nomination Committee;

The Remuneration and Nomination Committee consists of 2 (two) members, one independent and the other non-executive. The Chairman of the Committee is an independent member. The task of the Nomination Committee is also carried out by the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee held 3 (three) meetings in 2021. The issues determined at the meeting, the works related to them and the outputs obtained were presented to the board of directors.

The "Evaluation of the Board of Directors and Improving its Efficiency" work is carried out regularly in the company, and these works are under the responsibility of the Remuneration and Nomination Committee. The Committee develops recommendations regarding the remuneration of independent members during the general assembly period. It also takes an active role in the backup of Independent Board Member candidates. On the other hand, it provides information about the current status of each business unit, medium and long-term strategies and expectations, and provides orientation trainings so that the appointed Members of the Board of Directors have more detailed information about the institution.

The performance of the members of the executive board in the company based on their business goals is measured every year and their

detailed goals in finance, customer, process and learning and development dimensions are evaluated in accordance with a methodology. At the annual meetings called roundtable meetings, the career development, succession plans, strengths and needs of improvement of the members of the executive board are evaluated and recorded in the existing infrastructure. With the recommendation of the Remuneration and Nomination Committee in 2020 regarding the career planning of senior executives and their preparation for the board of directors, the following decisions were taken by the board of directors;

In the Board of Directors dated June 15, 2020, it was decided that two General Managers from the Executive Board would attend the Board of Directors meetings alternately for six months in order to train them for the Board of Directors. In addition, a General Manager was asked to attend the Board of Directors meeting each month and make a presentation to explain their operations. These decisions were implemented regularly in 2021 as well.

Secretarial function of the Board is carried out by Ela KULUNYAR (General Manager of Human Resources and Process Management).

In this subsection the Company has achieved a very good compliance with corporate governance principles.

f. Financial Rights Provided for Members of the Board of Directors and Executives

Guidelines for the remuneration of board members and top executives have been written, approved by the general assembly, and disclosed to the public in the electronic environment.

It has been seen that actions have been taken in compliance with the principle, which states that stock options or payment plans based on corporate performance should not be used for the remuneration of independent members of the board. The emoluments of independent directors are sufficient to protect their independence.

It has been announced to the public that the Company has not lent or extended a loan to any member of the board or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favor of them.

The performance evaluation of the Board of Directors is carried out by an independent consultancy firm in the company every 2 years. Surveys and face-to-face interviews are conducted with the members of the Board of Directors within the scope of the performance evaluation study, and the answers given are analyzed by the company. In addition, one-on-one meetings are held with senior executives who have administrative responsibilities, and feedbacks regarding the board of directors are received and evaluated.

The performance evaluation study was completed at the beginning of 2022, and the results of the study were presented by the company consultant at the Remuneration and Nomination Committee meeting held on May 18, 2022, and the committee's opinions were received. At the board of directors meeting dated 25.07.2022, the outputs of the study were conveyed and evaluated by the board of directors.

However, there is no practice of rewarding or dismissing the members of the board of directors based on their performance.

Remunerations and all other benefits provided to the members of the Board of Directors or executives with administrative responsibility are disclosed together. This practice does not meet the recommendation "it is essential to make a statement on a person-to-person basis" specified in the principles.

In this subsection Doğu Otomotiv has achieved a very good compliance with corporate governance principles.

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

GRADE	DEFINITIONS
9–10	The Company achieved 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 recognized 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.
7–8,9	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. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are fairly 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.
6–6,9	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.

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, and 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 and they are at a level that might cause the investor to incur material losses.</p>