



## **TURCAS PETROL A.Ş.**

### **2017 ANNUAL GENERAL MEETING 21 JUNE 2018**

#### **INFORMATION DOCUMENT**

##### **1) INVITATION TO THE 2017 ANNUAL GENERAL MEETING DATED 21 JUNE 2018**

2017 Annual General Meeting of our Company shall be held at the address of Conrad Hotel, Beşiktaş, Istanbul at 10.30 a.m. on 21 June 2018, Thursday which was formerly announced to be held on May 30, 2018 to discuss and conclude the agenda stated in this letter.

The Annual General Meeting of our Company may be attended by shareholders in physical environment or electronic media and they may also attend through their representatives. Attendance in the General Assembly is possible with secure electronic signatures of shareholders or their representatives. Therefore, it is necessary for shareholders to take action at Electronic General Assembly System (EGAS) to register in Central Registry Agency A.Ş. (CRA) e-CRA Information Portal and record their contact details and to have secure e-signatures. Shareholders or their representatives who are not registered in e-CRA Information Portal or do not have secure electronic signatures can not attend the General Assembly electronically.

In addition, shareholders or their representatives who want to attend to the meeting on electronic media are required to fulfill their obligations in accordance with provisions of “Communiqué on Electronic General Assembly System to be Applied in General Assemblies of Joint Stock Companies issued at Official Gazette no. 28396 and dated 29 August 2012 and “Regulation on General Assemblies to be Held Electronically in Joint Stock Companies” issued at Official Gazette no. 28395 and dated 28 August 2012.

Our shareholders who want to attend General Assembly in physical environment can use their rights as to their shares registered in “Shareholders List” stated in CRA system by submitting their identity.

It is required for shareholders who can not participate in the meeting personally in physical or electronic media to arrange their powers of attorney in compliance with the sample in the public disclosure of Annual General Meeting or to provide the sample form from our

Company Headquarter or website [www.turcas.com.tr](http://www.turcas.com.tr) and to fulfill matters foreseen in “Voting by Proxy and Proxy Solicitation” Communiqué II-30-1of Capital Markets Board published in the Official Gazette dated 24 December 2013, no.28861 and to submit their notarized powers of attorney by attaching it to Power of Attorney Form bearing their own signatures. Proxy holders who have been electronically appointed via Electronic General Assembly System don’t have to submit a notarized power of attorney.

Open ballot system shall be used by the procedure of raising hand provided that voting provisions for electronic media are reserved as to approval of Agenda items at General Meeting.

In accordance with subparagraph 4 of article 415 of New Turkish Commercial Code no. 6102 and subparagraph 1 of article 30 of Capital Markets Law, right to attend to general assembly and voting shall not be affiliated to term of storing share certificates. Within this framework, there is no need for our shareholders to block their shares in case they want to attend to General Meeting. However, our shareholders who do not want their identities and information as to shares in their accounts to be communicated to our Company and therefore information of whom can not be seen by our Company are required to apply to intermediary agencies where their accounts are available and to remove “limitation” that block their identities and information as to shares in their accounts to be informed to our Company until 16.30 one day before the General Meeting (20 June 2018 Wednesday) at the latest in case they want to attend to General Meeting.

Further information can be obtained from “Investor Relations Department” at the Head Office of our Company.

In accordance with related legislation of Capital Markets Board and Ministry of Customs & Trade, 2017 annual report, independent audit report, financial statements, dividend distribution proposal and detailed information document including requirements of Corporate Governance Principles will be readily available for review of shareholders 21 days prior to the General Meeting at the Company’s Head Office, corporate web-site, [www.turcas.com.tr](http://www.turcas.com.tr) and Electronic General Assembly System.

Stakeholders and the press as well as other media organs are invited to our General Meeting without having the right to speak.

It is noticed to our shareholders respectfully.

**TURCAS PETROL A.Ş.**

## **2) FURTHER EXPLANATION ON AGENDA ITEMS OF 2017 ANNUAL GENERAL MEETING DATED 21 JUNE 2018**

### **1. Opening and constitution of Meeting Council,**

Pursuant to the provisions of “Turkish Commercial Code” (TCC), “Regulation on the Procedures and Principles of the General Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Trade to Attend These Meetings” (“Regulation”) and Article 7 of Internal Directive on Working Principles of General Assembly of the Company, Meeting Chairman and the Presidency Council to direct the General Meeting shall be formed.

### **2. Authorizing Meeting Council to sign the Annual General Meeting Minutes**

Pursuant to the provisions of “Turkish Commercial Code” (TCC) and Article 13 of Internal Directive on Working Principles of General Assembly of the Company, authorization of Meeting Council to sign the Annual General Meeting Minutes shall be submitted to the approval of our shareholders.

### **3. Review, discussion and approval of 2017 Annual Report,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about 2017 Annual Report which was available to our shareholders for examination purposes at the Head Office of our Company at the address of Ahi Evran Caddesi No:6 Aksoy Plaza Kat:7 34398 Maslak Sarıyer İstanbul 21 days prior to the date of the meeting, within statutory period, as well as at our corporate web site ([www.turcas.com.tr](http://www.turcas.com.tr)) and Electronic General Assembly portal of the Central Registry Agency. The mentioned annual report shall be submitted to the approval of our shareholders.

### **4. Review, discussion and approval of 2017 Independent Audit Report,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about 2017 Independent Audit Report which was available to our shareholders for examination purposes at the Head Office of our Company at the address of Ahi Evran Caddesi No:6 Aksoy Plaza Kat:7 34398 Maslak Sarıyer İstanbul 21 days prior to the date of the meeting, within statutory period, as well as at our corporate web site ([www.turcas.com.tr](http://www.turcas.com.tr)), Electronic General Assembly portal of the Central Registry Agency and Public Disclosure Platform (“PDP”). The mentioned independent audit report shall be submitted to the approval of our shareholders.

### **5. Review, discussion and approval of the year-end financial statements for the fiscal year 2017,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about Balance Sheet and Income Statement for the fiscal year 2017 which was available to our shareholders for examination purposes at the Head Office of our Company at the address of Ahi Evran Caddesi No:6 Aksoy Plaza Kat:7 34398 Maslak Sarıyer İstanbul 21 days prior to the date of the meeting, within statutory period, as well as at our corporate web site ([www.turcas.com.tr](http://www.turcas.com.tr)), Electronic General

Assembly portal of the Central Registry Agency and Public Disclosure Platform (“PDP”). The mentioned financial statements shall be submitted to the approval of our shareholders.

**6. Discussion and approval of offsetting of the previous years' profits and losses in the legal records of the Company,**

The offsetting of the previous years' profits and losses of the Company amounting to TL 348.831.744,13 existing in the legal records of the Company in accordance with the tax law on the appropriate financial statements will be submitted for the approval of the Ordinary General Meeting of the year 2017.

**7. Release of members of the Board of Directors of liability related to activities of the Company during 2017**

Pursuant to the provisions of TCC and Regulation, release of our members of the Board of Directors separately for activities, transactions and accounts for the year 2017 shall be submitted to the approval of our shareholders.

**8. Appointment of Board Members including the Independent Board Members in order to replace the vacated seats of members of the Board of Directors and determination of the term of office of the elected members,**

Proposal for Board Member appointments which are announced on 12.06.2018, 16.04.2018 and 17.11.2017 will be submitted for the approval of the Ordinary General Meeting of the year 2017. Resumes of the Board of Directors Candidates are presented in Annex-2.

**9. Discussion and approval of the rights of the members of the Board of Directors regarding remuneration, bonus, premium,**

The rights of the members of the Board of Directors regarding the wages, attendance fees, and rights such as bonus, premium will be submitted to approval of General Assembly.

**10. Approval of the Independent Audit Company for the fiscal year 2018 recommended by the Board of Directors in accordance with the Company's related Audit Committee report pursuant to the Turkish Commercial Code and the regulations of the Capital Markets Board,**

In accordance with TCC, Capital Markets Law and related legislation as well as the positive view of Audit Committee, the Board of Directors has resolved during their 25 April 2018 meeting that Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of Ernst & Young Global)'s election for the independent audit of financial statements of the fiscal year 2018 shall be submitted to the approval of shareholders during 2017 Annual General Meeting.

**11. Decreasing of the current paid-up capital of the Company from TRY 270,000,000.00 to TRY 255,600,000.00 (“Capital Decrease”)**

Our Company is the holder of its own 14,471,335.91 shares with a nominal value TL 14,471,335.91 corresponding to 5.36% of the paid-up capital of the Company. In order to eliminate the effect on our share price, caused by the uncertainty that our current or potential investors may feel about how the mentioned buy-back shares will be treated in the future; the portion of TL 14,400,000.00 of the shares with the nominal value of TL 14,471,335.91 repurchased in accordance with the legislation be redeemed according to the procedures of decreasing capital not requiring fund outflow in accordance with paragraph nine of Article 19 of the Communiqué with Serial No. II-22.1 on Buy-Back Shares of the Capital Markets Board and the current paid-up capital of the Company in the amount of TL 270,000,000.00 be decreased to TL 255,600,000.00 ("Capital Decrease Procedure"). Capital Decrease Procedure be made according to the procedure as provided for in paragraphs 6, 9, 10 and 11 of the Communiqué with Serial No. II-22.1 on Buy-Back Shares of the Capital Markets Board in accordance with the decision number 23/759 dated 24.07.2014 and Principle Resolution Number İ-SPK.22.1 of the Capital Markets Board;

The above mentioned Capital Decrease Procedure shall be submitted to the approval of shareholders during 2017 Annual General Meeting. The related approval of the Capital Markets Board was received on 30.03.2018.

**12. Amendment of the Article 6 with the heading “Capital and Shares” of the Article of Association of the Company as a result of Capital Decrease,**

The amendment of the Company's Articles of Incorporation in line with the Capital Decrease Procedure contained in Article 11 shall be submitted to the approval of the Ordinary General Assembly of the year 2017. The related amendment draft to the articles of association and information regarding the capital decrease has been presented in annex-3

**13. Discussion and approval of dividend distribution proposal by the Board of Directors for the fiscal year 2017,**

Dividend Distribution proposal, which was approved with Board resolution no. 2018/07, dated 16.04.2018 and disclosed to the public dated 16.04.2018, shall be submitted to approval of the General Assembly. 2016 Dividend Distribution Table has been presented in Annex-1.

**14. Informing General Assembly about the donations granted during the fiscal year of 2017,**

Pursuant to Articles of Association and Donation Policy, our Company has donated TL 278,983 of which TL 127,498 to Koç University, TL 53,486 to John Hopkins University; TL 36,382 to Turkish Industry & Business Association (TUSIAD), TL 22,500 to Istanbul Technical University; TL 17,817 to Turkish Education Volunteers Foundation; TL 11,000 to Turkish Enterprise and Business Confederation; TL 5,300 to Turkish Education Foundation, TL 5,000 to Aegean Forest Foundation during the fiscal year of 2017.

**15. Informing General Assembly about securities-pledges, mortgages and acquired incomes and benefits given in favour of third parties during the fiscal year of 2017,**

Pursuant to the Article 12 of the Capital Markets Board Corporate Governance Communique No. II-17.1, securities-pledges, mortgages and acquired incomes and benefits given in favor of third parties must be stipulated in a separate article of the agenda of the Annual General Meeting. This is indicated in footnote 13 of our financial statements dated 31 December 2017.

**16. Informing General Assembly about transactions stated in principles 1.3.6 and 1.3.7 (Annex -1) of Capital Markets Board’s Corporate Governance Communique no II.17.1,**

Since, it is only possible with approval of General Assembly for Shareholders, Board Members and Senior Managers who have management domination and their spouses and their blood relatives and relative by marriage to make transaction in a nature possible to cause interest conflict with the Company or Subsidiaries and to compete and to make transaction within framework of article 395 of Turkish Commercial Code titled “Prohibition of Transaction with the Company” and article 396 titled “Non-Competition” and in accordance with Corporate Governance Communiqué of Capital Markets Board No II.17.1, the mentioned permission request shall be submitted to approval of our shareholders at the General Assembly (18<sup>th</sup> agenda item) and General Assembly shall be informed on actions realized within this scope during 2017 in accordance with the approval of General Assembly in 3 May 2017.

**17. Informing General Assembly regarding transactions with related parties in 2017,**

Information shall be given to the General Assembly about transactions made with related parties in 2017 within the framework of regulations of Capital Markets Board. The mentioned transactions with related parties are indicated in footnote 27 of our financial statements dated 31 December 2017.

**18. Granting authorization to the Chairman and Members of the Board to make transactions written in articles 395 and 396 of Turkish Commercial Code,**

Since it is only possible for our Board Chairman and Members to make a transaction within the framework of article 395 Turkish Commercial Code titled “Prohibition of Transaction with the Company” and article 396 titled “Non-Competition” with the approval of General Assembly, the mentioned permission shall be submitted to approval of our shareholders at General Assembly.

**19. Response to questions asked by shareholders.**

Necessary explanations shall be made by the authorities if there are questions asked by the Shareholders.

### 3) ADDITIONAL DISCLOSURES PURSUANT TO THE REGULATIONS OF THE CAPITAL MARKETS BOARD

#### A-) Shareholding structure of our Company/Voting Rights/ Privilege at Voting

##### Turcas Petrol A.Ş. Shareholding Structure\*

Commercial Title/Name Surname	Share in Capital (TL)	Share in Capital (%)	Voting Right	Share in Voting Right (%)
Aksoy Holding A.Ş.	139.175.892	51,55	139.175.892	51,55
Traded at BIST	75.518.416	26,49	75.518.416	26,49
Turcas Petrol A.Ş. (Traded at BIST)	14.471.336	5,36	14.471.336	5,36
Other Individual and Corporate Investors	44.834.356	16,61	44.834.356	16,61
<b>TOTAL</b>	<b>270.000.000</b>	<b>100,00</b>	<b>270.000.000</b>	<b>100,00</b>

\*As of 23 May 2018

#### Information as to Shares Representing the Capital

Group	Registered/to the Bearer	Nominal Value of Each Share (TL)	Total Nominal Value (TL)	Share in Capital (%)	Privilege Type	Whether or Not Traded at Stock Exchange
A	REGISTERED	1,00	269.999.850,00	99,99	NO PRIVILEGE	TRADED
B	REGISTERED	1,00	112,50	0,00	PRIVILEGED	NOT TRADED
C	REGISTERED	1,00	37,50	0,00	PRIVILEGED	NOT TRADED
		<b>TOTAL</b>	<b>270.000.000,00</b>	<b>100,00</b>		

Majority of Group A shares are owned by Aksoy Holding A.Ş. In addition, all of Group C shares are owned by Aksoy Holding A.Ş.

In accordance with Article 29 of the Company's Articles of Association, every shareholder attending the General Meeting has the right to cast one vote for each share as per Article 434 of the Turkish Commercial Code.

**Scope of Privilege:** Owners of B and C Group shares have the privilege of appointing Board Member in accordance with Article 13 of Articles of Association of the Company.

#### B-) Changes in management and operations planned or realized in 2017 by the Company which have significant impact on corporate activities of the Company and its Subsidiaries

18 MW geothermal power plant investment of Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. become operational at the end of 2017.

#### C-) Requests of shareholders, Capital Markets Board and other public authorities to add items to the agenda

None.

#### D-) In case the general assembly meeting agenda includes dismissal, change or election of board of directors members, the grounds for their dismissal and change and with respect to the persons whose candidacy has been declared to the corporation; their CVs, duties

**that they have conducted in the last ten years and reasons for their resignation, feature and materiality level of their relation with the corporation and its related parties, whether they are independent or not, and information on similar issues which may affect the activities of the corporation should these persons are elected as members of Board of Directors:**

None.



## ANNEX.1 Dividend Distribution Table

TURCAS PETROL A.Ş. 2017 Dividend Distribution Table (TL)				
1. Paid-in Capital		270,000,000.00		
2. Legal Reserves (According to Statutory Books)		39,953,107.27		
Info on privileges regarding dividends, if there is any as per Articles of Association		None		
	According to CMB Financials	According to Statutory Financials		
3.	Profit Before Tax	64,823,058.00	142,474,674.00	
4.	Tax Expense (-)	-	-	
5.	Net Profit (=)	65,513,737.00	142,474,674.00	
6.	Prior Years' Losses (-)	0.00	348,831,744.13	
7.	1st Legal Reserves (-)	-	-	
8.	NET DISTRIBUTABLE PROFIT (=)	65,513,737.00	-	206,357,070.13
9.	Donations Made During the Year (+)	278,982.90		
10.	Net Distributable Profit including donations to be used in the calculation of first dividend (=)	65,792,719.90		
11.	First Dividend to Shareholders	0.00		
	-Cash	0.00		
	-Bonus Shares	0.00		
	Total	0.00		
12.	Dividends Distributed to Owners of Privileged Shares	0.00		
13.	Dividends to Board Members, Employees, etc.	0.00		
14.	Dividends Distributed to Redeemed Shareholders	0.00		
15.	Second Dividend to Shareholders	0.00		
16.	Second Legal Reserves	0.00		
17.	Statutory Reserves	0.00		
18.	Special Reserves	0.00		
19.	EXTRAORDINARY RESERVES	0.00	-	206,357,070.13
20.	Other sources provided for distribution Retained Earnings			

### DIVIDEND PAYOUT RATIO

	GROUP	TOTAL DIVIDEND AMOUNT (TL)		THE RATIO OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE INCOME(TL)		DIVIDEND PER SHARE WITH 1 TL NOMINAL VALUE	
		CASH (TL)	BONUS SHARES (TL)	RATIO (%)		AMOUNT (TL)	RATIO (%)
NET	A <sup>(1)</sup>	-	-	-	-	-	-
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

(1) Consists of free float and remaining other shares (not publicly traded). As these shareholders' identities (real/legal person) are unknown, net dividend amounts

## **ANNEX.2 Resumes of the Board of Directors Candidates**

### **M.TİMUÇİN TECMEN – RESUME**

M. Timuçin Tecmen has been involved in various departments within the company of Kalyon Tourism Group since 1995. He is taking part as Vice Chairman of the Board of Directors in YTC Turizm ve Enerji A.Ş. and Kalyon Otelcilik Turizm Pazarlama A.Ş., member of the Board of Directors of Kalyon Tourism Travel Agency since 2002. He assumed the post of Deputy Chairman of the Board of Directors of ATARD- Defense and Aerospace Industries Incorporated Between 2009 and 2014,

Mr. Tecmen is a member of TUROB- Turkey Hoteliers Association and TUGEV- Tourism Development, Education Foundation and Skal International.

M. Timuçin Tecmen started his university education at the Swiss American College of Switzerland and graduated from the Business Administration Department of the Faculty of Business Administration at Istanbul University in 1996. Mr. Timuçin Tecmen, who speaks English well, is married and has one child.

### **EMRE DERMAN – RESUME**

Beginning his career at White & Case on 1989, Mr. Derman worked on various top executive assignments at EBRD and White & Case. Between 1996 and 2008 he served as Lawyer, Partner and finally the Managing Partner at White & Case (İstanbul & London). Between 2008 and 2011 he was the Board Member of Akbank A.Ş. and Independent Board Member of Provus A.Ş and worked as Consultant to various companies. In 2011, Mr. Derman appointed as the Senior Country Officer for JP Morgan Turkey and Azerbaijan and worked on this position till 2014. Starting from 2014 he is a Board Member at Akbank A.Ş. and serving companies as a Strategic and Legal consultant.

Mr. Derman is Board Member of Turkey Offshore Racing Club and member of Robert Collage Board of Trustees. Mr. Emre Derman completed his high school education at Robert College. He holds a Bachelor's Degree in Law from İstanbul University and Master's Degree in Law from Harvard University.

Main duties Mr. Emre Derman has conducted during the last 10 years have been summarized above. There would be no major issues according to Capital Markets Board Corporate Governance Principles, which may negatively affect the activities if Mr. Emre Derman is elected as an Independent member of Board of Directors. Independency statement of Mr. Emre Derman is obtained.

### **MUSTAFA ERGEN – RESUME**

Mr. Mustafa Ergen is professor of Electrical Engineering in Istanbul Technical University, president of venture funded Ambeent Inc. focusing 5G and Artificial Intelligence plus Chief Technology Advisor in Türk Telekom.

Mr. Ergen completed four programs from UC Berkeley: PhD and MS degrees in electrical engineering, MA degree from international studies and MOT program from HAAS Business school. His BS is from electrical engineering as Valedictorian from Orta Doğu Technical University.

**ANNEX.3 Amendment Draft To The Articles Of Association Of  
Turcas Petrol Anonim Şirketi And Information Regarding The Capital Decrease**

**AMENDMENT DRAFT TO THE ARTICLES OF ASSOCIATION OF  
TURCAS PETROL ANONİM ŞİRKETİ**

PREVIOUS FORM	NEW FORM
<p><b>CAPITAL AND SHARES:</b> Article 6</p> <p>The capital of the Company is TRY 270,000,000.- (two hundred and seventy million Turkish Liras) divided into 270.000.000 shares, each with a nominal value of TRY 1 (one Turkish Liras).</p> <p>The capital of TRY 225,000,000.- (two hundred and twenty five million Turkish Liras) constituting the previous capital has been fully paid up. The previous capital of the Company has been divided into shares of Group A, B and C as stated earlier and all of such shares have been entered in the Stock Ledger.</p> <p>a) Shares of GROUP A: The registered Shares of Group A are 224.999.850 shares which correspond to a value of TRY 224,999,850.- (two hundred and twenty four million nine hundred and ninety nine thousand eight hundred and fifty Turkish Liras).</p> <p>b) Shares of GROUP B: The registered Shares of Group B are 112,50 shares which correspond to a value of TRY 112.50.- (one hundred and twelve Turkish Liras point fifty Kurus).</p>	<p><b>CAPITAL AND SHARES :</b> Article 6</p> <p>The capital of the Company is TRY <b>255,600,000.- (two hundred and fifty five million six hundred thousand Turkish Liras) divided into 255.600.000</b> shares, each with a nominal value of TRY 1 (one Turkish Liras).</p> <p><b>The previous capital being TRY 270,00,000.- has this time been decreased to TRY 255,600,000.- (two hundred and fifty five million six hundred thousand Turkish Liras) by being decreased by TRY 14,400,000.- (fourteen million four hundred thousand Turkish Liras)</b></p> <p>The capital of TRY <b>270,000,000.- (two hundred and seventy million Turkish Liras)</b> constituting the previous capital has been fully paid up. The previous capital of the Company has been divided into shares of Group A, B and C as stated earlier and all of such shares have been entered in the Stock Ledger.</p> <p>a) Shares of GROUP A: The registered Shares of Group A are <b>269.999.850</b> shares which correspond to a value of TRY <b>269,999,850.- (two hundred and sixty nine million nine hundred and ninety nine thousand eight hundred and fifty Turkish Liras)</b>.</p> <p>b) Shares of GROUP B: The registered Shares of Group B are 112,50 shares which correspond to a value of TL 112.50.- (one hundred and twelve Turkish Liras point fifty Kurus).</p>

<p>c) Shares of GROUP C: The registered Shares of Group C are 37,50 shares which correspond to a value of TRY 37.50.- (thirty seven Turkish Liras point fifty Kurus).</p> <p>This time, of 45.000.000 Shares of Group A in the amount of TRY 45,000,000.- (forty five million Turkish Liras) increased, TRY 25,364,207.38- has been met from Participation Shares' Sales Revenues, TRY 19,635,792.62- from Retained Earnings and shall be distributed to shareholders in proportion to their shares.</p> <p>The shares representing the company capital are monitored within the framework of book-entry principles.</p> <p>General Assembly is authorized to issue shares above the par value. The amounts of share corresponding to the capital subscribed for in cash are paid in cash and in full.</p> <p>No new shares can be issued unless the issued shares are fully sold and their prices paid.</p>	<p>c) Shares of GROUP C: The registered Shares of Group C are 37,50 shares which correspond to a value of TRY 37.50.- (thirty seven Turkish Liras point fifty Kurus).</p> <p>This time, <b>the decreased 14.400.000 shares in the amount of TRY 14,400,000.- (fourteen million four hundred thousand Turkish Liras consist of registered shares of Group A which total to shares in the amount of TRY 255,599,850.- (two hundred and fifty five million five hundred and ninety nine thousand eight hundred and fifty Turkish Liras). Within this scope, current shares are as follows:</b></p> <p><b>a) Shares of GROUP A: The registered Shares of Group A are 255.599.850 shares which correspond to a value of TRY 255,599,850.- (two hundred and fifty five million five hundred and ninety nine thousand eight hundred and fifty Turkish Liras ).</b></p> <p><b>b) Shares of GROUP B: The registered Shares of Group B are 112,50 shares which correspond to a value of TRY 112.50.- (one hundred and twelve Turkish Liras point fifty Kurus).</b></p> <p><b>c) Shares of GROUP C: The registered Shares of Group C are 37,50 shares which correspond to a value of TRY 37.50.- (thirty seven Turkish Liras point fifty Kurus).</b></p> <p>The shares representing the company capital are monitored within the framework of book-entry principles.</p> <p>General Assembly is authorized to issue shares above the par value. The amounts of share corresponding to the capital subscribed for in cash are paid in cash and in full.</p> <p>No new shares can be issued unless the issued shares are fully sold and their prices paid.</p>
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**INFORMATION REGARDING THE CAPITAL DECREASE  
TO BE PRESENTED TO THE GENERAL ASSEMBLY**

In accordance with the Program of Buy-Back of Company Shares approved in the Extraordinary General Assembly Meeting of the Company dated 01.11.2012, TL 14,400,000.00 of the shares with the nominal value of TL 14,471,335.91, corresponding to 5.36% of the paid-up capital of the Company, repurchased in accordance with the legislation be redeemed according to the procedures of decreasing capital not requiring fund outflow in accordance with paragraph nine of Article 19 of the Communiqué with Serial No. II-22.1 on Buy-Back Shares of the Capital Markets Board and the current paid-up capital of the Company in the amount of TL 270,000,000.00 be decreased to TL 255,600,000.00 (“Capital Decrease Procedure”) and said Capital Decrease Procedure be made according to the procedure as provided for in paragraphs 6, 9, 10 and 11 of the Communiqué with Serial No. II-22.1 on Buy-Back Shares of the Capital Markets Board in accordance with the decision number 23/759 dated 24.07.2014 and Principle Resolution Number İ-SPK.22.1 of the Capital Markets Board; and in accordance with sub-paragraph (c) of paragraph 11 of Article 19 with heading “capital decrease not requiring fund outflow” of the Communiqué with Serial No. VII-128.1 on Shares of the Capital Markets Board, the Capital Decrease Report prepared by the Board of Directors have been submitted to the Capital Markets Board and approval have been obtained from the Capital Markets Board in relation to Capital Decrease Report and Capital Decrease Procedure.

Capital Decrease Procedure aims to eliminate the effect on our share price, caused by the uncertainty that our current or potential investors may feel about how the mentioned buy-back shares will be treated in the future. As per the approval, the Capital Decrease Procedure shall be presented to the General Assembly to be held at the address of Conrad Hotel, Beşiktaş, Istanbul at 10.30 a.m. on 21 June 2018, Thursday.