



Corporate Governance Compliance Rating Report

FORD OTOSAN

Ford Otomotiv Sanayi A.Ş.

21 June 2023

Validity Period 21.06.2023-21.06.2024

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Ford Otomotiv Sanayi 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. KOBİRATE 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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FORD OTOSAN

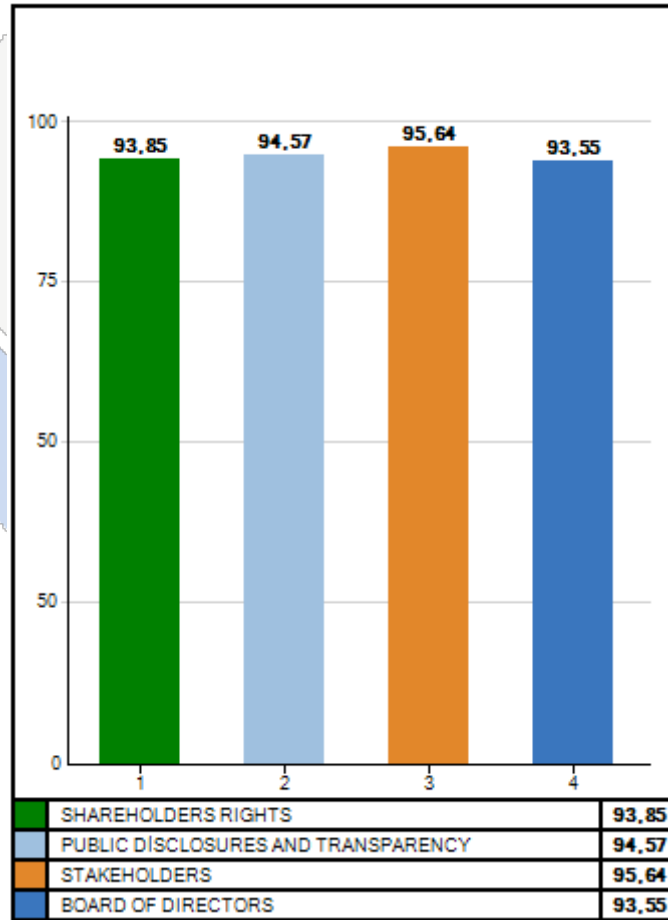
FORD OTOMOTİV SANAYİ A.Ş.

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.42





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Burhan TAŞTAN

(License Number: 700545)

Can TEKİN

(License Number: 700573)

Nermin Z. UYAR

(License Number: 702999)

2. RATING SUMMARY

This report of rating of compliance of Ford Otomotiv Sanayi A.Ş. (Ford Otosan) 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 the decision of the Board decision body dated 12.01.2023 and numbered 2/51, Ford Otosan is included in the 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 Ford Otomotiv Sanayi A.Ş. has been determined as **9.42**. This result signifies that Ford Otosan has achieved a significant level of compliance with CMB's Corporate Governance Principles and deserves to be on the BIST corporate governance index.

Possible risks for the Company are determined to a significant extent. Rights of shareholders and stakeholders are treated fairly. Public disclosure and transparency activities are conducted at a good level. The structure and working conditions of board of directors are compliant 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 **93.85** in the Shareholders Section and achieved good level of compliance with CMB Corporate Governance Principles. Existence of Investor Relations Department to conduct healthy relationship with shareholders, duly convention of general assemblies, preparation of dividend policy and having no restrictions on transfer of public shares are among positive policies.

Ford Otosan has achieved a grade of **94.57** 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 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. It has been determined that the Company is in compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **95.64** in the section of Stakeholders.

The Company has achieved significant compliance with CMB's Corporate Governance Principles in this section. 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 and suppliers 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. There are statements about sustainability and corporate social responsibility activities both in the annual report and on the corporate website.

As for the Board of Directors Section, the Company's grade is **93.55**, representing good compliance with CMB's Corporate Governance Principles. However, it is thought that some improvements can be made.

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

The posts of Chairman of the Board of Directors and General Manager are held by separate individuals. There is no one in the Company with sole, unlimited authority to make decisions.

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

The Audit, Corporate Governance, Early Risk Detection and Remuneration Committees, referred to by the principles, have been established, their working principles have been prepared as written documents.

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

There is 3 female members appointed in the board.



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. 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 workflow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

448 criteria are used in the rating process for BIST 2nd 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.

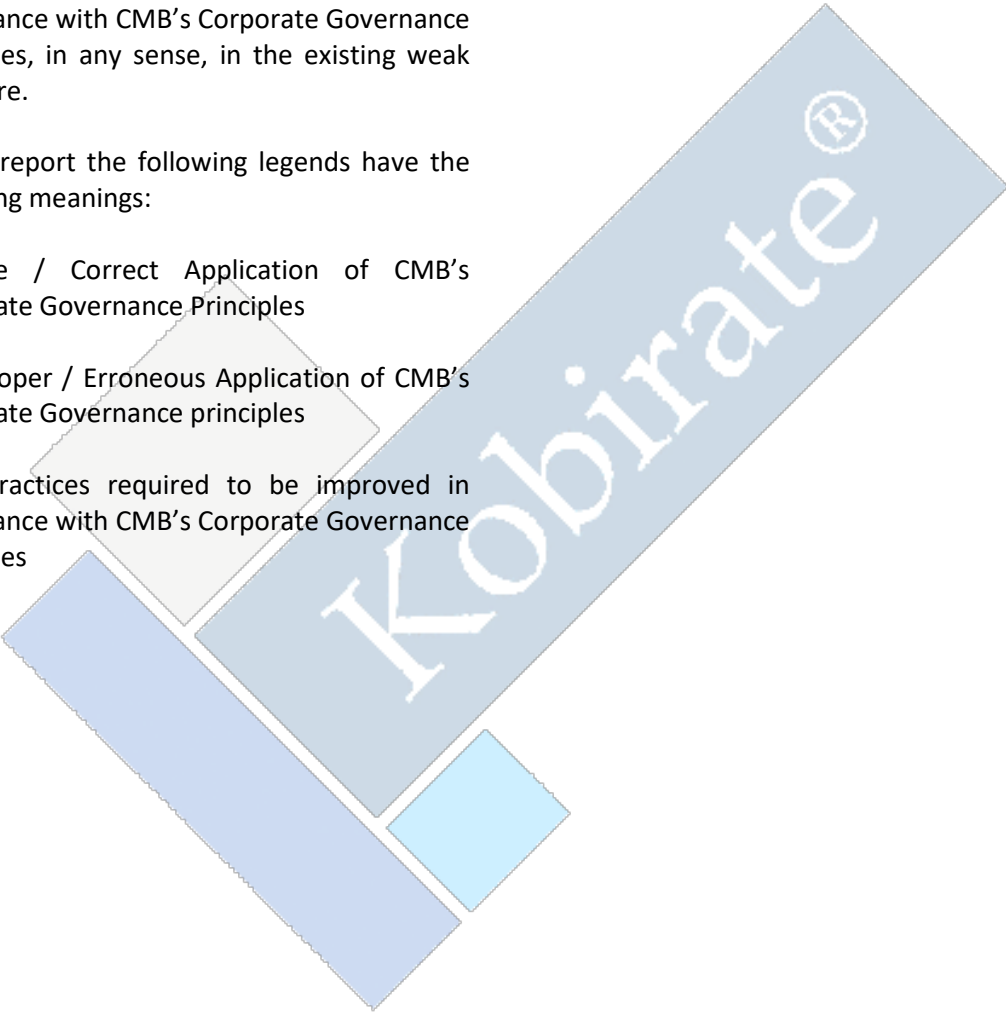
A rating is made with a system that completes the section grades up to 100 by the company's

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



4. COMPANY PROFILE

FORD OTOSAN

Company Name : Ford Otomotiv Sanayi A.Ş.
Company Address (Headquarters) : Akpınar Mah. Hasan Basri Cad. No:2 34885
SANCAKTEPE/İSTANBUL
Company Phone : 0 (216) 564 7100
Company Fax Number : 0 (216) 564 7385
Company's Web Address : www.fordotosan.com.tr
Email : yatirimciiliskileri@ford.com.tr
Date of Incorporation : 07/07/1959
Registered Number : 73232
Paid-in Capital : 350,910,000 TL

Line of Business : Manufacture, assembly and sale of motor vehicles, especially commercial class vehicles, import, sale of passenger vehicles and production, import and sale of spare parts of these vehicles.

Company's Sector : Manufacturing / Metal Goods, Machinery, Electrical Equipment and Transportation Vehicles

Company's Representative in Charge of Rating:

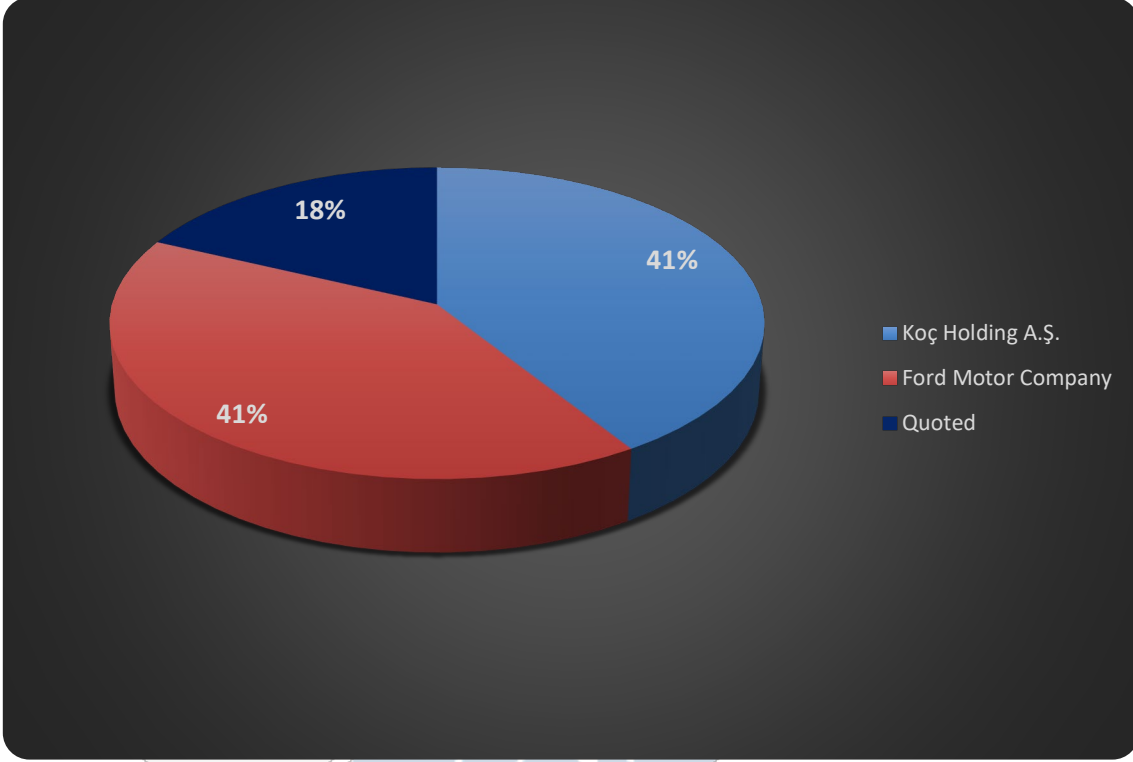
Bahar EFEOĞLU AĞAR
Investor Relations Leader

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FORD OTOMOTİV SANAYİ A.Ş.

Quality of Shareholder Structure



Source: www.fordotosan.com.tr

<i>Shareholder Name</i>	<i>Share (TL)</i>	<i>Share (%)</i>
Koç Holding A.Ş.	143,873,100	41
Ford Motor Company (*)	143,873,100	41
Quoted	63,163,800	18
Total	350,910,000	100.00

Source: www.fordotosan.com.tr

(*) 41% of Ford Otosan shares are owned by Ford Deutschland Holding GMBH, and Ford Deutschland Holding GMBH is 100% owned by Ford Motor Company.

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Yıldırım Ali KOÇ	Chairman	Non - Executive
James Kieran Vincent CAHILL	Deputy Chairman	Non - Executive
Mustafa Rahmi KOÇ	Member of Board of Directors	Non - Executive
William Richard PERIAM	Member of Board of Directors	Non - Executive
Haydar YENİGÜN	Member of Board of Directors	Non - Executive
Levent ÇAKIROĞLU	Member of Board of Directors	Non - Executive
Lisa Katherine KING	Member of Board of Directors	Non - Executive
Johan Egbert SCHEP	Member of Board of Directors	Non - Executive
Dave JOHNSTON	Member of the Board of Directors - Battery and Partnerships Leader	Executive
Güven ÖZYURT	Member of the Board of Directors – Ford Otosan Leader	Executive
Fatma Füsun AKKAL BOZOK	Independent Member of Board of Directors	Non - Executive
Katja WINDT	Independent Member of Board of Directors	Non - Executive

Source: www.kap.gov.tr

Top Management of the Company

Name / Surname	Duty
Güven ÖZYURT	Ford Otosan Leader
Josephine Mary PAYNE	Ford Otosan Leader
Dave JOHNSTON	Battery and Partnerships Leader
Saibe Gül ERTUĞ	Financial Affairs Leader-CFO
Özgür YÜCETÜRK	Ford Türkiye Business Area Leader
Cemil Cem TEMEL	Operations and Investments Leader
Ercan Emrah DUMAN	Ford Trucks Business Area Leader
Hasan Kazım Burak GÖKÇELİK (*)	Engineering and Technology Development Leader
Murat SENİR	Purchasing Leader
Oya Başak AKYOL	Human Resources and Transformation Leader
Ahmet Serdar KAYHAN	Legal and Compliance Leader
Hayriye KARAKUZU KARADENİZ	Digital Products and Services Leader
Fikri Onur SARIKAYA	Total Quality Leader
Fahrettin Canalp GÜNDOĞDU	Innovation and New Initiatives Leader

Source: www.kap.gov.tr

(*) Mr. Hasan Kazım Burak GÖKÇELİK will be retired as of 01.07.2023. Ian Robert FOSTON was appointed to take over on the same date and the PDP statement on the topic was made on 02.06.2023.

Committees Formed Within Board of Directors

THE AUDIT COMMITTEE	
Fatma Füsun AKKAL BOZOK	Independent Member of Board of Directors
Katja WINDT	Independent Member of Board of Directors

Source: www.kap.gov.tr

CORPORATE GOVERNANCE COMMITTEE

Fatma Füsün AKKAL BOZOK	Independent Member of Board of Directors (Chairman)
Katja WINDT	Independent Member of Board of Directors (Member)
Haydar YENİGÜN	Member of Board of Directors (Member)
William R. PERİAM	Member of Board of Directors (Member)
Saibe Gül ERTUĞ	Member (Financial Affairs Leader - CFO (Finance))

Source: www.kap.gov.tr

EARLY DETECTION OF RISK COMMITTEE

Fatma Füsün AKKAL BOZOK	Independent Member of Board of Directors (Chairman)
Haydar YENİGÜN	Member of Board of Directors (Member)
William R. PERİAM	Member of Board of Directors (Member)

Source: www.kap.gov.tr

REMUNERATION COMMITTEE

Fatma Füsün AKKAL BOZOK	Independent Member of Board of Directors (Chairman)
Haydar YENİGÜN	Member of Board of Directors (Member)
James Kieran Vincent CAHİLL	Member of Board of Directors (Member)

Source: www.kap.gov.tr

INVESTOR RELATIONS	TITLE	CONTACT
Saibe Gül ERTUĞ	Financial Affairs Leader - CFO (Finance)	0 (262) 315 6905 gertug@ford.com.tr
Bahar EFEOĞLU AĞAR	Investor Relations Leader	0 (216) 564 7859 bagar@ford.com.tr

Source: www.kap.gov.tr

Balance-Sheet comparison of Company's certain selected items of last three years (Thousand TL)

	2020/12	2021/12	2022/12	Change % (2021-2022)
Current Assets	17,604,522	32,813,852	55,124,518	68
Fixed Assets	6,744,657	9,979,001	40,927,729	310
Total Assets	24,349,179	42,792,853	96,052,247	124.5
Short-Term Liabilities	12,480,781	20,782,144	46,205,980	122.3
Long-Term Liabilities	4,824,496	11,862,171	28,444,093	139.8
Total Liabilities	17,305,277	32,644,315	74,650,073	128.7
Paid-in capital	350,910	350,910	350,910	-
Equity	7,043,902	10,148,538	21,402,174	110.9

Source: Ford Otomotiv Sanayi A.Ş. Financial Statements and Independent Audit Report for the Period 01.01.2022-31.12.2022

Profit / Loss Comparison of Some Items of Last Three Years (Thousand TL)

	2020/12	2021/12	2022/12	Change % (2021-2022)
Revenue	49,451,407	71,101,258	171,796,902	141.6
Cost Of Sales	(43,264,878)	(59,947,098)	(147,855,658)	146.6
Main Operational Profit / Loss	4,805,661	9,437,743	19,140,343	102.8
Operational Profit or Loss Before Tax	4,108,330	8,686,759	15,623,207	79.8
Period Profit / Loss	4,194,913	8,801,005	18,613,943	111.5

Source: Ford Otomotiv Sanayi A.Ş. Financial Statements and Independent Audit Report for the Period 01.01.2022-31.12.2022

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

BIST Code : FROTO

Market where the Capital Market Instrument is Traded: BIST Star

Indexes That the Company Is Included : BIST DIVIDEND / BIST KOCAELI / BIST SUSTAINABILITY 25 / BIST STARS / BIST DIVIDEND 25 / BIST CORPORATE GOVERNANCE / BIST 100 / BIST METAL PRODUCTS, MACH. / BIST ALL SHARES / BIST 50 / BIST INDUSTRIALS / BIST SUSTAINABILITY / BIST 30
Foreign Indices: FTSE4Good Emerging Markets, Bloomberg Gender Equality Index

Source: www.kap.org.tr

**Peak and Bottom Closing Values of Company shares traded at BIST
between 15.06.2022 and 15.06.2023**

Bottom (TL)	Peak (TL)
247.04 (05.07.2022)	692.80 (08.06.2023)

Source: www.fordotosan.com.tr

Brief History of the Company and Information About Its Operations

Ford Otosan (Ford Otomotiv Sanayi A.Ş.) is a publicly traded (18%) company in which Ford Motor Company* (41%) and Koç Holding (41%) hold equal shares. Ford Otosan, which has been among the top 3 exporting companies in Turkey since 2004, has been the export champion of the automotive industry for the last 12 years and the export champion of Turkey for the last 8 years. In 2022, vehicles

and spare parts were exported from Turkey to 94 countries on 5 continents, amounting to 6.2 billion dollars. Operating in 4 main centers with its Gölcük and Yeniköy Plants in Kocaeli, Eskişehir Plant in Eskişehir, Sancaktepe R&D Center and Spare Parts Warehouse in İstanbul, Craiova Plant in Romania, Ford Otosan employs more than 20,000 people. Ford Otosan is the most valuable automotive company in Borsa İstanbul.

Ford Otosan, which exports engineering with 2089 R&D employees, has the largest R&D organization in the Turkish automotive industry. The global engineering center of Ford's heavy commercial vehicles, related diesel engines and engine systems is the support center for Ford's light commercial vehicle design and engineering. Ford Otosan has all the knowledge, skills and infrastructure necessary to design, develop and test a complete vehicle with all its processes, including its engine.

Founded in 1959, Ford Otosan is the largest commercial vehicle production center in Europe, with its production capacity of 721,700 vehicles, 436,500 engines and 140,000 axles and 15,000 transmissions by 2022. Kocaeli and Eskişehir Plants are shown among Ford's 'Best Vehicle Production Centers' in the evaluations between Ford plants. Eskişehir is the only plant in Turkey that can produce vehicles, diesel engines and powertrains in the same facility.

Ford Otosan, which has a long-standing business partnership relationship with its dealers, is represented all over Turkey by strong names who have adopted this partnership and add value to it. It also provides maintenance, repair and services through expert authorized services all over Turkey. Ford Otosan appoints distributors and dealerships abroad with the Ford Trucks business unit and provides service and spare parts through its dealerships.

Standing out with its sensitivity towards social responsibilities, Ford Otosan contributes to the economic development of our country and to its competitiveness on an international scale while carrying out social responsibility activities in many fields such as education, health, culture-arts and sports in order to achieve the Sustainable Development Goals in line with its understanding of corporate citizenship and its vision of 'The Future is Now'. In line with this objective, it contributes to the improvement of education quality by building schools in its operating regions, establishing laboratories for vocational schools, providing equipment and scholarships. In 2019, Ford Otosan initiated the "Dreams Want Information" project, which aims to provide problem-solving skills by using technologies such as sensors, coding and artificial intelligence, especially for children who do not have access to new technologies, in line with the goals of Quality Education, Reducing Inequalities and Partnerships for Goals, which are among the United Nations Sustainable Development objectives.

Carrying out awareness studies on gender equality since 2013 with the understanding of "Equality at Work", Ford Otosan continues to be listed in the Bloomberg Gender Equality Index as the only automotive company from Turkey since 2021, increasing its performance for three years. In line with its gender equality commitments, it carries out efforts for the development of women in the field of STEM, especially in education and employment.

Milestones

1928

Vehbi Koç acquired the Ankara Ford dealership.

1956

The foundations of the Koç-Ford partnership were laid.

1966

The first domestic passenger car, Anadol, was produced.

1967

The first Ford Transit was produced.

1982

İnönü Plant started production.

1986

The first domestic diesel engine, "Erk," was produced.

1997

The shareholding of Koç Holding and Ford Motor Co. was equalized.

2001

Gölcük Plant was established.

2009

The first car export to the USA was made with the Transit Connect.

2012

The production of Ford Custom started.

2013

A technology export agreement was signed with JMC for China.

2014

Yeniköy Plant was established, and Ford Courier production began.

2016

The production of the Ecotorq Engine, designed with 100% Ford Otosan engineering, started.

2018

The F-MAX received the International Truck of the Year Award.
The capacity expansion of Gölcük Plant was completed.

2019

Gölcük Plant was selected as a Pioneer Plant (Global Lighthouse Network).

2020

In the Euro NCAP Active Safety Test, Transit received a gold award, and Custom received a silver award.

2021

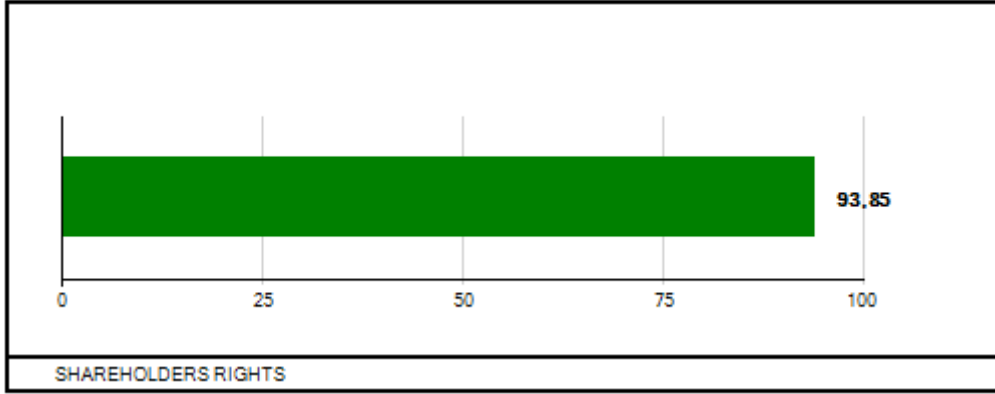
In the Euro NCAP Active Safety Test, Custom received a gold award.

2022

The production of the fully electric E-Transit started at Gölcük Plant.
Ford's Craiova Plant was acquired.
Passenger car production resumed.

5. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ Investor Relations Department has been established 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.
- ✓ It is stated in the articles of association that general assemblies can be held open to the public.
- ✓ The donation and aid policy were created, submitted to the approval of the general assembly and disclosed to the public.
- ✓ 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 are no restrictions on the transfer of public shares.
- ✓/* B and C group shares have the privilege of nominating candidates to the board of directors.
- ✓/* Minority rights must be extended to those shareholders with less than 1 / 20 of the capital.

In this section, as stated 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 is **93.85** points.

a. Facilitating the Exercise of Shareholders' Rights

Ford Otosan Investor Relations Department reports directly to the CFO.

The department is under the responsibility of Investor Relations Leader, Ms. Bahar EFEOĞLU AĞAR, who was appointed to this position on 01.11.2021. Ms. AĞAR has Capital Market Level 3 and Corporate Governance Rating licenses. Ms. Ekin TAŞ and Ms. Duygu YALINKILINÇ also work as team members in the department.

Since the Investor Relations Department works under the CFO and reports are also made to the CFO, Ms. Saibe Gül ERTUĞ

(Financial Affairs Leader-CFO) has been appointed as a member of the corporate governance committee. Investor Relations Leader Ms. Bahar EFEOĞLU AĞAR, however, provides the secretariat of the corporate governance committee and attends committee meetings with this task. The structuring of the Investor Relations Department in accordance with Article 11 of the Corporate Governance Principles will bring compliance with the principles to a higher level.

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, its working procedure has been established and it has been seen to be covering the duties stated at the 11/5 item of CMB Corporate Governance Directive No II-17.1.

It has been determined that the Investors Relations Department presents regularly to the Corporate Governance Committee its activities and performance of shares. The Department has reported to the corporate governance committee once in 2022.

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

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

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 website (<https://fordotosan.com.tr/tr>) is used efficiently.

The "Disclosure Policy" approved by the Board of Directors is published on the corporate website of the Company. Shareholders' right to obtain information is explained in detail in the aforementioned policy.

All information concerning the company has been given on time, truthfully and completely. There have been no warnings or penalties on this issue given by Regulatory authorities.

It has been determined that inquiries of shareholders have been responded rapidly and care has been given to let shareholders exercise their right to obtain information and to examine.

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

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

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

c. Right to Attend the General Assembly

It is observed that the practices of the company during the general assembly meeting process comply with the principles at a very good level.

In 2022, two general meetings were held, the ordinary general assembly on 21.03.2022 and the extraordinary general assembly on 28.11.2022, to discuss the activities of 2021. The extraordinary general assembly convened with the agenda of making a new appointment to the vacant independent board member due to resignation and distribution of dividends

from the profits made in 2021 for the second time.

The Ordinary General Assembly, where 2022 activities were discussed, was held on 09.04.2023. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 14.02.2023 and numbered 10769, on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 13.02.2023 and on the corporate website of the company.

The date, time, place, agenda and the sending department have been clearly described in the invitation.

It has been understood that 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.

In order to increase the participation of the shareholders, the general assembly meeting was 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 note 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 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, requests of the shareholders to add an item to the agenda, and explanations on the agenda are also included.

While preparing the general assembly agenda, it was determined that the topics of the agenda 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" on the agenda.

At the General Assembly meeting, Mr. Haydar YENİGÜN (Member of the Board of Directors), Mr. Fatma Füsün AKKAL BOZOK (Independent Member of the Board of Directors), Mr. Güven ÖZYURT (Member of the Board of Directors – CEO), Mr. David Joseph Cuthbert JOHNSTON (Member of the Board of Directors – Ford Otosan Leader) and Ms. Saibe Gül ERTUĞ (Financial Affairs Leader - CFO) 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.

In the Ford Otosan articles of association, it is stipulated that the general assemblies will be open to the public, including the stakeholders and the media, without the right to speak. The information that the meeting is open to the public is also clearly included in the general assembly invitations and the information note.

The company's practices in this subsection are in very good compliance with the principles.

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.

Each share gives one voting right and no privilege has been granted to any share group.

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.

Company'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 19 of the articles of association. In Article 20, it is regulated that the company can distribute dividend advances to the shareholders in accordance with the Capital Markets Legislation.

Dividend Policy contains minimum information enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods. It has been emphasized that this policy was prepared taking into consideration the delicate balance between the expectations of shareholders and the needs of the company.

Information like dividend distribution ratio, payment method and time have also been disclosed to public in this document. Likewise, the policy also includes the information that dividend advances can be distributed.

According to the CMB, the company has earned a net distributable profit of 18,874,943,141-TL (donations added) from its activities in 2022.

According to the legal records, it is seen that a profit of 15,648,853,307 TL has been obtained.

At the meeting of the board of directors dated February 13, 2023, it was decided to propose to the general assembly;

a. 5% of the general legal reserves required to be set aside pursuant to Article 519 of the Turkish Commercial Code not be allocated for the year 2022, since the amount of general legal reserves in the Tax Procedure Law records as of 31.12.2022 has reached the limit of 20% of the capital; 498,292,200-TL to be allocated as general legal reserves from the net period profit of 18,613,943,141-TL in the financial statements prepared according to the CMB, and a gross cash dividend of 1,425% (net 1,282,50%) to be distributed for each 1 TL share, a gross dividend of 14.25 TL (Net 12,8250 TL as stated in the note in the Profit Distribution Proposal table), and a first dividend of 5,000,467,500 TL to the shareholders; and the remaining 13,115,183,441-TL to be set aside as extraordinary reserves,

b. To allocate 498.292.200 TL of general legal reserves from the current year 2022 profit of 15,648,853,307 TL according to the records of the Tax Procedure Law, to distribute a gross cash dividend of 5,000,467,500-TL, and the remaining 10,150,093,607 TL to be set aside as extraordinary reserves,

c. To determine the dividend distribution date as 13th of March, 2023.

The said proposal of the board of directors was discussed as the 7th item of the agenda at the ordinary general assembly held on 09 March 2023 and accepted by the shareholders.

The profit distribution decision 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.

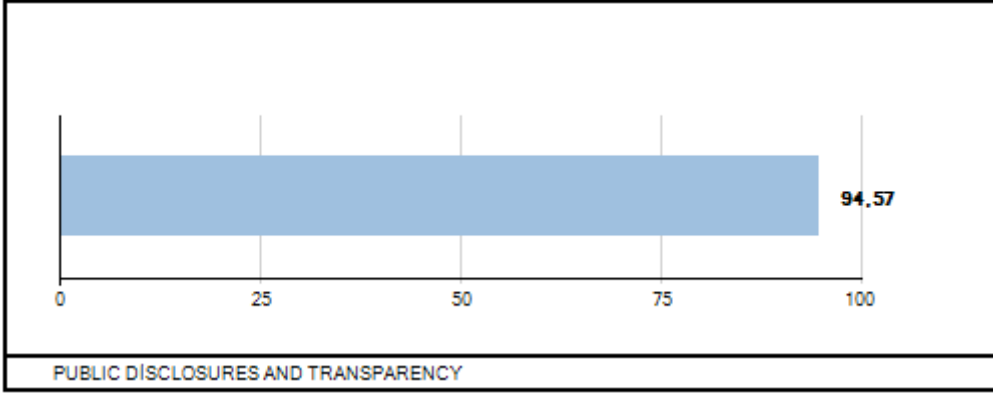
The company's practices in this subsection are very well in accordance with the corporate governance principles.

g. Transfer of Shares

There are no restrictions on the transfer of public shares.

The conditions for the transfer of non-public registered shares that are not traded in the stock exchange are regulated in Article 8 of the articles of association of the company and are subject to certain conditions.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ The disclosure policy was presented to the information of the shareholders at the general assembly.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The annual report is comprehensive, and its content mostly complies with the principles.
- ✓ Annual Report contains the Board decision and state of responsibility about approval of Company's balance sheet and income statement by the Board of Directors and its presentation to the General Assembly for approval.

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 has deserved the grade of **94.57**.

Ford Otosan carries out public disclosures within the scope of its Public Disclosures

Policies developed by the board and disclosed to the public. This policy complies with the CMB's Special Circumstances Communiqué No. II.15-1. The Disclosure Policy created in 2009 has been updated several times. The last update was made on June 15, 2023, approved by the board of directors and announced to the public on the Public Disclosure Platform on the same date. The revised policy will be submitted to the information of the shareholders at the first general assembly.

The officials in the Company who are charged with disclosures and have the authority for signature are: Ms. Saibe Gül ERTUĞ (Financial Affairs Leader - CFO), Mr. Ünal ARSLAN (Finance Leader) and Mr. Bülent Erol TAŞ. (Management and General Accounting Leader).

The company's external independent audit for 2021 and 2022 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.

It has been decided that the independent external audit for 2023 will be carried out by

the same company with the recommendation of the audit committee, the positive opinion of the board of directors and the approval of the general assembly.

a. Corporate Website

The corporate website (<https://www.fordotosan.com.tr>) is updated regularly and the website is being used as an active and effective platform for disclosure to 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, 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 and sponsorship policy, business ethics rules and regulations, human resources policy and policies on many issues that concern all stakeholders.

The aforementioned information is provided to shareholders and potential investors regularly and up to date.

All 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.

The company does not have a real person ultimate controlling shareholder, and it is disclosed both on the corporate website and on the Public Disclosure Platform.

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

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 31.12.2022 was approved and disclosed to the public by the decision of the Board of Directors dated 15 February 2023 and numbered 2023/07.

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 carried out, 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 production volumes,

Sales and any updates on them,

Information on developments in investments,

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

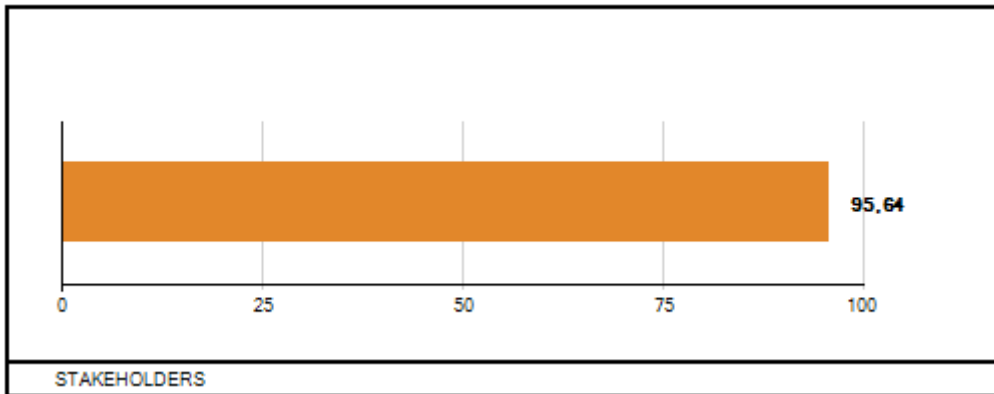
In the annual report, salaries, bonuses and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

It has been determined that the Company has achieved rather good compliance with the

Corporate Governance Principles in this subsection.

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C. STAKEHOLDERS



Overview

- ✓ Ethical Principles and Rules of Conduct have been established and published electronically.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Human resources policy was established and many internal regulations concerning customers and other 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.
- ✓ Blue collar workers are unionized.
- ✓ The Company has established its Social Investment Policy and disclosed it to the public.
- ✓ Studies within the scope of the Social Investment Policy were disclosed to the public.
- ✓ The company has established its Sustainability Approach and disclosed the compliance framework to the public.
- ✓/* It would be appropriate to develop regulations supporting the participation of stakeholders in the company management and to include them in the articles of association and internal regulations.

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 has deserved the grade of **95.64**.

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 Ford Otosan 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.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Stakeholders are adequately informed on company policies and procedures to protect their rights and company's corporate website (<https://www.fordotosan.com.tr>) is being actively used for this purpose.

Ford Otosan has adopted the principle of complying with the laws, international agreements to which the Republic of Turkey is a party, the United Nations Global Compact, acting within the framework of accuracy and honesty, accountability and openness in all its business and actions. The ethical principles adopted by the company since its establishment became institutionalized with the Ethical Policy, which was approved by the Board of Directors and entered into force in 2018. The Ethics Evaluation Committee, which includes the Ethics Committee, Internal Audit and Ethics Committee, Legal and Compliance Leadership, Internal Audit Leadership and Human Resources and Transformation Leadership units, was formed within the redesigned governance structure to ensure compliance with the Ethics Policy throughout the company. In addition, the Ethics Coordination has been established for the effective handling and follow-up of ethical violation notifications. It has been learned that all ethical statements are being evaluated in accordance with the principles of confidentiality. Ethical Notification Channels (Ethics Line - 0850 305 50 10; Ethics E-Mail Address - "etik@ford.com.tr"; Ethics Web Site - <https://fordotosan.com.tr>) are available for any situation that is considered to be contrary

to the applicable Legislation, Ford Otosan Ethics Policy, Ford Otosan Code of Conduct and Code of Ethics and other policies and procedures of our Company.

All parties, especially employees, have been informed about the "Ethical Policies" that all employees have to comply with. The said rules are disclosed to the public in the annual reports and on the corporate website.

The Ethical Policies were updated on June 15, 2023, approved by the board of directors under the name of "Ethics and Disclosure Policy" and disclosed to the public.

Company's practices in this subsection rather comply with the 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, there are some in-house practices for this purpose. It has been learned that continuous improvements are made within the scope of the Corporate Governance Principles Framework and studies on best practices are carried out in order to support the direct participation of stakeholders in the company management. Developing models that support the participation of stakeholders in company management and including these models in the company's internal regulations or articles of association will strengthen compliance with the principles.

Employees' feedback is evaluated through the "Employee Engagement Survey" conducted every year for employees, and actions are taken within the framework of this feedback. Similarly, the feedback received at the contact points established with the employees is evaluated, the questions of the employees are responded, and information is shared on the needed issues.

On the other hand, policies have been established on issues that concern customers,

suppliers, the public and many other stakeholders. The said policies were disclosed to the public and the aforementioned stakeholders were informed about the decisions of the company management and the scope of their practices.

Company's practices in this section comply with the principles.

c. Human Resources Policy of the Corporation

Ford Otosan has established its "Human Resources Policy" and disclosed it to the public. It has been seen that the Human Resources Policy of the Company aims to create employees who are in line with contemporary norms, equal, focused on performance, successful, loyal and highly motivated. On the other hand, procedures on recruitment, 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. Existing regulations are reviewed and updated as needed.

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 learned that the determined performance and rewarding criteria have been announced to the employees and that the aforementioned criteria have been complied with in determining the benefits provided to the employees.

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

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

It has been learned that a safe working environment and conditions are provided for the employees, and that no race, religion, language or gender discrimination is made among the employees.

On the other hand, the company has created a comprehensive "Diversity Policy" and publicly disclosed its human resources approach and commitments covering employees, suppliers, customers and all stakeholders.

Also, the "Declaration of Equality at Work" prepared by the Platform for Equality at Work, an initiative created under the leadership of the T.R. Ministry of Family and Social Policies and in cooperation with the World Economic Forum to reduce gender inequality, was signed on behalf of Koç Holding on January 15, 2013. Accordingly, as the Community that provides the highest number of women's employment in Turkey, it has been committed to voluntarily comply with the principles for the elimination of gender-based discrimination and to be a pioneer in the dissemination of these principles throughout the country.

As of the end of 2022, Ford Otosan employed a total of 20,911 people, with 4,767 monthly wages and 16,144 hourly wages, at its Romania and Turkey facilities. The 11,363 hourly paid employees employed in Turkey were unionized under Turkish Metal Union. The Collective Labor Agreement concluded between the Turkish Metal Union and the Turkish Metal Industrialists' Union (MESS) on January 12, 2022, covers the period from September 1, 2021, to August 31, 2023.

There is no obstacle in front of the employees to form an association or to take charge, provided that they do not hinder their duties and responsibilities in the company and comply with the determined in-company regulations.

Employee stock-options schemes are not developed.

In this subsection, it has been determined that company practices comply at a very good level with corporate governance principles.

d. Relations with Customers and Suppliers

Methods regarding relations with customers, suppliers, etc., have been determined and standards have been defined. It is thought that care is taken to observe the principles of honesty, trust, consistency, professionalism, long-term relations and respect for mutual interests in relations with the aforementioned groups.

Relations with customers, suppliers and other persons and institutions that the company has business relations with are defined in the Code of Business Ethics, and their responsibilities and sanctions are determined. On the other hand, many policies have been established and disclosed to public, mainly "Customer Satisfaction Management Policy" "Quality Policy" "Ethical Marketing Guide" "Competition Law Compliance Policy" "Anti-Bribery and Anti-Corruption Policy" "Conflict Minerals Policy" and "Supply Chain Compliance Policy".

Ford Otosan has the following certificates:

- ISO 9001:2015 Quality Management System
- ISO 27001:2013 Information Security Management System
- ISO 14064-1:2018 Verification of Greenhouse Gas Emissions
- ISO 50001:2018 Energy Management System
- ISO 9001:2015 Quality Management System - RAKUN
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 10002:2018 Customer Satisfaction Management System

Company's practices in this subsection rather comply with the principles.

e. Ethical Rules and Social Responsibility

"Working Principles and Ethical Rules" and "Ethics & Notice Policy" that Ford Otosan employees have to comply with have been

established and employees have been informed about these regulations and policies. These procedures, which have been prepared in great detail, have been disclosed to the public on the Public Disclosure Platform and the corporate website of the company. It has been observed that activities are conducted within the framework of these rules.

The company's relations with individuals and institutions such as employees, creditors, customers, suppliers, public institutions, and various non-governmental organizations are defined in the "Business Ethics Rules Regulation", and also policies are created and disclosed to the public.

Ford Otosan aims to offer innovative automotive products and services that benefit society with the vision of "being Turkey's most valuable and most preferred industrial company". While working to shape the automotive industry and its future, it counts creating social benefit among its primary objectives, with the belief that companies develop with the society they are in. In this direction, it works to create increasing value for all stakeholders and to contribute to social development, especially in the regions where it operates. It carries out activities aimed at creating social benefits in many areas within the scope of the United Nations ("UN") Sustainable Development Goals, with a corporate citizenship understanding for the development of the country and increasing its global competitiveness.

While carrying out all these activities, the company has established a "Social Investment Policy" in order to ensure integrity in practice and to inform the public about the scope of the efforts. The policy, which was approved by the board of directors on 15 June 2023 and entered into force, was disclosed to the public on the Public Disclosure Platform and on the corporate website of the company on the same day.

In this subsection, Ford Otosan has achieved very good compliance with the Principles.

f. Sustainability and Sustainability Management

Ford Otosan structures all of its business processes within the scope of the United Nations Sustainable Development Goals with the aim of maintaining its sustainable growth in all areas. The company creates its Sustainability Reports in accordance with the G4 Reporting Guidelines, the most up-to-date standard of the Global Reporting Initiative (GRI), basic application-level requirements.

In the Capital Markets Board (CMB) Sustainability Principles Compliance Framework published in 2020, the basic principles expected to be disclosed within the scope of environmental, social and corporate governance activities of public shareholdings were disclosed. All activities carried out in this direction are disclosed to the public in more detail in the sustainability reports and on the corporate website, as well as in the annual activity reports.

The company expanded the contents of the 2022 Annual Report in line with the CMB Sustainability Principles Compliance Framework and included the Compliance Statement, in this context, it has ensured the necessary compliance in reporting and continues to work in full compliance with the principles.

Priority areas of sustainability that Ford Otosan will focus on in the upcoming periods have been established, and how these areas will be managed has been determined. According to this it is responsible for;

- Very high priority issues;
 - Climate change,
 - Occupational health and safety,
 - Vehicle carbon footprint / fuel saving,
 - Vehicle quality and safety,
 - Low-carbon production,
 - Electric vehicles and alternative fuels,
 - Air quality,

- High priority issues;
 - Developing mobility solutions,
 - Human rights,
 - Cyclical Economy,
 - Business ethics and transparency,
 - Corporate governance,
 - Supply chain management,
 - Talent management,
 - Equality of opportunity and diversity,
 - Customer satisfaction and communication.

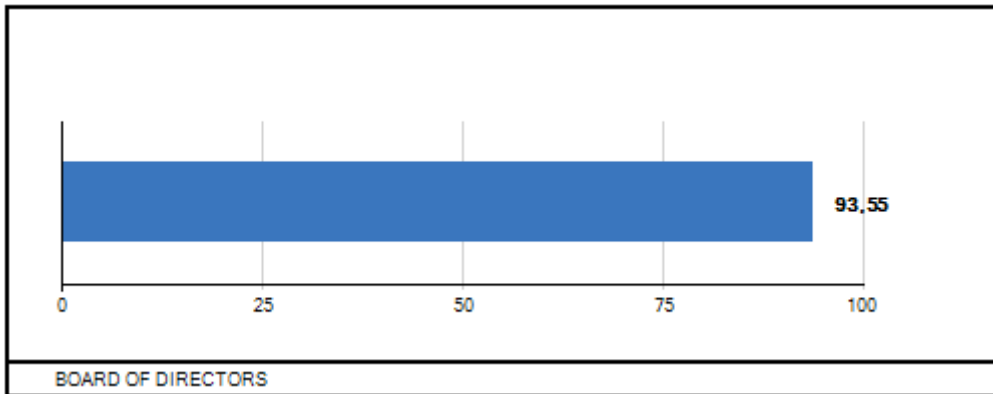
Sustainability Management

A “Sustainability Committee” has been established within the company, which is responsible for the implementation of the sustainability strategy and policy and the planned and systematic execution of the works in order to improve the sustainability performance in social, environmental, economic and corporate governance areas. Committee activities are included in the **“Board of Directors/e. Committees Formed within the Board of Directors”** section of the report.

The Company has created and publicly announced its Human Rights, Diversity, Information Security, Conflict Minerals, Supply Chain Compliance, Water, Anti-Corruption, Gifts and Hospitality, Donations and Sponsorships, Business Principles and Code of Ethics, Environment and Energy, Ethics, Occupational Health and Safety, Protection and Processing of Personal Data, Customer Satisfaction, Quality, Remuneration, Information, Dividend Distribution Policies in line with the United Nations Global Compact, Equality at Work Declaration, which it has committed to comply with within the scope of its Sustainability Policies.

Ford Otosan has been listed on the BIST Sustainability Index since 2015.

D. BOARD OF DIRECTORS



Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
 - ✓ The posts of Chairman and CEO are carried out by separate individuals and there isn't any person with solely unlimited authority in the company.
 - ✓ The number of Board Members is adequate for them to work productively and constructively.
 - ✓ Majority of Board Members are non-executives.
 - ✓ There are 3 female members in the board of directors and this number meets the 25% requirement.
 - ✓ Each member has one voting right at the Board of Directors. There are no veto powers for any member.
 - ✓ There isn't any loan/credit involvement between Board Members and company.
 - ✓ The Committees mentioned in the principles were established and their working principles were determined and disclosed to the public.
 - ✓ Remuneration principles for members of board and top executives have been determined and disclosed to public.
 - ✓ Performance evaluations of the board of directors are made on the basis of both board and members.
- ✓/* B and C group shares have the privilege of nominating candidates to the board of directors.
 - ✓/* The damages that the Members of the Board of Directors may cause as a result of their faults during their duties have been insured on a group basis, but no PDP disclosure has been made.
 - ✓/* 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 has gained the grade of **93.55**.

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 the company 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.

No person in the Company has the authority to decide solely and in an unrestricted fashion. Positions of Chairman of the Board and CEO are held by different individuals.

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.

The damages that the members of the board of directors may cause during their duties in the company are covered by insurance on a group basis but are not disclosed on the Public Disclosure Platform.

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

c. Structure of the Board of Directors

The company's board of directors consists of a total of 12 (twelve) people, including 1 (one) chairman and 11 (eleven) 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 and appropriate to serve effectively and constructively and to form and efficiently organize activities of committees.

2 (two) members of the Board of Directors are executive members, and the other 10 (ten) members are non-executive members. 2 (two) members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles. Although the number of independent members in the Board of Directors is less than one third of the total number of members, compliance with the principles has been ensured with the affirmative opinion of the Capital Markets Board within the scope of Article 6/(1) of the Corporate Governance Principles.

The Corporate Governance Committee (Nomination 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. In this process, independent member candidates also submitted their

written declarations regarding their independence to the corporate governance committee within the framework of the criteria included in the legislation, articles of association and principles. The board of directors prepared the independent member candidate list within the framework of the report of the corporate governance committee and sent it to the Board together with the committee report and the resolution of the board of directors before the general assembly meeting and received the affirmative opinion.

There is 3 (three) female members in the Board of Directors, and the rate of female members specified in the principles was achieved.

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

d. Procedure of Board of Directors Meetings

According to the Working Principles of the Board of Directors, the Board of Directors normally meets as often as required by the company's activities, not less than three times a year. Again, in the same document and the articles of association, necessary arrangements have been made regarding the meeting method of the board of directors, its agenda, invitation to the meeting, voting, meeting and decision quorum.

The Board of Directors has physically convened 11 (eleven) times in 2022. During the same period, a total of 39 (thirty-nine) Board of Directors decisions were made, and the number of (circular) decisions made without a meeting is 28 (twenty-eight).

As a result of the studies on the documents and the meetings held with the relevant parties, it was observed that the meetings of the Board of Directors were held in accordance with the legislation and the articles of association.

According to the Working Principles of the Board of Directors, "The agenda of the Board of Directors meetings can be determined by the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors or the executive members of the Board of Directors. In the periodic meetings, the Agenda and the information note on the Agenda are sent to all members of the Board of Directors one week before the Board of Directors meeting. All Board of Directors decisions taken between periodic Board meetings are communicated to the Board members one week before the Board of Directors meeting, with the date, decision number and agenda title, as well as the information note of the periodic meetings."

Every Board Member has one vote. However, in decisions, the affirmative vote of the majority of the non-independent members nominated by the B Group shareholders present at the meeting and the majority of the non-independent members nominated and elected by the C Group shareholders present at the meeting is required.

The company's articles of association does not contain restrictions on the members of the board of directors taking on other duties or duties outside the company. However, it is obligatory for the members of the Board of Directors to devote enough time to the company's affairs to follow the operation of the company's activities and fully fulfill the requirements of the duties they undertake.

The secretariat of the board of directors is carried out by Saibe Gül ERTUĞ (Financial Affairs Leader – CFO).

Company's practices in this subsection rather comply with the principles.

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

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee and Remuneration Committee have been established. Due to the structure of the Board

of Directors, a separate Nomination Committee has not been established and the duties of this committee are fulfilled by the Corporate Governance Committee. The Working Principles of the Corporate Governance Committee also cover the working principles of the Nomination Committee.

In addition to the aforementioned committees, a "Sustainability Committee" has been established within the company, in 2020, which is responsible for the implementation of the sustainability strategy and policy and the planned and systematic execution of the works in order to improve the sustainability performance in social, environmental, economic and corporate governance areas. 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 electronic means 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.

Committees invite appropriate executives to their meetings to benefit from their opinions. All discussions in committees are recorded in writing.

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;***

The working principles of the Committee have been determined in writing. According to this it is responsible for;

a. Selecting the independent audit firm, determining the scope of the services to be received from the independent audit firm, initiating the independent audit process by preparing the independent audit contracts, and overseeing the work of the independent audit firm at every stage,

b. Evaluating the situation of the independent auditor against the independence criteria, the declaration of independence and the additional services that can be obtained from the independent audit firm,

c. Evaluating the findings within the scope of independent audit communicated to the Committee by the independent audit firm, important aspects of the company's accounting policy and practices, alternative practices and public disclosure options within the framework of the CMB's accounting standards and accounting principles, which were previously communicated to the company management by the independent auditor, their possible consequences and practice proposal, important correspondence between the company management and the independent audit firm,

d. Examining and finalizing the complaints received by the company regarding the accounting, reporting, internal control systems and independent audit processes of the company, determining the methods and criteria to be applied in the evaluation of the reports of company employees on accounting, reporting, internal control and independent auditing within the framework of the confidentiality principle,

e. Submitting the annual and interim financial statements to be disclosed to the public in writing to the Board of Directors together with their own evaluations, by taking the opinions of the company's responsible managers and independent auditors regarding the accounting principles followed by the Company, their conformity with the truth and their accuracy,

f. Fulfilling the duties assigned/to be assigned to the Audit Committee by the CMB regulations and the Turkish Commercial Code,

g. Reviewing and approving annual audit plans,

It is also in charge of performing other duties listed in the working regulations.

The Committee comprises 2 (two) independent members. One of them meets the principle of "At least one of the Audit Committee members should have 5 years of experience in audit / accounting and finance.

The Audit Committee convenes before the regular meetings of the Board of Directors and also to discuss the issues required by the regulations. It examines the financial reports prepared quarterly and presents its opinion to the Board of Directors. The Committee carried out the relevant activities in 2022, convened 5 (five) times and reported the meeting results to the Board of Directors. As of March 2023, 1 (one) meeting was held.

Secretarial function of the Board is carried out by Serkan TAPO (Internal Audit Leader).

Internal Audit:

Ford Otosan's efforts to ensure a reasonable level of targets in terms of operational efficiency and efficiency, reliable financial reporting, compliance with legislation, policies and procedures are coordinated by the Internal Control Leadership, which is directly reporting to the Financial Affairs Leadership. The department operates functionally under the Audit Committee.

Ford Otosan implements an internal control plan that includes all Company operations every year, in addition to the policies, procedures and instructions included in the workflows, which are an important part of the internal control system. With this structure, around 1300 control points are tested annually and it is aimed to provide assurance to the Board of Directors and partners regarding the accuracy of the Company's operations.

Every year, the main shareholders of the company, Koç Holding, Ford Motor Company and the company's internal audit organization, carry out regular reviews.

In addition, Ford Otosan Authorized Dealers and Services are audited by the dealer audit function within the body of Internal Audit, within the scope of their transactions with Ford Otosan. In addition, notices and complaints received by the company regarding the company's activities are evaluated and finalized by the Internal Audit Unit in cooperation with the relevant units.

The Audit Committee periodically monitors all internal control and internal audit activities, reviews and approves annual audit plans. After these studies, the Committee conveys the necessary recommendations to the Board of Directors and gives its opinion on the appropriateness of the financial reports.

The Internal Control Leadership carried out 12 (twelve) process audits as of the end of 2022 and 3 (three) as of March 2023. In 2022, the Internal Control Unit submitted a report to the Audit Committee every quarter.

- **Corporate Governance Committee** monitors whether the corporate governance principles are applied in the company, if not, the reasons and conflicts of interest arising from not fully complying with these principles. Similarly, it is responsible for;

a. Overseeing the work of the Investor Relations unit,

b. Reviewing the "Compliance with Corporate Governance Principles Report" to be disclosed to the public, and checking whether the information contained therein is correct and consistent with the information held by the Committee,

c. Ensuring that the Corporate Governance Principles are developed, adopted and implemented within the Company, and Making recommendations to the Board of Directors to improve the degree of compliance by working on issues that cannot be applied,

d Following the Corporate Governance Principles in the world and making recommendations to the Board of Directors in order to implement the necessary elements within the Company,

e. Establishing a transparent system for the identification, evaluation and training of candidates suitable for the Board of Directors and for managerial positions with administrative responsibility, and working on determining policies and strategies in this regard,

f. Evaluating the candidate proposals for independent membership, including the management and investors, by taking into account whether the candidate meets the criteria for independence and submitting its evaluation to the approval of the board of directors,

g. In case of a vacancy in the independent board of directors' memberships, in order to ensure that the minimum number of independent members is restored, making an evaluation for the election of independent members to the vacant memberships to serve until the first general assembly meeting to be held, and submitting the result in writing to the board of directors,

h. Making regular evaluations of the structure and efficiency of the Board of Directors and submitting recommendations to the Board of Directors regarding the changes that can be made in these matters,

i. Determining the approaches, principles and practices of the members of the Board of Directors and senior managers on performance evaluation and career planning and to oversee them,

Notifying the Board of Directors, in writing or orally, of its evaluations and recommendations regarding the issues listed. Since the Committee also fulfills the duties of the "Nomination Committee", the Working Principles of the Corporate Governance Committee have been established to include these duties as well.

The Corporate Governance Committee is composed of 5 (five) members and 2 (two) members are independent and 2 (two) member is a non-executive board member. The other member is the Chief Financial Officer - CFO, to which the Investor Relations Leadership is affiliated. Although the Investor Relations Leader attends the committee

meetings and continues to serve as the secretariat, it would be appropriate to restructure the Committee as defined in Article 11 of the II-17.1 Corporate Governance Communiqué published by the Capital Markets Board.

The Committee held 5 (five) meetings in 2022, and 3 (three) meetings as of March 2023, and reported the meeting results to the Board of Directors.

Working closely with the Corporate Governance Committee, Investor Relations Leadership reports to the board about its activities once a year.

The secretariat of the Committee is carried out by Investor Relations Leader Ms. Bahar EFEOĞLU AĞAR.

- **The Early Detection of Risks**

Committee fulfills the duty of providing recommendations and suggestions to the Board of Directors regarding the early detection, evaluation, calculation of impacts and probabilities, management in accordance with the company's risk appetite, reporting, implementation of necessary measures related to identified risks, consideration in decision-making mechanisms, as well as the establishment and integration of effective internal control systems in terms of strategic, operational, financial, legal, and other types of risks that may jeopardize the company's existence, development, and continuity.

The committee reviews the risk management systems at least once a year and reports to the board of directors.

The Early Detection of Risk committee is composed of 3 (three) members. The chairman of the committee is independent and the other two members are non-executive board members.

The Committee held 4 (four) meetings in 2022 and submitted 2 (two) reports to the Board of Directors.

The secretariat of the Committee is carried out by Corporate Risk Management Leader Ms. Bahar DARICI.

- **Remuneration Committee is responsible for;**

a. Determining the recommendations of the members of the Board of Directors and senior executives regarding the principles of remuneration, taking into account the long-term goals of the company and monitoring them,

b. Determining the criteria that can be used in remuneration in connection with the performance of the company and the executive board members,

c. Making recommendations to the Board of Directors regarding the remuneration to be given to the executive members of the Board of Directors and senior executives, taking into account the degree of attainment of the criteria,

Notifying the Board of Directors in writing or orally about its evaluations and recommendations regarding the issues listed.

The committee is composed of 3 (three) members. The chairman of the committee is independent and the other two members are non-executive board members.

The Remuneration Committee meets as often as required by the task assigned to it. The Committee, which held one meeting in 2022, presented the meeting results as a report to the board of directors.

- **The Sustainability Committee** is responsible for the implementation of the sustainability strategy and policy and the planned and systematic execution of the works in order to improve the company's sustainability performance in social, environmental, economic and corporate governance areas. In this regard,

Sustainability Committee:

a. Determines Ford Otosan's sustainability strategies, objectives and actions.

b. Monitors progress in goals and actions, from reviewing the Sustainability Strategy and strategy roadmap.

c. Monitors the efforts to manage risks that may adversely affect Ford Otosan's reputation and operations in the fields of environmental, social and governance (ESG).

d Is responsible for the strategic direction required for the company to achieve its sustainability goals, sharing expertise and disseminating good practices throughout the company.

e. Follows international developments, public regulations, and trends regarding sustainability issues and provides development advice to working groups when necessary.

f. Makes recommendations and gives approval on other issues raised by the working groups.

Ford Otosan Sustainability Committee is chaired by Ford Otosan Leader, who is also a member of the Committee. The committee is composed of Operations and Investments Leader, Engineering and Technology Development Leader, Purchasing Leader, Financial Affairs Leader – CFO, Human Resources and Transformation Leader, Engineering Development Leaders, Corporate Communications Leader, Investor Relations

Leader, Occupational Health and Safety and Environment Leader and External Relations Coordinator. The Committee is coordinated by the Corporate Communications Unit.

The Committee held 3 (three) meetings in 2022 and 1 (one) meeting as of March 2023. It submitted reports and briefed the Board of Directors 2 (two) times directly and 1 (one) time through the corporate governance committee.

The compliance of the company's practices in this sub-section with the principles is at a very good level.

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 remuneration of independent members of board. The emoluments of independent directors are sufficient to protect their independency.

It has been learned that the company does not provide any loans or credit to any board member or senior executives, nor does it provide personal loans under the guise of a third party or offer guarantees such as suretyship in their favor.

Corporate governance principle of disclosing remuneration and all other benefits provided to directors and top executives on individual basis is not met. This information is disclosed collectively in the annual activity reports.

The Corporate Governance Committee evaluated the performance and efficiency of the board of directors at its meeting dated 29 December 2022. This evaluation was made by our committee members based on the meetings held and the decisions made by the Board of Directors.

There is no practice of rewarding or dismissing the members of the board of directors based on their performance. The implementation of the aforementioned method will strengthen compliance with the principles.

The compliance of the company's practices in this sub-section with the principles is at a very good level.

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

GRADE	DEFINITIONS
9-10	<p>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.</p>
7-8,9	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. 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.</p>
6-6,9	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.</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, 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>

