



Corporate Governance Compliance Rating Report



Doğuş Otomotiv Servis ve Ticaret A.Ş.

17 December 2021

Validity Period 17.12.2021-17.12.2022

LIMITATIONS

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

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

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

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

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 website (www.kobirate.com.tr).

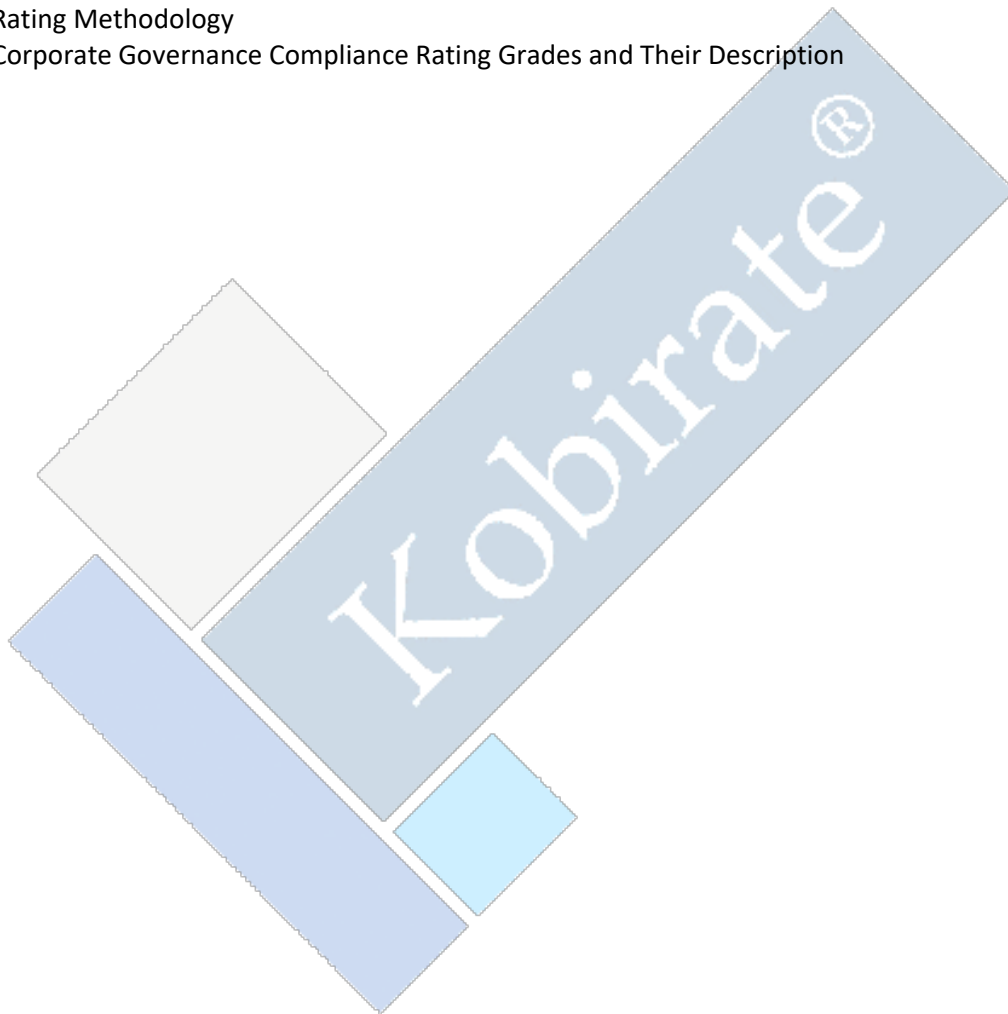
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose 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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TABLE OF CONTENTS

1.	Revised Rating Result	3
2.	Company Profile and Changes within Last Year	9
3.	Rating Methodology	18
4.	Corporate Governance Compliance Rating Grades and Their Description	20



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

**CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

BIST SECOND GROUP

9.70

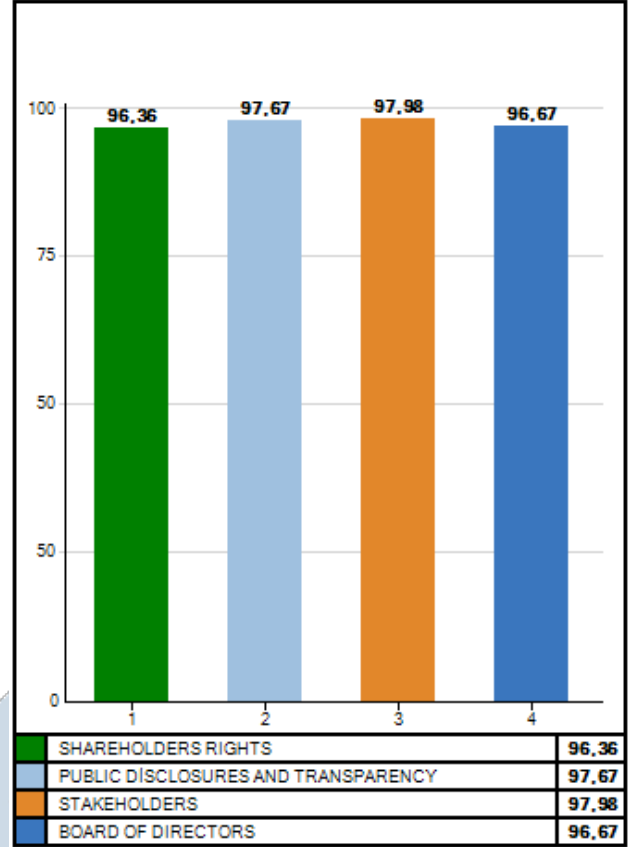
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1. REVISED RATING RESULT

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

According to CMB decision dated 21.01.2021, No 4/97 Doğuş Otomotiv Servis ve Ticaret A.Ş

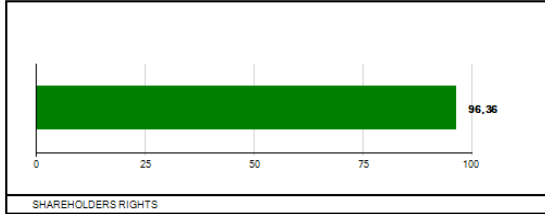
is on BIST 2nd Group Companies list. The Company has been evaluated by examination of 401 criteria, described in the methodology of Kobirate A.Ş., developed for "Second Group Companies of the BIST". At the end of the evaluation process conducted under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors, Corporate Governance Compliance Rating Grade of **Doğuş Otomotiv** has been determined as **9.70**.

This result signifies that the company has largely achieved compliance with the CMB's Corporate Governance Principles. Possible risks for the company are determined and are under control. Activities of public disclosure and transparency are at a high level. Rights of shareholders and stakeholders are treated

fairly. The structure and working conditions of board of directors are compliant with corporate governance principles.

As a result, this grade shows that the Company highly deserves to be on the list of BIST Corporate Governance Index.

- Doğu Otomotiv's grade for the section of Shareholders has been confirmed as **96.36**.



It has been determined that during the rating period the Company has taken special care to enable shareholders exercise their basic rights. Investor Relations Department showed the same sensitivity in informing shareholders and current and potential investors, answering their questions.

It has been learned that Investor Relations Department answers shareholder questions in time and without discrimination through phone calls, e-mails or face to face meetings. In 2020, in addition to teleconference/webinar and general webex conferences with multi participants, 2 virtual Analyst Days were organized and information about Company activities was given.

Operations involving Relations with Shareholders are performed by H. Müge Yücel (Investor Relations Department Director). She reports to Kerem TALİH (Financial Affairs General Manager).

In compliance to CMB's Corporate Governance Communiqué, No II-17.1, Director of Investor Relations Department has also been appointed as a member of Corporate Governance Committee and the appointment was disclosed to public with a Material Event Disclosure dated 13.12.2016.

Investor Relations Department prepares 1 (one) annual report for the Board of Directors and it prepares presentations about ongoing activities for each meeting of Corporate Governance and Sustainability Committee.

There is no practice of cancelling or restricting shareholders' right to obtain and examine information by the Articles of Association and/or a decision by any Company department. The Company conducts its disclosures for shareholders and public in accordance with its "Disclosure Policy". This policy is accessible on Company's corporate website.

Ordinary General Assembly meeting to discuss activities of 2020 convened on 30.03.2021. Invitation to the meeting was made properly through Turkish Trade Registry Gazette dated 04.03.2021 No 10280, Public Disclosure Platform on 23.02.2021 and MKK e – general assembly system 3 (three) weeks before the meeting.

The document kit prepared for the meeting contained clear information about the distribution of Company's shares, voting rights that each share gives and that there is no privilege in voting right. It included many other subjects that need to be disclosed to shareholders and public in compliance with corporate governance principles.

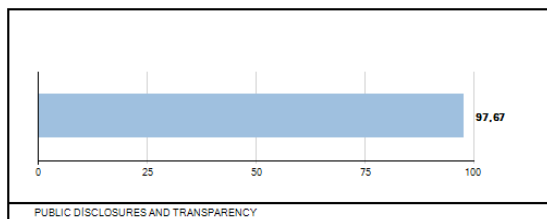
Chairman of Board Emir ALİ BİLALOĞLU, Deputy Chairman of Board Gür ÇAĞDAŞ and Koray ARIKAN (Member of Board) have attended the meeting. Financial Affairs General Manager Kerem TALİH, General Accounting Manager Engin KAYA and Investor Relations Department Manager H. Müge YÜCEL have also attended to the meeting to brief attendees on particular items of agenda. Cihan HARMANCI, representing PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş, which carries out Company's external audit was also among the attendees.

Within the rating period, an extraordinary general assembly meeting was held on 29.06.2021 in order to transfer Volkswagen

Doğuş Finansman A.Ş. (VDF Finans, one of affiliated companies of Doğuş Otomotiv) shares to VDF Servis Ve Ticaret A.Ş. (VDF Servis, another affiliated company of Doğuş Otomotiv) through the “method of partial division with participation model”. Examination of extraordinary general assembly processes has revealed that all policies were in compliance with corporate governance principles. Information about Company’s subsidiaries after the partial division can be reached at the statement of “Subsidiaries, Affiliated Companies, Information about Financial Fixed Assets and Financial Investments” and information about public disclosures and processes can be reached at the section titled V. Changes in Group Companies, Subsidiaries and Affiliated Companies

2020 activities of the Company produced TRY 829,651,145.83 net profit, according to financial statements prepared in compliance with Tax Method Law Regulation. TRY 1,037,334,000 net profit after tax was made according to consolidated financial statements, prepared in compliance with CMB Regulations and independently audited. The use of this profit / loss is explained in our report in the section, titled “ii. Dividend Distribution”. Dividend distribution proposal of the Board of Directors and dividend distribution statement have been published on Public Disclosure Platform on the same date with the invitation for general assembly meeting.

▪ Company’s grade has been confirmed as **97.67** for the section of Public Disclosure and Transparency.



Company’s activities on public disclosure and transparency continue with the same sensitivity.

The persons who are responsible for disclosure statements and have the authority of signature are; Kerem TALİH (General Manager for Financial Affairs), Engin Kaya (General Accounting Manager), Damla ÇOBANOĞLU (UFRS/CMB Reporting Director), İlyas AKGEDİK (Accounting Director) and Gözde ARAÇ (Budget and Planning Manager) These persons are charged with monitoring and watching every subject that may be relevant for public disclosure.

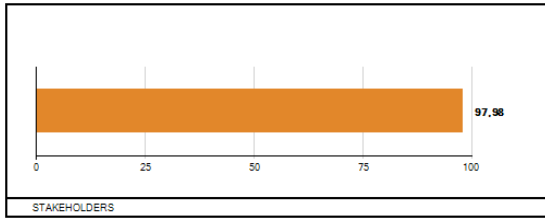
It has been determined that Corporate website www.dogusotomotiv.com.tr is in compliance with the criteria specified in the Principles and used as effective means of disclosure.

Annual reports are very comprehensive and includes much information about the Company. Compliance with Corporate Governance Principles is at a high level.

Within the scope of Change in Corporate Governance Communiqué No II-17.1-A, the Company has prepared its “Sustainability Principles Compliance Statement” and disclosed it to the public through the annual report in line with the format of “Sustainability Compliance Framework”.

2020 independent audit has been conducted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. There were no situations in the report that the auditor avoided expressing opinion, expressed conditional opinion or withheld signature. Company officials have told us that no developments took place between the Company and independent audit company and its auditors that might damage independence and that there has been no legal conflict. With the suggestion of Audit Committee and approval of general assembly, it has been decided to assign same company for 2021 audit.

- Company's grade has been revised as **97.98** for the section of Stakeholders.



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

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

Developments in Human Resources policies during the rating period are listed below.

- Many advanced operational HR processes are transferred to digital platforms. Carrying out HR processes through systems independent from individuals' interference has contributed to sustainability strategies and policies.

- Mobile Orientation Program, designed in 2019 and the applicant recruitment examination and personality inventory processes via the online framework to enable new employees to get to know the organization better and to ensure quicker adaptation continued.

- "Digital Competencies Development (GO-DGTL Academy)" project was launched in 2020 to facilitate the digital transformation at Doğuş Otomotiv and contribute to the development of employees' individual "digital competence".

- A survey has been conducted in order to get employees' opinions on digital competencies and to understand their needs. Training programs to improve talents and digital competencies have been designed after the survey and these programs were put together under the roof of GO-DGTL Academy.

- "Employees and Decent Work Policy" has also been prepared in addition to Human Resources Policy. Its disclosed targets are to achieve employee satisfaction, employee health and safety, sustainable employment, equal rights for employees, open and transparent communication with employees and direct dialogue platforms with top management.

- The Suggestion System, which was established to create effective and sustainable improvement activities and to let employees share their suggestions about Company policies business process, received 1,577 suggestions in 2020. 725 of these suggestions were approved and 527 of them were put into effect to improve Company's processes.

- Bir'iz Employee Committee convened 3 times in 2020 and one employee from each department was invited to these meetings. Thus, employees' opinions and suggestions were taken within the scope of employer brand, HR policies and other activities. Viable suggestions are included into business plans and information about Company is regularly shared with employees through intranet and e-mails within the framework of legal regulations.

The CRM (Customer Relations Management) Unit, which was structured under the Digital Transformation and Corporate Communications Departments in order to make customer communications processes leaner, to offer person-specific proposals and services through centralized data management and analyses, to plan actions which would increase the loyalty of our customers and to maintain the customer

satisfaction at the highest level, continues its activities.

Structured under the same department and adapted the vision of “Creating Fan Customers”, “Value and Care Center” (DIM) continues its activities to highlight how much the customers are valued and cared for and the quality of service.

With the “New Administrative Affairs Software”, developed within the scope of digital transformation, outsourced services like security, catering, cleaning, transportation, etc. are monitored in digital environment. Thanks to this software, services provided for the customers can be controlled in terms of quality, cost and standardization and a suitable ground can be created to ensure continuous improvement.

“Information Security Policy” were revised during the rating period and put into effect with the Board decision dated 26.02.2021, No 2021/20. The policy aims to set up necessary security standards to protect information assets of Doğuş Otomotiv and its stakeholders and the environments where these assets are kept and to ensure compliance with CMB’s Information Systems Communiqué.

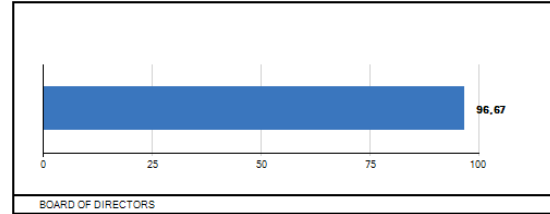
The Board has prepared a very comprehensive Ethics Code and disclosed it to the public.

The Company has disclosed its “Sustainability Principles Compliance Statement” to the public as required by the Communiqué on Change in Corporate Governance Communiqué No: II-17.1, issued on 02.10.2021, within the scope of “Sustainability Compliance Framework”.

Thanks to its policies and implementation in the field of sustainability, Doğuş Otomotiv has been on “BIST Sustainability Index” since 2015.

These improvements that took place during the rating period are main reasons for Company’s grade increase.

▪ Doğuş Otomotiv’s grade has been confirmed as **96.67** for the section of Board of Directors. Interviews at the Company and examination of decision books of Board of Directors and Committees have revealed that the Board and the Committees continue their regular activities.



At the General Assembly meeting on 30.03.2021, it was decided that the Board of Directors would be made of 6 (six) members. There are 1 (one) executive and 5 (five) non – executive members in the Board. 2 (two) of the non – executive members are independent, meeting the criteria specified by Corporate Governance Principles.

There are 2 (two) women members in the Board. Rate of woman members is 33 % (thirty three percent) of the Board.

Distribution of duties has been completed At the Board of Directors meeting on 30.03.2021 and Member of Board, who was also General Manager of Company, was elected as Chairman of Board. The decision of making Chairman of Board and General Manager the same person was disclosed to public on the same day, with its reasons, through Public Disclosure Platform in accordance with Corporate Governance Principles.

Committees referred by the principles, including Audit, Corporate Governance and Sustainability, Early Detection of Risk, Remuneration and Nomination Committees have been established. A Separate Nomination Committee hasn’t been established due to Board’s structure and this function is undertaken by the Remuneration Committee. Working principles, mandates and membership structures for committees have been determined by the Board of Directors and published on the corporate

website. All members of the Audit Committee are independent board members. In the committees of Corporate Governance and Sustainability, Early Detection of Risk and Remuneration Nomination, at the least chairpersons are independent members. CEO / General Manager is not a member of these committees.

Board of Directors held 12 (twelve) meetings in 2020. As of end of October 2021, the Board has made 10 (ten) meetings and it has planned 2 (two) more meetings until the end of the year.

Audit Committee held 8 (eight) meetings in 2020, 1 (one) of which was a joint meeting with Early Detection of Risk Committee. It held 6 (six) meetings as of October in 2021. It has 2 (two) planned joint meetings with Early Detection of Risk Committee until the end of the year.

Corporate Governance and Sustainability Committee held 4 (four) meetings in 2020 and 3 (three) meetings as of October 2021. It has 1 (one) more planned meeting until the end of the year.

Early Detection of Risk Committee held 5 (five) meetings in 2020. 1 (one) of them was a joint meeting with the Audit Committee. It has held 3 (three) meetings as of the end of October 2021. It has 1 (one) planned meeting for remaining two months. Committee has regularly presented assessment reports to the Board and shared these reports with the auditor.

Remuneration and Nomination Committee held 2 (two) meetings in 2020. It convened once as of October 2021.

It has been determined that all the Committees relay their meeting results and recommendations on discussed items of agenda to the Board in writing.

Secretariats for the Board and committees has been set up and ensured regular and dependable documentation.

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

The Board regularly assesses its performance. Board members' attendance to Board and Committee meetings, their contributions, sharing of their knowledge and experience are all taken into consideration and their performance within the scope of Board activities is assessed with an integrated approach. However, there is no practice of rewarding or dismissing Board members within the framework of assessment on their performance.

Manager Liability Insurance against defects of Board Members duties have been made for USD 10,000,000 and disclosed to public at Public Disclosure Platform on 31.08.2021.

It is clearly seen that the Board of Directors has the habit of taking proactive decisions; it has adapted an attitude, which is open to improvement and development and thanks to its visionary attitude the Board leads Company's activities in the field of corporate governance policies.

2. COMPANY PROFILE AND CHANGES WITHIN LAST YEAR

A. Company Profile:



Company Name	: Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
Company Address	: Legal Head Office Maslak Mahallesi, Ahi Evran Cad., Doğuş Center No:4 İç Kapı No:3, Sarıyer/ İSTANBUL Head Office Şekerpınar Mahallesi Anadolu Caddesi No: 22 41490 Şekerpınar - Çayırova / Kocaeli
Company Phone	: (0262) 6769090
Company Facsimile	: (0262) 6769596
Company's Web Address	: www.dogusotomotiv.com.tr
Date of Incorporation	: 19/11/1999
Registered Number	: 429183 / 376765
Paid in Capital	: 220.000.000.-TL
Line of Business	: Import of automotive and spare parts, sales – marketing and services
Company's Sector	: Automotive Sector

Company's Representative in Charge of Rating:

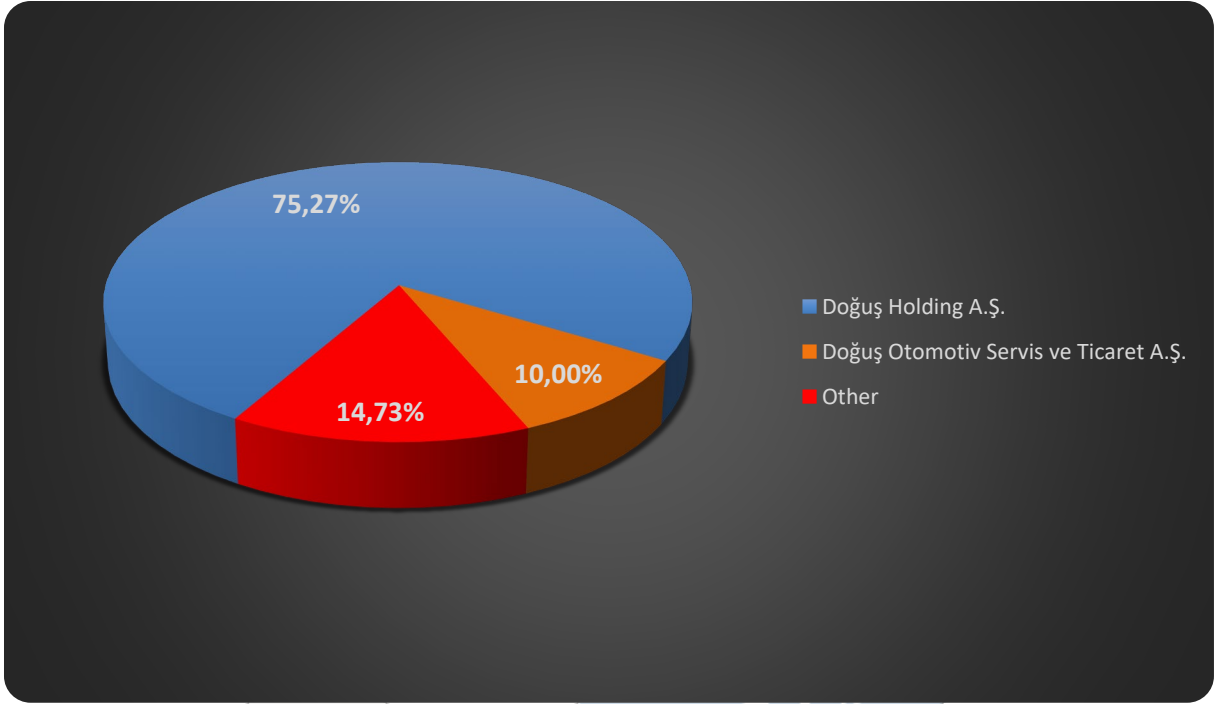
H. Müge YÜCEL

Investor Relations Department Director

muyucel@dogusotomotiv.com.tr

0262 676 90 58

Shareholder Structure



Shareholder Name (*)	Share (TL)	Share (%)
DÖĞÜŞ Holding A.Ş	165.584.715,00 -	75,27
Doğuş Otomotiv Servis ve Ticaret A.Ş.	22.000.000,00-	10,00
Other	32.415.285,00-	14,73
TOTAL	220.000.000,00	

Source: www.kap.gov.tr

Real Person Ultimate Controlling Shareholders (As of report date)

Shareholder Name	Share (%)
Şahenk Family	74,36 %
Others	25,64 %
Total	100,00%

Source: www.kap.gov.tr

Board of Directors

Name/ Surname	Title	Executive/ Non Executive
Emir Ali BİLALOĞLU	Chairman of Board of Directors /CEO	Executive
Gür ÇAĞDAŞ	Deputy Chairman of Board of Directors	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

Board of Executives

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

Source: www.kap.gov.tr

Board Committees

Corporate Governance and Sustainability Committee

Name/ Surname	Title	Position
A. Yasemin AKAD	Independent Member of Board	Committee Chairperson
Koray ARIKAN	Member of Board	Member of Committee
Gür ÇAĞDAŞ	Deputy Chairman of Board	Member of Committee
H. Hüsnü GÜZELÖZ ⁽¹⁾	Advisor	Member of Committee
H. Müge YÜCEL	Investor Relations Dep. Director	Member of Committee

Source: www.kap.gov.tr

⁽¹⁾ Hasan Hüsnü Güzelöz has left his positions in the Company with Board decision dated 28.04.2017 NO 2017/25 and he takes part in committees only as adviser.

Audit Committee

Name/ Surname	Title	Position
Adnan MEMİŞ	Independent Member of Board	Committee Chairman
A. Yasemin AKAD	Independent Member of Board	Member of Committee

Source: www.kap.gov.tr

Early Detection of Risk Committee

Name/ Surname	Title	Position
Adnan MEMİŞ	Independent Member of Board	Committee Chairman
Koray ARIKAN	Member of Board	Member of Committee
Gür ÇAĞDAŞ	Deputy Chairman of Board	Member of Committee
H. Hüsnü GÜZELÖZ ⁽²⁾	Advisor	Member of Committee

Source: www.kap.gov.tr

⁽²⁾ Refer to Deepnote:1

Remuneration and Nomination Committee

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

Source: www.kap.gov.tr

Investor Relations Department

Name/ Surname	Title	Position
H. Müge YÜCEL	Investor Relations Department Director	0(262) 676 9058 muyucel@dogusotomotiv.com.tr

Source: www.kap.gov.tr

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

	2019/12	2020/12	Changem %*	09/2021
Current Assets	2.514.625	4.601.874	83,00	4.914.973
Fixed Assets	2.150.319	2.515.260	16,97	2.613.451
Total Assets	4.664.944	7.117.134	52,57	7.528.424
Short Term Liabilities	3.093.170	4.467.121	44,42	4.252.493
Long Term Liabilities	319.233	354.279	10,98	259.741
Current Assets	1.252.541	2.295.734	83,29	3.016.190

Source: Doğu Otomotiv Servis ve Ticaret A.Ş. 31.12.2020 Consolidated Financial Statements and Ind. Audit Report and 30.09.2021 Summary Consolidated Financial Statements and Limited Audit Report for Interim Financial Period of Nine Months

*Change 2019/12 and 2020/12 period change

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

	2019/12	2020/12	Change %*	09/2021
Sales Revenues	9.844.133	18.900.148	91,99	18.445.946
Sales Cost	(8.574.429)	(16.425.050)	91,56	(15.962.447)
Gross Profit	1.269.704	2.475.098	94,94	2.483.499
Profit / Loss Before Tax	57.234	1.287.663	2149,82	1.597.670
Profit/Loss for the Period	76.759	1.041.870	1257,33	1.260.154

Source: Dođuş Otomotiv Servis ve Ticaret A.Ş. 31.12.2020 Consolidated Financial Statements and Ind. Audit Report and 30.09.2021 Summary Consolidated Financial Statements and Limited Audit Report for Interim Financial Period of Nine Months

*Change 2019/12 and 2020/12 period change

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

STAR MARKET

BIST CORPORATE Governance / BIST 100-30 / BIST TRADE / BIST 100 / BIST ISTANBUL / BIST SUSTAINABILITY / BIST SERVICES / BIST STAR

**The Bottom and Peak Closing Values of Company's Shares traded on the BIST during Last Year
(01.12.2020-01.12.2021)**

Bottom (TL)	Peak (TL)
22,30- (21.06.2021)	47,76- (30.11.2021)

Source: Dođuş Otomotiv Servis ve Tic. A.Ş

Subsidiaries, Affiliated Companies, Information about Financial Fixed Assets and Financial Investments

Commercial Title	Line of Business	Paid In/Issued Capital	Company Share in Capital	Currency	Company Share in Capital (%)	Relationship with the Company
D-Auto Limited Liability Company	Auto Purchase-Sale and AS Services - Iraq	150.000.000.00	150.000.000	IQD	100	SUBSIDIARY
Doğuş Oto Pazarlama Ve Ticaret A.Ş.	Auto Purchase-Sale and SS Services	45.000.000.00	43.288.270	TL	96,20	SUBSIDIARY
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	IT Infrastructure and Software	226.400.000,00	49.255.692,00	TL	21,756	AFFILIATED COMPANY
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	Insurance Intermediation Services	1.265.000	531.232	TL	41,99	AFFILIATED COMPANY
Vdf Servis ve Ticaret A.Ş.	Automotive Products and Services	6.465.344	3.154.365	TL	48,79	AFFILIATED COMPANY
Yüce Auto Motorlu Araçlar Ticaret A.Ş.	Turkey Distributor of Skoda	2.100.000	1.049.999,7	TL	50	AFFILIATED COMPANY
Tüvtürk Güney Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	25.250.000	8.332.836	TL	33	BUSINESS PARTNERSHIP
Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	67.100.000	22.143.895	TL	33	BUSINESS PARTNERSHIP

Source: www.kap.gov.tr

B. Changes within Last Year:

i. Changes in Capital and Articles of Association:

There have been no changes in Company's capital and Articles of Association during the rating period.

ii. Dividend Distribution:

As a result of activities in 2020, the Company earned TRY 829,651,145.83 net profit after tax, according to financial statements prepared in compliance with Tax Method Law Regulation. TRY 1,037,334,000 net profit after tax was made according to consolidated financial statements, prepared in compliance with CMB Regulations and independently audited.

According to Board of Directors decision dated 23.02.2021, No 2021/14;

"1. Within the framework of CMB regulations, Articles of the Turkish Commercial Code, our Articles of Association and the aims of our dividend distribution policy, the amount of cash dividends to be distributed will be TRY 600,000,000,

2. Our recommendation that the Board to be authorized to make first instalment of cash payment on 30.04.2021 at the latest and second payment on 30.11.2021 at the latest, will be presented to the General Assembly for approval."

This decision was discussed at the General Assembly meeting on 30.03.2021 as the 6th item of the agenda and approved.

iii. Policies:

"Information Security Policies" were revised during the rating period and approved and put into effect by the Board decision dated 26.02.2021, No 2021/20.

iv. Management and Organization:

Material Event Disclosure dated 01.12.2020:

İlhami EKŞİN, who was the Brand Manager for Scania, Thermo King and Scania Engines brands has been appointed to another job. Therefore, he will leave our Company as of 01.01.2021. It has been decided for Scania, Thermo King and Scania Engines brands to be managed with Volkswagen Commercial Vehicle Brand. From 01.01.2021, the new structure will be managed by Tolga SENYÜCEL, who is the Brand Manager of Volkswagen Commercial Vehicle Brand."

There have been no other management and organization change during the rating period that would impact Company's activities significantly.

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

- Material Event Disclosure dated 28.12.2020:

“As part of the strategy to increase managerial efficiency and to restructure Germany-based Volkswagen Financial Servis AG and our affiliated company VDF Servis ve Ticaret AŞ, the process of purchasing shares of Doğuş Oto Pazarlama ve Ticaret A.Ş. in this company by our Company and transfer procedures were completed with the contract signed on 28.12.2020.”

After the acquisition, Servis ve Ticaret A.Ş.’s addition to VDF Servis ve Ticaret AŞ has been 49%.

- Material Event Disclosure dated 21.01.2021:

“Our Board of Directors has decided that;

As part of the strategy to increase managerial efficiency and to restructure Germany-based Volkswagen Financial Servis AG and our affiliated companies, following transactions has begun in order to transfer Volkswagen Doğuş Finansman A.Ş. (VDF Finans, one of affiliated companies of Doğuş Otomotiv) shares to VDF Servis Ve Ticaret A.Ş. (VDF Servis, another affiliated company of Doğuş Otomotiv) through the “method of partial division with participation model”:

1. Putting our Company’s shares in VDF Finans, which is TRY 86,399,987 in total (each with a nominal value of TRY 1) and 48% of the total capital, in VDF Servis as cash capital through the “method of partial division with participation model”,
2. Conducting partial division within the framework of Turkish Commercial Code, Capital Market Code and other relevant regulations,
3. Implementing partial division based on financial statements dated 31.12.2020,
4. Applying to CMB in order to get necessary approvals and permissions,
5. Making no changes in our Articles of Association or any reduction in our Company’s capital since VDF Servis shares will replace VDF Finans shares in our assets,
6. Preparation of Division Contract, draft Division Report, announcement and advertisements by our Board, as well as Sworn-in Certified Public Accountant’s Report, Expert Company’s Opinion and all other relevant documents in order to complete partial division.”

- Application to CMB for division was made on 02.04.2021 and disclosed to public through a material event disclosure on the same day.

- CMB approval for division was received on. ı 20.05.2021 and disclosed to public through a material event disclosure on 21.05.2021.

- Material Event Disclosure dated 25.05.2021:

“Our application to transfer Volkswagen Dođuş Finansman A.Ş. shares to VDF Servis Ve Ticaret A.Ş. through the “method of partial division with participation model” has been approved by CMB. An extraordinary general assembly meeting will be held to present the transaction for the approval of shareholders and complete the process (29.06.2021).”

- Material Event Disclosure dated 29.06.2021:

“General Assembly Results: Our recommendation to transfer Volkswagen Dođuş Finansman A.Ş. shares to VDF Servis Ve Ticaret A.Ş. through the “method of partial division with participation model” – which has been approved by CMB – is approved by shareholders.”

- Results of Extraordinary General Assembly was registered on 01.07.2021 and disclosed to public through a material event disclosure on the same day.

Material Event Disclosure dated 01.07.2021:

“Our contract with D-Auto LLC, Audi Volkswagen Middle East FZE and Volkswagen AG, which were providing import, distribution and after sales services for Volkswagen Passenger vehicles, Audi and Volkswagen Commercial vehicles in the Republic of Iraq, have been terminated and distribution activities ended.

With the termination of distribution activities, liquidation of our Company’s 100% subsidiary Erbil – based “D-Auto Limited Liability Company” will begin and public will be informed about developments.”

Changing stock rates and structures of our affiliated companies and subsidiaries after all these developments can be found on page 14 of this report.

3. RATING METHODOLOGY

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

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

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

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

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

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

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

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

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

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

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

The methodology takes into consideration the criteria stated in CMB's Corporate Governance Directive, no II-17.1, dated January 3rd 2014; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

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

In the process of rating, **401** different criteria are considered to measure the compliance of BIST second group companies with the corporate governance principles.

These criteria are translated into Corporate Governance Rating Question Sets through Kobirate A.S.'s unique software.

The weighting scheme for the four main sections in the new Corporate Governance

Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

Corporate Governance Principles in the existing structure.

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB has sent its notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452, on CMB decision dated 01.02.2013 and numbered 4/105 to our company, which required adding new questions into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements of CMB issued good corporate governance principles – bringing 85 % of full points at most – will be included in the rating grade.

The 2014/2 revised corporate governance compliance rating methodology, created by our company, is restricted if the minimum conditions of corporate governance principles – declared in CMB notification of Corporate Governance dated 03.01.2014 – are met and all criteria is evaluated within same category. In this case all criteria are restricted to 85 % of the full points that the related criterion would get in that subsection. As the company applies and internalizes the criteria stated in corporate governance principles and our company finds out other good corporate governance criteria complied and practiced by the company; our rating system completes the section ratings to 100.

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 unsatisfactory compliance with CMB's

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

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

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

