



Corporate Governance Compliance Rating Report



Doğuş Otomotiv Servis ve Ticaret A.Ş.

15 December 2017

Validity Period 15.12.2017-15.12.2018

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Doğuş 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).

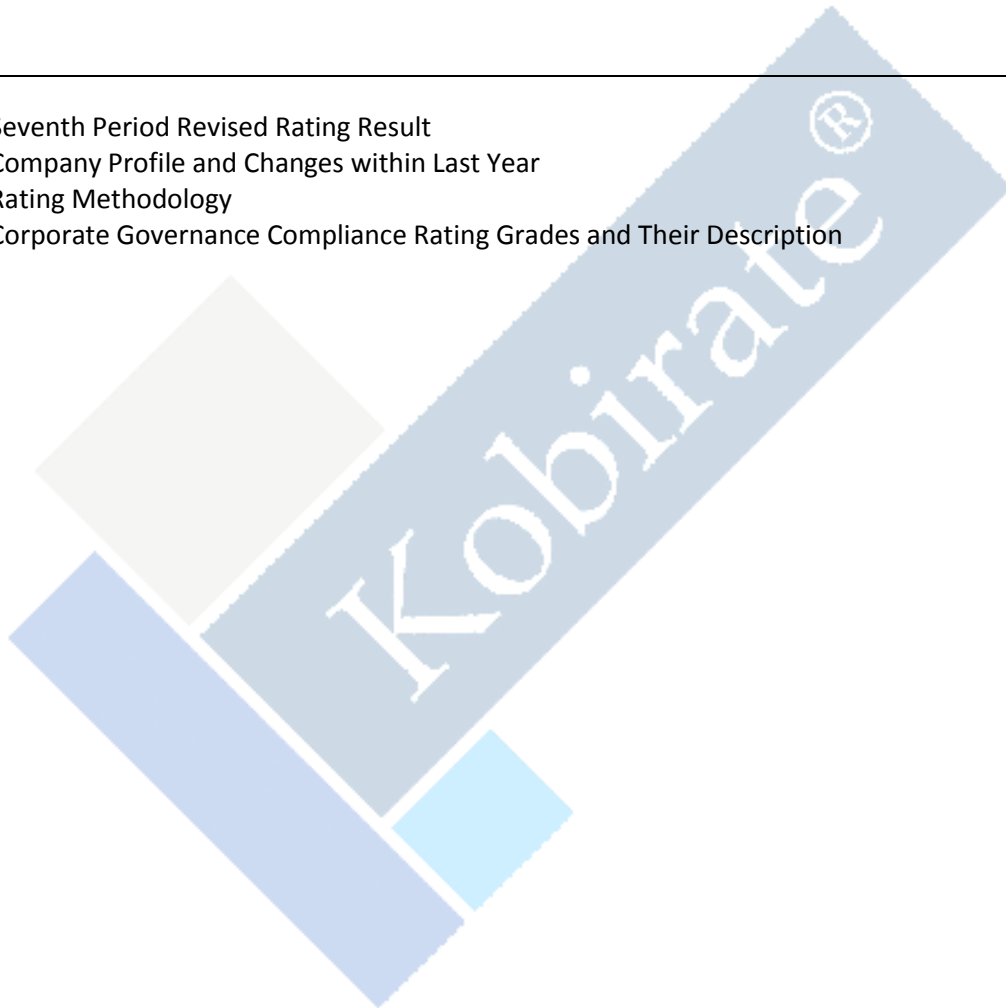
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

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

**CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

BIST SECOND GROUP

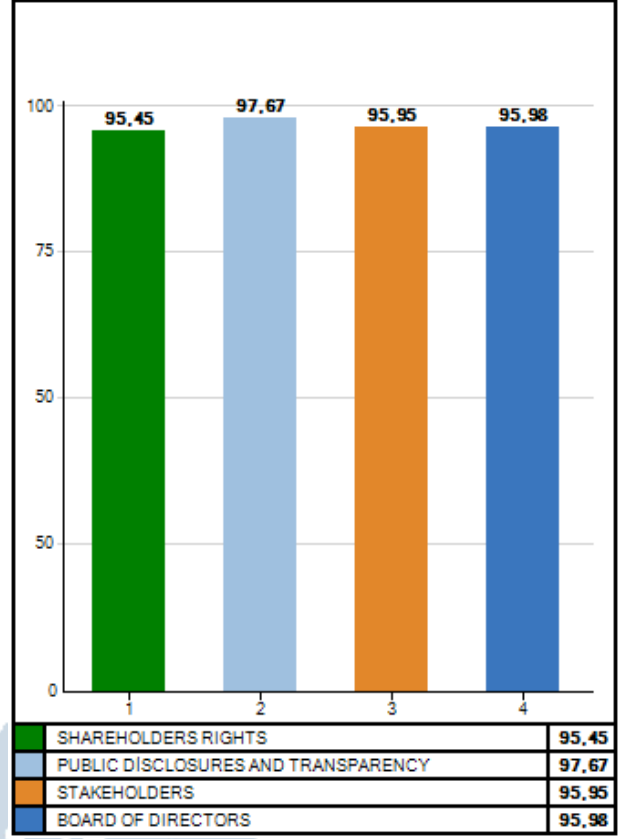
9.63

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

Contact:

Serap Çembertaş (216) 3305620 Pbx
serapcembertas@kobirate.com.tr

www.kobirate.com.tr



1. SEVENTH PERIOD REVISED RATING RESULT

The process of rating of compliance of **Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi** with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş., through onsite examinations of the documents, interviews held with executives and persons involved, examination of information open to public and other comprehensive reviews and observations. Methodology and 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 Bulletin dated 06.01.2017 and numbered 1/23, Doğuş Otomotiv is on BİST 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 **9.63**.

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

▪ At the section of Shareholders the Company has achieved the grade of **95.45**.

It has been determined that during the rating period the Company has taken special care to enable shareholders exercise their basic rights. The Company has updated its "Disclosure Policy" which contains sufficient information for shareholders and public to be informed about the Company and its activities. The revision of the policy was approved by Board of Directors decision dated 14.04.2017, No 2017 / 22 and disclosed to public through Public Disclosure Platform on the same date. The policy is also published on the corporate website.

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 reports to Director for Financial and Administrative Affairs Yeşim YALÇIN MALERİ.

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.

Ordinary General Assembly meeting to discuss activities of 2016 convened on 29.03.2017. Invitation to the meeting was made properly through Turkish Trade Registry Gazette dated 03.03.2017 and numbered 9276, Public Disclosure Platform on 28.02.2017 and MKK e – general

assembly system 3 (three) weeks before the meeting.

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

2016 activities of the Company produced TRY 177,131,000 net distributable profit and with the addition of TRY 14,372,417 total donations, net distributable profit for the period has become TRY 191,503,417. The use of this profit is explained in our report in the section, titled "ii. Dividend Distribution". Dividend distribution proposal of the Board of Directors and dividend distribution table have been published on Public Disclosure Platform on the same date with the invitation for general assembly meeting.

▪ In the section of Public Disclosure and Transparency the Company has received the grade of **97.67**.

Company's activities on public disclosure and transparency continue with the same sensitivity. Grade increase has been caused by following developments;

- Annual Report included statements on whether or not the Company plans any future changes within the scope of corporate governance principles.

- Annual Report included information on some regulation changes that may significantly affect Company's activities.,

- Annual Report included information on significant amounts of asset purchase or sales during the relevant period.

The persons who are responsible for disclosure statements and have the authority of signature are; Kerem TALİH, General Manager for Financial Affairs, Yeşim YALÇIN MALERİ, Director of Financial Affairs and Engin KAYA, Accounting Manager. These

persons are charged with monitoring and watching every subject that may be relevant to the subject of public disclosure.

It has been determined that Corporate website www.dogusotomotiv.com.tr and annual reports are in compliance with the criteria specified in the principles and they are being used as effective means of disclosure.

2016 independent audit has been conducted by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of KPMG International Cooperative). 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, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.'nin (A member firm of Ernst & Young Global Limited) was charged with conducting 2017 audit.

▪ In the section of Stakeholders the Company has received the grade of **95.95**.

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.

The Company gives priority to customer satisfaction as part of sustainability strategy and policies. Within this scope and the vision of "Creating Fan Customers", Doğu Otomotiv combined previously outsourced services of dialog (management of care), Highway Help and Call Center (polls and appointments) operation within the Company under one department in 2014 in order to increase sales and after sales customer satisfaction. The department is called "Value and Care Center" (DIM) in order to underline the importance of customer and emphasize service quality. It reports to Strategic Marketing and Corporate Communication Department.

Most important factors that enable the Company to achieve this grade are listed below:

- DIM has received ISO EN 15838 Customer Management System certificate, which is an international standard, given to customer – focused companies.

- DIM has received ISO 10002 certificate - compatible with ISO 9001 – which is a managerial approach that helps to establish and develop long term beneficial relationship with customers.

- In 2016 DIM won the "Best Approach Award" at 5th Call Center Customer Experience Summit and Quality League – organized by Doctor Türkiye - among 33 companies.

- DIM won first award in the category of "Best Customer Experience" and second award in the category of "Best Design of Call Center" at the 11th Contactcenterworld.com awards in 2016. The organization is accepted as the most prestigious one in the field of customer relations management and 45 companies competed in finals for 34 categories.

- In order to serve disabled, female and senior customers over 60 faster and reduce their waiting time to a minimum, DIM started "Positive Discrimination Project" in 2016.

- Thanks to its policies and practices in the field of sustainability, the Company is

one of the 44 companies on the BIST Sustainability Index for the period between November 2017 and October 2018.

- The Company has internalized corporate governance principles and adapted an decisive and willing approach open to improvement.

- In the section of Board of Directors, Doğuş Otomotiv has achieved the grade of **95.98**.

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.

The Board of Directors has described corporate strategic objectives and disclosed them to public. Posts of Chairman of the Board and CEO are held by different individuals and their powers are described. There are 9 (nine) members of the Board of Directors. 1 (one) member is executive and 8 (eight) members are non – executive. 3 (three) of the non – executive members are independent, meeting the criteria specified by Corporate Governance Principles. There are 2 (two) woman members in the Board.

Committees referred by the Principles, including Audit, Corporate Governance and Sustainability, Early Detection of Risk, Remuneration Committees have been formed. Due to the organization of the Board of Directors, a separate Nomination Committee has not been established and its functions are undertaken by the Remuneration Committee. Operation rules, 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 appointed from among independent members. At the minimum chairpersons of Corporate Governance and Sustainability, Early Detection of Risk, Remuneration Committees are Independent Members of Board of Directors. CEO /

General Manager has no assignment in any of these committees.

Board of Directors held 11 (eleven) meetings in 2016. As of November 2017, the Board has made 11 (eleven) meetings and it has planned one more meeting until the end of the year.

Audit Committee held 6 (six) meetings in 2016 and 1 (one) joint meeting with Early Detection of Risk Committee. It has held 5 (five) meetings as of November 2017. There is 1 (one) more planned joint meeting with the Early Detection of Risk Committee until yearend.

Corporate Governance and Sustainability Committee carries out its duties described by the Corporate Governance Principles. It also reports to the Board about preventive / improving measures to ensure implementation of sustainability principles, areas of opportunity and outcomes of actions. The Committee held 4 (four) meetings in 2015 and 3 (three) meetings as of November 2017. There is 1 (one) more planned meeting until yearend.

Early Detection of Risk Committee held 5 (five) meetings in 2016. One of them was a joint meeting with the Audit Committee. It has held 3 (three) meetings as of November 2015 and there is 1 (one) more planned joint meeting with the Audit Committee until the yearend. Committee has regularly presented assessment reports to the Board and shared these reports with the auditor.

Remuneration Committee held 3 (three) meetings in 2016 and as of November 2017. Subjects that were determined at the meetings, actions taken in these subjects and outcomes of these actions have been presented to the Board.

It has been determined that the Committees relay their agendas and suggestions on discussed items of agenda to the Board in writing.

It has been learned that:

In 2016, in parallel to activities and guidance of the Remuneration Committee, election of two women Board members, from among candidates with same levels of knowledge, experience and competency, was prioritized in line with Woman Member Policy of the Board;

In order to make assessments about the structure and efficiency of the Board and to come up with recommendations on possible changes in these subjects, a study was conducted, under the coordination of an independent company, about Board's structure, its running, as well as determining its strong areas and areas open to improvement;

The process has been completed through e – polls prepared by the company and face to face interviews with members and results of this study has been presented to the Board for assessment.

In addition, another study was conducted, again under the coordination of an independent company, about structure, running of Board of Executives, as well as determining its strong areas and areas open to improvement. Assessment of Board of Executives Dynamics and Leadership Development Project, which included assessments and recommendations on these subjects, has been realized. Within this scope, polls, face to face interviews and a workshop have been conducted. Outcomes of assessment have been presented to the Board.

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

Information about the content of consultancy services received by committees and the companies that provided these

services has been given to public in the annual report.

Although there is no practice of rewarding or dismissing Board members by taking results into consideration, performance evaluation is regularly done for the Board. Members are evaluated in terms of their attendance to Board and committee meetings, their contributions, sharing their knowledge, know - how and experience. Board's performance is evaluated on annual basis as a whole.

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:7, Sarıyer/ İSTANBUL
Head Office	Şekerpınar Mahallesi Anadolu Caddesi No: 22 41490 Şekerpınar - Çayırova / Kocaeli
Company Phone	: (0262) 6769090
Company Facsimile	: (0262) 6769096
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:

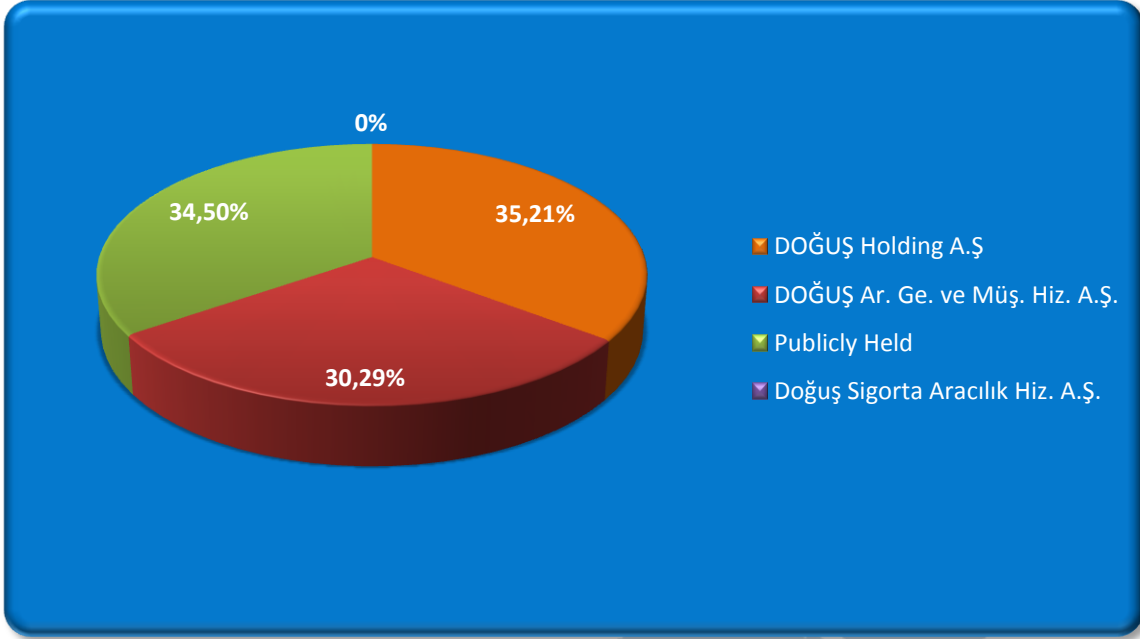
H. Müge YÜCEL

Investor Relations Assistant Manager

muyucel@dogusotomotiv.com.tr

0262 676 9058

Shareholder Structure



Shareholder Name (*)	Share (TL)	Share (%)
DOĞUŞ Holding A.Ş.	77.461.622,00 -	35,21
DOĞUŞ Ar. Ge. ve Müş. Hiz. A.Ş.	66.638.086,00-	30,29
Publicly Held	75.900.000,00-	34,50
Doğuř Sigorta Aracılık Hiz. A.Ş.	292,00-	0,00
TOTAL	220.000.000,00	100,00

Source: Doğuř Otomotiv Servis ve Ticaret A.Ş.

Real Person Ultimate Controlling Shareholders (As of report date)

Shareholder Name	Share (%)
Şahenk Family	74,33 %
Others	25,67 %
Total	100,00%

Source: www.kap.gov.tr

Board of Directors

Name/ Surname	Title	Executive/ Non Executive
Aclan ACAR	Chairman of Board of Directors	Non - Executive
Osman Nezihi ALPTÜRK	Deputy Chairman of Board of Directors	Non - Executive
H. Murat AKA	Member of Board of Directors	Non - Executive
Emir Ali BİLALOĞLU	Member of Board of Directors / CEO	Executive
Gür ÇAĞDAŞ	Member of Board of Directors	Non - Executive
Özlem DENİZMEN KOCATEPE	Member of Board of Directors	Non - Executive
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors & Chairman of Corporate Governance and Early Risk Detection Committees	Non - Executive
Ferruh EKER	Independent Member of Board of Directors & Chairman of Audit Committee	Non - Executive
E. Gülden ÖZGÜL	Independent Member of Board of Directors & Chairperson of Nomination and Remuneration Committee	Non - Executive

Source: www.kap.gov.tr

Board of Executives

Name/ Surname	Title
Emir Ali BİLALOĞLU	Member of Board of Directors & CEO
Giovanni Gino BOTTARO	Brand General Manager for Audi, Bentley, Lamborghini Bugatti
İlhami EKSİN	Brand General Manager for Scania-Meiller-Scania Marine Engines, ThermoKing
Anıl GÜRSOY	Brand General Manager for Seat, Porsche, DOD
Kerem Galip GÜVEN	Brand General Manager for VW Commercial Vehicles
Mustafa KARABAYIR	General Manager for Spare Parts and Logistics
Kerem TALİH	General Manager for Financial Affairs
Vedat UYGUN	Brand General Manager for VW Passenger Cars
Ela KULUNYAR	General Manager for Human Resources and Process Management

Source: Doğu Otomotiv Servis ve Ticaret A.Ş.

Board Committees

Corporate Governance and Sustainability Committee

Name/ Surname	Title	Job
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
Gür ÇAĞDAŞ	Member of Board of Directors	Committee Member
H. Hüsnü GÜZELÖZ(1)	Consultant	Committee Member
H. Müge YÜCEL	Investor Relations Assistant Manager	Committee Member

Source: www.kap.gov.tr

(1) Hasan Hüsnü Güzelöz has left his positions in the Company with the Board decision dated 28.04.2017 and No 2017/25. He was assigned as a consultant for committees.

Audit Committee

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

Source: www.kap.gov.tr

Early Risk Detection Committee

Name/ Surname	Title	Job
R. Yılmaz ARGÜDEN	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
H. Murat AKA	Member of Board of Directors	Committee Member
H. Hüsnü GÜZELÖZ(2)	Consultant	Committee Member

Source: www.kap.gov.tr

(2) Att.: Footnote: 1

Remuneration and Nomination Committee

Name/ Surname	Title	Job
E. Gülten ÖZGÜL	Independent Member of Board of Directors	Committee Chairman
Aclan ACAR	Chairman of Board of Directors	Committee Member
Osman Nezih ALPTÜRK	Deputy Chairman of Board of Directors	Committee Member

Source: www.kap.gov.tr

Investor Relations Department

Name/ Surname	Title	Communication
H. Müge YÜCEL	Investor Relations Director	0(262) 676 9058 muyucel@dogusotomotiv.com.tr
Bahar Efeoğlu AĞAR	Investor Relations Specialist	0(262) 676 9059 befeoglu@dogusotomotiv.com.tr

Source: www.kap.gov.tr

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

	2015/12	2016/12	Change %	09/2017
Current Assets	2.489.232	3.140.398	26	3.111.889
Non - Current Assets	1.490.671	1.711.456	14,8	1.928.042
Total Assets	3.979.903	4.851.854	21,9	5.040.042
Short Term Liabilities	2.304.035	3.685.246	59,9	3.743.273
Long Term Liabilities	312.985	47.895	-84,7	43.539
Equity	1.362.883	1.118.713	-17,9	1.253.230

Source: Doğuş Otomotiv Servis ve Ticaret A.Ş. 31.12.2016 Consolidated Financial Statements and Ind. Audit Report

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

	2015/12	2016/12	Change %	09/2017
Sales Revenues	10.889.161	11.925.176	9,5	8.502.717
Sales Cost	(9.780.598)	(10.772.300)	10,1	(7.615.702)
Gross Profit	1.108.563	1.152.876	4	887.015
Profit / Loss Before Tax	365.389	275.132	-24,7	161.834
Profit/Loss for the Period	302.444	237.943	-21,3	142.304

Source: Doğuş Otomotiv Servis ve Ticaret A.Ş. 31.12.2016 Consolidated Financial Statements and Ind. Audit Report

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

- STAR MARKET

-BIST SERVICES / -BIST İstanbul / -BIST CORPORATE GOVERNANCE / -BIST SUSTAINABILITY INDEX / -BIST DIVIDEND / -BIST DIVIDEND 25 / -BIST TRADE / -BIST ALL / -BIST NATIONAL / -BIST 100 / -BIST 30 / -BIST 50

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

Bottom	Peak
7,42- (29.11.2017)	9,80-(24.07.2017)

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

Subsidiaries, Affiliated Companies, Information about Financial Non - Current 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 Suisse SA	Auto Purchase-Sale and PS Services- Lausanne/Switzerland	11.788.000.00	11.782.248.00	CHF	99,95	SUBSIDIARY
Doğuş Auto-Mısır For Trading Manufacturing Vehicles JSC(*)	Auto Purchase-Sale and PS Services - Egypt	72.000.000.00	71.950.000.00	EGP	99,93	SUBSIDIARY
D-Auto Limited Liability Company	Auto Purchase-Sale and AS Services - Iraq	150.000.000.00	150.000.000.00	IQD	100,00	SUBSIDIARY
Doğuş Oto Pazarlama Ve Ticaret A.Ş.	Auto Purchase-Sale and AS Services	45.000.000.00	43.288.270.00	TL	96,20	SUBSIDIARY
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	IT Infrastructure and Software	19.000.000,00	8.740.000,00	TL	46,00	AFFILIATED COMPANY
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	Insurance Intermediary Services	1.265.000.00	531.232.00	TL	41,99	AFFILIATED COMPANY
Vdf Servis ve Ticaret A.Ş.	Automotive Products and Services	5.100.000.00	1.924.230.00	TL	37,73	AFFILIATED COMPANY
Volkswagen Doğuş Finansman A.Ş.	Automotive Consumer Finance	180.000.000,00	86.399.987,00	TL	48,00	AFFILIATED COMPANY
Yüce Auto Motorlu Araçlar Ticaret A.Ş.	Skoda Turkey Distributor	2.100.000.00	1.049.999.40	TL	50,00	AFFILIATED COMPANY
Meiller Doğuş Damper Sanayi ve Ticaret Ltd. Şti. (*)	Damper Production and Sales	234.000,00	114.660,00	TL	49,00	BUSINESS PARTNERSHIP
Tüvtürk Güney Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	25.250.000.00	8.332.836.00	TL	33,00	BUSINESS PARTNERSHIP
Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	67.100.000.00	22.143.895.00	TL	33,00	BUSINESS PARTNERSHIP

Source: www.kap.gov.tr

(*) The company is in the process of liquidation, legal procedures continue.

B. Changes within last year:

i. Changes in Capital and Articles of Association:

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

ii. Dividend Distribution:

2016 activities of the Company produced TRY 177,131,000 net distributable profit and with the addition of TRY 14,372,417 total donations, net distributable profit for the period has become TRY 191,503,417.

At its meeting on 28.02.2017, the Board of Directors took the following decision about distribution of dividends from activities in 2016;

“Within the scope of regulations made by CMB to compensate for losses incurred by events of 2016 in our country, with the aim of contributing to these efforts, 22,000,000 publicly traded shares of our Company, which corresponds to 10 % (ten) of its capital has been repurchased for TRY 220,161,801.67. Therefore, taking into consideration possible uncertainties in the automotive sector that may affect our business and in accordance with our Company’s growth plans it is decided to present the proposal of keeping the net profit within the Company and not to distribute it for the approval of General Assembly.”

Proposal of the Board of Directors was discussed at the general assembly meeting on 29.03.2017 as the 6th Item of the agenda and approved.

iii. Policies:

The Disclosure Policy has been updated during the rating period and approved by Board decision dated 14.04.2017, No 2017/22. Disclosure Policy was published on Public Disclosure Platform through a material event disclosure on 14.04.2017. There have been no changes in Company’s other policies (Dividend Distribution Policy, Remuneration Policy, Employee Compensation Policy, Donation and Aid Policy, Repurchase of Shares Policy) during the same period.

iv. Management and Organization:

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

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

▪ As it was referred to in our corporate governance rating report covering the period between 15.12.2015 and 15.12.2016, with a material event disclosure dated 19.11.2015 it was disclosed that Meiller Doğuş Damper Sanayi Ve Ticaret Limited Şirketi, 49 % shares of which were owned by the Company, would stop production and therefore it was decided that necessary administrative, legal and financial processes would be completed for termination of employees’ work contracts. It has also been disclosed that after termination of production, distributorship for brand of Meiller would be carried out by Doğuş Otomotiv and talks for the future of Meiller Doğuş Damper Sanayi Ve Ticaret Limited Şirketi continued between main shareholders.

▪ According to the material event disclosure dated 23.12.2016, distributorship contract between the Company and F. X. Meiller Fahrzeug- und Maschinenfabrik- GmbH & Co KG for distribution of Meiller products was terminated on 31.12.2016. Authorized sales and authorized service contracts between the Company Meiller authorized sales and authorized service dealers were also terminated on the same date.

According to the material event disclosure dated 15.08.2017, it was decided to liquidate Meiller Dođuş Damper Sanayi Ve Ticaret Limited Őirketi - 49 % shares of which were owned by the Company and activities of which have already been stopped - and the legal process of liquidation has been started.

Material event disclosure dated 13.10.2017 states that legal process of liquidation continues.

▪ In a material event disclosure dated 06.11.2017, it was disclosed that Dođuş Holding A.Ő., main shareholder of Dođuş Otomotiv, decided to merge with Dođuş AraŐtırma GeliŐtirme ve MűŐavirlik Hizmetleri A.Ő., the other shareholder of the Company, as a whole and including its receivables and liabilities and since both companies are part of Dođuş Group, there would be no change in the management control of Dođuş Otomotiv. ,

With the completion of merger process, main shareholder Dođuş Holding A.Ő.'s share in Dođuş Otomotiv would increase to 65.5 % from 35.21 % (excluding purchased publicly traded shares).

▪ In a material event disclosure dated 02.03.2017, it was disclosed that the General Assembly decision to increase Dođuş Otomotiv's affiliated company Dođuş Bilgi İŐlem ve Teknoloji Hizmetleri A.Ő.'s paid in capital, which was TRY 9,750,000, by TRY 9,250,000 to TRY 19,000,000, has been registered by Istanbul Trade Registry Office and that nominally valued TRY 4,255,000 part of the increased capital would be paid by the Company (Dođuş Otomotiv's 46 % share would stay same).

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:

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 Corporate Governance Principles in the existing structure.

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

GRADE	DEFINITIONS
<p>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 recognised and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.</p>
<p>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>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
<p style="text-align: center;">4–5,9</p>	<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 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>
<p style="text-align: center;">< 4</p>	<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>