

**BİM BİRLEŞİK MAĞAZALAR A.Ş.**  
**ORDINARY GENERAL ASSEMBLY MEETING FOR THE YEAR 2018**  
**INFORMATION NOTE**

**Invitation to the General Assembly Meeting**

The Ordinary General Assembly Meeting of our Company for the year 2018 will be held at 14:00 on May 21, 2019, in the company head office at the address Abdurrahmangazi Mah. Ebubekir Cad. No.73 Sancaktepe-İstanbul in order to discuss the agenda detailed below.

Annual report for 2018, consolidated financial statements, independent auditor's report, recommendation of profit distribution chart for the year 2018 will be made available to be viewed by the shareholders at the head office and on company's website [www.bim.com.tr](http://www.bim.com.tr) no later than 21 days prior to the date of General Assembly Meeting.

Our shareholders, or their representatives, can attend the General Assembly Meeting physically, or by electronic communication as per article 1527 of the Turkish Commercial Code No.6102. Attendance by electronic communication will be possible provided that the shareholders, or their representatives, present their electronic signatures.

Any shareholders, or their representatives, who want to attend the meeting by electronic communication must fulfill their obligations, as specified in the "Regulation on General Assembly Meetings of Joint Stock Companies Held Through Electronic Means" published in the Official Gazette No.28395 dated 28 August 2012, "Communiqué on Electronic General Assembly System to be used in General Assembly Meetings of Joint Stock Companies" published in the Official Gazette No.28396 dated 29 August 2012, Capital Markets Legislation, Regulations of the Capital Markets Board and regulations of the Central Registry Institution.

For the shareholders who will attend the meeting in person, presentation of the Turkish ID Card at the entrance of the meeting hall is sufficient.

The shareholders who will send their representatives to the meeting must fulfill the requirements specified in the Capital Markets Board's "Communiqué on Voting by Proxy and Proxy Solicitation" No. II-30.1 and submit their notarized power of attorney.

## Shareholding Structure

As of 25 April 2019, the shareholding structure of the Company is as follows. Our company shares do not include any preferred shares, but equal voting rights for all shares.

Shareholder	Nominal Amount (TL)	Participation Rate (%)
Merkez Bereket Gıda Sanayi ve Ticaret A.Ş.	44.876.992	%14,78
Naspak Gıda Sanayi ve Ticaret A.Ş.	31.896.000	%10,51
Other (Non Public)	9.674.000	%3,18
Other (Public)	217.153.008	% 71,53
<b>TOTAL</b>	<b>303.600.000</b>	<b>%100</b>

There are no management and operative changes, which have been implemented by the affiliates of our Company within the previous accounting period, or which are planned for the next accounting period, and which may substantially affect activities of the Company.

There is no written request sent to us by the shareholders for addition of items to the agenda.

## Description of Agenda

### 1. Opening, Election of Moderator and Authorization of the Moderator to Sign the Ordinary General Assembly Meeting Minutes,

The Moderator who will chair the General Assembly Meeting within the framework of the provisions of "Turkish Commercial Code No.6102" ("TTK") and "Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry of Customs and Trade" ("Regulation") shall be elected. Authorization of the Moderator by the General Assembly, so that the decisions taken in the General Assembly can be written to minutes, shall be approved according to the provisions of TTK and Regulation.

### 2. Reading and negotiating the Annual Report for the year 2018,

The annual report for the year 2018 will be made available to be viewed by the shareholders at the head office no later than 21 days prior to the date of General Assembly Meeting. The related reports are also available at the below link of Company web site <https://english.bim.com.tr/Category/654/annual-reports.aspx>

This item is for information purposes and shall not be voted.

### **3. Reading and negotiating the auditor's reports for the year 2018,**

The report with unqualified (clean) opinion, prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers), for the financial statements of the year 2018 has been made available to be viewed by the shareholders at the company head office and also through the link;

<http://english.bim.com.tr/Category/653/periodical-financial-results.aspx>

This item is for information purposes and shall not be voted.

### **4. Review, negotiation and approval of the financial statements for the year 2018,**

The financial statements prepared for the year 2018 according to the regulations of the Capital Markets Board made available at the company head office and also through the link;

<http://english.bim.com.tr/Category/653/periodical-financial-results.aspx>

### **5. Decision on acquittal of members of the Board of Directors due to their activities in the year 2018,**

As per the provisions of Trade Commercial Code (TTK), acquittal of members of the Board of Directors due to their activities in the year 2018 shall be submitted to the General Assembly for approval.

### **6. Discussion and resolution of recommendation of the Board of Directors regarding profit distribution for the year 2018,**

With regard to the profit of the year 2018, with a final amount of TRY 1.250.464.000 after taxes according to the consolidated financial statements prepared pursuant to the Capital Markets Board's communiqué Serial: II-14.1, the Company's Board of Directors has made the following decisions which are to be negotiated in the Ordinary General Assembly Meeting:

- gross **TRY 728.640.000** which corresponds to the 240% of the capital paid to the shareholders shall be distributed in cash and **TRY 303.600.000** which corresponds to the 100% of the capital paid shall be distributed as bonus issue
- **TRY 71.346.000** shall be allocated as 2<sup>nd</sup> legal reserve
- in calculation of the distributable profit in cash, the equation of "TRY 1.- Nominal value = 1 piece = 1 Lot" shall be used and therefore for each fully paid bearer share of TRY 1.- shall be paid a gross=net dividend of TRY 2,40.- to shareholders whose dividends are not subject to withholding tax and shall be paid a net dividend of TRY 2,04 (gross TRY 2,40) for each share of TL 1 for other shareholders,

- distribution of cash dividend shall be proposed to be implemented in two installments and the dates and amounts of the installments will be decided at the general assembly
- The profit distribution table, as presented in **ANNEX-1**, shall be proposed to AGM.

**7. Discussion on the amendments of 6th article of Company's Article of Association, titled Capital and Share Ratios, due to share capital increase from profit distribution. The attached amendments of article of association is approved by Capital Market Board and Trade Ministry,**

Amendment in the sixth article of the Company's Articles of Association to increase its TL 303.600.000 share capital by TL 303.600.000 to 607.200.000 from its 2018 year profit is approved by Capital Market Board and Trade Ministry. The amendment is attached at **ANNEX-2**

**8. Election of the New Board Members and determination of their monthly participation fee,**

Two independent member candidates shall be determined for the Board of Directors of six members as per the Capital Markets Board's Communiqué Serial: II-7.1 on Corporate Government. The Company Board of Directors presented the nominations of Ahmet AKÇA and Paul FOLEY to the general assembly. These independent members were approved with the Capital Markets Board's letter dated 28 March, 2019. CVs of these independent member nominees are provided in **ANNEX-3**.

For the other four candidates for the Board of Directors, candidates taking part in 2018 are expected to be proposed again, and resumes of current candidates are included in **ANNEX-3**.

The monthly honorarium fee to be paid to the Board members for the year 2019 will be proposed as **9.000 TRY** per month.

**9. Grant of authorization to the members of the Board of Directors so that they can carry out the duties specified in Articles 395 and 396 of the Turkish Commercial Code and in compliance with the Corporate Governance Principles issued by Capital Market Board, informing the General Assembly on transactions performed with related parties in 2018,**

Authorization to be given the members of the Board of Directors, so that they can carry out the duties specified in the first paragraph of Article 395 "Transactions with the Company, Prohibition of Borrowing from the Company" and Article 396 "Prohibition of Competition" of the Turkish Commercial Code, shall be presented to the General Assembly for approval.

Additionally, pursuant to the Capital Markets Board Corporate Governance Principles No. 1.3.6, the General Assembly shall be informed in the event that shareholders having managerial control, shareholder board members, senior management and relatives up to the second degree of blood or affinity engaged in a significant business transaction creating a conflict of interest with the Company or its subsidiaries, competed with the company in the same line of business on their own behalf or on the behalf of others, or was involved in the same business as that of the Company as unlimited partner in another company. Information about mentioned transactions must be included as a separate article on the agenda and recorded into the minutes of the General Assembly.

The transactions performed with related parties in 2018 includes common and continuous product transactions and those purchases correspond %13,6 of total purchases as of 2018. The details of related party transactions were disclosed in the 26<sup>th</sup> note of Company financial statements published on the 6<sup>th</sup> March, 2019. In addition, a report was prepared by the Board of Directors in order to evaluate the common and continuous transaction with related parties in accordance with the CMB's Corporate Governance Principles and the result of the report was announced to the public through Public Disclosure Platform (KAP) on 6 March 2019. According to the result part of the report, it is concluded that, the comparison of the conditions of BİM Birleşik Mağazalar A.Ş.'s executed transactions in 2018 with the related parties specified within the scope of the International Accounting Standard N.24 did not show significant differences compared to the market examples and that there are no issues with executing transactions from the affiliated companies under the same conditions in 2019.

In 2018, there has not been any material transaction which requires notification in accordance with Corporate Governance Principle No. 1.3.6 of the Corporate Governance Communique.

**10. Informing shareholders about share buy-back program , which was effective between May 8, 2018 and September 11, 2018, under the authorization granted with the decision of the Board of Directors dated May 8, 2018,**

The share buyback program was launched as part of the resolution of the Company's Board of Directors dated 8 May 2018. Within the scope of the current program, the Company bought back a total of 2,587,553 shares, which were traded on the Istanbul Stock Exchange and accounted for 0.85% of the Company's capital, for a total price of TL 174,618,286 (full TL), between 9 May and 15 August 2018. Minimum and maximum share price bought are TRY 63,45 per share and TRY 72,45 per share, respectively. The average buying price is TRY 67,48.

The share buyback program was concluded as part of the resolution of the Company's Board of Directors dated 11 September 2018. The financing of share repurchases was provided by the Company's internal resources.

The BIMAS shares held by the Company reached 3,817,833 (the ratio to the Company capital is 1.26%) by means of purchases made with the previous programs. As of the report date, the repurchased shares were not sold.

**11. Presentation of the donations and aids by the Company in 2018 for the General Assembly's information,**

Pursuant to Article 6 of the Capital Markets Board Communiqué Serial: IV, No:-19.1, donations made within the year must be submitted to the information of the General Assembly. The Company's donations in 2018 amounted to TRY 12.315.297 TL. %65 of the total donation was paid to educational foundations and %24 paid to some non-governmental organizations.

This amount of donation which corresponding %0,038 of total sales of 2018 is below the % 0,1 upper limit determined in the donation & aid policy.

**12. Informing shareholders that no pledge, guarantee and hypothec were granted by the Company in favor of third parties based on the Corporate Governance Communiqué of the Capital Markets Board,**

The fact that no pledge, guarantee and hypothec were granted by the Company in favor of third parties shall be submitted for the General Assembly's information, and this article related to the approval of the General Assembly, whereby it only serves for information purposes.

**13. Ratifying the election of independent auditor by the Board of Directors as per the Turkish Commercial Law and regulations of the Capital Markets Board,**

The Board of Directors decided in April 25, 2019, that the General Assembly would be advised to receive independent audit services for the year 2019 from PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as per the Turkish Commercial Law and regulations of the Capital Markets Board.

**ANNEXES**

ANNEX-1: Profit Distribution Chart for the year 2018

ANNEX-2: The amendments of Company's Article of Association

ANNEX-3: CVs of Member Nominees for the Board of Directors

**Annex1: BİM Birleşik Mağazalar A.Ş. 2018 Dividend Distribution Chart (TL)**

1. Share Capital		303.600.000	
2. Total Reserve Funds (Per Legal Records)		571.193.740	
Priority on dividend		None	
		Per Capital Market Board	Per Legal Records
3.	Profit Before Tax	1.626.812.000	1.609.143.943
4.	Corporate Tax ( - )	376.348.000	353.481.604
5.	Profit After Tax ( = )	1.250.464.000	1.255.662.339
6.	Prior Year Loss( - )	-	-
7.	First Reserve Fund ( - )	-	-
8.	Net Income Distributable(=)	1.250.464.000	1.255.662.339
9.	Donations ( + )	12.315.297	
10.	Distributable Income + Donations	1.262.779.297	
11.	First Dividend to Shareholders		
	-Cash	728.640.000	
	-Bonus	303.600.000	
	- Total	1.032.240.000	
12.	Dividend For Privileged Shares	-	
13.	Other Dividend		
	- Board Members		
	- Employees		
	- Other	-	
14.	Dividend to Redeemed Shares	-	
15.	Second Dividend to Shareholders	-	
16.	Second Reserve Fund to be allocated	71.346.000	
17.	Other Reserves	-	-
18.	Special Reserves	-	-
19.	Extraordinary Reserves	146.878.000	152.076.339
20.	Other funds to be distributed	-	-

## DIVIDEND RATIO TABLE

	GROUP (*)	TOTAL DIVIDEND DISTRIBUTED		TOTAL NET DIVIDEND DISTRIBUTED / NET DISTRIBUTABLE INCOME	DIVIDEND TO 1 TL NOMINAL SHARES, NET	
		CASH (TL)	BONUS(TL)	RATIO (%)	AMOUNT (TL)	RATE (%)
NET	TOTAL	619.344.000	303.600.000	73,81	3,04	304

(\*) There is no privileged shares.

**ANNEX 2: BİM BİRLEŞİK MAĞAZALAR A.Ş. ARTICLES OF ASSOCIATION AMENDMENTS**

<b>OLD</b>	<b>NEW</b>
<b>SECTION II SHARE CAPITAL AND SHARES</b> <b>SHARE CAPITAL AND SHARE PERCENTAGES</b>	<b>SECTION II SHARE CAPITAL AND SHARES</b> <b>SHARE CAPITAL AND SHARE PERCENTAGES</b>
<p><b>Article 6.</b></p> <p>The principal capital of the Company is TL 303.600.000 (Three hundred three million six hundred thousand Turkish Lira) divided into 303.600.000 (Three hundred three million six hundred thousand) shares each having a nominal value of TL 1 (One Turkish Lira). The share capital of the Company being TL 303.600.000 (Three hundred three million six hundred thousand Turkish Lira) has been fully paid.</p> <p>The share capital has now been increased TL 151.800.000 (One hundred fifty one million eight hundred thousand Turkish Lira) by 100%, including TL 23.121.744 (Twenty three million one hundred twenty one thousand seven hundred forty four Turkish Lira) being secured from 2012 annual profit and TL 128.678.256 (One hundred twenty eight million six hundred seventy eight thousand two hundred fifty six Turkish Lira) from extraordinary reserves.</p> <p>All of the shares in the Company are of bearer type.</p> <p>The shares to be issued due to addition of internal resources to principal capital, will be given free of charge to the shareholders in proportion to their shareholding.</p> <p>No new shares can be issued until all issued shares are sold and their values are collected.</p> <p>The announcements in this respect are made in accordance with the announcement article of Article of Association.</p> <p>Shares representing the capital are monitored in line with dematerialization rules.</p> <p>The share capital may be increased or decreased in accordance with the provisions of the Turkish Commercial Code and Capital Markets Legislation.</p> <p>There is no restriction regarding the share transfer under the Capital Markets laws and regulations. The shares are transferred and assigned in accordance with the provisions of Turkish Commercial Code, Capital Markets Law and other applicable regulations.</p>	<p><b>Article 6.</b></p> <p>The principal capital of the Company is TL 607.200.000 (Six hundred seven million two hundred thousand Turkish Lira) divided into 607.200.000 (Six hundred seven million two hundred thousand) shares each having a nominal value of TL 1 (One Turkish Lira). All of these shares are bearer type.</p> <p>TL 303.600.000, which constitutes the previous capital of the Company, has been fully paid. All of the capital increase by %100 this time amounting to TL 303.600.000 (three hundred three million six hundred thousand Turkish Liras) was covered by the net profit of 2018 period and this profit was determined by the YMM report dated 05.03.2019 and numbered 1964-551/947-04.</p> <p>The shares to be issued due to addition of profit to principal capital, will be given free of charge to the shareholders in proportion to their shareholding.</p> <p>No new shares can be issued until all issued shares are sold and their values are collected.</p> <p>The announcements in this respect are made in accordance with the announcement article of Article of Association.</p> <p>Shares representing the capital are monitored in line with dematerialization rules.</p> <p>The share capital may be increased or decreased in accordance with the provisions of the Turkish Commercial Code and Capital Markets Legislation.</p> <p>There is no any restriction regarding the share transfer under the Capital Markets laws and regulations. The shares are transferred and assigned in accordance with the provisions of Turkish Commercial Code, Capital Markets Law and other applicable regulations.</p>

### **ANNEX 3: RESUMES OF BOARD OF DIRECTORS**

#### **MUSTAFA LATİF TOPBAŞ**

Born in Istanbul in 1944, Mustafa Latif Topbaş began his career in 1961 as partner and executive at Bahariye Mensucat A.Ş., a family-run business in the textile industry. In subsequent years, he served as founder and executive of various industrial and commercial companies. In 1994, he became a founding partner of BİM and was appointed as Deputy Chairman of the Board of Directors. He has served as Chairman of the Board of Directors since 2006, and also as Chairman of the Executive Board since January 2010.

#### **MAHMUD P. MERALİ - FCA ATII CPA(K)**

Mahmud Merali was born in 1952 in Mombasa, Kenya and completed his higher education there. Having completed his professional education and training in the UK. He joined one of the largest firms of auditors specializing in publicly traded companies. He has over 45 years' experience in auditing, accounting, taxation, and business advisory. He is a Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW), Institute of Certified Public accountants of Kenya Institute of Chartered Accountants of Zambia (ZICA) & an Associate member of the Institute of Taxation (ATII-UK). An Executive partner of the Meralis Group, Mahmud is the regional head for the EMEA region and serves as the Group's International & Financial.

#### **JOZEF WILHELMUS JOHANNES SIMONS**

Born in Raalte in the Netherlands in 1945, Simons graduated from the top Management Course at the University of Nijenrode. With a proven track record of over 40 years in the retail industry, he has served as General Manager at Aldi in the Netherlands for over a decade, and has managed his own consultancy company for the retail market. He was General Manager for five years at the Vendex Food Group, one of the largest food retailers in the Netherlands at the time. In 2001, he assumed the position of Chief Operating Officer at BİM, and in January 2006 became the CEO. In April 2008, he was appointed as a member of the Board of Directors. As of January 1, 2010, he has left his position as CEO, and has since then continued to work for BİM as a member of the Board of Directors and as a consultant.

#### **ÖMER HULUSİ TOPBAŞ**

Born in Istanbul in 1967, Ömer Hulusi Topbaş began his career as a sales executive at Bahariye Mensucat A.Ş., where he worked from 1985 to 1987. Employed at Naspak Ltd. from 1997 to 2000, he then served as Purchasing Manager for Seranit A.Ş. between 2000 and 2002. Since then he has been the General Manager at Bahariye Mensucat A.Ş., and has also been serving as a member of the Board of Directors at BİM since June 2005.

### **AHMET AKÇA (Independent Member Candidate)**

From 1981 to 1988, Mr. Akça served as a Foreign Trade Manager in the glass and food industry. In 1988 he became the CEO of an International Trading Company, and held that responsibility until 1992. He later started his own business, which he still runs. Mr. Akça is the Founder and Chairman of the Board of Directors of logistic company Akça Lojistik Hizmetleri ve Ticaret A.Ş. Ahmet Akca has been appointed as a Turkcell Board Member by Capital Markets Board in March 2013 and has been serving as the Chairman of Turkcell since August 2013. He was a Member of the Committee of Trustees in January 2010, at the time of the Bezmialem Vakıf University Establishment, and has been serving as the Chairman of the Committee of Trustees since November 2011. After studying mathematics at Middle East Technical University and sociology at Istanbul University for a certain period, Mr. Akça graduated from the Bursa Economics and Commercial Sciences Academy's Department of Economics.

### **PAUL FOLEY (Independent Member Candidate)**

Born in London, UK in 1958, Paul Foley worked in his teens in the fruit and vegetable wholesale and retail business. He continued to develop within the industry and started his career at Iceland Frozen Foods in 1974. Over the years he kept on taking more challenges and the rose within company ranks to become Sales Director at the company. In 1989 Paul Foley joined Aldi a new company entering the UK market and became its first Director of the Midlands Region. The highlight of his career at Aldi came in 1999 when he became Group Managing Director UK and 5 years later CEO for UK & Ireland. In this role he led the business to its current position as number 1 discount retailer in the UK and the Republic of Ireland. He retired from this position at the end of 2012 after 23 years with Aldi Süd. In 2013 he founded his own company Foley Retail Consulting GmbH located in Vienna/Austria in which he continues to support large retail businesses, private equity investors and investment banks across the globe. During the same time, his deep insight and knowledge about retail granted him the opportunity to hold positions as a Non-Executive Director at EKO Holdings now part of DINO group Poland, ICELAND Foods, Independent Advisor to the Board at INVERTO AG now part of Boston Consulting group and AHT Cooling Systems GmbH in Austria. Paul is currently serving on the board at BelWillesden/GIPPO Hypermarkets in Belarus and VOLI Trade in Montenegro, Fortenova formally Agrokor in the Balkans and PJSC Magnit in Russia where his remit includes being Chair of Strategy and Capital Markets Committee. He is married and has five children.