

**BRİSA BRIDGESTONE SABANCI  
LASTİK  
SANAYİ VE TİCARET A.Ş.**



**01.01.2019 – 31.12.2019 PERIOD**

**ANNUAL REPORT**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.  
BOARD OF DIRECTORS ANNUAL REPORT  
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Reporting Period**

1 January 2019 – 31 December 2019

**Name of Partnership/Commercial Registry No.**

Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. / 126429 - 73647

**Head Office - Marketing & Sales Office**

Küçük Çamlıca Mahallesi, Şehit İsmail Moray Sokak, No: 2/1, 34662 Altunizade, Üsküdar, İstanbul

Telephone : (216) 544 35 00

Fax : (216) 544 35 35

**İzmit Factory**

Alikahya Fatih Mahallesi, Sanayi Caddesi, No:98, 41220 İzmit-Kocaeli

Telephone : (262) 316 40 00

Faks: (262) 316 40 40

**Aksaray Fabrika Şubesi**

Erenler OSB Mahallesi, Recep Tayyip Erdoğan Bulvarı, No:21/1, Taşpınar-Merkez-Aksaray

**Internet Address**

[www.brisa.com.tr](http://www.brisa.com.tr)

**Corporate e-mail Address**

[brisa.info@brisa.com.tr](mailto:brisa.info@brisa.com.tr)

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Contents**

Message from the Chairperson of the Board .....	5
<b>1. Briefly Brisa .....</b>	<b>7</b>
<b>1.1. We Drive On With Courage .....</b>	<b>7</b>
<b>1.2. Capital and Shareholding Structure.....</b>	<b>10</b>
<b>1.3. Organization of the company .....</b>	<b>11</b>
<b>1.4. Mission, Vision and Corporate Values .....</b>	<b>11</b>
<b>1.5. Steps to Add Value to Our Journey.....</b>	<b>12</b>
<b>1.6. Our Awards.....</b>	<b>18</b>
<b>1.7. Board Member.....</b>	<b>19</b>
<b>1.8. Executive Committee .....</b>	<b>27</b>
<b>1.9. Investor Relations.....</b>	<b>28</b>
<b>2. Developments and Activities in 2019 .....</b>	<b>30</b>
<b>2.1. Developments in the Industry .....</b>	<b>30</b>
<b>2.2. 2019 Panorama .....</b>	<b>31</b>
<b>2.3. Manufacturing and Products .....</b>	<b>37</b>
<b>2.4. Domestic distribution and sales channel management .....</b>	<b>38</b>
<b>2.5. Domestic Marketing and Sales .....</b>	<b>39</b>
<b>2.6. International Markets Marketing and Sales.....</b>	<b>41</b>
<b>2.7. Investments &amp; R&amp;D Operations.....</b>	<b>42</b>
<b>2.8. Financial Outcomes and Rates .....</b>	<b>43</b>
<b>2.9. Internal Audit &amp; Internal Controlling .....</b>	<b>45</b>
<b>2.10. Other Explanations .....</b>	<b>46</b>
<b>3. Sustainability .....</b>	<b>47</b>
<b>3.1. Environmental Sustainability.....</b>	<b>48</b>
<b>3.2. Occupational health and safety .....</b>	<b>51</b>
<b>3.3. Human Resources.....</b>	<b>52</b>
<b>3.4. Social Sustainability .....</b>	<b>56</b>
<b>CORPORATE GOVERNANCE COMPLIANCE REPORT .....</b>	<b>59</b>
<b>PART 1 – DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES.....</b>	<b>59</b>
<b>PART 2 - SHAREHOLDERS.....</b>	<b>61</b>
<b>2.1. Investor Relations Department .....</b>	<b>61</b>
<b>2.2 Shareholders' Right to Obtain Information.....</b>	<b>62</b>
<b>2.3.General Assembly Meetings .....</b>	<b>63</b>

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

2.4.Voting Rights and Minority Rights.....	65
2.5.Dividend Right.....	65
2.6.Transfer of Shares .....	66
<b>PART 3 - PUBLIC DISCLOSURE AND TRANSPARENCY .....</b>	<b>66</b>
3.1.Corporate Web Site and the Contents thereof.....	66
3.2.Annual Report .....	67
<b>PART 4 – STAKEHOLDERS .....</b>	<b>68</b>
4.1.Informing Stakeholders .....	68
4.2.Stakeholder Participation in Management .....	69
4.3.Human Resources Policy .....	69
4.4.Codes of Conduct and Social Responsibility .....	70
<b>PART 5 – BOARD OF DIRECTORS .....</b>	<b>72</b>
5.1.Structure and Composition of the Board of Directors.....	72
5.2.Operating Principles of the Board of Directors.....	74
5.3.The Number, Structure, and Independence of the Committees Formed within the Board of Directors.....	75
5.4.Risk Management and Internal Control Mechanism .....	80
5.5.Company's Strategic Goals.....	83
5.6.Financial Rights.....	84

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Message from the Chairperson of the Board**

“The World stepped into a new era with digital transformation which enables our business to be faster, reliable and efficient. However, on the other hand, traditional business models are disappearing at a fast pace. In these extraordinary times, Brisa continues to undertake firsts by breaking historic records and thus become the driving force of transformation. Our company changes the profile of the sector with the innovations it offers and accelerates its works which focus on societal and environmental benefit.”

Distinguished Stakeholders,

The business world is going through a vast change by experiencing the new digital era, while living through both destruction and creation at the same time. On the one hand, new revolutions are created thanks to digital technologies, artificial intelligence and automation and old ways of doing business and models relinquish their places to new ones. As a result of all these, innovation, sustainability and value focused businesses become the winner of the increasing global competition.

Brisa, who is undertaking its operations with the powerful partnership of Sabancı Holding and Bridgestone Corporation wends its way with courage regardless of the conditions and increases the value it offers to Turkey as one of the pioneer companies of the new generation business world and industry.

The year 2019 made history as a year of critical change and challenges for the entire world. On the one hand borrowing in developing economies increased and on the other hand global industrial production declined and the impact of climate change was felt more drastically. Just like the rest of the world, our country was impacted by this rapid change and challenging conditions in different ways with 2019 being a year with economic fluctuations and its impacts for our country.

However, we also know that we hold the power of eliminating the challenges with innovations based on value added production, technology and digitalisation. As an organisation which is based on industry and production, we work with the aim of fulfilling our responsibilities to this end and enhancing our contribution for our country. In this respect, we encourage all our businesses under our roof to become pioneers in Industry 4.0, digitalisation and technology.

In 2019 Brisa displayed one of the best examples of this with its work which served for Sabancı Holding’s ‘Becoming the Sabancı of the New Generation’ vision. Our company enriched the value which it offered to all its stakeholders thanks to its 2874 employees, its local production carried out in its İzmit and Aksaray factories equipped with the brand new and smartest Technologies as well as R&D and its value added products and services offered both domestically and internationally. As a result, Brisa once again displayed its indisputable leadership with its dealer network and brand investments in the domestic market. Meanwhile, in the international arena, the company added 14 new countries into its export territory, thus breaking sales and transportation records while yielding a strong economic value to our country.

Thanks to these developments Brisa yet again displayed a powerful performance in 2019. Our companies total annual sales revenue amounted to 3.560 million TL while its international sales revenue enjoyed 38% increase. The company also placed cash management –the fundamental indicator of efficiency and operational performance- at the heart of its employees. And during the last 2 years it increased operating capital turnover from 1.8 to a record level of 7.

Distinguished Stakeholders,

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Behind these successes which I am proud to share with you, lies the added value which we have created via technology, smart solutions that meet the holistic needs of our customers and the investment we carried out on our people in order to execute digital transformation and build a smart culture.

In 2019 we have achieved our first capacity targets in our Brisa Aksaray production base, and initiated the autonomous period in tire by benefiting from tools production technology –the smartest of the sector-, robotic works, data analytics and digitalisation. Both our İzmit factory and R&D center once again proved Brisa also to be the leader of innovation with its new products that add strength to our already existing competitive power of the company. The ‘Production of Innovative Tires by Using Carbon Nanotube Project’ developed in consultation with Sabancı University received a support approval from TÜBİTAK.

This year we also increased our investments in mobility solutions of the new era with our breakthroughs in smart services, automation and business processes focusing on simplification. Our company became a part of the TÜBİTAK ‘Digital Transformation in Industry Programme’ with its project on ‘tire design assistance by using image processing technologies’ and undertook another first in Turkey by ensuring real-time monitoring and management solutions of fleet with its digital fleet services. And in the field of electric cars, which is wide spreading across the world with developing Technologies, by co-operating with E-Şarj –one of Turkey’s leading service providers - our company also accelerated its activities for the start-up ecosystem with its open innovation programme “Yolculuğun Öncüleri” (Pioneers of the Journey).

In an attempt to carry its digitalisation work forward, Brisa determined the Digital Maturity Level with the thermometer model it designed and prepared its roadmap for the period ahead.

I would like to share a news from Brisa Academy which also made us proud. Our Academy was accredited as a Personnel Certification Institution by TURKAK for its determination to form an institutional university.

Brisa is ready for 2020 with these aforementioned achievements and proceeds towards new and bolder targets. Our company will also add speed to the journey of digitalisation, top up new export records to its already achieved ones in the international market and deepen its leadership in the domestic market. Brisa will continue its journey with courage and add value to its country with its human resource via new generation skills which also serve for Turkey’s transformation, production power and its passion to realize innovation.

I thank the distinguished Brisa employees who will make all these possible with our Sabancı of the New Generation vision, our business partners and shareholders alike who believe in us and wholeheartedly support accordingly.

Yours Respectfully,  
Cenk Alper  
Chairperson of the Board

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**1. Briefly Brisa**

**1.1. We Drive On With Courage**

**We are focusing on innovation combining the forces of our İzmit Factory, which has already proven its production capabilities, and our new production base Aksaray Factory, which is the first of its kind in the industry equipped with smart applications, together with our technology, innovation power and the valuable effort of our people. We are adding value to our industry with innovations, and developing unique services and differentiating products. We are courageously moving forward as the innovation leader of the Turkish tyre industry.**

The foundations of our company, which is the leader of the Turkish tyre industry, were laid with our Lassa brand in 1974 by the initiative of Sabancı Holding and its partners. The start of Brisa's establishment and the journey of the Lassa and Bridgestone brands are based on the partnership of Sabancı Holding and the world tyre industry leader Bridgestone Corporation in 1988.

Having won the first National Quality Award in 1993, we became the first Turkish company to win the European Quality Grand Prize in 1996, which was the result of its outstanding performance in business excellence. Today, we are also one of the biggest tyre manufacturers of Europe.

**We strengthen our sector leadership by adding value to our business partners and customers with our product and service brands**

We are pioneering the industry and adding value to our business partners alongside our customers with our main tyre brands Bridgestone, Lassa Tyres, Dayton, Kinesis, Firestone, and with our main retreading brand Bandag along with Lastiğim and Lastik Vs sales points, Otopratik and Propatik service points, Lastik.com.tr online sales web site, Profleet fleet services, Mobilfix, which provides on site mobile maintenance services for commercial vehicle fleets, Probox and Bridgestone Box mobile sales and services points, road assistance for commercial vehicles (Filofix) and Lastik Oteli (tyre storing services) services and with our education platform Brisa Academy.

We are producing especially designed tyres with our Bridgestone, Lassa Tyres, and Dayton brands for passenger vehicles, light commercial vehicles, buses, trucks, and agricultural and construction vehicles. In addition to the above-mentioned tyres, we are offering a total of 1.800 different types of tyres with Kinesis tyres, which meet international industrial machinery safety and quality standards, Firestone agricultural tyres, and Bridgestone motorcycle tyres.

As part of our target to offer balanced products to vehicle owners through both our brands, our Bridgestone brand products stand out in terms of performance and safety criteria, while our Lassa Tyres brand products stand out in terms of economy, comfort and durability parameters.

Our products and services are sold across almost 1,400 sales points in Turkey. Through the support of our Brisa workers, Brisa tyres produced under our Lassa Tyres brand meet with vehicle owners across 6000 sales points, out of which more than 600 are Lassa Tyres branded, in 83 countries with 83 distributors.

At the same time; automotive manufacturers such as Anadolu Isuzu, BMC, Ford Otosan, Honda, Karsan, Koluman Treyler, Krone, MAN, Mercedes Benz Türk, Otokar, Oyak Renault, Özünlü Damper, Tafe, Temsa, Tırsan, Tofaş, Toyota, Türk Traktör, John Deere, Erkunt Traktör use either Lassa Tyres or Bridgestone products for the vehicles they produce.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Our company, which also aims to be the first choice of vehicle owners, continues its efforts to be close to and easily reached by end-users. While our Lassa Tyres brand became the most reputable tyre brand of Turkey, our Bridgestone brand is listed second among the most valuable global brands. Our corporate brand Brisa is the 52nd most valuable brand, as well as being the brand value leader of the Turkish tyre industry, with its 53 million USD brand value as assessed by Brand Finance, an internationally renowned brand valuation organization, in the “100 Most Valuable Brands of Turkey” list. Our company’s preference rate by business partners in the industry is at historical highs in 2018 and Brisa is positioned at the top of the Dealer Confidence Index.

**A factory built by Brisa right in the middle of Anatolia at Aksaray equipped with smart applications**

Reaching to 361.000 m<sup>2</sup> of closed area, our İzmit Manufacturing Plant is one of the biggest tyre manufacturing plants of the World set-up under one roof and is also one of the most important production bases of Bridgestone around the World.

Our second manufacturing plant set-up in the Aksaray Organized Industrial Zone on a 952.000 m<sup>2</sup> area with a 300 million USD investment is the first of its kind in the industry equipped with smart technologies. Our manufacturing plant is equipped with advanced Technologies and global accumulated knowledge of Bridgestone in addition to the more than 40 years of industrial experience and business competence of Brisa in the tyre industry. As a result, we were able to realize a pioneering industrious investment in terms of productivity, environmental friendliness, and product quality performance. Amongst our applications are energy savings applications, fully automated transfer systems, virtual digital twin applications, virtual reality, and smart machines operating with advanced data analytics offering solutions.

With this breakthrough, our company realized a pioneering investment in the industry in terms of productivity, environmental consciousness, product quality, and performance, increasing its employment and export strength to reinforce its sectorial leadership in Turkey and its existence in the international arena.

**Brisa cultivating technology in Turkey’s lands**

We are accelerating the pace of developing and producing value added products at our Brisa R&D Center, which is located at our İzmit Manufacturing Plant and is certified with the incentive of the Ministry of Science, Industry and Technology. We take advantage of many benefits that our R&D Center provides, with new generation national technologies and with our Turkish engineers, such as increasing our capabilities to develop World standard products, enabling faster availability of products that are demanded by the market, and creating cost advantages due to approval of raw materials in shorter time periods. We are focusing on innovative production techniques and raw materials that help us strengthen in terms of international competition and we are cultivating technology in Turkish lands. While we contribute to industrial accumulation by increasing domestic production, we are also providing value to national economy by accelerating the pace of our export business.

**We are building the future with our intelligence and with a smart culture.**

We know that in today’s World selling products is just not enough. We have to be pioneering innovation as well in order to differentiate. We are trying to differentiate ourselves with our innovative ideas, which we derive from close contact with vehicle owners and our business partners and by nourishing on their needs and opinions. With our innovative services and solutions, which are the first of their kind in our industry, we are aiming to always be together with and in the service of our customers in order to make their lives easier and to provide the perfect customer experience.



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We are well aware of the fact that we need to be using the highest level of technology and possess superior equipment's while carrying on our operations. We are increasing the speed of our projects in order to take our digital maturity levels to a benchmark beyond the leadership of our industry.

In this manner, we are investing into the future of our country in terms of information and technology. We are reflecting technological transformation into how we carry on our operations; we are transforming our business processes into autonomous structures by taking advantage of artificial intelligence based robotic applications, advanced data analytics and new generation technologies while designing these solutions. We are proceeding with designing many innovative ideas just like our smart glasses technology that enables simultaneous communication and data transfer between our İzmit and Aksaray manufacturing bases. We are starting the application of future technologies with our ergonomics program. We are helping our sales team to be even stronger by offering training sessions at the Business Excellence Centre where we use various simulation designs.

We include our business partners to our digital transformation journey. As the first company to integrate Google's project for transforming dealer networks, we are realizing projects to excel our dealer network management. We are reflecting our innovative perspective with our Genba Room business process with which we integrate field, finance, sales and marketing processes so that we are able to offer effective and instant solutions. Genba Room enabled our company to reduce the required time to finalize business processes from 30 hours to 0.4 hours. We are offering our business partners and customers innovative services with mobile solutions and we are working on differentiating services and future developments that await the journey experience in the future. We are developing applications that foresee the journey of tyres. We are running the Pioneers of the Journey open innovation program to be able to bring innovative solutions in terms of mobility.

We are organizing tomorrow's work force and talent management from today. We are running all those projects focusing on the new digital age's competencies and by building a smart culture. We are supporting all Brisa family members, who are passionate about developing innovations, with digital transformation and continuous development journey programs. We discover new paths to lay a sustainable foundation for our success in a new era of conducting business with our digital Office projects. Our projects conducted with our data engineers and our mobility team is just an example of these newly discovered paths. We are working on ways to make our decisions based on data. Accordingly, we implement technology-based, smart business processes with our artificial intelligence-based colleague ROBI. We further focus on trainings and processes that increase the digital competencies of employees, and we also organize a "maker" conference and coding workshops for their children.

**As a result of our sustainability approach we take our place in the Borsa Istanbul BIST Sustainability Index**

While we produce the highest quality products with our sustainability understanding in order to answer customer demands all around the World in different geographies, various climate and diverse road conditions, we are also taking as much responsibility for the social advancement of our country as for its economic development.

On the one hand, we are decreasing our CO<sub>2</sub> emissions with methods that accommodate our operations with the balance of nature, and on the other hand we are trying our best to provide our contribution to the society and environment in the field of sustainability through "Brisa Members Educational Support Association" in education, "Brisaspor Club Lassa Tyres Cycling Team" in sports, "Lassa Tyres Take Off Safely" for traffic safety, Lassa brand's social responsibility project for agricultural tyres "Soil is Our Passion, Joint is Our Future", "Brisa Museum" as a cultural value, "Let the Cranes Fly" project we carry out together with WWF-Turkey (World Wildlife Fund) in order to contribute to biodiversity and to help cranes continue their breed.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We have been reporting our sustainability practices that we have realized to Global Compact, which we have become a signatory since 2013.

As members of Brisa Family, we hold the Green Office program diploma, which we have co-created together with WWF-Turkey, and with which we prove our personal contribution to the environment.

Our Brisa Academy and Museum building inspire us for our sustainability journey with its “LEED Gold” sustainable building certificate. The Brisa Academy and Museum building host our guests as well as the Kocaeli public and students from kindergarten to university.

Brisa is one of the leading companies of the World in terms of water savings and reporting and is the first European company which has earned the right to be accredited for the ISO14046 Water Footprint Standard. Brisa is listed in the Golden Statue, which makes up the top 10% of companies in terms of sustainability performance, as listed by the France based Ecovadis Sustainability Platform that evaluates the sustainability of automotive industry companies and is listed in the “Extraordinary” statue in the environment category. Moreover, Brisa is also listed in the Borsa Istanbul (BIST) Sustainability Index since 2015, which lists the companies included in the BIST with a high sustainability performance.

We have been sharing this understanding and our decisiveness to proceed along this route in depth with the public every year since 2012, including our sustainability practices for the past 5 years, according to the Global Reporting Initiative (GRI). Our 2014 Annual Report was awarded with the “Best B2B Sustainability Report” Award by Ethical Corporation.

Today, we are a family of 2874. A family that is working hard for the bright tomorrows of Turkey...

With the inspiration we are taking from our vision, while we are performing our best for today, we are also working hard to design the future journeys that people can’t even dream of today, and to differentiate customer experience to make it an unprecedented one. With this purpose in mind, through the directions and follow-up of the Transformation Leadership Team, and the contributions of the Entrepreneurship Team and the R&D Team, we are thinking about tomorrow, foreseeing the needs of the future; we are dreaming, designing and together as the whole Brisa family we are realizing.

Brisa, with its smart manufacturing plant based in Aksaray and equipped with advanced production technologies, the İzmit Manufacturing plant, which has proven its production strength, its R&D Center, its well-balanced brand portfolio, innovative communication tools and business models, service innovations, and strong human resources, is determined to prolong its leadership and to add value to its shareholders.

## **1.2. Capital and Shareholding Structure**

We gathered speed from our reliable shareholders and our giant capital strengthened through the years. Now we continue to progress on our way, further increasing the momentum of our success.

**Authorized Capital : 400.000.000.-TL**

**Paid-in Capital : 305.116.875.-TL**

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Shareholders Holding More Than 10% of the Capital**

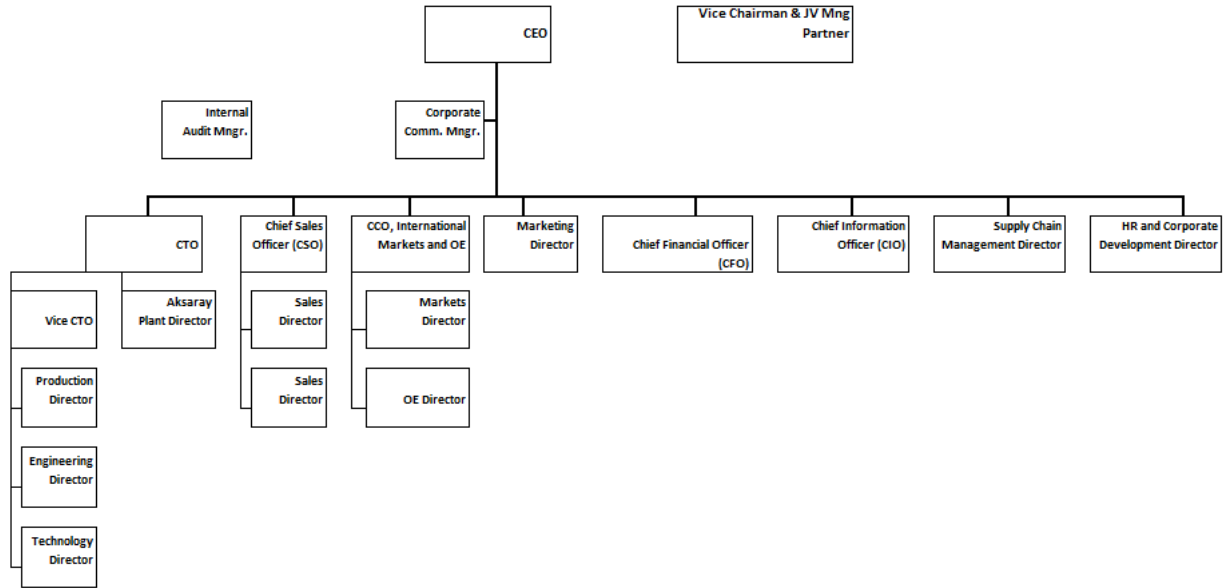
Shareholder	Share Amount (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio (%)
Hacı Ömer Sabancı Holding A.Ş.	133.111.388	%43,63	13.311.138.806	%43,63
Bridgestone Corporation	133.111.388	%43,63	13.311.138.806	%43,63
Other	38.894.099	%12,74	3.889.409.888	%12,74
<b>Total</b>	<b>305.116.875</b>	<b>%100,00</b>	<b>30.511.687.500</b>	<b>%100,00</b>

There has not been any change during the financial period regarding shareholder and capital structure.

**Disclosure on privileged shares and the voting rights of shares**

In accordance with the Articles of Association, each share holds one voting right at the General Assembly. There are no privileged voting rights.

**1.3. Organization of the company**



**1.4. Mission, Vision and Corporate Values**

*Our values and ethics constitute the basis of our strong stance.*

**Our Mission**

To provide superior values to society through sustainable growth.

**Our Motto**

“We Drive On With Courage”.

**Our Vision**

We innovate your journey.

**Brisa Values**

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Safety, Innovation, Customer Focus, Team Work, Business Excellence, Sustainability

**Our Ethics**

▪ **Integrity**

We base relationships with our employees and stakeholders on the principles of transparency and integrity.

▪ **Confidentiality**

We protect the confidentiality of our customers, employees and other parties in association.

▪ **Conflict of Interest**

We use our Sabancı identity not for our personal interests, but for exalting our corporate spirit.

▪ **Responsibility**

Our responsibility is not only to our own business and partners, but also for the benefit of the society and humanity at large.

**1.5. Steps to Add Value to Our Journey**

**From our first day of service up until today, our vision and our brave steps towards the future have always shed light on our path. We wish to be able to inspire all of our stakeholders in this direction and to be able to finish all of our years with the confidence success brings**

▪ **1970'S**

**1974**

Incorporation of Lassa Lastik Sanayi ve Ticaret A.Ş.

Lassa and the BF Goodrich Company sign “Technical Know-How” and “Engineering Services” agreements.

**1975**

Selection of the first “Lassa” logo via a design competition.

The establishment of a dealer network in Turkey, granting dealership authorizations to 186 dealers across 60 provinces.

Undersigning an agency agreement with BF Goodrich. LİSA Lastik İthalat ve Satış A.Ş. starts to import tyres under the same brand.

**1977**

Test production starts at the manufacturing plant.

The first comprehensive TV and press promotional campaigns.

**1978**

Lassa Lastik Sanayi ve Ticaret A.Ş. commences mass production.

Organization of the First Lassa Dealers Convention.

**1979**

The company turns a profit for the first time.

Turkey’s first steel-belted radial passenger tyre enters production.

One-millionth Lassa tyre produced.

Establishment of Lassaspor (currently known as Brisaspor).

▪ **1980s**

**1980**

Turkey’s first radial snow tyre.

Production of the Loder, Turkey’s largest local off-road tyre, commences.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**1983**

Turkey's first steel-belted van/ light truck tyre enters production.

**1985**

Turkey's first wide tread tyre enters production.

Turkey's first ECE (Economic Commission for Europe) certified tyre enters production.

**1986**

Number of dealers reaches 550.

**1987**

Lassa's total exports grow to five million tyres, and the number of export countries reaches 32.

**1988**

Signing of the joint venture agreement between Bridgestone Corporation and Sabancı Holding. The name of the company changes to BRISA Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.

ARGESA production plant starts to operate at full capacity.

**1989**

Groundbreaking for the construction of an additional production plant following the Bridgestone Corporation/Sabancı Holding partnership.

Start of test-production of radial passenger and radial bus/truck tyres at the new plant.

Establishment of the Bridgestone dealership network.

▪ **1990s**

**1990**

New production plant begins mass production.

Brisa adopts Total Quality Management.

**1991**

Turkey's first 60-series tyre (RE 88) enters production.

Celebration of the First National Quality Day.

With Turkey's first Bridgestone tyre export, Brisa becomes one of the global production hubs for Bridgestone products.

Turkey's first H-rated (210 km/h) high performance passenger tyre enters production.

Bus/truck steel-belted radial tyres introduced.

**1992**

Turkey's first V-rated (240 km/h) high performance passenger tyre enters production.

ISO 9001 Quality Assurance Standards certification.

**1993**

Brisa receives Turkey's first National Quality Award granted jointly by the Turkish Industrialists' and Businessmen's Association (TÜSİAD) and the Quality Association (KALDER).

Brisa Suppliers Convention organized.

**1995**

First tyre sale to the European automotive industry.

Establishment of Turkey's first Online Dealer Information System.

Tyre Service Center commences operations at the Istanbul Grand Terminal.

Total annual tyre production exceeds four million, exports exceed two million units.

Brisa becomes a member of the European Foundation for Quality Management (EFQM) Board of Directors.

BS 7750 Environmental Management Systems certification.

**1996**

Brisa wins the "European Quality Award" presented by the European Foundation for Quality Management (EFQM).

Brisa granted the "Best Managed Plant" award by the Bridgestone Corporation.

Brisa receives the "Green Chimney Award" from the Kocaeli Chamber of Industry and the "Environment Award" from Istanbul Chamber of Industry.

The Istanbul Chamber of Commerce's first "Technology Development Award" goes to Brisa.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Brisa becomes the first company in Turkey and the second in Europe to obtain ISO 14001 Environment Management Systems certification.

The Automotive Industrialists Association grants Brisa the “Best Performing Supplier Award.”

**1997**

Brisa shares its business excellence journey that led to the European Quality Award in the European Foundation for Quality Management (EFQM) Winners' Conference held in 20 countries.

**1998**

Realization of 21 training programs under the title “Brisa Shares Quality.”

Corporate website established in Turkish and English.

**1999**

Brisa obtains QS 9000 Automotive Sector Quality Systems certification.

Brisa’s Tyre Testing Laboratory becomes Turkey's first Turkish Standards Institute (TSE) accredited laboratory within the framework of the EU Directives.

Brisa receives Toyota’s “Top Scoring Supplier Award.”

▪ **2000s**

**2000**

Launch of the Road Assistance Service, a milestone for the tyre industry.

**2001**

Turkey’s first 4x4 tyre (Lassa Competus) launched.

Establishment of the Brisaspor Women’s Cycling Team.

**2002**

Introduction of the Enterprise Resource Planning System (SAP) and the Dealer Information System, a B2B project, another pioneering achievement in the tyre industry.

**2003**

Brisa obtains ISO/TS 16949: 2002 Automotive Sector Quality Systems certification.

Turkey’s first asphalt rally tyre enters production.

Brisa obtains TS-ISO 9001: 2000 Quality Management Systems certification.

**2004**

Brisa receives Toyota’s “Best Scoring Supplier 2003" award.

Brisa wins MAN’s “Top Scoring Supplier" award.

Turkey’s first gravel rally tyre enters production.

Turkey’s first W-rated (270 km/h) ultra-high performance passenger tyre (Lassa Impetus Sport).

Brisa Tyre Testing Laboratory obtains TS EN ISO/EC 17025 General Requirements for the Competence of Testing and Calibration Laboratories certification.

Brisa receives Turkish Standards Institute’s “Quality Award”.

Brisa obtains the Product and System Certification (CCC) by the Chinese Quality Center (CQC).

**2005**

Turkey’s first W-rated (18-inch diameter) ultra-high performance passenger tyre (Lassa Impetus Sport).

Turkey’s leading tyre manufacturer Brisa launches a <sup>[1]</sup>USD 168-million capital investment program for the construction of new facilities. The company’s total production area reaches 300,000 m<sup>2</sup> with a 50% growth.

Brisa obtains ISO 14001:2004 certification, the latest version of Environment Management Systems standards.

Brisa organizes a press conference with Michael Schumacher, the Formula 1 champion, at the first Formula 1TM Turkish Grand Prix.

**2006**

Lassa Atracta, the first passenger radial with an asymmetric tread pattern, is introduced.

Filofix Road Assistance Service launched for commercial vehicle fleets.

**2007**

Bridgestone becomes the exclusive tyre supplier of Formula 1TM.

Ahead of the Turkish Grand Prix Formula 1TM, drivers meet the fans at Dolmabahçe Palace, Istanbul.

The Lassa Rally Team wins the Turkish Rally Teams Championship.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**2008**

Lassa changes its 30-year logo.

Celebration of the 20th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

The Lassa Rally Team wins the Teams' Cup, Drivers' Cup, Co-drivers' Cup and Group N Cup titles at the Turkish Rally Championship.

Lassa's overseas customer base expands to include 55 countries throughout the world.

Bridgestone receives an award for the "Trafikte Dikkat On Bin Hayat (Caution on Traffic Saves Thousands)" Road Safety Platform with the campaign "Farım da Açık, Yolum da" (My Headlights Are On, My Road Is Open).

**2009**

Lassa commences production and sales of the AGRI 1 Radial Agricultural Tyre.

With a long list of achievements in the Turkish Rally Championship since its establishment in 2007, the Lassa Rally Team begins representing Turkey in the Italian Gravel Rally Championship.

Brisa wins first prize in the "Individual Performance Management" category at the Sabancı Golden Collar Awards.

▪ **2010s**

**2010**

Launch of the "Yola Güvenli Çık, Yolun Hep Açık (Set Off Safely for A Clear Road Ahead)" campaign as a part of the social responsibility and road safety campaign "Think Before You Drive" endorsed globally by Bridgestone.

Brisa assumes Turkish operations of Bandag, an American-based tyre retreading company, from the European subsidiary of Bridgestone Corporation (Bandag AG) for a fee of USD 3.6 million.

Lassa's website is published in eight foreign languages.

Foundation of the Brisa Academy.

Brisa wins first prize in the "Individual Performance Management" category of the Sabancı Golden Collar Awards for the second consecutive year.

The company wins the Grand Prize in the "Excellence" category at the Sabancı Golden Collar Awards.

**2011**

Launch of Brisa's "Lastığım" (My Tyre) project, which unites independent sales points under Brisa's umbrella.

Launch of "lastik.com.tr", Turkey's first web-based at-home tyre replacement and maintenance service. The Antenna Shop opens in Maslak, Istanbul featuring state-of-the-art technology and innovative services, also designed as a training center for Brisa personnel and dealers.

Lassa brand strikes sponsorship deal with Bolton Wanderers (English Premier League), Espanyol (Spanish Liga de Fútbol Profesional) and Borussia Mönchengladbach (German Bundesliga) football clubs.

Brisa wins first prize in the "Market Orientation" and "Investment in People" categories of the Sabancı Golden Collar Awards.

**2012**

Bridgestone passenger car winter tyre (Blizzak LM32) enters production in Turkey.

Implementation of the I-CAT application to provide business partners with swift, efficient access to information, and to develop new channels of communication with Brisa.

Insurance plans begin for tyres stored by customers at the Tyre Hotel.

Grand opening of the largest Lassa signboarded store in Milan, Italy. The number of international Lassa signboarded stores reaches 39.

"Sustainability" is the theme of the traditional 24th Brisa Improvement Conference.

Lassa tyres ship to Australia, Hong Kong, Venezuela, Tunisia, Albania, Serbia and Sierra Leone for the first time.

**2013**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Celebration of the 25th Anniversary of the partnership between Bridgestone Corporation and Sabancı Holding.

Decision for a USD 300-million investment in a second production plant to be constructed in Aksaray Organized Industrial Zone.

Opening of the first Propratik store.

Construction of the Brisa Academy and the Brisa Museum on the basis of sustainability.

The Brisa Museum opens its doors.

Issuance of the first Sustainability Report at A level

United Nations Global Compact signed.

Start of the “Let the Cranes Fly Forever” project in cooperation with World Wildlife Fund (WWF) Turkey.

Launch of the road safety project, “Güvenli Yolculuk İçin Lastik Başına (Take Care of Your Tyres For A Safe Journey)” in Otopratik stores.

“Corporate Traffic Safety Declaration” signed.

The road safety project “Yola Sağlam Çık (Take Off Strongly),” which focuses on the importance of healthy nutrition, living and road safety for long haul drivers, receives the “Public Health Award.”

The world’s first mobile truck maintenance and repair service Mobilfix receives the “Customer Oriented Service Innovation” award.

Turkey’s biggest tyre ever brought in from Bridgestone Corporation Japan.

#### **2014**

We have been awarded with the “Most Successful Subsidiary Industry of the Year” award by the Automotive Manufacturers Association (AMA)

Release of the Dayton brand.

The number of overseas stores reaches 122.

Cooperation begins with the Autority Group, offering brands on the market through Lastik Vs. and Speedy stores.

The newly redesigned Otopratik store opens its doors in Ankara with the aim of enhanced customer satisfaction.

Manufacture and roll-out of the first Y speed class Lassa tyre.

Introduction of the environmentally friendly automobile tyre Lassa Greenways and new generation snow tyre Snoways 3.

The first supplier evaluation system in place, high-performing companies awarded.

Public exposure of our 2013 sustainability initiatives at the GRI A+ level

Green Office Program launched in collaboration with WWF-Turkey

Brisa Academy and Museum obtain LEED Gold sustainable building certification.

Number of trainees at the Brisa Academy reaches 3,592 through 24 programs.

ISO 27001:2013 Information Security Management System certification.

Brisa's Greenhouse Gas Emissions from business operations verified within the scope of ISO 14064:

Verification of Greenhouse Gas Emissions.

Brisa named National Champion in the European Business Awards.

#### **2015**

The company is listed on the Borsa Istanbul Sustainability Index for the period between November 2015 and October 2016.

Lassa brand becomes the Global Official Tyre Partner for FC Barcelona.

National football player Arda Turan becomes Lassa's brand ambassador.

Brisa becomes the Official Partner in Turkey for the around-the-globe journey of Solar Impulse, an aircraft working solely on solar power without the use of any fossil fuels.

Brisa wins the “Digital Sector Leader” and ‘Pioneers of Digitalization’ awards in Accenture Digitization Index and the ‘Database Transformation Project of the Year award in the SAP Forum Awards.

2014 Sustainability Report named the “Best B2B Sustainability Report” by the Ethical Corporation.

Brisa is included in the Climate Disclosure Leadership Index, ranking among the top five companies in Turkey in terms of carbon reporting, and is placed in the best performance band in Turkey thanks to the B+ grade earned for maintaining a small water footprint.



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Brisa is qualified for EN 15838:2009 Customer Contact Centers Service certification, indicating that its services are in accordance with European Union standards.

Brisa is ranked second in the Innovation Strategy category in the Innova-League Awards of the Turkish Exporters' Assembly.

Brisa receives grand prize in the “Business Continuity/Resilience Strategy of the Year” category of the CIR Business Continuity Awards.

**2016**

Brisa's water footprint verified within the scope of ISO 14046: Verification of Water Footprint standards Bridgestone Potenza S001 Run-Flat tyres, which can drive even if the wheels go flat, have started to be produced in our Izmit factory.

We agreed with the e-platforms AutoPratik and ProPratik service points for the procurement of spare parts.

In order to strengthen women in business, we launched “Heroines of the Customer– Customer Service Expert Certificate Program” with the Brisa Academy.

We were the first company in Turkey and Europe to be awarded the ISO14046 Water Footprint Standard.

We have been awarded Green Office diplomas for our Izmit Administrative Building and Altunizade Offices with works that have been passed through with the cooperation with WWF-Turkey.

**2017**

Brisa R&D Center has been certified with the incentives of the Turkish Ministry of Science, Industry, and Technology.

We completed our investment for a special mixing technology, which is a first in the industry, and started mass production in order to develop tyres for automotive companies in global standards.

We created a new category helping to expand the Run Flat Tyre (RFT) technology in our industry by offering the Bridgestone Driveguard tyres.

We started the domestic production of Dayton branded tyres.

Bandag introduced its new slogan “BUILT FOR BETTER” and introduced its new logo at its 60<sup>th</sup> foundation year.

We started the “Pioneers of the Journey” innovation competition amongst our business partners.

Brisa received the Golden Statue by the French based Ecovadis Sustainability Platform and was included in the “Extraordinary” statue in the environmental category.

We activated the “Tracers” project, which is an internal employee-honoring platform.

**2018**

Our second manufacturing plant, which is also our first production base with smart factory status, constructed in Aksaray Organized Industrial Zone started its operations.

We accelerated the pace of making our business processes autonomous and we included Robi, the first team member of our group operating with artificial intelligence, to our business processes.

We activated the new business model “Genba Room”.

We started selling Otopratik branded vehicle batteries.

We started the “Pioneers of the Journey” open innovation program in order to support entrepreneurship and entrepreneur candidates.

We started selling our products with the “Domestic Production” logo.

**2019**

In memory of the 30th year of our company, we carried out the renovation works of 3 schools in Aksaray Ortaköy district.

We broke the monthly export sales record 3 times in 2019 and finalized the shipment of 500,000 tyres, bringing the record to a historical level.

We broke a total of 7 production records within 2 days at our smart manufacturing plant based in Aksaray.

We have achieved "Dynamic Experiment" and "Total Experiment" records of all time in our Tire Experiment Laboratory, which has been accredited with ISO17025 standards.

We completed the Design Registration process for 2 new products of Lassa Tyres, which were designed and developed in our R&D Center in Izmit.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

With the collaboration of E-Şarj, We started to provide charging services for electric vehicles in Otopratik stores and tyre sales points.

We started the Digital Fleet era with our innovative services.

We published "Courageously Moving Forward" and "We Too Courageously Move Forward" books.

Brisa Academy is accredited as an Accredited Personnel Certification Institution.

We established the Young Advisory Board.

### 1.6. Our Awards

**Anyone to whom we can reach and to whom we can contribute is the definition of award for us.**

#### **Sustainability, Innovation, R&D, and Digitalization Awards:**

- **Brisa once more proved its success at the Bridgestone Regional Awards**

Brisa's "Reduction of Groundwater Use in Izmit Manufacturing Facility" project was awarded the grand prize in the environmental category at Bridgestone Regional and Global Awards. Our "Energy Efficiency", "ROBI – Our Digital Team Mate", and "Brisa Academy – The Academy In Touch With Our Lives" projects were deemed worthy of awards in environmental, management foundations, and contribution to people categories respectively at the Bridgestone Regional Awards.

- **Brisa once again proved that Bridgestone has leading production bases**

Bridgestone awarded both manufacturing plants of Brisa in accordance with its "In Harmony with Nature" targets as laid out in the Environmental Mission Declaration at the "Recognition on Biodiversity" program, which is organized for the first time in 2019.

- **Brisa became the leader of Turkey in the Supply Chain contest**

Brisa Supply Chain team won the Turkish final of the international supply chain game, "The Fresh Connection", and became entitled to represent Turkey in the World Championship to be held in Greece during September.

- **Brisa's Pride in the Industrial Leaders Program**

Brisa employees took the first place on an individual basis at the finals of the second phase of the IN-LEAD Industry Leaders program with their performances throughout the program. In the projects evaluation, the joint project of Brisa and Kurds employees was deemed worthy of the first place.

- **Bronze Award from SAP to Brisa**

Brisa received the Bronze award in the Cloud Transformation category at the SAP Global Summit event with the B2C Hybrids Cloud transition project.

- **We are in the top 20 list of SAP Global with [lastik.com.tr](http://lastik.com.tr)**

As part of our digital map conversion path, which includes processes for end users, Brisa's Lastik.com.tr B2C upgrade and migration project became the first project to go on live on the CCV2 (Cloud Commerce Version 2), and the project took its place amongst SAP's global top 20 list.

- **TEGEP awarded Brisa Academy's Women's Program**

Brisa received The Best Project Integration Award from Turkey Education Volunteers' Platform (TEGEV) for its Heroes of the Customer Certificate Program at the institution's annually organized Education – Development Awards.

- **Lassa Tyres also the most durable supporter of cycling**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Sakarya Municipality awarded Lassa Tyres, which is one of the sponsors of the World Mountain Bike Marathon Championship to be held in Sakarya province in 2020, with the “Cycling Friendly Company” title.

**Promotion and Marketing Awards:**

- **Golden Compass Award given to Brisa for Internal Communication**

The Turkey Public Relations Association awarded Brisa with the Grand Prize for its Creative Innovator – Tracers project in the Internal Communication Category.

- **Lassa Tyres chosen as the Most Reputable Tyre Brand of Turkey**

Lassa Tyres was chosen as the Most Reputable Tyre Brand of Turkey in the Turkish Reputation Index Research conducted by the Yiddish Technical University.

- **3 awards for Lassa Tyres**

Lassa Tyres received the “Silver” awards in “Mobile Social”, “Mobile Native” and “Mobile Video” categories in the Smarties Awards held by the Mobile Marketing Association with the participation of 250 strong brands.

### **1.7. Board Member**

The names of the members of the Board of Directors and their curriculum vitae as of December 31, 2019, are provided below:

<b>Board Member’s Name - Surname</b>	<b>Executive or Non-Executive</b>	<b>Duty</b>
Cenk Alper	Executive	Chairman of the Board
Naohisa Yoda	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non - Executive	Board Member
Bariş Oran	Non - Executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non - Executive	Board Member
Mete Ekin	Non - Executive	Board Member
Makoto Hashimoto	Non - Executive	Board Member
Ahmed Cevdet Alemdar	Executive/CEO	Board Member
Saadet Ruba Unkan Ergener	Non - Executive	Board Member
Mehmet Tanju Ula	Non - Executive	Independent Member of the Board
Mehmet Kahya	Non - Executive	Independent Member of the Board

The Chairman of the Board and the Board Members have the duties and powers bestowed upon them that that are indicated in the relevant Articles of the Turkish Commercial Code and the Articles of Association.

The Board Members are elected within the framework of the provisions contained in the Articles of Association of our Company, pursuant to the Turkish Commercial Code and the relevant legal arrangements. The replacements take place under the resolutions of the Board of Directors, and they are submitted for approval of the General Assembly following Ordinary General Assembly Meeting.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Cenk Alper / Chairman of the Board**

Assignment Period: 01.04.2017 – until the Ordinary General Meeting of the year 2020.

Cenk Alper graduated from from Middle East Technical University in Mechanical Engineering Department in 1991 and completed his graduate degree again at the same Department in 1994. In 2002, Alper completed his MBA studies at the Sabancı University.

Alper started his career as a process engineer at Beksa in 1996 and assumed several different managerial positions at the company's international positions abroad between the years 2002 – 2007. He joined Kordsa Global in 2007 and assumed the positions of Global Technology Director, Technology and Market Development Vice President, Operations Vice President before being appointed as the Kordsa Global CEO in June 17, 2013. Alper was appointed the role of the Industry Group President of Sabancı Holding in April 1, 2017. Since August 1, 2019, Alper has been assuming the role of CEO of the Sabancı Holding.

In-Group:

H.Ö. Sabancı Holding A.Ş. / CEO

Sabancı Dijital Teknoloji Hizmetleri A.Ş. / Member Of The Board

Kordsa Inc. (United States of America) President

Kordsa Inc. United States of America) Chairman of the Board

Kordsa Brasil S.A. Chairman of the Board

PT Indo Kordsa Tbk (Indonesia) Chairman of the Executive Board

PT Indo Kordsa Polyester (Indonesia) Member of the Executive Board

Thai Indo Kordsa CO. LTD. (Thailand) Member of the Executive Board

Enerjisa Enerji A.Ş. Member of The Executive Board

Temsa İş Makinaları İmalat Pazarlama Ve Satış A.Ş. Chairman of The Board

Temsa Motorlu Araçlar Pazarlama Ve Dağıtım A.Ş. Chairman of The Board

Temsa Ulaşım Araçları Sanayi Ve Ticaret A.Ş. Chairman of The Board

Enerjisa Üretim Santralleri A.Ş. Member of The Executive Board

Non-Company Positions

Turkey – United States Business Council (TUBC) Member of the Board

İSO-Istanbul Chamber of Industry Member

KALDER – Turkey Quality Association Member

TÜSİAD-Turkish Industry and Business Association Member

**Naohisa Yoda / Vide President of the Board**

Assignment Period: 13.09.2019 – until the Ordinary General Meeting of the year 2020.

After graduating from the Hokkaido University Faculty of Fisheries, Oceanography, Naohisa Yoda joined Bridgestone Corporation in April 1985

Yoda has been appointed as the General Manager of the Hikone Manufacturing Plant Production in September 2004. After assuming the Lead Advisor and Operation Manager of Bilbao Manufacturing

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Plant in November 2006, Director of the Production Technology of Technical Center Europe in November 2008, Tokyo Manufacturing Plant Manager in March 2011 and Director of Kyushu Production and Kurume Plant Manager in January 2013, Yoda was appointed the Vice President and Officer of Japan Tire Production. After then, Yoda has been appointed Vice President and Officer of Tire Supply Planning and Logistic, GLC Administration in March 2016, and Vice President and Officer of Tire Operation Management and Service in January 2017, Vice President and Officer of Internal Manufacturing and Procurement concurrent TOMS in January 2018, and Vice President and Senior Officer of Supply Chain Enhancement in January 2019. Since September 2019, Yoda has been assuming Vice President and Officer of Brisa.

**Makoto Hashimoto / Board Member**

Assignment Period: 01.01.2017 – until the Ordinary General Meeting of the year 2020.

After graduating from the Keio University Management Engineering Department, Makoto Hashimoto, joined Bridgestone Corporation in April 1985.

Hashimoto has been appointed as the General Manager of the Bridgestone Corporation Production Engineering Department in April 2005. After assuming the Plant Manager roles of Amagi Manufacturing Plant in January 2009 and Hikone Manufacturing Plant in March 2010, Hashimoto has been appointed as the Mid – Japan Tyre Production Department Director in January 2011. Hashimoto became the Global Production Management and Logistics Department Director in April 2012, Global Supply and Logistics Department Director in July 2013, Internal Production Management, GLC Planning and Management Associate Vice President in March 2015, and Senior Vice President of the same position in January 2016 and finally the GLC Supply Senior Vice President in July 2016.

Hashimoto has been appointed as the Bridgestone Corporation Vice President as of January 2017 along with being appointed as the Brisa Vice President of the Board and Joint Venture Managing Partner in January 2017.

Non-Company Positions:

In-Group:

Bridgestone Europe, Middle East, Africa Operations (BSEMEA) Member of the Board

Bridgestone Corporation Vice President

**Mustafa Bayraktar / Board Member**

Assignment Period: 04.19.2004 - until the Ordinary General Meeting of the year 2020.

Mustafa Bayraktar graduated from the Finance Department of Alabama University and graduated from Boston College in the same field. Since 2002, he has been serving as the Chairman of the Board of Directors of H. Bayraktar Yatırım Holding A.Ş.

Non-Company Positions:

Non-Group:

Baylas Otomotiv A.Ş. Chairman of the Board

Baytur Motorlu Vasıtalar Tic. Chairman of the Board

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Bayraktar Otomotiv A.Ş. Chairman of the Board

Bayraktar Holding A.Ş. Chairman of the Board

Ege Fren Sanayi ve Ticaret A.Ş. Chairman of the Board

Ege Industry and Trade Inc. Chairman of the Board

**Barış Oran / Board Member**

Assignment Period: 04.30.2012 - until the Ordinary General Meeting of the year 2020.

Barış Oran graduated from Boğaziçi University, Department of Business Administration, completed his MBA studies at the University of Georgia and Advanced Management Program at the Kellogg School of Management, Northwestern University.

Baris Oran is the CFO of Sabancı Holding. He started his career as an auditor at Price Waterhouse Coopers and from 1998 to 2003, worked at Sara Lee Corp in Chicago IL, in audit, finance and treasury/capital markets. Between 2003 and 2006, he worked as Senior Manager at Ernst and Young initially at Minneapolis, MN and then in Europe, Middle East, Africa and India regions. He started working at Kordsa Global in 2006, and held positions of Internal Audit Director, Global Finance Director and CFO respectively. Oran has started at Sabancı Holding in 2011 as Finance Director, and held positions of Sabancı Holding CFO since 2016.

Non-Company Positions:

In-Group:

Sabancı DX Sabancı Dijital Teknoloji Hizmetleri A.Ş Chairman of the Board

Teknosa İç ve Dış Ticaret A.Ş Chairman of the Board

Enerjisa Enerji A.Ş. Member of the Board

Enerjisa Üretim Santralleri A.Ş. Member of the Board

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. Member of the Board

Çimsa Çimento Sanayi ve Ticaret A.Ş. Çimsa Member of the Board

Non-Group:

TUSIAD, BUMED and TUYID Member of the Board

**Frederic Jean Hubert Cecile Hendrickx / Board Member**

Assignment period: From September 18, 2015 to the Ordinary General Assembly Meeting in 2020.

Frederic Jean Hubert Cecile Hendrickx graduated from the University of Leuven Law School in Belgium in 1991. In addition, he studied Environmental Management at University of Antwerp (Belgium) and Energy Law at University of Copenhagen (Denmark).

He started his career at the headquarters of United Nations Environment Program in Nairobi, Kenya, and worked for a year in the International Agreements Section of the Danish Ministry of Environment.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

In 1993, Mr. Hendrickx joined the Bar Association of Brussels and worked at American law firm Hunton Williams until 1999. He then joined General Electric, assuming various legal leadership roles most recently for GE's Life Sciences Division in Stockholm and London offices.

Starting from mid-2015, he has been acting as Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe. Frederic Hendrickx also acts as a visiting professor of International Business Law in the Advanced Business Management program at UC Leuven Limburg in Belgium.

Non-Company Positions:

In-Group:

Legal and Compliance Vice-President, General Advisor and Secretary of the Board of Directors at Bridgestone Europe

**Metek Ekin / Board Member**

Assignment Period: 03.07.2017 – until the Ordinary General Meeting of the year 2021.

Metek Ekin graduated from İstanbul Technical University Chemical Engineering Department in 1993. He then completed his graduate degree in Hartford University Connecticut in 1995. Metek Ekin is a fluent user of English, Italian and German languages.

In March 2016, Metek Ekin joined Bridgestone as the Regional Manager of Bridgestone Middle East Africa FZE responsible from the MEA markets (50 countries).

Metek Ekin took several different managerial positions in Turkey, Italy, Egypt and MENA region and has more than 21 years of experience in the tyre industry. Erkin started his career in Turk Pirelli. During his last five years in the company, until 2015, he held General Manager and CEO positions. Before his appointment to this position, Ekin assumed several managerial positions such as the Sales and Marketing Assistant General Manager of Pirelli Egypt and as the Global Commercial Business Unit Marketing Manager of Pirelli Italy's General Management Quarters.

Non-Company Positions:

In-Group:

Bridgestone Middle East Africa FZE (MEA) Regional Manager

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Ahmed Cevdet Alemdar/ Board Member**

Assignment Period: 15.05.2017 – until the Ordinary General Meeting of the year 2020.

Between 1993-2002, he worked as Product Leader and then Wire Products Director in Beksa, Sabancı Holding-Bekaert Joint Venture. From 1998 onwards, he additionally took over the role of Bekaert's Sales Manager for Construction Materials in Middle East. From 2002 to 2005, he worked as Commercial Director in Sakosa.

In 2005, he joined Kordsa Global as General Manager of Kordsa Brazil and as Sales and Marketing Director of South America. From 2007 to 2009, based in Bangkok Thailand, he worked as Managing Director for Thai Indo Kordsa and Kordsa Qingdao Nylon Ent., as well as Sales and Marketing Director for Asia Pacific. In 2009 and 2010, he worked in Shanghai as Global Business Development Director, while maintaining his roles in Kordsa Qingdao Nylon Enterprises and Asia Sales and Marketing. From 2010 to 2013 he took role as Kordsa Global's Vice President in charge of Technology and Market Development.

In 2013, he was appointed as General Manager of Temsa Construction Equipment.

Since May 2017 onwards, he has been CEO of Brisa.

Cevdet Alemdar graduated from Industrial Engineering Faculty of Bogazici University in 1992. He also was granted with an MBA degree in Sabancı University.

Non-Company Positions:

In-Group:

LASDER (Tyre Manufacturers Association) Member of the Board

LASİD (Tyre Manufacturers and Importers Association) Chairman of the Board

**Saadet Ruba Unkan Ergener / Board Member**

Assignment Period: From 22.03.2018 - until the Ordinary General Meeting of the year 2020

S. Ruba Unkan Ergener graduated from Université Panthéon- Assas, Paris II, Law Faculty's Taxation and Business Law section. She holds a Master of Laws (LL.M) degree from New York University Law School on Trade Regulation and has completed her law equivalence degree at Dokuz Eylül University.

She started her career in 2002 as a lawyer with Hergüner Bilgen Özeke Law Firm, mainly working on privatizations and M&A deals. Joining H.Ö. Sabancı Holding A.Ş. as Legal Counsel on 2006, she worked extensively on privatization projects, joint venture agreements and numerous inbound and outbound M&A projects regarding the Sabancı Group companies until 2013.

Between 2013- 2014, she worked as Senior Lawyer, Middle East and Africa at IBM. Since September 2014, she is working as Director of Legal Affairs at H.Ö. Sabancı Holding A.Ş.

S. Ruba Unkan Ergener is a member of the Ethics Board, in charge of investigating and resolving all notifications concerning violations of the Sabancı Group's Code of Business Ethics.

She is admitted to the Bar in New York and Istanbul.

Non-Company Positions:

In-Group:



**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Director of Legal Affairs, H.Ö. Sabancı Holding A.Ş.

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş., Member of the Board

TurSA Sabancı Turizm ve Yatırım İşletmeleri A.Ş., Member of the Board

Ankara Enternasyonel Otelcilik A.Ş., Member of the Board

**Mehmet Tanju Ula / Independent Member of the Board**

Assignment Period: From 22.03.2018 - until the Ordinary General Meeting of the year 2020

Mehmet Tanju Ula was born in Zonguldak in 1947. He completed his secondary school education at the Kadıköy Maarif College and then enrolled to the Mechanical Engineering School of the Middle Eastern Technical University to receive his B.SC in 1969 and M.SC in 1971. He worked as a Project Engineer at the ATAS Refinery between 1971 – 1974 period and at the TPAO General Management between 1975 – 1976 period.

He started working as Planning Engineer at LASSA A.S. on 01.06.1976 and later on assumed the position of Product Planning/Control and Production Planning Director. In 1985 he became the supply Director of Kordsa A.S., where he later became the Commercial Assistant General Manager, Mehmet Tanju Ula assumed the General Management position at Dusa A.S. in 1996, at Sakosa A.S in 1999, and at Beksa A.S. in 2004.

Mehmet Tanju Ula returned to Kordsa A.S. as the General Manager in 2005 and following the reorganization of the Kordsa Global A.S., he served as the Vice President and Region One General Manager until his retirement in 2009. Following his retirement, he took the Secretary General position of the Sabancı Museum for a year and a half. He is currently an Independent Board Member of the Directors Committee (Board of Directors) of the PT Indo Kordsa TBK, Indonesia.

Non-Company Positions:

In-Group:

PT Indo Kordsa TBK, Indonesia Directors Committee, Independent Member of the Board

**Mehmet Kahya / Independent Member of the Board**<sup>[11]</sup><sub>SEP</sub>

Assignment Period: From 22.03.2018 - until the Ordinary General Meeting of the year 2020

Mehmet Kahya attended the Yale University to complete his double major undergraduate degrees at the Chemical Engineering and Economy Faculties. He received his MBA from the Kellogg School of Management in Finance, Marketing and Operational Research.

Mehmet Kahya began his career in Sabancı Holding as a Management Services Supervisor at SASA and then became the founder and leader of the MKM International (Netherlands) and Sibernetik Sistemler companies. He returned to the Sabancı Group as the Automotive Group Vice President, and also assumed the positions of Temsa Vice Presidency and Presidency, ToyotaSa Vice Presidency, Sabancı Holding Planning and Processing Council Membership and TEMsa, ToyotaSa, Susa and Sapeksa Board Membership.

Mehmet Kahya later assumed Executive Director and Vice President of the Executive Board position at Carnaud Metalbox, Presidency position at Uzal Makina, Executive Board Membership at Uzel Holding, General Manager and Paint Group Vice Presidency at DYÖ, Executive Board Membership at Sarten AMbalaj, Vice Chairman of the Management Board at Gierlings Velpor (Portugal), and Presidency at Assan Aluminyum.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.  
BOARD OF DIRECTORS ANNUAL REPORT  
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Mehmet Kahya is still offering strategy, reorganization, profitability transformation, growth, mergers and acquisitions consultancy services at the Kronus company, which he founded, and is an Independent Board Member at Carrefoursa, Çimsa, Yunsa companies, Board Member at Electrosalus, and Shareholders' Consultant at Enerjeo Gediz and Enerjeo KEmaliye companies.

Non-Company Positions:

In-Group:

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.S. Member of the Board

Yunsa Yunlu Sanayi ve Ticaret A.S. Independent Member of the Board

Çimsa Çimento Sanayi ve Ticaret A.Ş. Member of the Board

Non-Group:

Electrosalus Biyomedikal Sanayi ve Ticaret A.Ş. Member of the Board

Enerjeo Gediz Enerji Enerji Üretim A.Ş Shareholders' Consultant

Enerjeo Kemaliye Enerji Üretim A.Ş Shareholders' Consultant

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**1.8. Executive Committee**

**Ahmed Cevdet Alemdar**

General Manager

Born in 1970, Ahmed Cevdet Alemdar graduated from the Industrial Engineering at Boğaziçi University, and finished his MBA at Sabanci University. On May 15, 2017, he became CEO.

**Makoto Hashimoto**

Executive Partner

Born in 1960, Mr. Hashimoto graduated from Keio University Department of Engineering Management (Japan). He has been working at Bridgestone Corporation since 1985 and at Brisa since January 1, 2017.

**Yoshio Iwasaki**

Technical Groups Director

Seiichiro Tokunaga was born in 1968 and graduated from the Mechanical Engineering and Materials Science Department of Yokohama National University(Japan). He joined Bridgestone Corporation in 2009 and began his duties at Brisa on end of June, 2018.

Non-corporate responsibilities: none.

**Resat Oruç**

Assistant General Manager of Finance

Born in 1977, he is a graduate of Marmara University, Department of Economics. He studied Economics at the University of Guelph (Canada) and has been working at Brisa since 01.06.2010.

Non-corporate responsibilities: none.

**Yakup Demir**

Assistant General Manager, Sales

Born in 1972, he is a graduate of Yildiz Technical University, Department of Naval Architecture and Marine Engineering. He has been working at Brisa since 07.04.1997.

Non-corporate responsibilities: none.

**Ahmet Halit Şensoy**

Assistant General Manager, International Markets and OE

Born in 1960, he is a graduate of Middle East Technical University, Department of Industrial Engineering. He has been working at Brisa since 06.04.1988.

Non-corporate responsibilities: none.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**1.9. Investor Relations**

**We are grateful to our valuable investors who have supported and encouraged Brisa to become an international scale leader**

We thank the valuable investors who have displayed their confidence in the vision and steps taken by Brisa and encouraged us with their trust and support to embark on new steps ahead

**We visited our Aksaray Manufacturing Plant with our individual investors**

We visited our Aksaray Manufacturing Plant with our individual investors, some of whom are holding Brisa shares since 1980s. We shared with our individual investors the value Brisa creates for our homeland, our preparations for the future and the smart Technologies of our manufacturing plant. We would like to extend our gratitude to our shareholders for the trust they have placed in our company.

**Amendments to the Articles of Association within the Period**

The Article 4 of the Articles of Association have been amended on the basis of the approvals obtained from the the Republic of Turkey Capital Market Board and Ministry of Customs and Trade, and these amendmends have been approved at the Ordinary General Assembly Meeting held on March 22, 2019. The new version of this Article is as follows;.

**OPERATIONAL PURPOSE AND LINE OF BUSINESS**

Article: 4 – The operational purpose and line of business of the Company covers the acquisition and production of, including, but not limited to, all types of inner and outer tyres, shoe products, resins, natural and artificial rubber parts including rubber belts and chemical materials, rubber replacement materials, the materials bearing rubber qualities or used for the same purposes, and the materials partially or wholly made of rubber; performance and provision of wheel coating works and services, and rendering trading and services related with any kind of other products, spare parts and accessories related to automotive industry.

The Company may particularly perform, including, without limitation, the following activities in order to achieve its operational purposes specified above:

- a) To purchase, import and produce the machinery spare parts and components related with its line of business;
- b) To perform importation, exportation and domestic trade of the raw materials, auxiliary materials, semi-finished products and finished products related with its line of business;
- c) To obtain the permits, concessions, licenses, and patents related with its operational purpose and line of business, to assign them to others in part or as a whole, to acquire those belonging to others, and to execute Know-How agreements;
- d) To take out short-, medium-, and long-term loans from local and foreign markets, to receive endorsement loans and guarantee credits, to put lien on the Company's real properties when required, and to issue debentures;
- e) To acquire, operate, lease, rent, and, if required, purchase and sell any kind of movable and immovable properties and incorporeal rights related with its operational purposes and line of business; to establish and register mortgages on any movable and immovable properties of the third parties in favour of the Company or to acquire any kind of rights on such properties;
- f) To be engaged in distribution, representation, commissioning, and agency activities related with its line of business, to give franchises, to establish organizations in relation thereof, to participate in such organizations, or to work as a partner in relation thereof; the Company may also assume the representation and agency of insurance companies.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- g) The Company is qualified and authorized to perform any kind of financial, commercial, and administrative dispositions and activities, to incorporate companies and to participate in the companies already established for achievement of its operational purpose and line of business.
- h) The principles determined in accordance with the Capital Market Legislation shall apply for establishment of securities, sureties, collaterals, or right of lien including mortgage, etc. in favour of the Company and the third parties.
- i) The Company may provide any support and assistance for and make any donations to the foundations and societies established for social purposes, educational institutions, universities, and any other persons, entities and institutions within the framework of the Capital Market Legislation; and it may become members of such foundations and societies.
- j) The company may set up personnel certification units to perform personnel certification services according to national and/or international standards, a quality management system for personnel certification and may carries out assessment and evaluation procedures for examination and certification purposes. Company can conduct assessment and evaluation procedures for examination and certification purposes and can provide consultancy services to third parties/ institutions/organizations about personnel certification. Company can join the activities of non-governmental organizations which is established for this purpose.

**Selection of Independent Auditing Company**

At the Ordinary General Assembly Meeting dated 22 March 2019, shareholders approved the appointment of KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit financial reports pertaining to the 2018 accounting period and carry out other activities within the scope of relevant legal provisions in compliance with principles according to Turkish Commercial Code No. 6102 and Capital Market Law No 6362. An independent auditing agreement was signed with KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on March 28, 2019.

**Dividend Distribution Policy**

As stated on KAP (Public Disclosure Platform) and the website, the dividend distribution policy of the company is as follows:

“The Dividend Distribution Policy of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (BRISA) is determined within the framework of the provisions of the Turkish Commercial Code, the Capital Markets Legislation, the article on dividend distribution in our Articles of Association and in line with BRISA’s medium- and long-term strategies, investment and financial plans. The policy is formulated in such a way that considers the national economy and that of the sector while maintaining a balance between shareholder expectations and the needs of BRISA.

BRISA does not distribute advance dividends.

The dividend distribution policy shall be submitted to the approval of shareholders during the General Assembly Meeting. This policy shall be reviewed every year by the Board of Directors in the event that a negative development takes place in national and global economic conditions and in line with the status of the projects and funds on the agenda. The amendments to this policy shall be submitted to the approval of shareholders during the first general assembly meeting following the amendment and be publicly disclosed on the website.”

The Profit Distribution Policy and proposal for distribution of annual profit are available in the annual report, shared with shareholders at the General Assembly meeting, and publicly announced via the “Investor Relations” page on our website.

At the 2018 Ordinary General Assembly Meeting, the Board of Directors’ proposal (dated February 20, 2019) for distribution of profit was accepted, and it was resolved that to strengthen financial structure of the company and to create funds for financing of investments, net profit of the company is not distributed to Shareholders and reserved as extraordinary reserves.

**Stocks and Bonds Issued**

No stocks and bonds were issued in 2019.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**2. Developments and Activities in 2019**

**2.1. Developments in the Industry**

**We provide 1 out of every 3 tyres that reach to end-users in Turkey by realizing our investments with our close to people, innovative, technologic and financially well balanced approach.**

2019 was a year during which we focused both on national as well as international growth in order to carry the “indisputable leadership” positions of our Bridgestone and Lassa brands into the future. While continuing with our investments in İzmit, which had been on-going for the last 45 years, we boosted our production with our Aksaray factory which we have established right at the heart of Anatolia. We enriched the journey of our customers by delivering services beyond merely providing tires together with our dealer organisation -Turkey’s strongest within its sector- and our 2.874 skilful employees, thus undertaking the innovation leadership.

During the period 1 January - 31 December 2019, the Turkish automotive industry experienced a double-digit shrinkage in the automotive and light commercial vehicles market on a year-on-year basis. Total vehicle production declined by 6% while the sharpest decline took place in the heavy commercial vehicle production. On the other hand, Turkey’s total renewal tire market has shrunk by single digits, far less than the automotive sector, and ended the year with 20.4 million units of production. Under these conditions Brisa over performed both in consumer and commercial tires segment. Our company reinforced its leadership position vis-a-vis the total solutions it offered to its customers with its Bridgestone and Lass branded new winter and summer tires, while one out of every 3 tires sold was Brisa. Moreover, our brands edged closer to its consumers, with Lassa and Bridgestone becoming the top two brands among the most reputable tire brands in Turkey. Our Brisa corporate brand also became the 52nd in the international brand evaluation institution Brand Finance’s “Turkey’s Most Valuable Brands-Turkey 100” list with its 53 million Dollar value and brand value leader in Tukey’s tire sector. Moreover, we continued investing in our dealer network throughout the year and remained at the summit in dealer confidence index.

In 2019 global automotive and light commercial vehicles sales declined by 4,4% against 2018 with China facing the sharpest decline. In Western Europe vehicle sales increased while there was a slight decline in Japan, due to excise duty increase, and in USA as a result of increasing vehicle prices. The developments in the automotive market had an impact on the global renewal tire market; the world’s passenger and light commercial renewal tire market grew by 1,5% on a year-on-year basis, growth continued in world’s top largest markets –namely China and USA- while European tire market sales decreased by 1,8%. Brisa continued to grow in the shrinking European market with its Lassa brand, entered into 14 new markets and increased its export countries to 83 while Lassa broke a record by achieving the highest export sales volume in 2019.

All these developments made a positive contribution to our company’s 2019 business results. During 1 January – 31 December 2019 our total unit sales grew by 1,3% while our net sales revenue increased by 18,7% amounting to x billion TL. Our total foreign unit sales increased by 13,6% and our turnover by 38%. Last but not least, our Lassa total international unit sales increased by 10,9%.

In 2019, our Aksaray factory, which is a first in the sector thanks to it being equipped with smart applications, has become a symbol of our production capability and our contribution to the Turkish industry. We have continued to undertake a pioneering role in the development of the sector with the products, services and business models we provide as the innovation leader of Turkey.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**2.2. 2019 Panorama**

**We hosted press members and business partners at our Aksaray Factory**

In our press meeting for the commercial products segment, we hosted the members of the sectorial press and a group of 5 people from the national press and our original equipment customers for whom we supply our tyres directly from our manufacturing plant.

**We realized firsts in R&D and production**

In 2019, we broke new records and realized firsts in R&D and new generation production. We broke a total of 7 production records in 2 days in our smart manufacturing plant in Aksaray. We completed the Design Registration process for 2 new products of Lassa Tyres, which were designed and developed in our R&D Center. In addition, in July, we realized "Dynamic Experiment" and "Total Experiment" records in the Tyre Test Laboratory, which received ISO17025 accreditation in July. We continue these projects with the "Producing innovative tyres using Carbon Nanotube" project, which was approved by TÜBİTAK and developed with the consultancy of Sabancı University.

**We Sped Up Entrepreneurship Projects**

• **We are strengthening our projects geared towards electric vehicle market**

With the cooperation of E-Şarj, we aim to meet an important need in the industry by providing charging service for electric vehicles in Otopratik stores and tyre sales points. In this context, we put our first 3 charging stations into service in Istanbul and Bursa during the year.

• **We are included in the program of TÜSİAD's companies that support digital transformation in industry**

We participated in the TÜSİAD SD2 program, which supports the strengthening of the digital transformation process in the industry, with the technology called "Designing a Digital Tyre Assistant Using Image Processing Technology".

• **We got together with entrepreneurs**

We evaluated the cooperation opportunities with 8 different startups and organized a workshop with 22 entrepreneurs in Bilkent Cyberpark during the Brisa - Viveka Startup organization held in Ankara at METU Technopark CoZone. Our representatives took part in the final demo day event of the Spin-Off Academic Entrepreneur Acceleration Program as a jury member and speaker during the event hosted by TOBB University and supported by the Ankara Development Agency.

• **The Pioneers of the Journey announced**

We encourage entrepreneurs and entrepreneur candidates to develop business ideas, prototypes and initiatives that will shape the future of the journey. For this purpose, we realized the final stage of our Pioneers of the Journey open innovation program in Kolektif House Levent. The Stroma Vision initiative, which analyzes driver behavior to reduce accidents, took the first place; however we plan to support all projects that reached the final with Brisa's expertise.

**We sped up our projects for our digital transformation journey**

• **We shared our experience in digitization with business and opinion leaders**

We shared exemplary projects and our success story at the different events; during the Digital Experience Workshop we held at SAP's organization, at the digitalization panel organized with the cooperation of Kayseri Chamber of Industry and Kalder, and at the 6<sup>th</sup> of Digital Transformation Days

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

in Industry held by TÜSİAD in order to increase awareness about digital transformation in industry with "Production Management" theme.

**Lassa Tyres' Journey to Become an International Brand Progresses**

- **We broke new export records with Lassa Tyres**

We broke monthly export sales records with Lassa Tyres 3 times in 2019, and we carried our monthly sales record to historical heights during the month of July with a shipment of 510.000 tyres. During this period, for the first time in Brisa history, we sold more than half a million tyres in just one month.

- **Lassa Tyres in new markets**

Thank to our field visits, we entered 14 new markets with our Lassa brand. As of 2019, we offered our products to vehicle owners in Senegal, Mali, Congo, Togo, Brunei, Laos, Montenegro, Philippines, Iceland, Sri Lanka, Yemen, Cambodia, Myanmar, and Ghana. We also opened the first Lassa Tyres branded store in South Korea's capital Seoul.

- **Lassa Tyres Amazon campaign**

The "Smile With an Amazon Gift Coupon" Campaign, which Lassa launched for the first time in the UK in 2018 and achieved successful results, was repeated in May-June period in 2019 with the intense interest of our distributors. Consumers who bought Lassa Tyres from the sales points participating in the campaign had the opportunity to win Amazon Gift Certificates up to 40 Pounds.

- **Lassa Tyres branded taxis touring the British roads**

England's iconic black taxis started their journey on the streets of London with our Lassa Tyres Transway tyres carrying our Lassa Tyres advertisements on the vehicle.

- **Lassa Tyres Chosen as the Sole Tyre Supplier of Austrian Postal Agency Yellow Post**

Lassa Tyres, which has been supplying tyres to the Austrian public postal agency Yellow Post for 17 years, became the sole tire supplier of the company. Within the scope of the agreement, Lassa Tyres' winter tyres will serve a fleet of 5.400 vehicles with its robustness and innovative structure. Lassa Tyres will supply 100 thousand tyres in 3 years for the postal services in Austria to continue without interruption even under the most difficult conditions.

- **Lassa Tyres attracted great attention at international fairs**

Lassa Tyres introduced its brand and product range at the Shanghai China International Tire Expo, held for the 17th time. The innovative products and services of our brand attracted great attention from international industry representatives. Lassa Tyres also participated in the Tire Technology Expo 2019 fair, held in Hannover, Germany, where the world's leading tyre technologies are shared.

- **Lassa Tyres' new tyres showcased in Spain**

Lassa Tyres unveiled its new 4x4 Competus H/P2 tyre for their Austrian dealers at the Barcelona Parc Motor Track. After the introduction of new tires, Multiways C, Competus H / P2 and Snoways 4, the Austrian dealer team of 60 people completed the test drive at 3 different stations of the Parc Motor track.

- **We came together with our Ukrainian and Serbian dealers**

At the meeting we held with Lassa business partners, we came together with our Ukrainian dealers and shared information about 2019 applications and products. At the end of the 2-day meeting, which took place with the attendance of approximately 150 dealers, we gifted a Barcelona trip including the chance to attend an FC Barcelona game to 2 lucky dealers.

- **Lassa Tyres hosted international business partners in Turkey**



**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We hosted our Austrian, Iraqi, Libyan, and Spanish business partners at our manufacturing plant in Izmit. We further organized a special event for our Azerbaijani dealers Antalya. We also came together with our Romanian business partners in Istanbul.

**We Strengthened Our Brand Promotion and Sales Activities to Become the First Choice of Domestic and Light Commercial Vehicle Users**

- **We continued our promotion activities for our products and services**

We introduced our new generation tyres and strong sales points with events across the country. We introduced Bridgestone's renewed summer tyre Turanza T005, winter tyre Blizzak LM005 and the first all-season tyre A005 to our customers with many events across the country. As part of the Lassa Tyres Accompanying You At Your Holiday Event, we carried out promotional activities at the İDO Bandırma Ferry port. We introduced our new designs in our booth that we set-up using our giant Bridgestone Turanza T005 tire before the Güldür Güldür Show in Konya that took place with the attendance of 2.000 people. On the Rice Day of the members of Galatasaray Fans Association, we set-up a stand area and promoted our Bridgestone brand and our special valet service for Istanbul to more than 2000 participants. Before the event, we announced the opportunities we offered to members by e-mail communication. At METU Teknokent Festival, we had the opportunity to introduce our new Bridgestone tyres that we offered to Teknokent employees.

- **Lassa Tyres and İş Bank Cooperation**

Following our cooperation with Denizbank, Lassa Tyres also included İş Bank in the agricultural group card agreements. From now on, farmers can take advantage of the 6-month interest-free period offer using the İmece Card following their purchase of Lassa Tyres, Bridgestone and Dayton tyres from Brisa dealers.

- **Lassa Tyres stand together with Anatolian teams**

Lassa Tyres offer support to Anatolian teams competing in the Süper Toto 1. Lig during the 2019-2020 period by advertising on advertisement panels located on the pitches.

- **Lassa Tyres sponsoring the World Mountain Bike Championship**

Lassa Tyres, which has been supporting the Lassa Tyres Cycling Team for 40 years, became one of the main sponsors of the World Mountain Bike Marathon Championships that will be held in the Sakarya province under the auspices of the Turkish Presidency in 2020.

- **Automotive Distributors Association Night held under the main sponsorship of Bridgestone**

Eighth of the ODD Sales and Communication Awards organized by the Automotive Distributors Association (ODD) to accelerate sectorial growth was organized under the main sponsorship of Bridgestone. Bridgestone also attracted great attention with its stand, where it offered a tyre moving experience with power of thought.

- **Automotive Journalists Association Night held under the main sponsorship of Bridgestone**

Organized by the Automotive Journalists Association, OGD Night was held under the sponsorship of Bridgestone and brought the industry together to determine the car of the year. Our CEO, Mr. Cevdet Alemdar, presented the award to Toyota executives who bought the car of the year award.

- **We continue our promotional activities continuously for Lastik.com.tr**

We promoted the products and services of lastik.com.tr with its renewed stand at Kanyon Shopping Center in Istanbul, at Shell and Honda headquarters and at Sabancı Center.

- **We are working hard to perfect the customer experience in our stores**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

By employing a mystery shopper project at our dealers' sales points, we prepared action plans for the improvement of the customer experience process by making evaluations about the promotion of brands, products and patterns, presentations of the right products and campaign information. In addition, we started a new marathon at all our sales points to give our customers the best experience and increase customer satisfaction. Brisa sales points, which are instantly evaluated by our customers following their purchases, are honored as "recommended by customers" sales points according to customer recommendation points.

- **Lastiřim web site renewed**

The website of Lastiřim sales points, which has been operating since 2009, has been renewed in accordance with the current needs and digital developments of our customers.

**We Strive To Be The First Choice Of Our Heavy Commercial Vehicle Customers Domestically**

- **We started the Digital Fleet Era**

We started a new digital era in fleet management. Our company, which develops industry best practices with Profleet Fleet Management Solutions, has achieved a first in Turkey by including "digital fleet" services to these solutions. We guarantee our fleet customers' efficiency, security, reliability and profitability by employing Telematics and TPMS (Tire Pressure and Temperature Measurement System), Driving Support System, and Profleet mobile applications that allow instant tracking and management of fleets.

- **Leather vest campaign for the captains of the roads from Lassa Tyres and Bridgestone**

We launched our campaign, with which we gave leather vests to those who bought 4 retail bus and truck tyres from Lassa Tyres.

- **We organized a cooperative tour for commercial vehicle tires**

As part of our Tour of Turkey project, which helped us come together with our retail commercial vehicle customers, we introduced our special conditions offered for sale to 33 different cooperatives in 24 different provinces and we established strong relationships.

- **We introduced our products to service and tourism fleets**

We came together with 25 fleets operating in service and tourism transportation with an organization hosted by our Gebze business partner. We shared information about our new generation products in light commercial vehicle and bus segments, our Bandag retreading products and services, and our Otopratik branded batteries with these fleets.

- **The first mobile service truck of the World visited Mersin**

We offered our services at the Mersin International Port with our mobile service truck Mobilfix, which we designed for commercial vehicles.

- **Bandag retreading facility at Batman**

We realized at the opening of Turkey's largest retreading facility with a 6000 m<sup>2</sup> closed area at Batman.

**We Are Deepening Our Retailing Activities in Turkey**

- **We strive to provide excellent service in Otopratik shops**

The technical teams of Otopratik, our fast maintenance service brand, refresh their knowledge with the Technical Service Training prepared by Brisa Academy. This training, which is offered quarterly and supported by mobile applications, provides service excellence in Otopratik stores.

- **We started a campaign with İklimsa at our Otopratik sales points**

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Within the scope of the campaign, we offered a 50% discount in periodical maintenance work in our Otopratik services to commercial vehicles belonging to the İklimsa Authorized Sales and Service Points. In addition, we provided an 18% discount on Lassa Tyres and Bridgestone tyre purchases made through lastik.com.tr for periodic maintenance points.

- **A special video clip from Otopratik for Father's Day**

We celebrated Father's Day with the special video spot of Otopratik. Otopratik shared the story of a daughter and the team that works to help her father reach his home with confidence and comfort every day.

- **Otopratik's YouTube account online**

Otopratik continues to stand together with drivers with its YouTube account, from which it will share hint videos for vehicle maintenance.

- **We organized the first Otopratik Franchise Meeting**

We organized the first of the Otopratik Franchise Meeting. Saffet Üçüncü, one of the veterans of the automotive world, attended the meeting where topics such as spare parts, batteries, oil supply, marketing and communication, legal processes, technical training and audits were discussed as well as business processes.

**We were together with our business partners.**

- **We are organizing digital Tuesday meetings**

We met with our dealers every month at Digital Tuesday Meetings, and shared ideas and information on critical issues such as campaigns, our sales-marketing practices, trainings, finance, products beyond tyres and risk management.

- **We listen to our business partners at the Dealer Councils and work together for solutions**

We met with our dealers 4 times during year at the Dealer Councils and talked about the future of our business with our vision of “we are one on the field”.

- **Brisa dealers examined new products of Bridgestone at our Aksaray Manufacturing Plant**

We hosted 42 representatives from 30 sales points at our Aksaray Manufacturing Plant. In the event, which started with a factory visit, we introduced the new designs of Bridgestone T005, A005 and LM005.

- **Digital Fleet launch**

We promoted our services that led the industry with the launch of the “Digital Fleet” we organized. Within the scope of the launch, we shared our services and innovations under the roof of “Digital Fleet” with 50 dealers working within the field of commercial products and services.

- **We introduced the new patterns of Bridgestone to our business partners**

We introduced Bridgestone's summer tyre Turanza T005, which became the hit of 2019, winter tire Blizzak LM005 and the first all-season tire A005 to our business partners with a special event. In our event, we shared actions that will take the Bridgestone brand to the top in its class with product presentations, driving experience and fun activities.

- **We came together with Bandag dealers**

Brisa Sales team came together with 17 Bandag Franchise Dealers at the “100% Bandag” themed meeting. We shared our 2020 targets and new products with our dealers.

- **The best came together**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Profleet Consultants, working as a field team in the commercial products group, received information from our senior management about the vision and goals at the “The Best Are Together” meeting.

- **Campaign for trailer manufacturers from Brisa**

We hosted our first 11 manufacturers, who were successful in our campaigns for the trailer manufacturers of the commercial vehicle tyres customers group, on their trip to Argentina.

- **We celebrated our success with our business partners**

We held our “Courageous Wanderers” meeting in Rhodes, Greece and Morocco-Andalucia with our business partners, who successfully participated in our sales campaigns and achieved their targets, together with their spouses. We were together in Spain with our business partners who won our campaign for the Lassa Tyres branded consumer products group in 2019 and watched the FC Barcelona Lassa-ATM basketball game.

**We Are Aware Of Our Responsibilities And We Are Working Hard To Add Value To Our Shareholders**

- **We published a book based on the real and sincere courageous stories of Brisa family members**

Our company achieves extraordinary success with its passion for taking bold steps and looking for innovations. Brisa family members, as the architects of this success, turned their life stories into two books so that courage may spread around in Turkey. The book, "We Travel with Courage", and the book "We Too Travel with Courage" was published by the İnkılap Bookstore, with the contributions of Can Yılmaz and Zafer Algöz, and Şermin Yaşar and Selçuk Erdem respectively as guest writers. We transformed the income of these books, which will inspire those who want to set off at every moment of life, to a socially beneficial project. The amount gathered as a result of the sales of the books was offered to the Turkish Education Foundation as a transportation scholarship for 500 children in Anatolia to safely go to their schools. Our company also donated per book.

- **So they too can Courageously Move Forward ...**

In memory of the 30<sup>th</sup> anniversary of our company, we have completed the renovation works of 3 schools in Aksaray Ortaköy district. In Harmandalı Atatürk Secondary School, we have been involved in the works with the 100-person Brisa volunteer team and planted saplings in the garden with the students.

- **We celebrated the International Women in Engineering Day with a meaningful video spot**

As part of the 23rd June International Women in Engineering Day, we brought together the students of Aksaray, Harmandalı Ataturk Secondary School, with whom we undertook the renovation works for the 30th anniversary of our company. We published this meeting, which is an inspiration for future engineers, from our social media accounts.

- **Children spoke about courageous women**

We asked the children studying in Harmandalı Atatürk Secondary School about what being a strong woman means. The children expressed themselves with pictures and gave answers full of hope. We prepared these special moments and the definition of courageous women through the eyes of children by publishing a special video and published them through digital channels.

- **Lassa Tyres became the voice of female drivers**

As part of our celebrations for the 8<sup>th</sup> of March, Women's Day, Lassa Tyres shared the stories of women who chose being a bus or truck driver as their profession on a social media channel in coordination with our Taking-off Safely Platform.

- **Brisa Academy is accredited as an Accredited Personnel Certification Body**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Brisa Academy has been accredited by TÜRKAK as Personnel Certification Body according to TS EN ISO / IEC 17024 standard. Brisa Academy will provide certification services within the scope of 4 national qualifications in the fields of "machine maintenance, automotive mechanic, automotive pre-mechanic and tyre maintenance repairer".

- **Brisa will introduce the first eco school of Aksaray**

We have started a cooperation with Aksaray Şehit Salih Aksu Primary School within the scope of eco school Program. The Eco-School Program serves as an international program based on volunteering, and is implemented to provide environmental awareness and sustainable development education at pre-education and primary education levels.

### **2.3. Manufacturing and Products**

<b>In 2019, we operated at a high capacity utilization ratio of 84% manufacturing 11,8 million units</b>
--

Being one of Europe's largest tyre manufacturers, our company conducts its manufacturing operations in İzmit at facilities built on a closed area of 361,000 square meters and in the Aksaray Manufacturing Plant. The factory, which is a major base in the global manufacturing infrastructure of the Bridgestone Corporation, has important competitive superiorities within the sector thanks to its manufacturing planning flexibility, capacity to produce products that meet the needs of the market and customers, and its capability to manufacture import products at the local level.

#### **Our New Products and our Growing Portfolio**

We manufacture tires under the Bridgestone, Lassa and Dayton brands that comply with international safety and quality standards for automobiles, light commercial vehicles, buses, trucks, agricultural machinery and heavy-duty vehicles.

Besides our manufacturing operations, we offer to the market a variety of 1,800 types of tyres by importing Firestone brand agricultural tires, Bridgestone brand motorcycle tires and Kinesis brand forklift tyres.

We also provide tire retreading services under the Bandag brand.

While aiming to provide a well-balanced product portfolio to vehicle owners by offering them the criteria of Bridgestone brand performance, environment and safety, we also offer a concept of 'Balanced Performance' that prioritizes economy, comfort and sturdiness with our Lassa brand products.

#### **The new products in 2019 were;**

- Bridgestone Weather Control A005
- Bridgestone Turanza T005
- Bridgestone Blizzak LM005
- Bridgestone R249+ Ecopia
- Bridgestone R-Steer 002
- Bridgestone R-Trailer 001
- Dayton D500S Yol
- Dayton D600D Yol
- Dayton D400T Yol

During 2019, we offered 3 new tyres to Turkey developed by Bridgestone based on the feedback received from Bridgestone's consumer research projects covering a range of 25 thousand vehicle drivers from all over the World. Bridgestone Weather Control A005, which has a revolutionary technology in

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

the industry, allows the driver to maintain control in all seasons and road conditions as the first all-season tire of the brand, thus enabling safe, comfortable and a high performance driving experience. According to TÜV SÜD tests against 4 different competitors, the new Turanza T005, which has proved its wet performance, is appreciated in the industry as the premium tyre with the highest wet braking distance and handling performance. Our new winter tire, Blizzak LM005, stands out as the only winter tyre that can achieve an A rating in all performance criteria in terms of wet braking.

Bridgestone R249+ Ecopia, has been developed for the front axle of the TIR tow truck (TIR çekici) providing service to the TIR regional segment. Its life and irregular wear performance has been increased by 20%, delivering fuel savings with its low rolling resistance and an assertive product which we kick-started to manufacture locally. R-Steer 002 series, which we have added to our product range with 17.5 and 19.5 wheel rims, differentiates from years-long challenging R227 series with its lifespan, comfortability and fuel consumption offering superior experience to its consumers. Bridgestone R-Trailer 001, another specially designed product for the trailer group within the regional segment delivers solutions which meet the needs of the market with its wide size range. And in the Dayton group, the “Yol” (Road) series, developed specifically for the Turkish market and locally manufactured for customers who consider the initial purchasing cost, increases our competitive power in various segments with its popular sizes in the front axle, drive axle and trailer group.

	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Production Quantity (Unit)	11.762.293	11.435.573	2,9
Capacity Utilization Ratio	84,00%	88,80%	-5%

#### **2.4. Domestic distribution and sales channel management**

Our customers are the focus of our business. With this understanding, we expand our stores every day so that our customers can easily reach them. We develop our stores in order to meet the expectations of our customers who come to our stores and idealize their purchase experience.

With this sales and service network, we aim to create expert and reliable points that vehicle owners can easily reach and to offer the most effective sales and after-sales service organization to the vehicle owners.

We aim to develop and expand our sales network with our business partners who adopt a similar business culture. We focus on retail, wholesale and fleet distribution channels separately to make our business processes more effective.

In addition to our branded Bridgestone, Lassa Tyres and Lastiğim sales points, we provide fast and easy maintenance services for passenger vehicles and light commercial vehicles in Otopratik stores. We grow by adding new ones to our Otopratik store day by day.

In our Propratik stores, which serve as our sales and service stores for heavy commercial vehicle users, we offer Bridgestone and Lassa Tyres products in the bus and truck tyres segment, along with Bandag tyre retreading services, and basic vehicle and tyre maintenance services under one roof.

We are becoming widespread with Speedy, Lastik Vs points and Bridgestone Box so that vehicle owners can access our products and services wherever they need. We deliver our understanding of service to the points where our customers are, with Mobilfix and Probox services.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

In addition to national and local campaigns, we organize CRM projects on a regular basis to increase the preferability and traffic of our sales points. We place great importance to “Customer Relationship Management and Guarantee Practices” training to strengthen the competence of our business partners.

While we highly prioritize the enrichment of products and services offered at our sales points, we also implement a reliable training and supervision system to ensure that our standards are not compromised. We frequently get together with our business partners whose Customer Satisfaction Rating grades are below Turkey average in order to increase their awareness in terms of customer satisfaction.

We place great importance to developing long-term relationships with our business partners based on solid foundations and mutual trust in order to contribute to the continuity of their businesses. In the context of Brisa's strategy to grow together with its business partners, we offer the “New Generation at Work” certificate program to contribute to expand the visions of our business partners, which are transferred from father to son, sibling, and nephew, and thus become diversified and enriched with the inclusion of their new owners, in order to increase the productivity, and institutionalization of their family businesses.

### **2.5. Domestic Marketing and Sales**

In our marketing and sales activities, the effective management of the digitalization process in our company enriches the values we offer to the customers. We strive to create unique customer experiences by developing new business models, and by combining information, company resources and digital technologies with new combinations. We want to be their first choice of our customers with regards to their tyre changing and vehicle maintenance preference.

We position Brisa not just a tire manufacturer but rather as a "value provider". While maintaining our leading position in the Turkish market with our strong brands, we offer value added services that meet our customers' needs and expectations. Our aim is to increase customer satisfaction levels to advanced degrees, as well as to increase the experience of all our customers and stakeholders, whose lives we touch, about our brands.

We regularly hold meetings with the randomly chosen customers of our business partners to measure customer satisfaction and the performance of our services. We follow our satisfaction and recommendation level with regular measurements and take action with our relevant business partners where necessary. In this way, we always approach our customers with a focus on improving the quality of our products and services.

We plan mystery shopper visits to the service points of our business partners. With mystery shopper visits, we want the visitors to feel real customers' experience in terms of product purchasing and to convey their opinions to us. We monitor the quality of the services we offer to our customers on-site, and by using the outputs received from measuring the experience with provide to our customers, we determine our improvement actions with our business partners. By combining telephone and SMS surveys with customers who purchase tyres and mystery shopper results, we follow the experience of our customers that our business partners create for them with the “Customer Satisfaction Marathon”. We evaluate and reward our dealers based on all survey & research results on a quarterly basis.

In addition, we also carry out special projects with our business partners, which play a key role in customer satisfaction. We run a coaching program to strengthen our ties and to help the swift adaptation of the new members of the Brisa family. Within the scope of the program, we aim to spread the examples of best practices by giving information about our customer approach, our customer satisfaction standards and the right practices. In addition, we regularly monitor what our business partners think of the future as a “confidence index” and organize our monthly operational agendas in line with their expectations.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

In this context; in 2019, we increased the number of our business partners whom we perceive as long-term partners. We added 28 new business partners to the Brisa Family. We said “welcome” to our business partners who joined us during 2018 at our Aksaray factory. We listened to the expectations and needs of our business partners. We explained Brisa's systems and customer approach, and how we could together reach customer satisfaction. In 2020, we will continue to host our new business partners in our Aksaray Manufacturing Plant.

As part of the digitalization process that provides for efficiency and an effective management approach, we offer trainings to our business partners on digitalization and changing customer expectations within the scope of the “My Business Partner is Digitalizing” project. Within the scope of the project, we strengthen the presence of our business partners on digital platforms and aim to create customer traffic to their stores using digital marketing tools.

Under the leadership of Brisa Academy and Marketing Excellence teams, we provide trainings to support our business partners to increase their customer satisfaction and experience by observing customer approaches on site, determining areas of development, and improving their customer satisfaction and experience. Repeating the trainings quarterly, we track the developments on the scores of customer satisfaction and recommendation.

We are on the field every month and keep the pulse of the customers in order to get the opinions of end users about our brands and products. We have one-to-one interviews with 300-350 vehicle users every month and reach the opinions of about 3.800 vehicle and tyre users annually on issues such as brand awareness, product satisfaction, campaign awareness, and expectations from the brand.

In addition to our investments in our business partners and customers, we also diversify our communication channels with which we reach them. We are organizing campaigns and communication projects in order to strengthen the ties of our Bridgestone and Lassa Tyres brands, which are amongst the most prestigious brands of Turkey.

In line with our mission to offer innovative and value-adding experiences to our customers, for the first time in our industry we ensure that all our customers reach our company through the WhatsApp application between 08.00-20.00 during weekdays and between 09.00-18: 00 during weekends.

**We are aiming to offer the perfect Brisa experience to our fleet customers with our “Profleet” service**

- We recover 20% of the tires our customers reserve as scrap, and add value to both the environment and our customers.
- We continue to provide the first and only road assistance service for the 14<sup>th</sup> year by providing road assistance services with Filofix.
- We provide advice to our customers according to their needs by examining a total of 3,5 million commercial vehicle tyres in Turkey.
- We started our Mobilfix tour around Turkey focusing on total cost savings and offer our services on site at fleet garages to provide savings in terms of tyre life and fuel consumption.
- We are improving our product performance and service quality with our investments in the newest tyre treading equipment (Shearography) technology.

**We got together with our business partners**

- "Brisa Business Partners Digital Meeting" live broadcast meetings
- Brisa Dealer Council meetings
- A launch organization for the new products of Bridgestone
- "Welcome Meeting" held at Aksaray Manufacturing Plant for new business partners joining Brisa family



**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- Genba Room project to respond to the demands of our business partners more quickly and effectively
- “Heroes of the Customer-Customer Experience Specialist Certificate Program” and “Women Service Consultants Training Program” that we organize for the female employees of our business partners.
- "New Generation at Work" program for the 2<sup>nd</sup> generation business owners of our business partners and for their children aged between 7-13
- Service Excellence trainings at our Otopratik sales points
- Otopratik Franchise Meeting
- "Basics of Professional Sales training" created for Brisa business partners within Brisa Academy
- Courageous Wanderers meeting with our dealers who participated to and successfully completed their targets of our sales campaigns
- Profleet Consultants' "The Best are Together" meeting
- Bandag Franchise Dealers Meeting

**Promotion activities with our Bridgestone brand**

- Promotion activities prior to Güldür Güldür Show
- Sponsorship of Automotive Distributors Association's Sales and Communication Awards Night
- Sponsorship of Automotive Journalists Association's "Vehicle of the Year" Awards Ceremony
- Sponsorship and communication activities of "Bridgestone İpek Şenoğlu Cup - Tennis Tournament"
- Special video spot for Fathers Day
- Promotion activities at the Rice Day Meeting of Galatasaray Fans Association

**Promotion activities with our Lassa Tyres brand**

- "Leader Tyre Brand of Turkey" communication activities
- Exclusive social media spot prepared for March 8th World Women's Day
- Travellers communication on Lassa Tyres' Turkey YouTube channel
- Lassa Tyres' Taking-off Safely social media communication
- Sponsorship activities of 2020 World Mountain Bike Marathon
- Exclusive campaign communication for couples
- Perimeter wall advertisement communication during Süper Toto 1. Lig 2019-2020 period
- Cooperative Tour organized for commercial vehicle tyre users

In addition to our brand activations for the end user, we held a sectorial press conference for commercial products and we organized various sales campaigns. We made field activities for the Lastik.com.tr sales channel, a campaign for trailer manufacturers, and introductory event for a fleet company working in services and tourism transportation business, and we renewed the Lastiğim website.

**Retail Projects:**

- Special campaign with Otopratik and İklimsa cooperation.
- Exclusive Fathers Day video by Otopratik.
- The opening of Otopratik's YouTube channel.

**2.6. International Markets Marketing and Sales**

**With more than 600 stores abroad, new sales channels and effective marketing activities, Lassa continues to grow with giant strides, as it continues along its international journey...**

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Besides being a sector leader in Turkey, our goal is also to be an arbiter that adds value to business partners and end users in the international arena. With this in mind, we are making progress in international markets, working to increase Lassa-labeled sales points and engaging in efforts to improve brand awareness as we capture the loyalty of our business partners.

Lassa-brand tires, made in Turkey and manufactured through the hard work of Brisa employees, are now available in more than 83 countries.

Afghanistan	Croatia	Italy	Morocco	Sri Lanka
Albania	Czechia	Jordan	Myanmar	Syria
Algeria	Denmark	Qatar	Pakistan	Saudi Arabia
Austria	Egypt	Korea	Panama	Sweden
Azerbaijan	Equador	Kosovo	Peru	Thailand
Bahrain	Estonia	Kyrgyzstan	Philippines	Thailand
Belarus	Faroe Islands	Northern Cyprus TR	Poland	Togo
BeNeLux	Finland	Laos	Portugal	Tunus
Bosnia & Herzegovina	France	Latvia	Romania	Turkmenistan
Brunei	Germany	Lebanon	Russia	Ukraine
Bulgaria	Georgia	Libya	Senegal	Umman
Cabo Verde	Ghana	Lithuania	Serbia	United Kingdom
Cambodia	Greece	Mali	Sierra Leone	United Arab Emirates
Cameroon	Hong Kong	Malaysia	Singapore	Uzbekhstan
Chile	Iceland	Malta	Slovenia	Yemen
China	Iraq	Moldavia	Slovakia	
Congo	Israel	Montenegro	Spain	

We continue with our strategy of deepening involvement in existing markets and entering new Markets with Lassa.

The stores not only constitute a significant part of our vision of enriching our business and providing added value to our customers, but also reflect the trust and faith the sector has in the Lassa brand. The number of sales points that wished to maintain their sales and services under the Lassa sign reached more than 600 in 2019.

Turkey's leading brand Lassa is moving forward to make its name heard in international markets. 2019 became a year that Lassa pursued devoted efforts for international recognition.

We kept on our international promotion events in context of 'Official Global Tire Partner' agreement with FC Barcelona, which is Lassa's biggest step to becoming a global brand so far.

## **2.7. Investments & R&D Operations**

With its strong faith in the potential progress of the tire industry and in an effort to supply the foreseen demand for passenger and light commercial vehicle tires, our Management Board decided at its Board Meeting number 2013/18 on October 4, 2013 to invest in a second factory that would cost around USD 300 million and be located in Aksaray Province Organized Industrial Zone (OIZ). The factory was commissioned in 2014 with our aim to establish it initially on 135,000 m<sup>2</sup> out of a total area of 952,000 m<sup>2</sup> in 2018.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We conduct our operations with the “adding value to the journey” philosophy. In 2019, we made a total investment of 25,2 million USD into the modernization of our İzmit Manufacturing Plant along with our investments into other business units.

In 2019, we invested a total of 18,2 million USD, of which 12,7 million USD is covered by the Incentive Certificate, for the renovation, modernization, and capacity increasing processes to our manufacturing plant located in İzmit.

We invested a further 14,3 million USD into the construction of our second manufacturing plant located on the Aksaray Organized Industrial zone. The total investment spent for our Aksaray Manufacturing Plant until today is 288,4 million USD.

Brisa possesses important competitive advantages in terms of R&D operations and houses a product test center under its manufacturing plant structure, which is recognized by the Turkish Standards Institute. Brisa İzmit Manufacturing Plant is one of the pioneering facilities of Brisa’s main partner Bridgestone Corporation and Brisa works in coordination with the technical centers of Bridgestone Corporation located in Rome and Tokyo.

Brisa applied to the Ministry of Science, Industry and Technology of Turkey to take advantage of and be recognized as an R&D Center under the incentives and exemptions offered within the scope of the decree no: 5746 about Supporting the Research and Development Operations, and received the right be named an R&D center as of 27.04.2017.

## **2.8. Financial Outcomes and Rates**

In 2019, Brisa prioritized export focus and made record export sales in monthly basis so that compared to same period of the previous year, total export sales unit and revenue increased by 13,6% and 38% respectively with the effect of exchange rate increases. On the contrary, though contraction in domestic market and ongoing volatility on exchange rates created pressure on domestic replacement and original equipment channels, domestic sales revenue increased by 8,8% with the effective pricing policy. With all these developments, in 2019 total sales performance of Brisa increased 18,7% in terms of sales revenue compared to the same period of the previous year and gross profit margin reached to 23,6%. This considerable increase in terms of sales revenue reflected on the EBITDA performance and Brisa achieved a 22,4% increase in terms of EBITDA and reached TL 608,7 million.

With the positive effect of working capital management improvements and effective financing management, Brisa’s net debt decreased by 22,1% and reached to TL 1.257 million level compared to same period of the last year. The Company made cross currency and interest rate swaps to mitigate floating interest rate and foreign currency exchange risks for the long-term foreign currency denominated borrowings when they were received. TL values of the Company’s foreign currency denominated borrowings may increase or decrease as a result of exchange rates fluctuations, in return fair value of cross currency swaps are shown under derivative assets. Considering both bank borrowings recognized in the financial statements and respective derivative assets (TL 1.008 million), net debt became TL 1.257 million.

In consequence of all such developments, in 2019 net profit/loss reached to TL 114 million, 19,1% above compared to the same period previous year ( 2018: 95,7 million TL).

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Sales Quantity	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Domestic	5.990.464	6.582.542	-9,0
Export	6.229.501	5.484.306	13,6
<b>Total</b>	<b>12.219.965</b>	<b>12.066.848</b>	<b>1,3</b>

Sales Quantity (Channel Based)	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Replacement	4.703.345	5.166.238	-9,0
OE	1.287.119	1.416.304	-9,1
<b>Domestic Total</b>	<b>5.990.464</b>	<b>6.582.542</b>	<b>-9,0</b>
Lassa Export	4.555.579	4.109.214	10,9
Bridgestone Export	1.673.922	1.375.092	21,7
<b>Export Total</b>	<b>6.229.501</b>	<b>5.484.306</b>	<b>13,6</b>
<b>General Total</b>	<b>12.219.965</b>	<b>12.066.848</b>	<b>1,3</b>

Net Sales (Million TL)	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Domestic Sales	2.155,3	1.981,8	8,8
Export Sales	1.403,0	1.017,0	38,0
<b>Net Sales</b>	<b>3.558,3</b>	<b>2.998,8</b>	<b>18,7</b>

Million US Dollar	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Export Sales	269,7	231,4	16,5

Summarized Income Statement (Million TL)	1 January- 31 December 2019	1 January- 31 December 2018	Change %
Net Sales	3.558,3	2.998,8	18,7
Gross Profit	839,6	766,8	9,5
Operating Profit	382,8	429,4	-10,8
Net Profit	114,0	95,7	19,1

EBITDA*	608,7	497,2	22,4
---------	-------	-------	------

\*EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Liquidity Ratios	31 December 2019	31 December 2018
Current Ratio (Current Assets/Current Liabilities)	0,95	1,41
Acid-Test Ratio (Current Assets-Stocks / Current Liabilities)	0,68	0,92

Financial Growth Ratios	31 December 2019	31 December 2018
Total Liabilities/Equity	4,89	3,95
Total Liabilities/Total Assets	0,83	0,80
Equity/Total Assets	0,17	0,20

Operation and Profitability Ratios	31 December 2019	31 December 2018
Gross Profit Margin (Gross Profit/Net Sales)	23,60%	25,57%
EBITDA Margin (EBITDA/Net Sales)	17,11%	16,58%
Net Profit Margin (Net Profit/Net Sales)	3,20%	3,19%
Return on Asset (Net Profit/Assets)	2,15%	2,14%
Return on Equity (Net Profit/Equity)	12,21%	10,42%

## **2.9. Internal Audit & Internal Controlling**

Internal auditing and controls are executed for the purpose of ensuring that the company's operations and services are conducted effectively, reliably and uninterruptedly; that the company's risk management, control systems and corporate governance practices are improved and a contribution is made to having the company reach its corporate and economic goals and the integrity, consistency and reliability of the data obtained from the accounting and financial reporting system.

The existence, operation and effectiveness of internal auditing and controls are a matter conducted under the supervision of a Committee Responsible for Auditing, formed within the body of the Board of Directors. The Committee Responsible for Auditing presents the facts related to its activities, duties and responsibilities, along with its recommendations, to the Chairman of the Board of Directors.

Furthermore, in order to ensure the robust condition of internal auditing and control mechanisms, an Internal Auditing Directorship operates under the Board of Directors. The Auditing Committee holds regular meetings with the Internal Auditing Department to discuss the adequacy of the internal auditing system, informing the Board of Directors of what has been discussed.

The Internal Auditing Department Regulations, in which are contained the position of the Internal Auditing Department within the organization and matters of autonomy, have been prepared, approved by the Auditing Committee and put into force. At the same time, an Auditing Guidebook, in which the operations of the Auditing Department are described, has been prepared and applied.

Every year, risks related to all processes are reviewed, and the processes to be audited are determined. The Auditing Universe formed within the company determines the processes that may be audited and ascertains risk score balances depending upon natural risk factors and internal control system conditions.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

According to this, as of the 4th quarter of 2019, 5 business processes constituting of 33 sub business processes were submitted to the Committee Responsible from Audits following the completion of their audits.

In connection with internal control deficiencies spotted within the framework of Auditing Reports, actions taken by company officials are followed up and the adequacy of those decisions is questioned in the light of risk levels, with results reported to the Committee Responsible for Auditing.

## **2.10. Other Explanations**

### **Affiliates and Share Ratios**

Our company has no direct or indirect affiliates.

### **Information on Company Shares Acquired by Company**

The company has no shares of its own that it has acquired between January 1, 2019 and December 31, 2019.

### **Information on Private and Public Audits**

Independent audits are carried out on our Company's annual and semi-annual financial statements within the framework of the mandatory regulations issued by the Capital Markets Board with respect to financial reporting and independent audits.

In 2019, there was no private or public audit conducted of the Company.

There is no case that has been filed against our Company and may have an impact on our Company's financial situation and activities.

### **Information on Administrative or Judicial Sanctions Imposed on the company and the Board Members due to Practices in violation of Legislative Provisions**

There is no administrative or judicial sanction imposed on the company and the Board Members.

### **Information on General Assemblies**

Information on the General Assemblies held in 2019 is provided in Article 2.3 of the Corporate Governance Principles Compliance Report.

The targets set in the previous periods have been achieved. The requirements of the resolutions that were taken at our company's Ordinary General Assembly Meeting held on March 22, 2019 were fulfilled.

No Extraordinary General Assembly Meeting has been held within the year.

### **Donations Granted**

In 2019, the total amount of donations granted in line with the company's Donation and Charity Policy was TL 623.955,42.

### **Information on the Report Describing the Relationships with Controlling Shareholders and Subsidiaries within the scope of Article 199 of the Turkish Commercial Code**

The report describing our relationships with our controlling shareholders within the scope of Article 199 of the Turkish Commercial Code was approved by our company's Board of Directors at the Board of Directors' meeting dated February 18, 2020. The report concludes as follows:

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

The conditions of merchandise of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., which are common and continuous as regards Hacı Ömer Sabancı Holding A.S., Bridgestone Corporation and affiliated companies as well as related companies, price determination method and reasons are explained and information is given on the status of the transactions against the market conditions, based on the Article No: 199 of Turkish Commercial Code No: 6102. The transactions carried out comply with its comparables in accordance with the holding company explanations in the relevant articles of TTK (TCC) No: 6102 and no incurred loss is in question as it is included in the enterprise system.

It has been observed in this report prepared by the Board of Directors of BRISA Bridgestone Sabancı Tire Industry and Trade Inc., dated 18 February 2020 that all necessary transactions have been carried out and necessary measures have been taken in accordance with the responsibilities provided for in the Article No: 199 of TTK (TCC) No: 6102 and assigned to the board of directors in all transactions that BRISA Bridgestone Sabancı Tire Industry and Trade Inc. has carried out with its controlling shareholders and the affiliated shareholders of the controlling shareholders in 2019.

### **Financial Rights Provided to Board Members and Senior Management**

The company's senior management team comprises the members of the Board of Directors and the Executive Board.

Remunerations and dividends to be paid to the Board Members are determined under relevant resolutions of the General Assembly. Remunerations of the members of the Executive Board are comprised of two components, with one being fixed and the other performance-based.

In compliance with international standards and statutory obligations, the fixed remunerations for the members of the Executive Board are determined by taking into consideration the macroeconomic data in the market, current wage policies in the market, the size and long-term goals of the company, and individual positions as well. Premia for Executive Board members are calculated in accordance with the performance of both the company and individuals.

In addition, the financial rights provided to the Board Members and the Senior Management are mentioned in Article 5.6 of the Corporate Governance Principles Compliance Report and in Footnote 24.4 of the Financial Statements.

### **3. Sustainability**

**We placed sustainability at the base of our business manner. We feel rightful pride in continuing to be one of the leading organizations en route to sustainable development, together with all of our stakeholders and, notably, our employees, customers and business partners, who join us on this ethical journey.**

In Turkey and in all regions where we are active, we make an effort to be more successful every day with our awareness of our social and environmental responsibilities.

Being conscious of our responsibilities involving the benefits and interests of all our stakeholders, we conduct research, develop innovations, invest, work and produce.

We believe that continuing to serve as a leading company in the area of sustainability may only be possible together with our stakeholders. Our Brisa Approach to Sustainability relies on the global knowhow of the Bridgestone Corporation and national experience of Sabancı Holding. We base our efforts on such international standards as the European Foundation for Quality Management (EFQM) or the Global Reporting Initiative (GRI) by combining the Bridgestone CSR-22 approach and the

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

sustainability understanding of Sabancı Holding with our own corporate policies, strategies, processes and projects. We plan improvements focusing on strengthening the in-house integration of our sustainability approach. It is this structure that supports us in our journey to achieve our mission of "Providing superior values to society through sustainable growth." To this end, we constantly update our sustainability strategies, set up action plans and, with the participation of all our employees, continue to ensure the integration of all processes.

We are fully conscious that we need to act together with all our employees and our shareholders, with whom we have close relationships with, so that we can make sustainability a part of our lives. We are carrying on the "Sustainability Journey" training program in order to increase the awareness of our employees and shareholders during the orientation phase for new members who are starting their careers in Brisa.

### **Our Approach to Sustainability**

We are leaving our imprint on life by adopting sustainable growth strategies in an effort to leave a better world to future generations. For us, social matters and topics of the social, environment and economy are intertwined, interdependent. Sustainability is the first thing we think about when we conduct any kind of business. We expand our foremost responsibilities related to social, environmental and economic issues with our sustainability policy. Our approach to social topics involves our perspective on; human rights, occupational health and safety, and customer health and safety over the entire life cycle of products and services; anti-corruption and anti-bribery, business manner beyond legal regulations, information security, employees' rights, our growth journey and relationships with our stakeholders and the community. Conservation encompasses the effective use of natural resources as well as the management of wastes, energy and carbon; producing environment-friendly products and services; and respecting biodiversity. In the area of the economy, we prioritize responsible value chain applications, innovation, and our approach to corporate entrepreneurship.

### **Brisa is now a part of the Borsa Istanbul Sustainability Index**

We share all economic, environmental and social aspects of our sustainability efforts with the public in a transparent manner. We had completed the necessary requirements to be listed on Borsa Istanbul's Sustainability Index in 2015. We successfully met the required criteria for the November 2019 – October 2020 period to be featured in the list for the 5th time.

### **3.1. Environmental Sustainability**

**We design every step of our business manner starting from the supply chain and manufacturing to be in line with sustainability. By this means, we reduce our environmental effects and create benefit with high work efficiency. We lead the business world with our ethical works and responsibilities for climate change and usage of natural sources.**

We undertake significant efforts to minimize the impact of our manufacturing processes on natural resources and climate change in accordance with our understanding of environmental sustainability. Setting off from this point and acting with a high level of responsibility, we monitor our environmental performance periodically and undertake improvements in conjunction with environmental management systems.

We have certified the compatibility of our employees with the standards for the first time in 1995 with the BS7750 Environmental Management System standard. We are regularly continuing to revise our benchmarking, reviewing, improving, and training practices that we set-up according to the ISO 14001 Environmental Management System certificate, which we possess for our İzmit Manufacturing Plant. We are aiming to get our Aksaray Manufacturing Plant certified in 2020.



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Relying on the support of our top management, we are generating new projects for a better world, complying with environmental regulations in full, and carrying out improvements that go well beyond legal mandates.

We are honored to be the first company to be reporting and verifying our pioneering projects in terms of water saving and reporting both to Bridgestone Global and Europe within the scope of ISO 14046 Water Footprint Standard.

We are preserving our “Zero Landfill” status at our İzmit facilities since 2016 by continuing to send our domestic waste resulting from operational processes to recycling facilities. We reached this target from the 6th month at our Aksaray Manufacturing Plant, which started its activities in 2018.

**We completed the Bridgestone Environmental Re-Qualification Audit Program with success**

Environmental Re-Qualification Audit, which evaluates the sustainability and efficiency of the environmental management systems at Bridgestone factories was carried out in Brisa İzmit Factory this year. The environmental management of our company was designated as “high level structure”, enabling us to complete the audit process with a 99% success rate.

**Environmental Implementations**

**Efficient Use of Natural Sources and Less Waste**

We are calculating the environmental interference of product use and consumption already at the design phase and we pay a great deal of attention to not using raw materials that can cause pollution and health hazards.

In accordance with our environmental approach, we have set-up long-term business plans for the effective use of water reserves, which are foreseen to be diminishing in the following years. Compared to 2008, we are targeting to decrease amount of artesian water we use at our İzmit Manufacturing Plant by 61% at the end of 2020. As a result of our projects concerning the reduction of water use and recovery of wastewater, we have shown an improvement of 53% compared to 2008 figures and we surpassed Bridgestone’s global targets.

We are targeting to decrease our waste levels by regularly controlling possible pollution sources and improving them with our waste management projects. We are primarily focusing on preventing the composition of waste as we carry on our projects. Then, we are showing effort for the reuse, recovery, or recycling of composed waste. We are collecting and recovering elements like dust and gas that might result from production processes and negatively effect internal air quality at the source to be reused in the system. Thus, we are effectively managing our natural resources while also protecting internal air quality. We are implementing important projects for the minimization of wastes. In that manner, we have realized 15% improvement in terms of waste amount per production at our İzmit Manufacturing Plant compared to 2012 levels.

**Energy and Carbon Management**

The effective use of energy and the elimination of wasted or inefficiently used energy make up one of the corner Stones of how we operate our business. We have achieved important results in terms of providing efficiency in energy consumption and reducing our impact on climate change to minimum levels as a result of our systematically pursued improvement projects. In 2019, we increased our energy savings by 71.6% at our İzmit Manufacturing Plant compared to 2008 levels.

We received the certification for ISO 50001 Energy Management System at both of our facilities.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We have been carrying on our projects for the reduction of carbon emissions at our İzmit Manufacturing Plant since 2005. Compared to 2005, we are targeting to reduce carbon emissions per unit rubber consumption by 25% in 2020. We have already reached 30% and realized a very big portion of our target in 2019.

In order to reduce the emission levels resulting from our logistic operations, we prioritize resulting from our logistic operations, we prioritize maritime transport, which has less environmental effects, and we plan our routes to reduce emissions further.

### **Environmentally Friendly Products**

We make efforts to produce products and services that are environmentally friendly considering their effects on the environment during and after their uses. We are working on new concept products, which have lower rolling resistance and weight and which cause lower carbon emissions and noise. We own a rich portfolio of products consisting of environmentally friendly tyres like the Ecopia and Greenways series as part of our environmentally friendly product manufacturing approach.

Through our tyre retreading services we offer with our Bandag brand we help decreasing waste caused by commercial tyre and therefore help protect the environment.

As one of the founding members of the Tyre Manufacturers Association (LASDER), we are also supporting the collection of tyres, which have completed their life cycles, by LASDER according to the regulations in order to environmentally and economically regain these products.

We are reviewing our “increasing environmentally friendly products portfolio to enable continuous mobility” strategy with “the weighted rolling resistance of the products that we sell” and “environmentally friendly product portfolio ratio” parameters and we develop projects in that perspective.

### **Respect to Biodiversity**

We are furthering our “Turnalar Hep Uçsun” (“Let the Cranes Fly Forever”) project we started in 2013 with the partnership of WWF-Turkey (World Wide Fund for Nature). We are preceding the project, which we developed for the sustainability of the crane breed in Anatolia, in the Çukurova Delta region where 95% of the cranes spending the winter in Turkey rest. In 2019, as WWF-Turkey continues its observations in the region, we carried on informative sessions in the schools, hunting associations and village coffee houses.

### **Forestation Efforts**

We are proceeding with our efforts to create absorption fields for the elimination of carbon emissions and for the protection of biodiversity with our afforestation projects we have carried on at our İzmit and Aksaray manufacturing plants in 2019. As a result of these efforts, we have grown 40.000 trees saplings from seed at our greenhouse located in our İzmit Manufacturing Plant and out of which 1750 saplings were planted. These trees play a very important role for the elimination of carbon emissions that result from our activities. Hence, we are targeting to reach our goal of becoming a manufacturing plant with “Zero Carbon Emissions” in the mid-term.

### **Brisa employees contribute to preservation of the environment with office projects**

With the “Yeşil Ofis” (“Green Office”) program that started in 2014 and is run by Brisa employees, we continued our efforts for the efficient use of resources and for promoting awareness. With the support

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

of the Green Office team, both our İzmit and Altunizade offices received the Green Office Certificate within the scope of the Green Office program that is developed by WWF Turkey.

**We hosted Bridgestone’s EMEA Environment Teams at our İzmit Manufacturing Plant**

We hosted Bridgestone’s Europe, Middle East and Africa Regions’ Environment Coordinators at our İzmit Manufacturing Plant. The meeting took place at the LEED Gold Certificate owning green buildings of Brisa Academy and Brisa Museum.

**3.2. Occupational health and safety**

**We continue to work to provide a comfortable and safe working environment for our employees, constantly improving our conditions and investing in innovation.**

Work safety is among the core values of our company and as it is our most important priority, we own the OHSAS 18001 Work Health and Safety Management System Certificate for our İzmit Manufacturing Plant. We are targeting to upgrade to the new ISO 45001 Work Health and Safety Management System Certificate at both of our manufacturing plants in 2021. In addition to certifying our work health and safety priority, we are putting in much more effort than only complying with legal regulations and standards in all of our operations.

We believe in the immense importance of Occupational Safety training in enabling employees to adopt habits of safe behavior and transform these into a lifestyle.

We utilize the Occupational Safety Simulation Center as an active training ground to ensure "Zero Occupational Accident" at our facilities. We have made it a requirement to have every new employee in our manufacturing areas complete this training. With a view to planning and implementing the training sessions in a more effective manner, we provide our employees with Disaster Prevention (Fire and Earthquake) and Occupational Health and Safety training, within the scope of the activities of BRISA-MEC (Manufacturing Education Center). We are also launching “Basic Occupational Safety Activities.”

We hold our shareholders’, such as subcontractors’ and suppliers’, accident-free performance management in our agenda, and we put in effort for subcontractors and suppliers to be accident-free with our periodical field tours and daily work permit system. We are continuously trying to improve the awareness levels of our shareholders in this group with periodical trainings.

To prevent the recurrence of any occupational accident, we analyze every accident and prepare action plans to address the findings. We prioritize practical exercises and preventive actions with the aim of being continuously alert in emergency prevention and emergency management.

Our ultimate goal is to create an on-going Occupational Safety culture and turn it into a lifestyle.

**Our target is “0 Accidents!”**

To give an example, in 2019 we organized a ceremony at the Mould Equipment field to celebrate 1.260 accident free days. We completed 1.990 days at the 1st and 5th Maintenance Group accident-free.

**We took our place in the event held at Sabancı Center for Work Health and Safety Week**

We shared our procedures and applications during the event held at Sabancı Center between May 4<sup>th</sup> and May 10<sup>th</sup> within the scope of Work Health and Safety Week.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

### **3.3. Human Resources**

#### **Administrative Operations**

In line with our main strategy of becoming a choice of employee, we continue to add value to professional life. We leave our mark for the future by leveraging our employees' Brisa journey with development and leadership programs.

#### **Personnel and Worker Activities**

As of December 31, 2019, the number of personnel employed in our company with contracts of indefinite duration is 2.874; 2.266 of these are subject to the Collective Labor Contract provisions, while 601 are outside its scope. 7 employees are foreign nationals. In addition, 1 person is employed on a fixed-term contract.

**Collective Labor Agreement Implementation** The negotiations of the 20th Term of the Collective Labor Agreement negotiations between the Company and the Turkish Petroleum, Chemicals, and Tyre Industry Laborers Syndicate (Lastik-İş) covering the term between January 1st 2018 – December 31st 2019 started on January 11th 2018 and ended in February 22th 2018 with the parties agreeing on the terms of increasing the wages and social rights of employees in line with the increase in inflation and the agreement between the parties was signed. Employee Benefits and Rights In relation to the Collective Labor Contract, employees working under and outside its scope are paid, in addition to salary, a bonus worth four months gross salary, Personal Retirement Insurance and health insurance. Those covered by the contract furthermore benefit from fuel, holiday, annual leave, maternity, death, marriage, educational, family-food, shopping and child allowances. All employees receive meal and transportation allowances

Our CEO shares the priority and future plans of the Company in the periodic “GM Talks” meetings with the employees.

As part of our Brisa Talent Management Approach, we believe that every Brisa employee has potential to add value to the company, shareholders, processes, teams, and to him/her self starting from the moment he/she is first employed. In this perspective, every Brisa employee is accepted as a talent, and we expect every Brisa leader to create value by improving him/her self, his/her work, his/her team and the Brisa climate. We are reviewing our high potential and high performing employees within our Organizational Success Plan process together with all our managers and plan their development. We support the Brisa lives of our employees with the 360 Degree Competence Review, Development Center, “Development Journey” and “Leadership Journey” and other differentiating educational processes. We get together at the brunch meetings with our employees with 0 – 1 years of experience to explain them our processes, celebrate their 2 months at work with a warm party, explain our values in an adventurous educational manner with team games in the Pit-Stop workshop, and evaluate together their first year in the company at the end of their 1st year with our program under the name “Warm-Up” developed for new employees to get acquainted with our company.

We support the employees “Leave a Mark with Your Leadership” and “Leave a Mark with Your Career” programs and support them to progress in leadership and professional roads.

We make the back up plans with the mid-level managers by evaluating the high performance and high potential, review the engagement processes, focus on the action plans of the the new period.

Our priority is the formation of the most appropriate culture to encourage the employees to contribute at the highest level in Brisa which is strengthening in the change period.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**We organized our yearly sharing meeting**

We organized 2 different meetings with which we shared our 2019 targets on January 2019 and our 2020 targets on December 2019. We honored the owners of the projects, who were chosen amongst the best projects within the scope of our Tracers project with exclusive drawings drawn by the creators of the Creative Innovator character.

**We organized the launch activity of “Drive On With Courage” books**

The real and sincere life stories of Brisa Family members are turned into a book under the name “Drive On With Courage”. Members of the Brisa Family became the ambassadors of the promotion of the book through their messages on their own social media accounts. The book is published by the İnkılap Kitapevi and all the funds collected from the sales of the book were donated to TEV.

**Brisa employees came together at the traditional Family Day**

13th of the traditional Brisa Family Day was held at the Social Facilities of Lastik-İş. Brisa employees and their family members came together at the event hosted by Brisa Management and Union Management.

**We organized the Brisa R&D Day event**

We organized our first R&D Day with the participation of our R&D team and members from different departments of the company. We shared information and ideas that enlighten the future with various workshops where numerous R&D projects were shared with the participants. Technology communication professional, Dr. Sertaç Doğanay, participated to the event as a guest speaker.

**Our volunteering Cultural Ambassadors are working for goodness at Aksaray**

Our 25 Cultural Ambassadors, who took responsibility for the cultural transformation studies of our Aksaray factory, came together in a workshop and formed the communication planning of the areas focusing on “Ownership”, “Contribution”, “Learning by Solution”. With the first action of the ambassadors, we participated to the "Breath for the Future" tree plantation event, organized by the Ministry of Forestry, at the Hicip Forestation Field with a team of 25 people. We breathed into the future by planting 375 saplings. Our ambassadors supported the World Cleaning Day (Let’s Do It) by becoming the transportation sponsor of the event, while volunteers made up of our factory employees participated to the cleaning event of the Ulurmak Regulator. Our ambassadors further shared our projects within the scope of our “Cultural Transformation Project” and our innovations at our manufacturing plant in the Birikim Dergisi.

**Brisa Young Advisory Board actions were launched**

The first Young Advisory Board members who set out to create our leadership development program with agile methods have both experienced a development journey themselves, and launched innovative and inspiring brand new “Let’s Co” Leadership Development Program, which they designed with inspiration from outside and nurtured from the inside.

**Tracers Project progressing with full speed**

We witnessed the development of successful works and innovations throughout the year with the Tracers Project, with which Brisa members shared their different projects with senior management and all employees every month. Within the scope of the program, projects that serve our goals in the fields of "indisputable leadership", "excellence in production", "export", "cash management", "Aksaray Manufacturing Plant" and "smart culture" were presented.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Digital Thermometer identified at Brisa**

We designed a Digital Maturity Level measurement workshop and identified our level with various workshops in order to understand the distance we covered in our Digital Transformation Journey and to set out a plan to continuously follow up on our improvement areas.

**We accelerated our Digital Workplace implementations**

We started interactive trainings about topics like file sharing, file keeping, working as a team and so on with which we introduced digital workplace applications connected to cloud systems in order to make it possible for Brisa employees to work faster and more efficiently in their business processes. At the same time, as part of our internal digital transformation efforts, we have accelerated our efforts to popularize the social sharing platform Yammer. We also moved Tek Nokta, which operates in the field of information technologies, to solve the needs of our employees and answer their questions, on WhatsApp. Thus, Brisa employees were able to find solutions to their demands much more quickly and easily.

**We organized the Skill Up Day**

As part of our “Smart Culture” initiative we held the “Skill Up” day at our İzmit Manufacturing Plant and at our Altunizade Office with Makers Turkey. We participated to training workshops in topics of “Managing your daily tasks with agility”, “What Does This Thing Called Coding Mean?” Code for your child, Sensory Focused Thinking and Problem Solving and Create a Story Playing Games.

**It is our children’s turn in our digital transformation process: Coding Workshop for Children**

Brisa employees’ children familiarized with “do it yourself with technology” culture following Makers Turkey’s presentation about new generation learning trends in the World and do it yourself culture for our employees.

**Brisa became one of the firsts at the Digital Talent Fest**

We participated to the first digital employee and employer meeting organized with the cooperation of Toptalent.co online, a career platform. We became one of the first users of the platform with the event, and we found the opportunity to have online interviews with many experienced white-collar candidates and university graduates looking for a job.

**Plain Transformation progressing at Brisa**

Various departments of the company planned plain transformation projects following their participation to plain transformation principles and implementations trainings.

**We started In-house Entrepreneurship Program**

The launch of the Rocket Program took place with Makers Turkey’s founder Ongun Tan’s inspiring “Thinking Like an Entrepreneur” speech at three different locations of our company. Following the launch and with the help of the Rocket Program, Brisa members will be able to start their journeys to realize their innovative in-house entrepreneurship projects together with their top management sponsors and Brisa Innovation Team mentors.

**1650 Brisa members honored with Service Seniority**

1.650 Brisa members, who have worked between 5 to 30 years between 2014 – 2018 were honored with Service Seniority.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Awarding our colleagues in terms of quality with “Weareoneinthefield”**

We added another #weareoneinthefield (#sahadabiriz) implementation to our project at our İzmit Manufacturing Plant location. Starting from the beginning of the year, we started to award our colleagues who have contributed to the identification of the quality problems at the Field Quality Observations with the participation of Senior Management.

**We organized Business Continuity Award Ceremony**

We awarded our employees, who enable business excellence to be continuous, with a special ceremony. We organized a raffle to award our employees, who have successfully met the criteria we have identified during the business period set for the event.

**We organized an Earthquake Awareness Week**

We declared the week of 19<sup>th</sup> of August Earthquake Awareness Week. Within this scope, we prepared and distributed an information card on how to prepare ourselves for an earthquake and how to protect ourselves in the event of an earthquake. We also organized a speech to be given by GEA Search and Rescue team members to our employees about how to secure ourselves in the event of an earthquake.

**Warm-up meetings for new Brisa members**

Within the scope of the Warm-up program we have created, newcomers to the Brisa Family, who joined us as of 2018, came together with senior management and related department managers at breakfast meetings in İzmit factory, Aksaray factory and Altunizade office.

**Business Social Sharing Platform from Brisa Academy: Witamin**

With the Witamin social sharing platform, which we hold on the last Wednesday of every month, Brisa employees took a 20-minute break between the businesses and listened to different speakers both from inside and outside the company.

**Internal Trainer Summit from Brisa Academy**

In order to thank to Internal Trainers, who support approximately 20% of all the workshops with which Brisa Academy shares its accumulated knowledge with all our shareholders, we organized the second Internal Trainer Summit with the “Simplify the Complexity” theme.

**Brisa Academy TV started its broadcasting activities**

With the digital media application Academy TV, Brisa Academy can now deliver its projects, applications and training to Brisa employees even more swiftly. Brisa employees, who come across with Academy TV at the least expected moment with the slogan “Academy is everywhere”, share their comments about the Academy practices.

**Brisa employees met during a sport event with “Courageously Moving Forward” theme**

Brisa team was established for the Turquoise Football Tournament, which is anticipated every year among the employees of our İzmit Manufacturing Plant. We joined the first intercompany video games festival with 35 employees and participated to 9 different tournaments. Brisa employees, who also took part in Corporate Games, competed together and had a lot of fun.

**Come on kids; let’s go to Brisa!**

We organized an exclusive event including the Museum tour and lab visit for the children of Brisa employees on April 23<sup>rd</sup>, National Sovereignty and Children’s Day.

**Brisa employees’ children familiarizing with table tennis**

We set-up a winter table tennis workshop so that Brisa employees’ children can spend their holidays both having fun and learning and take advantage of their holidays with sports.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**Brisa employees' children created colorful scenes at our Aksaray Manufacturing Plant with their kites**

We celebrated both the end of the education term and Father's Day at our Aksaray Manufacturing Plant with a "Kite Festival" organization. While adults remembered their childhoods and how to make a kite, most of the children of our employees flew kites for the first time with their families. Following the workshop, which took place with the attendance of 80 children and 100 adults, we flew the kites together.

**3.4. Social Sustainability**

**We believe in the importance of social development and welfare. With this belief, for many years until now, we developed many valuable projects.**

As a manufacturer and a company with 30 years of history, we realized many social contribution projects until today. We especially perceive contributions about safety driving in traffic as our priority responsibility as it directly matches with our products. It is also one of our priorities to reach every social cluster of the society with a wide range of subjects from education to culture and from sports to sharing of our accumulated experiences besides our manufacturing and products in order to value in many different fields.

**Contribution to education and culture**

We are supporting students' education with the fund that we put together with the revenues coming from Brisa Academy's online education sessions and support of the Brisa Members' Educational Support Association.

- **Brisa Members' Educational Support Association**

Brisa Members' Educational Support Association (BMÖDD) is found on a volunteering basis by Brisa employees to support the continued education of students who are in need. The association supported more than 490 students with scholarship funds until today and in 2019 supported 96 students. We are proud to see the contributions of more than 370 previous students as today's profession owners.

- **Vocational High School Coaching Program**

We completed the 2018 – 2019 Private Sector Volunteers' Association's Vocational High School Coaching Program following the attendance of 3 female coaches and 10 students to contribute to the personal development of Vocational School students.

- **We started a book collection campaign**

With our book collection campaign, we delivered the books to the children studying in Harmandalı Atatürk Secondary School in Aksaray Ortaköy district and in Hamidiye Secondary School in Kocaeli Gölcük district.

- **Advanced Data Analytics Project and "Drive On With Courage" story from "First Footsteps of My Career" interns**

Our 2 trainees, whose development processes are continuing in our long-term internship program "First Footsteps of My Career " designed for students studying in engineering departments of universities, have completed an exemplary project. Interns, who are also involved in advanced data analytics of our digital transformation journey, have added value to our production processes with their analysis and the codes they wrote. The young interns also presented their projects to the senior management of Brisa, and made our team, who supported them through their internships, proud with their journeys in our company, which helped them courageously move forward.

- **We hosted university engineering students at our manufacturing plant with in the scope of the "Courageous Engineers" Program**



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

We hosted 45 students studying at numerous universities in Turkey at our İzmit Manufacturing Plant on December 5th World Engineers Day as part of our partnership with online career platform company Toptalent.co. Within the scope of the program, the engineers of the future, who had the experience of developing ideas and making presentations in an exclusively prepared workshop for the group with the support of young teams from different departments such as R&D and mobility solutions, also participated to the touring event of our İzmit Manufacturing Plant.

- **We hosted the students of Harmandalı Atatürk Secondary School in our Aksaray Manufacturing Plant**

Approximately 70 students and their teachers from the Harmandalı Atatürk Secondary School, which we renovated for the commemoration of our company's 30<sup>th</sup> anniversary, visited our Aksaray Manufacturing Plant and observed the smart digital implementations we put to work on site as well as attending to a sustainability workshop.

- **Being a first in our industry, Brisa Museum continues to attract the attention of visitors**

At our Brisa Museum, as the first example of its kind in our industry with the main theme of "Journey", we are telling Lassa Tyres' / Brisa's history of transformation from an industrial company into an innovation company offering a total experience of services and products. At our museum we are giving the visitors information about the yearly history of Brisa as well as information about construction and anatomy of a tyre, importance of rolling resistance, pressure, balance, weight, and softness in a tyre, differences between summer and winter tyres, and importance of water evacuation. Brisa museum also attracts attention due to the smart and environmentalist complex that it is built in as the complex produces 20% of the energy that it requires from the solar panels located at the roof of the building, that there are more than 90 different plant species inside its garden which is watered totally with purified water and that the complex is one of the very few buildings in Turkey which holds a Leed Gold certificate. Until today, we hosted approximately 8.000 visitors at Brisa Museum, which gathers attention from the people and students living in Kocaeli as well as from our business partners.

#### **Robotel team established at Brisa**

We organized a workshop with the Robotel Association, a member of the Sabancı Foundation's Changemakers Program, which strives to provide freedom of movement to children who for some reason lost their hands or arms. We will support the Robotel Associations development with our volunteering Robotel Team and share our accumulated technology information, courage and innovative approach.

#### **Supporting Sports**

We are proud sponsors of our Lassa Tyres Cycling Team operating under the Brisaspor roof to contribute to the promotion of sports.

In addition to the successful results they attained in Turkish Championships in 2019, our athletes also successfully represented our country in the Balkan Region and European Championships.

At the same time, we became one of the main sponsors of the 2020 World Mountain Bike Marathon Championship that will be held with the auspices of the Presidency of Turkey in Sakarya province for the first time.

#### **Sharing our accumulation**

Our managers feature as speakers at conferences and university events to share their experiences and accumulated knowledge. Our senior managers shared their career journeys with high school and

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

university students who would like to steer their careers during 2019 as well. Our managers came together with students from Middle East Technical University, Sabancı University, Yiddish Technical University, Bahçeşehir University, TOBB University, Sakarya University, Aksaray University and Kocaeli University. Our company also assumed the scientific committee judge and forum presidency positions during the 35<sup>th</sup> "International Conference of the Polymer Processing Society" congress that took place in Turkey.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**CORPORATE GOVERNANCE COMPLIANCE REPORT**

**PART 1 – DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

As one of the pioneers and leader companies in the Turkish industry, Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (it is hereinafter referred to as “Brisa” or “Company”), which is aware of its responsibilities that it upholds to its stakeholders, adopts as a principle to comply with the Corporate Governance Principles issued by the Capital Markets Board and the four principles of corporate governance based on transparency, fairness, responsibility and accountability and to make provisions where circumstances require amendments thereof. In the 1 January – 31 December 2019 accounting period, in line with this principle adopted by the Company, Brisa has applied and accommodated “the Capital Markets Board Corporate Governance Principles” set out in the CORPORATE GOVERNANCE COMMUNIQUÉ No II-17.1 (“the Communiqué”), which has been issued by the Capital Markets Board (“CMB”) and has entered into force upon publication in the Official Gazette dated 3 January 2014 and No 28871.

Brisa has prepared the “2019 Corporate Governance Principles Compliance Report” in accordance with the new format indicated by the Capital Markets Board's Board Bulletin No. 2014/2 published on January 27, 2014.

Brisa;

has taken the required steps in line with the Corporate Governance Principles, and its engagement to compliance thereto as well as all its activities to date have demonstrated awareness of responsibilities towards shareholders and stakeholders;

is well-aware of the advantages of adopting the Corporate Governance Principles and aims to strengthen its compliance with these principles in cooperation with all employees and top management executives;

exercised due diligence in following the mandatory and non-mandatory regulations set out in the Corporate Governance Principles during 2019, published the related detailed reports to inform shareholders and stakeholders on [www.kap.gov.tr](http://www.kap.gov.tr) and the Company's website, [www.brisa.com.tr](http://www.brisa.com.tr).

In this regard;

- The 2018 General Assembly information document has been prepared in detail and published on the company's website three weeks prior to the General Assembly meeting, and thereby submitted for information of the shareholders and stakeholders.
- As stipulated by Article 10 of the Communiqué on Corporate Governance and Article 5 of the CMB's Communiqué on Principles to be Followed by Joint Stock Corporations subject to Capital Market Law (Serial: IV, No: 41), the conclusion of the report on transactions exceeding the thresholds envisaged between the company and its associated parties has been submitted for information of the shareholders through the Public Disclosure Platform and the company's website.
- In accordance with Article 19 of the Capital Market Law No. 6362, the limit of the donation to be granted by the company in 2019 has been fixed as five percent (5%) of the net profit, as approved by the General Assembly.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- Directors and Officers Liability Policy for Board Members and Executives numbered 63280532, that has been issued by Aksigorta A.Ş. effective as of September 21, 2015 in order to insure the damages to the Corporation that may be caused by faults of the board of directors during the exercise of their duties for 25 million US dollars pursuant to Article 4.2.8 of Corporate Governance Principles annex to CMB's Communiqué on Corporate Governance No. II-17.1, has been renewed in September 20, 2019 with the Policy numbered 173206032 for one year period.
- The company has simultaneously and promptly submitted any required information to all investors and analysts in a secure, consistent and regular manner. Moreover, the company has organized investor meetings and sought to reach more investors through press releases and media interviews in order to establish continuous and thorough communications with them.

Acknowledging the importance of full compliance with Corporate Governance Principles, Brisa is committed to follow all the mandatory principles set out by the Communiqué on Corporate Governance No II-17.1. However, challenges faced in implementation of some non-mandatory Corporate Governance Principles, ongoing domestic and international debates concerning compliance with some principles, and incompatibility of others with the market and the company's current structure constituted obstacles to full compliance. The aforementioned principles and justifications for non-implementation thereof are summarized below:

- As regards the recommendation on “vesting shareholders with the right to request for special audits and adding a provision concerning minority rights in the Articles of Association,” since the company is of the opinion that current Turkish Commercial Code provisions on appointment of special auditors and minority rights are sufficient in this regard, these rights have not additionally been regulated by the Articles of Association.
- Although the company does not have any policy with reference to the recommendation in Article 4.3.9 of the Communiqué, which reads as “Corporation shall determine a target rate provided that it is not less than 25% and a target time for membership of women in the board of directors and form a policy for this target,” due diligence will be exercised in future plans in order to reach this target.
- Besides this, the Corporate Governance Committee assumes obligations of the Nomination Committee and Compensation Committee laid down in Article 4.5.1 of the Communiqué. On another front, although effort is made to comply with the recommendation in Article 4.5.5 of the Communiqué, stating that “any member of the board of directors shall not serve duty on more than one committee,” some Board Members are indeed members of more than one committee due to committee structuring requirements, the number of Board Members, and because of the business expertise required by committee membership.
- In accordance with Article 4.6.5 of the Corporate Governance Principles, remunerations and all other benefits provided to Board Members and Senior Executives are publicly announced via annual reports. However, these disclosures are not released on a personal basis.
- There is no model or mechanism established for participation of stakeholders in the management. Nevertheless, the company and shareholders, as well as stakeholders, are represented by means of independent members taking part on the Board of Directors.

The principles that have not yet been implemented have not caused any conflict of interest among stakeholders to date. Relevant developments are followed, and efforts continue toward compliance.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

These efforts will be maintained in the near future by taking into consideration legislation updates as well as practices.

## **PART 2 - SHAREHOLDERS**

### **2.1. Investor Relations Department**

Our company comprises an **Investor Relations Department** operating to maintain proper relations with current and potential shareholders, protect and facilitate exercise of the shareholding rights, enhance the recognizability of our Company in the capital markets, and ensure required compliance with the Legislation on Capital Markets.

The Investor Relations Department at Brisa operates under Chief Financial Officer, Reşat Oruç, who is also a Member of the Corporate Governance Committee. To fulfill the obligations inflicted from the Company's Capital Market legislation and the coordination in the Corporate Governance applications is provided by, Capital Markets Activities Advanced Level License (License number: 203738) with Corporate Governance Rating Specialists License (License Number: 700270) owner Serafettin Karakış and the Corporate Governance Committee Rapporteur Ebru Yiğit, serves as Financial Planning and Analysis Manager including responsibility of Investor Relations Department. Another member of the department is Hüseyin Kurt.

<b>Contact Persons</b>			
<b>Name Surname</b>	<b>Title</b>	<b>Phone Number</b>	<b>E-mail</b>
Reşat Oruç	Chief Financial Officer	0262 316 57 00	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Şerafettin Karakış	Investor Relations Responsible	0212 385 81 64	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Ebru Yiğit	Financial Planning Analysis Manager	0216 544 22 37	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>
Hüseyin Kurt	Investor Relations Specialist	0216 544 22 44	<a href="mailto:yatirimciiliskileri@brisa.com.tr">yatirimciiliskileri@brisa.com.tr</a>

Among the duties of the Investor Relations Department are ensuring exercise of shareholding rights, reporting to the Board of Directors, and providing communication between the Board of Directors and shareholders. The primary activities carried out by the Department within the period are as follows:

- It has been ensured that correspondences exchanged between investors and the Company, records of other information and documents are kept properly, securely and up-to-date, and transactions within the Central Registry Agency have been coordinated;
- Requests for company-related information—with the exclusion of confidential information and information of a trade secret nature—received by the Department during the financial year have been answered clearly and explicitly in person or via communication means in line with the Company's Disclosure Policy;

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- It has been ensured that this year's Ordinary General Assembly meeting was held in compliance with the applicable legislation, the Articles of Association and other internal regulations;
- Practices have been developed to facilitate participation of the shareholders in the General Assembly and enhance the communications during the meeting. Informative documents have been prepared for shareholders to reference during the General Assembly meetings; the website has been updated continuously to provide shareholders with uninterrupted access to clear information about the company;
- In addition to disclosures released as per legal requirement, communication with the public has been coordinated and interviews have been held with investors and analysts with an eye to observing and monitoring the fulfillment of obligations arising out of the Legislation on Capital Markets including all kinds of matters concerning corporate governance and public disclosure. Conferences and roadshows organized by intermediary institutions have been well attended.

**The company's performance in providing detailed information to investors within 2019 is given with numbers in the table below:**

Number of investors interviewed in conferences and meetings	53
Number of investors and analysts interviewed face to face	25
Number of teleconferences related to financials	4

The Investor Relations Department operating under Chief Financial Officer and establishing communication between company stakeholders and investors prepared an annual report on activities conducted in 2019 and submitted to the Board of Directors on February 19, 2019, pursuant to Article 11 of the Communiqué on Corporate Governance numbered II-17.1 issued by the Capital Markets Board.

In 2019, the company released 13 material event disclosures through KAP (Public Disclosure Platform) in accordance with CMB's regulations. These disclosures have been released in a timely manner. Therefore, CMB or BIST have not imposed any sanctions.

Finally, the “Corporate Intermedium Contract Regarding Central Registration System” was signed by and between Ak Yatırım Menkul Değerler A.Ş. and the company on February 10, 2009. This contract stipulates fulfillment of issuer operations under the Central Registry Agency and related services to be provided to company shareholders. The Contract was in effect in 2019, as well.

## **2.2 Shareholders' Right to Obtain Information**

The Corporate Disclosure Policy requires that all shareholders, potential investors and analysts be treated equally with regard to the right to obtain and review information, and that same disclosures are accessed by everyone. All information is shared within the scope of reports previously disclosed to the public. All matters concerning the public disclosure obligation are presented in compliance with legislation and the Articles of Association. Within this scope, material event disclosures, which are of importance for investors, are released to the public through KAP (Public Disclosure Platform) and published on the Company's website, all in a timely manner and in compliance with legislation.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

In 2019, written and mostly verbal information requests have been transmitted by shareholders via telephone, E-mails, and face-to-face conversations. These information requests were particularly relevant to the General Assembly meetings held within previous activity period, as well as the capital increase and profit share/dividend payments in previous years and the Company's investments. These requests have been answered meticulously by the Investor Relations Department within legal framework and without any delay. For this purpose, the information that would be of concern to shareholders has been disclosed on the website ([www.brisa.com.tr](http://www.brisa.com.tr)) within the mandatory notification time frames.

The company's annual report is published on its website. In addition, interim financial statements, material event disclosures and announcements for shareholders issued are available on the website.

In 2019, no information or disclosure that could affect shareholders' exercise of their shareholding rights was published on our corporate website.

The Articles of Association do not define appointment of a special auditor as a right. Since Article 438 of the Turkish Commercial Code grants each shareholder of the joint stock companies the aforementioned right, it was not deemed necessary to add any provision into the Articles of Association in this regard. No request has been received with respect to appointment of a special auditor for the company during the financial year.

The company's activities are regularly and periodically audited by the Independent Auditor appointed by the General Assembly. Independent auditing for 2019 was performed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (A Member Firm of KPMG International).

### **2.3.General Assembly Meetings**

Regulations concerning Brisa's General Assembly meetings are available on the corporate website in the document titled "Internal Regulations on the Working Principles and Procedures of Brisa's General Assembly" under the "Information Society Services" category. Additionally, disclosures and documents that should be shared with the public through KAP prior to and after General Assembly meetings, as required by law, are also presented under the "Investor Relations" tab on the company's website.

Brisa's 2018 Shareholders Ordinary General Assembly meeting was held on Tuesday, March 22, 2019 at the company headquarters, namely at Istanbul, Beşiktaş, 4. Levent, Sabancı Center Sadıka Ana 2 Toplantı Salonu, under the supervision of the Ministry's Representative Feyyaz BAL appointed by decree number 90726394 dated March 21, 2019 issued by the Provincial Directorate of Commerce of Istanbul Governorate. Shareholders participated in the Ordinary General Assembly meeting in a physical and electronic environment, personally and/or by means of their representatives.

The invitation to the General Assembly meeting, as well as its agenda and date, were published in the Turkish Trade Registry Gazette No. 9525 dated February 27, 2016, on the Public Disclosure Platform website [www.kap.gov.tr](http://www.kap.gov.tr), on the E-General Assembly System of the Central Registry Agency, and on the company's website [www.brisa.com.tr](http://www.brisa.com.tr) as stipulated in the Code and in the Articles of Association. This was performed minimum three weeks in advance of the General Assembly meeting via all kinds

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

of communication means, including electronic communication, which would ensure that as many shareholders as possible were informed, in addition to legally stipulated procedures.

The annual report comprising the audited 2018 figures, financial statements and reports related to 2018, profit distribution proposal, information note on agenda items of the General Assembly meeting, and other supporting documents related to agenda items have been submitted for reviews of the shareholders at our Istanbul headquarters, on our website and at KAP 22 days prior to the General Assembly meeting date. Questions with respect to these documents have been answered accordingly.

In order to ensure shareholders' representation at the General Assembly, the Electronic General Assembly System was used and the power of attorney form certified by a public notary as stipulated by Capital Markets Board's Communiqué No II-30.1. This form is available for inspection at the company headquarters and on the company's website. Shareholders, whose shares are monitored by the Central Registry Agency on a dematerialization basis, have the right to participate in General Assembly meetings in person or may send representatives authorized under public notary-certified powers of attorney. Shareholders also have the right to participate in the General Assembly meeting via Electronic General Assembly System using their secure electronic signatures. Thus, due diligence has been exercised for equal, cost-efficient and easy participation by shareholders.

Prior to the General Assembly meeting, the shareholders, the Capital Markets Board and/or other public institutions and organizations in relation with the Company did not propose any additional agenda item.

Of 30,511,687,500 shares corresponding to company's total capital amounting to TL 305,116,875.00; 64,484,500 shares corresponding to the capital amounting to TL 644,845 have been represented by acting as principal, and 26,723,584,812.20 shares corresponding to the capital amounting to TL 267,235,848.122 have been represented by acting as representative at Brisa's Ordinary General Assembly meeting. Rate of participation to the General Assembly was 87.80%.

Board Members, the Company's Auditor, General Manager, Chief Finance Officer and the personnel involved in charge of meeting preparations attended the General Assembly meeting. However, stakeholders or news media did not take part in the meeting.

The main agenda articles of this meeting comprised the following: briefing on the 2018 Annual Report and Auditor's Report, discussions on and approval of the financial statements, approval of the assignments due to the resignations at the Board of Directors, discharge of obligations of the Board Members, planning how to use the 2018 profits and determining the distribution procedure/dividend ratios, informing about the 2018 donations and aids, determining the donation limit for 2019, appointment of auditor, and giving permission to the Chairperson of the Board and Board Members to carry out transactions referred to in Articles 395 and 396 of the Turkish Commercial Code.

At the General Assembly meeting, it was submitted for information of the shareholders that the total amount of donations in 2018 was TL 623,955,42. It was resolved, by a majority of votes cast by meeting participants, that the upper limit of donations to be granted by the company in 2019 shall be 5% [five per cent] of the company's net profit.



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Shareholders were given the chance to declare their opinions and ask questions under equal conditions at the General Assembly meeting. During the General Assembly meeting, shareholders did not bring forward any item or proposal outside the agenda, nor did they ask any questions to Corporate Management.

At the General Assembly meeting, no proposals have been submitted by the shareholders, except for the articles of the agenda.

Minutes of the General Assembly meeting were published on KAP, the Turkish Trade Registry Gazette, and the Electronic General Assembly System. In addition, any announcement, document and paper concerning the General Assembly meeting was uploaded to Brisa's website for information of the shareholders and stakeholders.

No Extraordinary General Assembly meeting was held in 2019.

#### **2.4.Voting Rights and Minority Rights**

According to the Articles of Association, each shareholder may vote only once at General Assembly meetings, without any privilege in voting rights.

With a view to preserving and maintaining the Company's harmonious management structure, no regulation regarding granting cumulative voting rights in the current shareholding structure and in the current shareholding ratios was added to the Articles of Association.

The Company is not engaged in any cross-shareholding relationship with another company.

In the Articles of Association, there is no provision concerning representation of minority shareholders and stakeholders in the management. However, at the Board of Directors, two Independent Board Members take part in order to represent all shareholders (particularly minority shareholders) and stakeholders equally.

Brisa attaches importance to exercise of minority rights in compliance with provisions of the Turkish Commercial Code and regulations issued by CMB. In 2019, no complaints were received with respect to this matter.

#### **2.5.Dividend Right**

As required by the Articles of Association, Hacı Ömer Sabancı Foundation holding 100 usufruct shares has privilege in the profit. These privileges are calculated as per the Articles of Association provisions.

According to the Profit Distribution Policy approved at Brisa's Ordinary General Assembly meeting on March 21, 2014, profit distribution has been determined within the framework of the Turkish Commercial Code provisions, the Legislation on Capital Markets, the relevant article of the Articles of Association on legislation and profit distribution, and also according to Brisa's medium- and long-term

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

strategies as well as investment and financial plans. The policy considers the current situation of the national economy and of the sector, and likewise strikes a balance between shareholders' expectations and Brisa's needs.

The General Assembly may transfer net profit entirely or partially to the extraordinary reserve fund. If Brisa's Board of Directors proposes the General Assembly to not distribute the profit, during the General Assembly meeting shareholders shall be informed about the reasons thereof and how undistributed profit shall be utilized. This information shall also be shared publicly through annual report and via website.

Brisa does not distribute dividend advances.

The Profit Distribution Policy is submitted for approval of shareholders at the General Assembly meeting. This Policy is reviewed every year by the Board of Directors, taking into consideration any setback in the national and global economic conditions as well as current situation of ongoing projects and funds. Any amendments to this Policy shall be submitted for approval of the shareholders at the next General Assembly meeting following the amendments and disclosed to the public via the website.

The Profit Distribution Policy and proposal for distribution of annual profit are available in the annual report, shared with shareholders at the General Assembly meeting, and publicly announced via the "Investor Relations" page on our website.

At the 2018 Ordinary General Assembly Meeting, the Board of Directors' proposal (dated February 20, 2019) for distribution of profit was accepted, and it was resolved that to strengthen financial structure of the company and to create funds for financing of investments, net profit of the company is not distributed to Shareholders and reserved as extraordinary reserves.

## **2.6.Transfer of Shares**

As elaborated under Article 31 of the Articles of Association, transfer of the registered shares held by the controlling shareholders, namely Hacı Ömer Sabancı Holding A.Ş and Bridgestone Corporation, is subject to certain limitations. In brief, any controlling shareholder intending to transfer shares shall offer them firstly to the other controlling shareholder. The controlling shareholders may not transfer their shares to third parties in actual or potential competition with either Sabancı Holding or Bridgestone, or with their affiliates or subsidiaries, by engaging in the same or similar lines of business as theirs.

The Articles of Association do not include any provision limiting transfer of shares by other shareholders.

## **PART 3 - PUBLIC DISCLOSURE AND TRANSPARENCY**

### **3.1.Corporate Web Site and the Contents thereof**

Our company's corporate website address is [www.brisa.com.tr](http://www.brisa.com.tr).

In addition, within the framework of the principles and procedures concerning creation of websites, and for allocation of a certain part of these sites for publication of announcements to be made by the company as required by law and for the information society services pursuant to the "Regulation on Web Sites Created by Corporations" and the first paragraph of Article 1524 of the Turkish Commercial Code, our company receives Central Database Service Provider support services from the Central Registry Agency

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

(CRA). Announcements to be published by the company as required by law are accessible through CRA's "e-Company, Companies Information Portal."

For public disclosure purposes, in order to maintain relationships with the shareholders more effectively and rapidly, and communicate with the shareholders continuously, the company's website is used actively within the framework of the Corporate Governance Principles.

Information available on Brisa's website may not substitute material event disclosures and notices required by the Legislation on Capital Markets. All public disclosures of Brisa are accessible through its website configured and organized accordingly and secured with all possible measures. The company's website is reviewed and revised within the framework of the section titled "2.1. Corporate Website" within the reference Corporate Governance Principles, as part of the CMB's Corporate Governance Communiqué No II-17.1. The website provides access to information and documents stipulated by legislation. Annual financial statements, Annual Reports and other similar documents are also available in English. Announcements and agendas of the General Assembly meetings, information documents related to the agenda, other information, documents and reports related to the agenda, and participation methods of the General Assembly in particular are clearly presented on the website. Our website is improved on a regular basis.

**Important website content is outlined below:**

- Detailed information regarding corporate identity
- Mission, vision, corporate values, ethical rules and main strategies
- Information on board members and senior management
- Organization and shareholding structure of the company
- CMB Material Event Disclosures
- The Articles of Association
- Trade registry information
- Financial information
- Press releases
- Announcements on the date, agenda and agenda topics of General Assembly meetings
- General Assembly internal directive
- Minutes of General Assembly meetings, and list of participants
- Corporate Governance practices and compliance report
- Profit Distribution Policy
- Disclosure Policy
- Donation and Aid Policy
- Anti-Bribery and Anti-Corruption Policy
- Remuneration Policy

The website management principles are provided in our "Disclosure Policy."

### **3.2. Annual Report**

The Brisa Annual Report is prepared in detail to enable public access to reliable information about the company's activities in a complete and timely manner in compliance with "Regulations on Determining

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

the Minimum Content of Companies' Annual Reports" issued by the Ministry of Customs and Trade and entered into force upon publication in the Official Gazette dated August 28, 2012. The terms are stipulated in the CMB's Communiqué No II-14.1 on "Principles of Financial Reporting in Capital Markets," the Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/IFRS), formats determined by CMB, and the Corporate Governance Principles. Unless the Board of Directors resolves, under a separate statement of responsibility, that it shall be disclosed after financial statements, it is disclosed to the public along with financial statements via KAP and the Company's website ([www.brisa.com.tr](http://www.brisa.com.tr)).

In addition, quarterly bulletins and financial statements are published on KAP and the Company's website. Annual report is also available in printed form, ready to be shared with relevant parties.

Within this framework, the Brisa 2018 Activity Report was presented to our shareholders at company headquarters via the Central Registry Agency's (CRA) Electronic General Assembly portal and on the company's website for three weeks prior to the 2018 Ordinary General Assembly meeting as stipulated by the Turkish Commercial Code, relevant regulations and Capital Market Law. The Activity Report was then subsequently read and discussed at the Ordinary General Assembly meeting of March 22, 2019.

## **PART 4 – STAKEHOLDERS**

### **4.1. Informing Stakeholders**

Employees, customers, suppliers, trade unions, NGOs, the state, potential investors and similar parties who work directly with the Company are regarded as stakeholders. Recognizing the long-term benefits of close cooperation with stakeholders, the Company endeavors to respect and protect their rights as derived from legislations, bilateral agreements and contracts.

Brisa's stakeholder information process is based on the Information Policy, issued on December 25, 2014 by the Investor Relations Department and published on the Public Disclosure Platform [www.kap.gov.tr](http://www.kap.gov.tr) and [www.brisa.com.tr](http://www.brisa.com.tr). Within the scope of the Disclosure Policy, information that does not constitute trade secrets is shared with stakeholders in line with the principle of transparency, through public announcements, the media, press meetings and similar activities.

Company employees are provided with information both specific to their respective field and about general topics through email, and activities such as meetings, seminars and trainings. The Company has also established an information portal where employees can access all information or documents relevant to their tasks.

Recognizing the importance of dealers as the most important points of contact with the customer, the Company has developed an online "Dealer Information System". Moreover, a dealer database management system has been created to provide dealers with the ability to manage their communications with their employees and corporate clients. These systems are complemented by a series of advanced support systems, including the Dealer Automation System developed to assist dealers in managing their operations in a more professional manner, the Guarantee System (e-Guarantee) offering end users services and information about our products, and "Customer Application Management" used primarily by the call center in order to meet customer requests concerning the Company's products, services, systems, and methods. All flow of information towards dealers and users is carried out in an integrated manner with Brisa's CRM Model, and the Company also organizes general and regional meetings with dealers to facilitate sharing of information.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Suppliers working directly with the Company are provided with information mainly through the procurement portal (OSAT), as well as various events such as meetings, visits and notifications.

The Company has adopted a code of conduct to protect the rights of its stakeholders. Stakeholders can contact the Ethics Board of our main partner, H.Ö. Sabancı Holding via email to [etik@sabanci.com](mailto:etik@sabanci.com) or calling (212) 385 85 85, or directly contact Nilgün Özkan, Brisa Ethics Consultant, Human Resources and Corporate Development Director at (262) 316 58 00. The Audit Committee and/or Corporate Governance Committee are also informed as necessary.

#### **4.2.Stakeholder Participation in Management**

There is no established model or mechanism regarding stakeholder participation in management. However, the presence of independent members on the Board of Directors allow all stakeholders, and not only the Company or its shareholders, to take part and be represented in the management.

Shareholders participate in the management during the General Assembly, and they are given equal opportunity to voice their opinions and make inquiries. All Board members elected in a vote at the General Assembly, participated by all stakeholders.

The Company implements a governance model that promotes employee participation in key policy-making processes, dissemination of policies within the Company to inform goals, implementation of planned practices, and review of implementation results to ensure continuous improvement.

White-collar employees take part in management through periodical meetings as well as annual goal-setting and performance evaluation meetings. An Employee Loyalty Survey is used to measure loyalty and satisfaction among both white- and blue-collar employees, and results obtained from the survey is used to develop action plans in areas of opportunity. Additionally, employees provide feedback to their colleagues and management through a 360-degree feedback model, where results are evaluated in various management meetings to inform action plans to bring about the necessary change. These methods enable employees to participate in and contribute as necessary to ensure efficient governance.

Any changes in the working conditions, working environment, employee benefits and similar matters concerning blue-collar workers are discussed in meetings with participation from such employees as well as the Lastik-İş Trade Union.

Open channels of communications are maintained with all other, non-employee stakeholders (customers, suppliers, etc.), and topics discussed at meetings with such parties are taken into consideration in policymaking.

#### **4.3.Human Resources Policy**

Together with our Human Resources, Corporate Development and Working Principals, we add value to our vision of “creating the journey ahead together as the Brisa Family” in the light of our mission, vision, business ethics, excellence and social responsibility. We ”leave a mark on life” together with all our stakeholders. Our policy supporting and sustaining our mid and long term business targets is to create a workplace aware of its social responsibilities, where people are proud and happy to work. This philosophy ensures work harmony and sustainability, emphasizes occupational health and safety, ethical values and fair approach, and thus becomes “the most preferred workplace.” Moreover, we want to sustain this labor environment with employees willing to take initiative because of their innovative competencies and strong desire to succeed. These are our “pioneers” who are open to transformation and development.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

In order to manage our relations with the blue-collar workers, we co-operate with our employee Remzi Grgn who is the Kocaeli Branch Board Member of Lastik-İř Trade Union, and workplace trade union representatives Barıř Blent Gnel (Chief Representative), řakir Yılın, Melkan Kandemir, Erhan Gede, Hasan Akyz and Grkan Yaman. Representatives handle the relations with the workers, while the Branch Board member manages relations with the Representatives and the Branch Management.

Within the framework of our company’s Human Resources Policy, we adopted the principle of “Providing Equal Opportunities to People with Equal Conditions.” The company is committed to treating all employees fairly, respecting their religious, linguistic, ethnical and gender differences, and taking measures to protect them against mistreatment. The company has equal opportunity policies and avoids employing or forcing child labor. Our compliance is hand in hand with related laws, regulations, workplace legislation and our ethical rules in the field. Before and during 2019, we have received no complaints of discrimination.

The job descriptions, distributions, performance and rewarding criteria of personnel are announced corporate-wide. Efficiency is taken into account when determining wages, raises and other benefits.

Brisa, like other Sabancı Holding companies operating domestically and internationally, respects and complies with local law and private law arrangements such as collective labor contracts in the industry. The company shows due diligence from the beginning until the termination of the labor agreement in an attempt to protect all rights and pay the receivables of employees.

#### **4.4.Codes of Conduct and Social Responsibility**

Codes of Business Conduct have been formed, put into effect, and released for public attention on our website. Employees have been informed about the Codes via intra-company communications platforms, manuals, and trainings. Moreover, employees are updated via e-information programs and reinforce their commitment to the Codes by signing the “Business Conduct Compliance Declaration.”

Brisa Sustainability Policy has been announced to share and deploy Brisa sustainability approach to stakeholders in all BRİSA’s operations.

Our prior responsibilities at social dimension of the policy have been showed below.

#### **SOCIAL**

##### *Human Rights*

- Respect and support International Human Rights and take responsibility to prevent violations
- Increase awareness against all kind of violations including family violence

##### *Occupational Health and Safety*

- Recognize Health and Safety primarily

##### *Customer Health and Safety through Products and Service lifecycle*

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.  
BOARD OF DIRECTORS ANNUAL REPORT  
PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- Give priority to customer health and safety through product and service lifecycle
- Share information about health, safety and environmental impact of our products and services with our customers systematically and transparently

*Anti-Corruption and Anti-Bribery*

- Recognize anti-corruption and anti-bribery as our principal responsibilities
- Review our processes by considering anti-corruption and anti-bribery

*Business Beyond Legal Arrangements*

- Maintain method of doing business beyond full compliance of legal requirements
- Confirm transparency, fairness, responsibility and accountability principles in corporate governance

*Information Security*

- Protect information confidentiality, integrity and accessibility and increase awareness

*Employee Rights*

- Maintain the business ethics guidelines (SA-ETIK)
- Recognize equal opportunity is one of the fundamental part of social sustainability
- Ensure women participation in business life equally and actively, and increase women employment
- Support the elimination of all forms of forced and compulsory labor and the effective abolition of child labor
- Respect and recognize our employees' rights of organization, unionization and collective bargaining, which are most fundamental rights emanating from the constitution and international agreements
- Avoid discrimination in recruitment
- Take responsible attitude in balancing work and private life for our employees

*Development Journey*

- Become employer of choice
- Carry out corporate and individual performance evaluation process by deploying strategies and targets to organization and employees
- Create a participative working environment by being best practices with our corporate development approaches

*Stakeholder and Society Relations*

- Communicate transparently, participatively and based on mutual trust with our stakeholders in all our operations
- Manage our social, environmental and economic impacts with stakeholders proactively

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- Embrace the understanding of social responsibility management based on stakeholder expectations which are reflected on our business manner, culture and values
- Shape and diversify our contribution to society based on our social responsibility strategies
- Promote and spread sustainability approach

Brisa's 2018 social responsibility projects within the framework of corporate citizenship are listed under "Social Sustainability" heading.

Brisa is responsive to its social responsibilities and abides by environmental, consumer and public health regulations as well as codes of conduct. The company supports and respects universal human rights. Complying with Corporate Governance Principles Article 3.5.2., Brisa created the Anti-Bribery and Anti-Corruption Policy in 2015 and released it to the attention of stakeholders on ([www.brisa.com.tr](http://www.brisa.com.tr)). Brisa, struggles for any kind of malpractice including bribery and corruption within this policy.

## **PART 5 – BOARD OF DIRECTORS**

### **5.1. Structure and Composition of the Board of Directors**

The Board of Directors observes the compatibility of corporate activities with legislation, the Articles of Association, internal regulations and determined policies. The Board represents and directs the company by observing its long-term interests in taking decisions with full consideration of risks, growth, and profits of the company.

The company is represented and directed by a Board of Directors which was established in accordance with the provisions of Turkish Commercial Code and Capital Market Legislation. The Board is composed of at least eleven (11) members elected in the Ordinary General Assembly meeting of 2018 held on March 22, 2019 to serve until the Ordinary General Assembly meeting of 2020 to be held in 2021.

The Articles of Association does not specify minimum qualifications for members of the Board of Directors. However, the required qualifications for members of the Board of Directors overlap with relevant articles in the Capital Markets Board's Corporate Governance Principles.

The Board of Directors is composed of both executive and non-executive members. A greater part of the board membership is non-executive as defined in the Corporate Governance Principles. Among non-executive members are two independent members who can perform their duties under no influence. The members of the Board of Directors are elected by General Assembly in accordance with Corporate Governance Principles.

Within the framework of Capital Markets Board's Corporate Governance Principles article 4.3, amendments have been made to the Articles of Association, which now allows independent members on the Board of Directors. Independent members of the Board of Directors were determined by approval of the independent members' candidate lists comprising two persons in the Ordinary General Assembly meeting on 22 March 2018, in accordance with the Board of Directors resolution No. 2018/13 dated 28 February 2018. Upon their nomination for independent membership, independent members of the board



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

declare to the Board that they embody the criteria of independence. During the term in question, no incidence was reported risking the independence of the independent members of the board of directors.

The maximum term of office for the members of the Board of Directors is three years. Members whose term of office has expired can be reelected. In cases where a position becomes vacant for any reason, the Board of Directors appoints a new member for the position, which they submit for the approval of the General Assembly. This member completes his predecessor's remaining term of office.

In accordance with Board of Directors resolution No. 2019/17 dated September 13, 2019, Naohisa Yoda was assigned to the vacant positions of the membership of Board as in replacement of Laurent Pascal Dartoux, who resigned from his position, to serve for the remaining term, pursuant to Article 12 of the Articles of Association and this change would be submitted to the approval of the Shareholders Board in the first General Assembly Meeting.

The members of the Board of Directors as of December 31, 2019, along with their types of membership are as follows:

<b>Name and Surname</b>	<b>Type of Membership</b>	<b>Title</b>
Cenk Alper	Executive	Chairman of the Board
Naohisa Yoda	Executive	Vice-Chairman of the Board
Mustafa Bayraktar	Non-executive	Board Member
Bariş Oran*	Non-executive	Board Member
Frederic Jean Hubert Cecile Hendrickx	Non-executive	Board Member
Mete Ekin	Non-executive	Board Member
Makoto Hashimoto	Non-executive	Board Member
Ahmed Cevdet Alemdar	Executive/General Manager	Board Member
Saadet Ruba Unkan Ergener	Non-executive	Board Member
Mehmet Tanju Ula	Non-executive	Independent Board Member
Mehmet Kahya	Non-executive	Independent Board Member

\*In accordance with the Article 12 of the Company's Articles of Association and Board Resolution dated 24 January 2020 number 2020/01, the Board resolved to approve the replacement of Mr. Barış ORAN present member of the Board, by Mr. Haluk DİNÇER as the new member of the Board effective from the date of 24 January 2020 to serve for the remaining term and submit this change to the approval of the shareholders in the next General Assembly.

Related PDP link: <https://www.kap.org.tr/en/Bildirim/814309>

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

There is no provision restricting the members of the Board of Directors from taking up extra-company positions. CVs and extra-company positions of members of the Board of Directors are contained in the activity report with in-group and out-group distinction.

Although the company does not have any policy with reference to the recommendation in Article 4.3.9 of the Communiqué, which reads as “Corporation shall determine a target rate provided that it is not less than 25% and a target time for membership of women in the board of directors and form a policy for this target,” due diligence will be exercised in future plans in order to reach this target.

### **5.2.Operating Principles of the Board of Directors**

As indicated in the Articles of Association, the Board of Directors convenes as much as is necessitated by the company’s dealings and proceedings. However, holding a meeting every three months is compulsory. The Board of Directors convenes by invitation of the Chairperson or Vice-Chairman. The Board of Directors meetings can be held either at home or abroad with the attendance of its members. The resolutions of the Board of Directors are taken both in Turkish and in English.

The agenda of the Board of Directors meetings is set following the Chairperson’s negotiations with the existing members and General Manager. To make sure that the agenda is set before the meeting, the call for meeting is announced at least 10 days before the meeting via E-mail, registered letter, or signed fax. All members prioritize attendance at every meeting and share opinions in these meetings. However, this procedure can be ignored in emergency situations. Under such circumstances, at least eight (8) members of the Board of Directors are necessary for starting the meeting. The meeting date is determined by decision of the Board of Directors. When the Chairman or Vice-Chairman of the Board of Directors does not call for the meeting, the members can also assume ex-officio authority for a call upon written request by one member. Under circumstances where no member requests a meeting, the Board resolutions can be taken when one member’s written suggestion on a specific issue is approved by at least other seven (7) Board members via written statement, which means approval by a total of at least eight (8) members as stipulated in Turkish Commercial Code Article 390 (4).

The Board of Directors held 19 meetings in 2019, of which four were face-to-face meetings and 15 were meetings convened upon the written approval of members in accordance with Turkish Commercial Code and Articles of Association decrees. The decisions were taken unanimously; Corporate Governance Principles were also observed.

Each member of the Board of Directors has a single vote. The Articles of Association stipulate that at least 8 out of 11 members should cast affirmative vote for decisions to be ratified.

Members of the Board of Directors did not present any opposing views to the resolutions of the Board in the 2019 meetings. Given the absence of any questions by the members regarding the matters at hand, these questions were not recorded into minutes.

No weighting vote is given to any member of the Board of Directors.

In accordance with the Article 10 of Capital Markets Board’s Corporate Governance Communiqué with the serial number II.17.1., when the total amount of common and continuous transactions between our company and the related parties in a financial year is expected to reach at least 10 % of the proportion

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

of the amount of sales costs as contained in the latest yearly financial tables publicly released in purchasing operations, of the amount of revenues as contained in the latest yearly financial tables publicly released in sales operations, it is necessary to prepare a report regarding the terms of the transactions and their comparison with market conditions, and to release the report or concluding part thereof.

Within this framework, the report “Planned Operations with the Related Parties” was prepared in the 2019 financial year and approved by resolution No. 2019/06 of the Board of Directors dated 19 February 2019. The conclusion part of the report was announced on Public Disclosure Platform.

Accordingly, “The purchase of goods (rubber) between Brisa and the affiliated institution Bridgestone Singapore Pte. Ltd in 2018 has been performed in accordance with market conditions and its counterparts. In a similar vein, the transactions with the affiliated institution in 2019 will be performed in accordance with market conditions as planned in the Company’s budget.”

During the relevant term, there existed no transactions with the related parties and no transactions of an important nature as submitted for the approval of the independent members of the board of directors. In addition, no unapproved transactions emanating from all these and submitted for the approval of the General Assembly were recorded.

The Board of Directors’ management rights and representation authority are defined in the Articles of Association.

In accordance with the Communique article 4.2.8, any faulty conduct by members of the Board of Directors in the exercise of their duties and any damages by these persons to the company are insured within the framework of Aksigorta A.Ş. “Directors and Officers Liability Insurance Policy” numbered 63280532 with an insurance coverage of up to 25 million American Dollars and it has been renewed in September 20, 2019 with the Policy numbered 173206032 for one year period.

### **5.3.The Number, Structure, and Independence of the Committees Formed within the Board of Directors**

In accordance with Capital Market Legislation, Capital Markets Board regulations, and Corporate Governance Principles, Committee Responsible for Auditing (i.e. Audit Committee), Corporate Governance Committee, and Early Identification of Risk Committee were established to help the Board of Directors exercise duties and responsibilities properly. Moreover, the duties of “Nomination Committee” and “Compensation Committee” as mentioned in the Communiqué article 4.5.1 have been assumed by “Corporate Governance Committee.”

The decisions of the committees, which are taken as a consequence of studies carried out independently, are submitted to the Board of Directors as mere suggestions. The final resolution is taken by the Board of Directors.

The Board of Directors is structured in accordance with the Corporate Governance Principles Communiqué. Although the Communiqué article 4.5.5 advises that “any member of the Board of Directors cannot take part in more than one committee,” an instruction seriously considered by the Board, some Board members take part in more than one committee depending on the number of

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

members on the Board, the necessities of the committee structuring, and expertise necessitated by a specific committee membership. In this respect, due to the fact that the Audit Committee has to be completely composed of independent members of the Board and that other committee's chairmen have to be independent members of the Board, Mehmet Kahya currently serves on all three committees at the same time and serves as the chairman of Early Identification of Risk Committee as well. In addition Mehmet Tanju Ula currently serves on Corporate Governance Committee and Audit Committee as chairman. Barış Oran and Naohisa Yoda serve as members on both Corporate Governance Committee and Early Identification of Risk Committee. Reşat Oruç serves as member of Corporate Governance Committee.

The Committees have carried out their works regularly since the day of their establishment.

No conflicts of interest were reported in the committees in year 2019.

Detailed information about the committees formed within the body of Board of Directors is provided below:

**Audit Committee**

The Audit Committee was established upon the resolution of the Board of Directors dated March 21, 2003, in accordance with article 28/A added by the Communiqué with Serial: X and No. 19 to the Independent Audit in Capital Market Communiqué with Serial: X and No. 16 of Capital Markets Board. The responsibilities of the Audit Committee include informing the board of directors of the corporate accounting system, financial reporting, financial information released to the public, the activities of the internal audit department, the functions and activities of the internal control system with independent audit; supporting the company's compliance with Capital Markets Board Legislation as well as other relevant legislations and laws, Corporate Governance Principles and Code of Business Conduct; and monitoring all relevant processes on these issues.

In meeting number 2018/19 on March 23, 2018, the Board of Directors decided the below-mentioned members of the Board of Directors to be elected to the Audit Committee and the aforementioned committee to be authorized with the duties described in the Capital Markets Board's Communiqué with Serial: X and No. 22.

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
Mehmet Tanju Ula	Chairman	Independent Board Member
Mehmet Kahya	Member	Independent Board Member

The audit committee is composed of members who have no direct executive functions, carry the title of independent member on the board of directors, and have sufficient knowledge and expertise in financial matters. The chairman and member of the audit committee are appointed by the Board of Directors. The internal audit department acts as the rapporteur of the audit committee. Funds and any other support necessary for the functioning of the committee are provided by the Board of Directors.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

The committee convenes every three months at least, which means at least four times a year, and records the conclusions of the meeting in minutes later reported to the Board of Directors. The Committee generally reviews the works of the Internal Control Department and Independent Auditing Firm, audits financial statements, and examines any violation of business conduct and code of behavior in these meetings.

The Audit Committee convened four times over the course of 12 months in 2019 and submitted a report to the Board of Directors regarding the authenticity and accuracy of the financial statements to be released to the public. Moreover, the Audit Committee convened with the internal control department four times in 2019 to approve the auditing schedule, to examine internal audit reports corresponding to five business processes, and to discuss competence of the internal control system.

Main activities performed by the Audit Committee in 2019 are as follows:

- Tracking the company's financial and operational activities,
- Monitoring and approving the authenticity, accuracy, and congruity of the yearly and interim financial statements to be released to the public with the company's accounting principles,
- Choosing the independent auditing firm, preparing independent auditing contracts, and initiating independent auditing processes,
- Tracking the efficiency and performance of independent auditing activities,
- Monitoring the function and efficiency of the internal control and internal auditing system,
- Evaluating the findings of the internal control system and reporting them to the Board of Directors,
- Auditing and approving the reports on internal control and internal audits.

#### **Corporate Governance Committee**

Corporate Governance Committee was established in accordance with the Capital Markets Board's Corporate Governance Communiqué with an attempt to follow up the company's compliance with corporate governance principles, to make improvements in the process, and make suggestions to the Board of Directors. The Committee has been established and its Internal Directive has been approved by resolution No. 600 of the Board of Directors of Brisa Bridgestone Sabancı Tire Manufacturing and Trading Inc. dated April 30, 2012. Early Identification of Risk Committee was separated from the Corporate Governance Committee by Board resolution No. 2013/13 dated August 2, 2013, which necessitated revisions be made on the Internal Directive in question. As prescribed by the Communiqué and the Board resolution No. 2014/16 dated June 30, 2014, the existing Chief Finance Officer, who meets the predetermined criteria in the Communiqué, was appointed as a member of the Corporate Governance Committee, thereby increasing the number of members to four and necessitating more revisions be made to the Internal Directive and subsequent approval. Finally, in accordance with Board of Directors resolution No. 2015/13 dated March 24, 2015, re-modifications were made to Internal Directive of Corporate Governance Committee and the number of committee members was increased from four to five.

In accordance with Board of Directors resolution No. 2019/17 dated September 13, 2019, Corporate Governance Committee members were determined as:

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
Mehmet Tanju Ula	Chairman	Independent Board Member
Mehmet Kahya	Member	Independent Board Member
Bariş Oran	Member	Board Member – Non-executive
Naohisa Yoda	Member	Board Member – Executive
Reşat Oruç	Member	Chief Finance Officer

In accordance with Capital Markets Board “Corporate Governance Principles” Corporate Governance Committee is composed of a maximum of four members excluding the chairman, appointed by Brisa Bridgestone Sabancı Tire Manufacturing and Trading Inc. Board of Directors from among its independent members, and two rapporteurs. Committee members (excluding the Chairman) include three members of the Board of Directors appointed by the Board of Directors and Chief Finance Officer (CFO) from Investor Relations Department, which makes a maximum of four members in total. The rapporteurs of the Committee include the Director of Human Resources and the Manager of Investor Relations Department.

In cases where the position of the committee chairman becomes vacant for whatever reason, the Chairman of the Board of Directors appoints a member of the Committee as interim chairman in the first Board of Directors meeting following the incidence of vacancy. The interim serves until a new chairman is appointed.

The agenda of the meeting is determined by the Chairman of the Committee. Members and shareholders communicate the issues they wish to be put on the agenda to the rapporteurs, who report them to the Chairman of the Corporate Governance Committee.

Corporate Governance Committee meetings are held at least four times a year at the places and on the dates the Chairman deems appropriate. The meeting and resolution quorum is the absolute majority of the total number of members. Other people can also attend the meetings if the Chairman deems appropriate.

Corporate Governance Committee keeps a written record of all its works and reports all relevant information and conclusions to the Board of Directors.

Corporate Governance Committee convened four meetings in year 2019.

The Committee’s activities in 2019 included:

- To make suggestions to the Board of Directors for improving corporate governance operations, to perform necessary operations ensuring and observing the company’s compliance with legislation within the body of the company, all in accordance with Capital Markets Board Corporate Governance Communiqué numbered II-17.1,
- To monitor activities of the Department of Investor Relations,

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- To determine and monitor the principles, criteria, and practices to be employed in setting the remuneration for directors with administrative responsibilities in line with the company's long-term objectives,
- To make suggestions to the Board of Directors regarding remuneration for directors with administrative responsibilities by taking into consideration the degree to which they meet the criteria for remuneration settings,

**Early Identification of Risk Committee**

Early Identification of Risk Committee has been established upon the resolution of Brisa Board of Directors dated August 2, 2013 and numbered 2012/13. The Committee was commissioned and authorized by Turkish Commercial Code numbered 6102 and by article 378 thereof, as well as Capital Markets Board's Corporate Governance Communiqué.

The activities of the Committee include early identification of any strategic, operational, financial, external and miscellaneous risks threatening the existence, development and sustainability of Brisa; implementation of necessary measures and remedies; and the management of risks.

The members of the Early Identification of Risk Committee include:

<b>Name Surname</b>	<b>Title</b>	<b>Board Member Status</b>
Mehmet Kahya	Chairman	Independent Board Member
Bariş Oran	Member	Board Member – Non-executive
Naohisa Yoda	Member	Board Member – Executive

The chairman of the Early Identification of Risk Committee is appointed among the independent members by Brisa Board of Directors.

The Committee is composed of a minimum of two members appointed by the Board of Directors. Other persons can also participate in the meetings if the chairman approves. The term of office for committee members is parallel to that of the members of the Board of Directors. The committee membership is renewed upon the renewal of the members of the Board of Directors.

The Early Identification of Risk Committee convenes at least six times a year at a venue the chairman deems appropriate.

The Early Identification of Risk Committee convened six times in 2019.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

#### **5.4.Risk Management and Internal Control Mechanism**

##### **Organization**

In accordance with the New Turkish Commercial Code article 378 entering into force on July 1, 2012 and the relevant sections of the Capital Markets Board Communiqué with Serial: IV, Number 56 dated December 30, 2011, the Board of Directors in companies whose certificates of stock are traded at the exchange are responsible for early identification of risks threatening the company's existence, development, and sustainability. Therefore Brisa established an expert committee, operated and developed the system for the purposes of taking necessary measures, implementing remedies, and managing risks.

The Early Identification of Risk Committee has been established in accordance with article 6 of the Communiqué with Serial: VI, Number 63 amending Determining and Implementing Corporate Governance Principles of the Capital Markets Board with Serial: IV, Number 63 and dated February 22, 2013. The committee has taken over all responsibilities performed by "Corporate Governance Committee" pertaining to the early identification of risks.

The Early Identification of Risk Committee has also taken over the duties of the risk committee as mentioned in the New Turkish Commercial Code Article 378. The Committee reports to the Board of Directors every two months, when it evaluates the critical risks, points out the threats and proposes remedies if any. The report submitted to the Board of Directors is also made accessible to the company's independent auditor. The Committee evaluates the efficiency of the company's risk management system once a year.

Risk Committee and Risk Management Department are established for the early identification of risks, their efficient management, and integration with the company's strategies and processes. Risk Committee is composed of Executive Board Members including the General Manager, Executive Coordinator, Chief Technical Officer, Deputy General Manager for International and OE Markets, Deputy General Manager for Sales, Marketing Director and Chief Finance Officer and as well as Risk Management Department.

##### **The Framework and Process of Risk Management**

Risk Management Department seeks to integrate corporate risk management with corporate strategies and corporate culture so that all employees are aware of risks, opportunities, and responsibilities in the performance of their daily duties and so that the company achieves sustainable growth while simultaneously creating value.

Within the framework of policies and standards concerning risk management as supported and approved by the senior managers and with full support of the management team and active participation by company employees, the Risk Management Department is responsible for determining and evaluating all corporate risks. Risk Management Department furthermore cooperates with employees to determine strategies and actions aimed at efficient risk management process, and coordinates the work and tracks the risk management action plans of the functions. Risk Management Department also formulates policies and procedures in line with the risk propensity of the company to ensure that processes are managed in line with these policies and procedures; formulates and manages policies and plans for business continuity; prepares and shares risk management reports.



**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Critical factors for successful risk management are that all employees ranging from high level executives to low level employees understand the concept of risk, corporate risks, responsibilities, and common risk consciousness; that risk management responsibilities are determined and embraced by all; that changes are tracked and reported; and that the process is handled with an understanding of perpetual improvement. The company also embraces these factors as key strategic objectives.

Risk Management Department arranges yearly risk evaluation workshops with managers and employees. In these workshops the company's strategic, financial, operational and responsibility risks are determined and defined. The impact and probability of financial, nominal, environmental and human loss scenarios are measured and prioritized. Strategies and actions are formulated to reduce, remove or transfer the negative impacts of the related risks. Critical risk indicators are determined, and existing risk management actions are tracked. Risk Committee convenes every year to evaluate yearly risk evaluation results and risk management strategies.

Risk Management Department shares monthly numerical indicators on critical risk areas as well as monthly development trends, their situation as determined by limits and tolerances, the reasons for deviations and changes, the costs of and reasons for business interruptions, and actions taken with the whole management team, thereby providing an early warning mechanism against the growth of the risks. This policy ensures that all interacting functions formulate a common perception of risk and management strategy. Besides, Risk Management Department also reports to relevant directors the specific risk studies based on global and local sources and completed risk analyses.

Early Identification of Risk Committee, made up of people chosen from among the Board of Directors, performs critical risks assessment every two months in the report prepared in light of information coming from Risk Management Department and Risk Committee and submitted to the Board of Directors. This Committee also annually evaluates the efficiency of the company's risk management system.

### **Operational Risk Management and Business Continuity Planning**

The company attaches great importance to the continuity of all business processes and institutional operations so that it can provide the greatest value possible. The company performs its operational risk management activities, which include emergency situations, crisis management, business continuity and recovery stages, on a platform comprising all employees. This is achieved with the help of a planned roadmap which is subject to constant reviews and improvements.

Risk Management Department seeks to minimize losses induced by business and production interruptions in cases of operational risks such as supply-chain problems, interruptions in information systems, machine breakdowns, fire, natural disaster, epidemics, among others. To this end, Risk Management Department cooperates with related functions in devising policies and plans for business continuity, extending their viability across the institution, updating and testing. Closely observing product safety and quality, relevant laws and legislation, corporate reputation and social responsibility, priority for and dignity of human life, and environmental awareness, the company's ultimate objectives include:

- Providing correct information flow externally/internally and managing incidents/emergencies in cases of business interruptions,
- Developing and constantly improving reaction and response plans to make sure that our customers have access to our services of critical importance without any interruption,

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

- Benefiting from resources efficiently in cases of employee-related and other resource-related scarcities,
- Minimizing the duration of interruption for the company, customers, suppliers, and other critical shareholders,
- Ensuring the efficient normalization of the working order after possible interruptions and the ensuing recovery operations
- Investing in the corporate infrastructure to minimize the prospects for interruption,
- Minimizing the negative financial and nominal impacts of business interruptions.

Company employees have the core responsibility for determining the reasons for business interruptions in the operational processes they manage or work. They must take measures and implement the very business continuity plans which they formulated previously. Risk Management Department is responsible for preparing business continuity plans across the company and coordinating the review and test processes. Risk Management Department, with the contribution of senior management, has developed an institutional policy and guideline for business continuity management and planning across the company.

### **Future Risks**

The purchases of raw materials are transacted in American Dollars, while the products are sold in various currencies including Turkish Lira, Euro, and American Dollar. Therefore, currency fluctuations are the leading macroeconomic risk for our company. For an ideal management of this risk, the company implements the “hedging” policy efficiently, which is designed in full accordance with the financial instruments, tools, company profile, and operations for protecting the company against currency risks. This policy enables the company to take early measures against the possible negative consequences of currency fluctuations.

Raw materials costs comprise an important part of total products costs, which means that sudden fluctuations in raw materials costs can possibly have critical impact on corporate profitability. In cases where raw materials costs exhibit high volatility, and hence where fluctuation is harsh, several problems might occur with the supply of goods: scarcity, delay, postponement, and retraction. Our company implements the policy of forward-buying, which includes close tracking and detailed analyses of international markets. The company thus purchases raw materials with affordable prices in particular amounts for future terms, thereby minimizing problems arising from harsh price changes and supply imbalances.

Because of the economic fluctuations in Turkey’s economy, dealers may have difficulty in collecting their receivables and consequently may have difficulty in paying their debts to Brisa. Towards this risk, with the close follow-up of Brisa top management, the actions are being taken and closely monitored to increase the dealers’ collateral amounts.

### **Internal Audit and Internal Control**

Our company has internal audit and internal control mechanisms to ensure the efficient, reliable, and uninterrupted conduct of activities and services; the development of applications for risk management, control system and institutional management; contribution to the achievement of institutional and economic targets; and the unity, consistency, and safety of information derived from accounting and financial reporting system.

**BRISA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

Audit Committee, which is established within the body of the Board of Directors, is responsible for ensuring the existence, functioning and efficiency of internal audit and control processes. Audit Committee performs the duties assigned by Board of Directors within the framework of the existing internal regulations and reports its activities, findings and suggestions to the Chairman of the Board of Directors.

Moreover, by the principle of independence, the Internal Audit Department, which is organizationally affiliated with the Board of Directors, helps ensure that internal audit and control mechanisms function in a healthy manner. Audit Committee regularly convenes with Internal Audit Department to discuss the efficiency of the internal control system. Finally the Committee reports its findings to the Board of Directors.

Internal Audit Department Directive explains the organizational position and independency of the department. This directive has been approved by Audit Committee and entered into force. In addition, the Audit Guide, which defines business manners for the Audit Department, has been prepared and put into practice.

### **5.5. Company's Strategic Goals**

Brisa's mission, vision, values and policies are reviewed by the senior management each year, and strategic targets determined in line with this direction are communicated to employees at annual meetings and through the Brisa's website.

Brisa's Mission: "To provide superior value to society through sustainable growth"

Brisa's Vision: "We drive on with courage"

Strategic goals and targets, set by the Executive Board in line with the mission and vision of Brisa, are discussed by the Board of Directors for approval within the scope of budget and mid-term plans. The budget is prepared per annum, along with a five-year mid-term plan.

Strategic goals are determined in line with,

- Financial Results
- Customer Experience
- Operational Excellence
- Human Resources and Organizational Development
- Information Systems
- Risk Management
- Corporate Governance
- Sustainability
- Innovation

Goals approved through these general areas are then used to determine the specific goals for each individual function within the Company. All company employees perform their tasks in accordance with the vision and strategic goals as they also guide individual performance targets, as well as annual performance evaluations.

Strategic goals and performance indicators are monitored using made-to-purpose software, outputs of which are used by the Executive Board who convenes twice a month to evaluate the Company's performance and relevant agenda items. These comprehensive evaluations, as well as the constantly updated projections, are used to determine the actions that must be taken in order to achieve key performance indicators.

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

The Board of Directors convenes at least four times per year to evaluate the progress towards goals, current operations, and term performance.

**5.6.Financial Rights**

The Board of Directors is responsible for making sure that the company reaches operational and financial performance targets specified and released to the public.

Any rights, benefits, and wages, as well as the criteria for determination and principles for setting remuneration for members of the Board of Directors and senior executives with administrative responsibilities, were communicated to shareholders as a separate item in the 2014 Ordinary General Assembly meeting held on March 23, 2015 in accordance with Capital Market Board’s compulsory Corporate Governance Principles numbered 4.6.2. Shareholders have been given the opportunity to express their views on this issue. Moreover, this issue is also released to the public via company website under “Remuneration Policy.”

In accordance with Capital Markets Board’s compulsory Corporate Governance Principle numbered 4.6.3, stock options or payment plans based on the Company’s performance do not apply in the remuneration of the Independent Board Members.

Rights, benefits, and wages bestowed upon senior executives are collectively given in the footnotes of the financial tables of related terms. In this respect, the aggregate salaries and remunerations paid in the 12-month term which ended on December 31, 2019 amount to TL 10,871 thousand (2018: TL 7,154 thousand).

In 2019, the Company has not advanced money, has not provided any loan facilities and has not extended credits (under the name of personal loan through a third party) or sureties (such as surety in favor) to any Board Members or the senior executives.

Corporate Governance Compliance Report link: <https://www.kap.org.tr/en/Bildirim/819990>

Corporate Governance Information Form link: <https://www.kap.org.tr/en/Bildirim/819989>

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**BAĞIMSIZLIK BEYANI**

**Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.** (Şirket) Yönetim Kurulunda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu tarafından yayımlanan Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

**a)** Şirket, Şirketin "TFRS 10" Standardına göre yönetim kontrolü ya da "TMS 28" Standardına göre önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki (TMS 28) sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrı hisimlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların % 5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte (TMS 28) ticari ilişkinin bulunmadığını,

**b)** Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

**c)** Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

**ç)** Bağlı olunan mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, halen/üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı/çalışmayacağımı,

**d)** 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik olduğumu,

**e)** Şirket faaliyetlerine olumlu katkılarda bulunabilecek, Şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

**f)** Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayıracağımı,

**g)** Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

**h)** Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almadığımı,

**ı)** Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine sunarım.

Ad Soyad: *Mehmet Kabay*

**BRİSA BRIDGESTONE SABANCI TYRE MANUFACTURING AND TRADING INC.**  
**BOARD OF DIRECTORS ANNUAL REPORT**  
**PREPARED IN ACCORDANCE WITH THE STATEMENT NO II.14.1**

**BAĞIMSIZLIK BEYANI**

**Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.** (Şirket) Yönetim Kurulunda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu tarafından yayımlanan Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

**a)** Şirket, Şirketin "TFRS 10" Standardına göre yönetim kontrolü ya da "TMS 28" Standardına göre önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki (TMS 28) sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların % 5 inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte (TMS 28) ticari ilişkinin bulunmadığını,

**b)** Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

**c)** Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

**ç)** Bağlı olunan mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, halen/üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmadığımı/çalışmayacağımı,

**d)** 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşik olduğumu,

**e)** Şirket faaliyetlerine olumlu katkılarda bulunabilecek, Şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

**f)** Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayıracağımı,

**g)** Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

**h)** Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almadığımı,

**ı)** Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine sunarım.

Ad Soyad: *Mehmet Tanju ULA*