

## AYGAZ A.Ş.

### INFORMATION DOCUMENT FOR THE MARCH 29, 2017 ORDINARY GENERAL ASSEMBLY MEETING TO REVIEW FINANCIAL YEAR 2016

#### 1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY MEETING, TO BE HELD ON MARCH 29, 2017

Aygaz A.Ş.'s Ordinary General Assembly Meeting shall be convened on 29 March 2017 Wednesday at 15:00 (12:00 GMT) at the address of Büyükdere Caddesi, No: 145/1 Zincirlikuyu, İstanbul / Şişli (Tel: +90 212 354 1515, Faks: +90 212 288 31 51). At the meeting, the activities of the Company for the fiscal year 2016 will be reviewed, the following agenda will be discussed, and a resolution regarding the agenda will be reached.

In accordance with the legal requirements, 2016 Financial Statements, the Independent Auditor's Report (prepared by our Independent Auditors, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, a member firm of Ernst & Young Global Limited), and the Board of Directors' Annual Report, including the Corporate Governance Compliance Report and the dividend distribution proposal of the Board of Directors, along with the following agenda and the Memorandum containing the information required by Capital Markets Board regulations shall be made available to the shareholders at Company Headquarters, on the Company's corporate website at [www.aygaz.com.tr](http://www.aygaz.com.tr), on the Public Disclosure Platform, and in the Electronic General Meeting System of the Central Registry Agency three weeks prior to the meeting.

Shareholders who are unable to attend the meeting in person, save for the rights and obligations of the ones participating electronically via the Electronic General Assembly System, shall prepare their proxy documents as per the attached sample forms, or shall obtain a proxy sample form from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent-Istanbul), our Company, or from the corporate website at [www.aygaz.com.tr](http://www.aygaz.com.tr) and shall submit to the Company the notarized proxy documents issued in accordance with the requirements of the Declaration No. II-30.1, Use of Proxy Vote and Proxy Collection through Invitation, enacted on 24 December 2013 and published in Official Gazette No. 28861. A proxy document is not required from a proxy appointed electronically through the Electronic General Meeting System. **The proxy documents which do not comply with the requirements of the aforementioned Declaration, and the sample form attached hereto shall not be accepted, given our legal liability.**

Shareholders who intend to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our Company's website at [www.aygaz.com.tr](http://www.aygaz.com.tr) or from the Company Headquarters (Tel: +90 212 354 15 15) to ensure that they comply with the provisions of the by-laws for the Electronic Shareholders Meeting for Joint Stock Companies.

Pursuant to Paragraph 4 of Article 415 of Turkish Commercial Code No. 6102 and Paragraph 1 of Article 30 of the Capital Markets Law, the right to attend the General Assembly and voting rights shall not be conditional on depositing the share certificates. Accordingly, shareholders participating in the General Assembly Meeting do not need to block their shares.

At the Ordinary General Assembly Meeting, the voters shall use open voting system by raising hands, without prejudice to the provisions of electronic voting regarding the voting of each item on the agenda.

All the holders of relevant rights and stakeholders as well as the press are invited to the General Assembly Meeting.

Pursuant to the Capital Markets Law, shareholders holding registered shares that are traded on the Stock Exchange will not receive a separate registered invitation letter for the meeting.

It is submitted to the shareholders with due respect.

**AYGAZ A.Ş.**  
**Board of Directors**

Company Address: Büyükdere Caddesi, No: 145/1 Zincirlikuyu, İstanbul / Şişli  
Trade Registry and Number: İstanbul/80651  
Mersis Number: 0119005102700141

## **2. ADDITIONAL EXPLANATIONS IN VIEW OF CMB REGULATIONS**

The additional explanations required pursuant to Capital Markets Board (CMB) Corporate Governance Declaration No. II-17.1, enacted January 3rd 2014, are made in the related articles of the agenda below. Other mandatory general explanations are provided in this section.

### **2.1. Capital Structure and Voting Rights**

As of the date of the publication of this Information Document, information concerning the total number of shares and voting rights, and if there are privileged shares in the share capital, the number of shares and voting right representing each privileged share, and the type of privilege, is provided below:

Name and Title of the Person or Company	Amount of Shares (TL)	Share Stake (%)	Voting Rights	Voting Rights Ratio (%)
Koç Group	153,642,569.58	51.21	15,364,256,958	51.21
Koç Holding A.Ş.	122,053,514.26	40.68	12,205,351,426	40.68
Temel Ticaret ve Yatırım A.Ş.*	17,324,090.53	5.77	1,732,409,053	5.77
Koç Family	14,264,964.78	4.76	1,426,496,478	4.76
<b>Other</b>	<b>146,357,430.42</b>	<b>48.79</b>	<b>14,635,743,042</b>	<b>48.79</b>
Liquid Petroleum Gas Development Company (LPGDC)	73,545,660.24	24.52	7,354,566,024	24.52
Free Floating**	72,811,770.18	24.27	7,281,177,018	24.27
<b>Total</b>	<b>300,000,000.00</b>	<b>100.00</b>	<b>30,000,000,000</b>	<b>100.00</b>

\* The majority of Temel Ticaret ve Yatırım A.Ş. shares belong to the members of the Koç Family.

\*\* The free floating shares in the amount of TL 2,725,041.31 (ratio to capital 0.91%) belong to Hilal Madeni Eşya Ticaret Sanayi ve Yatırım A.Ş., of which LPGDC is a 100% shareholder.

### **2.2. Managerial and Operational Changes in Our Company or our Subsidiaries' which may Significantly Affect the Activities of our Company**

There are no managerial or operational changes that has or that will substantially affect the Company's activities in the previous accounting period, or planned for the upcoming accounting periods.

### **2.3. Information regarding demands of shareholders for placing an article on the agenda**

No request has been submitted in writing to the Aygaz Investment Relations Department concerning the desire of shareholders to have an article placed on the agenda.

### **3. STATEMENTS ABOUT THE ARTICLES OF THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON MARCH 29, 2017**

#### **1. Opening and election of the Chairmanship Committee**

Within the framework of the provisions of “Turkish Commercial Code (TCC) no. 6102” and “the Regulation of the Ministry of Customs and Commerce regarding Principles and Procedures of General Assembly Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Commerce to be Present in these Meetings” (“Regulation” or “General Assembly Regulation”), and General Assembly Principles Article 7, a Chairman shall be elected to chair the General Assembly meeting. Within the framework of the General Assembly Principles, at least one person will be appointed as Secretary. The Chairman may also appoint adequate number of vote-collectors.

#### **2. Reading, discussing and approving the 2016 Annual Report as prepared by the Board of Directors**

Within the framework of the TCC, the Regulation and the Capital Markets Law and related regulations, information shall be given on the 2016 Annual Report that includes the Corporate Governance Compliance Report, which has been announced at the Headquarters of our Company, on the Electronic General Assembly portal of the Central Registry Agency and on the corporate website of the Company at [www.aygaz.com.tr](http://www.aygaz.com.tr) for review of our shareholders three weeks before the General Assembly meeting and it shall be presented for perusal and approval of our shareholders.

#### **3. Reading the Independent Audit Report Summary for the accounting year 2016**

A summary of the Independent Auditor’s Report, which is prepared according to the TCC and CMB regulations and posted three weeks prior to the General Assembly meeting at Company Headquarters, the Electronic General Assembly Portal of the CRA, on the PDP and [www.aygaz.com.tr](http://www.aygaz.com.tr), will be read aloud.

#### **4. Reading, discussing and approving the Financial Statements for the accounting year 2016**

Information about our financial statements and legal statutory accounts, which, pursuant to the TCC, bylaws and Capital Markets Law are posted three weeks prior to the General Assembly meeting at our Company Headquarters, on the Electronic General Assembly Portal of the CRA, on the PDP and on [www.aygaz.com.tr](http://www.aygaz.com.tr) for review of our shareholders, shall be provided to our shareholders for their evaluation and approval.

#### **5. Release of each member of the Board of Directors from liability for the affairs of the Company for the year 2016**

Pursuant to the TCC and Bylaws, the release of our Board of Directors members for the activities, transactions and accounts for the year 2016 shall be submitted to the General Assembly for its approval.

**6. Acceptance, acceptance after amendment or refusal of the offer of the Board of Directors in accordance with the Company's profit distribution policy regarding the distribution of the profits of 2016 and the date of the distribution of profits,**

According to our financial statements, prepared by our Company within the framework of the Turkish Commercial Code and Capital Markets Law and related regulations in compliance with Turkish Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst & Young Global Limited) covering the accounting period between 01.01.2016 – 31.12.2016; consolidated profit attributable to equity holders of the parent in the amount of TL 415.670.000 has been obtained. The dividend payment proposal drawn up in accordance with the Dividend Distribution Table format provided in the Dividend Declaration numbered II-19.1 and the Dividend Manual announced in accordance with the said Declaration, and taking into account the Company's Dividend Distribution Policy, long-term strategy, investment and financing policies, profitability and liquidity, is provided in **Appendix 1**.

**7. Acceptance, acceptance after amendment or refusal of the Board of Directors' offer for amending Article 6 entitled "Capital" of the Company Articles of Association,**

Amendment of Company's Articles of Incorporation provided together with the related Board of Directors' Resolution in **Appendix 2**, will be submitted to the approval of General Assembly. Approval of Capital Markets Board is received with the letter dated 08 February 2017, and approval of Ministry of Customs and Trade of Turkey is received on 13 February 2017.

**8. Determining the number and terms of the Members of the Board of Directors, making elections in accordance with the determined number of members, selecting the Independent Members of the Board of Directors**

The number of members on the Board of Directors and their terms of office shall be designated in accordance with CMB regulations, TCC and Bylaws and the principles governing the selection of Members of the Board of Directors in the Articles of Association. New members to replace Board members whose terms of office have expired accordingly shall be elected. In addition, Independent Members of the Board of Directors shall be elected in compliance with the CMB's Corporate Governance Declaration No. II-17.1.

According to Article 11 of the Articles of Association, Company's business and management are conducted by a Board of Directors consisting of at least 5 members and for a term of at most 3 years, elected in line with the TCC and CMB regulations. General Assembly may decide on the renewal of the Board of Directors even if their terms of office have not expired.

Three of the elected Board of Director members are required to meet the independence criteria as defined in the CMB's mandatory Corporate Governance Principles.

The Board of Directors, upon receipt of a proposal of the Candidate Nominating and Remuneration Committee, has designated the following candidates as the Independent Members of the Board of Directors: Ayşe Canan Ediboğlu, Mansur Özgün and Tunç Uluğ. Approval for the independent members from Capital Markets Board is received with the letter dated 13 February 2017.

The CVs of Board of Directors candidates and Declarations of Independence for the independent member candidates are provided in **Appendix 3**.

**9. Informing the shareholders about the Remuneration Policy for the Members of the Board of Directors and senior executives and about the payments made within the scope of the policy and its approval in accordance with Corporate Governance Principles**

According to CMB's mandatory Corporate Governance Principle No. 4.6.2, the principles for the remuneration of Board of Directors' members and senior management shall be made available in writing and included as a separate article on the General Assembly Meeting agenda to enable the shareholders to share their opinions on the same. Remuneration Policy created for this purpose is attached as **Appendix 4**. As specified by footnote No. 31 of 2016 Financial Statements, TL 34.981 thousand - of benefits were provided for senior management of Aygaz A.Ş. in 2016.

**10. Determining the annual gross salaries of the Members of the Board of Directors**

The monthly gross remuneration to be paid to the members of the Board of Directors in 2017 shall be determined by the shareholders as per our Remuneration Policy submitted for the approval the shareholders as per item 9 of the agenda .

**11. Approving the appointment of the Independent Audit Firm as selected by the Board of Directors, in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Board regulations**

In accordance with the Turkish Commercial Code and Capital Markets Board regulations, and taking into consideration the opinion of the Audit Committee, the Board of Directors resolved at their 07 September 2016 meeting to have PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of PricewaterhouseCoopers) (the previous commercial title Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) serve as the independent auditors of the Company's financial reports for the financial year 2017 and to let it conduct the other activities that fall within its purview within the context of the regulations. This decision shall be submitted to the General Assembly for ratification.

**12. Informing the shareholders about the donations made by the Company in 2016 and setting of an upper limit for the donations to be made in 2017**

Pursuant to Article 6 of the CMB's Declaration on Dividends No. II-19.1, the limit of donations to be made must be determined by the General Assembly, in cases not specified in the Articles of Association, and information concerning the donations and payments made must be provided to shareholders at the General Assembly. Donations totaling TL 8.038.408,27 were made to foundations and associations in 2016. The upper limit of donations to be made in 2017 shall be decided by the General Assembly.

**13. Informing the shareholders about guarantees, pledges, mortgages and surety granted in favor of third parties by the Company and its subsidiaries in 2016 and of any benefits or income in accordance with Capital Markets Board legislation**

Pursuant to Article 12 of the Capital Markets Board Corporate Governance Declaration No. II-17.1, income or benefits derived by our Company and/or its Subsidiaries from guarantees, pledges, mortgages and sureties against third parties must be stipulated in a separate article of the agenda of the General Assembly. This is indicated in footnote No. 15 of our financial statements dated 31 December 2016.

**14. Authorising the shareholders holding management capacity, the Members of the Board of Directors, top managers and their spouses and relatives by blood and marriage up to the second degree within the framework of the articles 395th and 396th of Turkish Commercial Code and informing shareholders about transactions performed within the scope during 2016 as per the Corporate Governance Communiqué of Capital Markets Board,**

The members of the Board of Directors can do business only with the approval of the General Assembly, as stipulated in the first subsection of Articles 395 and 396 of the TCC entitled Competition Ban and Ban on doing Business with the Company and Borrowing for the Company.

Pursuant to the Capital Markets Board Mandatory 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 said transactions must be included as a separate article on the agenda and recorded into the minutes of the General Assembly. To fulfill the requirements of these regulations, permission shall be sought from the shareholders at the General Assembly and the shareholders shall be informed that no such transaction took place in 2016 in this respect.

**15. Wishes and Opinions.**

## APPENDICES:

### APPENDIX 1 - 2017 DIVIDEND DISTRIBUTION PROPOSAL

AYGAZ A.Ş. Dividend Distribution Table (TL)			
	According to CMB	According to Statutory Records	
<b>DISTRIBUTION OF PERIOD PROFIT</b>			
1.	Paid in Capital/Issued Capital	300.000.000,00	300.000.000,00
2.	Total Legal Reserves (According to Statutory Records)	193.741.078,56	193.741.078,56
Information on privilege in profit distribution, if there is any in the Articles of Association: *			
<b>3.</b>	<b>Current period profit</b>	<b>468.818.000,00</b>	<b>356.766.736,44</b>
4.	Taxes payable ( - )	53.148.000,00	54.235.801,87
<b>5.</b>	<b>Net profit ( = )</b>	<b>415.670.000,00</b>	<b>302.530.934,57</b>
6.	Previous years losses ( - )	0,00	0,00
7.	General legal reserves ( - )	0,00	0,00
<b>8.</b>	<b>DISTRIBUTABLE NET PROFIT FOR THE PERIOD ( = )</b>	<b>415.670.000,00</b>	<b>302.530.934,57</b>
9.	Donations made during the year ( + )	8.038.408,27	0,00
10.	Net Distributable Profit added donations	423.708.408,27	0,00
<b>First dividend to Shareholders</b>			
<b>11.</b>	-Cash	211.854.204,14	15.000.000,00
	-Bonus	0,00	0,00
	<b>- Total</b>	<b>211.854.204,14</b>	<b>15.000.000,00</b>
12.	Dividend to privileged shareholders	0,00	0,00
<b>Other distributed dividend - Dağıtılan Diğer Kar Payı</b>			
13.	- Dividend to the Board Members	0,00	0,00
	- Dividend to the Employees	0,00	0,00
	- Other Dividend, excluding shareholders	0,00	0,00
	Dividend to redeemed shareholders	0,00	0,00
15.	Secondary dividends to shareholders	160.315.795,87	261.391.758,70
16.	General Legal Reserves - Genel Kanuni yedek Akçe	43.500.000,00	26.139.175,87
17.	Statutory reserves	0,00	0,00
18.	Special reserves	0,00	0,00
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	<b>0,00</b>	<b>0,00</b>
<b>Other Resources to be distributed</b>			
20.	- Previous years profit	0,00	0,00
	- Extraordinary reserves	77.830.000,00	173.608.241,30
	- Other distributable reserves as per the law and the Articles of Association	0,00	0,00
21.	Other Resources to be distributed legal reserves	0,00	17.360.824,13

AYGAZ A.Ş. DIVIDEND RATIO TABLE						
GROUP	TOTAL AMOUNT OF DIVIDEND DISTRIBUTED		TOTAL DISTRIBUTED DIVIDEND/NET DISTRIBUTED PROFIT	Dividend per share with nominal value of TL 1		
	CASH (TL)	BONUS (TL)	ORAN (%)	AMOUNT (TL)	RATIO (%)	
NET **	-	432.968.763,29	0,00	104,16	1,2750	127,50
* No privilege in profit distribution						
** Calculation of net profit distribution: 15% withholding tax will be applied to the dividends paid to real persons since there is no exemption. The calculation was made on the assumption that the dividend payments made in 2016 were 74.77% for corporate taxpayers and the remaining 25.23% were for real person taxpayers.						

## APPENDIX 2 - Amendments to the Articles of Incorporation and related Board of Directors' Resolution

Resolution of Aygaz A.Ş. Board of Directors dated 25 January 2017;

It is decided to obtain necessary permissions from Capital Markets Board and Ministry of Customs and Commerce to amend Article No. 6 of the Company's Articles of Incorporation with the heading "Share Capital"; with an aim to extend the validity period of the registered share capital ceiling and to submit the following new text that includes the amendments to the approval of the shareholders at the first General Assembly of Shareholders.

OLD TEXT	NEW TEXT
<p>Article 6 – CAPITAL</p> <p>In accordance with the provisions of the Capital Market Law, the Company has accepted the registered capital system and adopted this system with the permission no. 96 of the Capital Markets Board dated 2 March 1987.</p> <p>Registered capital of the company shall be TL 500,000,000 (Five hundred million Turkish Liras), and divided into 50,000,000,000 (fifty billion Turkish Liras) shares with 1 (one) Kuruş value per share.</p> <p>The authorised capital limit granted by the Capital Markets Board is valid for (five years) between 2013 and 2017. Even if the authorised capital limit permitted as above is not reached as of the end of 2017, in order for the Board of Directors to take a capital increase decision after 2017, authorization is required to be taken from the General Assembly of Shareholders for a new term of up to 5 years, with a prior permission of the Capital Markets Board for the previous upper limit or for a new upper limit amount. If such authorization is not taken, the company shall be considered as having abandoned the registered capital system.</p> <p>The issued capital of the company is TL 300,000,000.00 (three hundred million Turkish Liras) and the entire issued capital has been pledged and paid in full by the partners free of collusion. Issued capital is divided into 30,000,000,000 (thirty billion) registered shares with 1 (one) Kuruş nominal value per share.</p> <p>The shares making up the capital are monitored on the records within the framework of the recording rules. The capital of the company may be increased or decreased as necessary within the framework of the</p>	<p>Article 6 – CAPITAL</p> <p>In accordance with the provisions of the Capital Market Law, the Company has accepted the registered capital system and adopted this system with the permission no. 96 of the Capital Markets Board dated 2 March 1987.</p> <p>Registered capital of the company shall be TL 500,000,000 (Five hundred million Turkish Liras), and divided into 50,000,000,000 (fifty billion Turkish Liras) shares with 1 (one) Kuruş value per share.</p> <p>The authorised capital limit granted by the Capital Markets Board is valid for (five years) between 2017 and 2021. Even if the authorised capital limit permitted as above is not reached as of the end of 2021, in order for the Board of Directors to take a capital increase decision after 2021, authorization is required to be taken from the General Assembly of Shareholders for a new term of up to 5 years, with a prior permission of the Capital Markets Board for the previous upper limit or for a new upper limit amount. If such authorization is not taken, the Company cannot make a capital increase by a decision of the board of directors.</p> <p>The issued capital of the company is TL 300,000,000.00 (three hundred million Turkish Liras) and the entire issued capital has been pledged and paid in full by the partners free of collusion. Issued capital is divided into 30,000,000,000 (thirty billion) registered shares with 1 (one) Kuruş nominal value per share.</p> <p>The shares making up the capital are monitored on the records within the framework of the recording rules. The capital of the company may be increased or decreased as necessary within the framework of the</p>



provisions of the Turkish Commercial Code and Capital Market legislation.

The Board of Directors is authorized to increase the issued capital by issuing new shares up to the ceiling value of the registered capital as deemed necessary in compliance with the provisions of the Capital Market Law as well as restricting the rights of the owners of the privileged shares and limiting the right of the shareholders to buy new shares. The power of restricting the right of buying new shares may not be used in a manner that might create inequality between the shareholders.

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The Board of Directors is authorized to increase the issued capital by issuing new shares up to the ceiling value of the registered capital as deemed necessary in compliance with the provisions of the Capital Market Law as well as restricting the rights of the owners of the privileged shares and limiting the right of the shareholders to buy new shares. The power of restricting the right of buying new shares may not be used in a manner that might create inequality between the shareholders.

## **APPENDIX 3 - CVs OF BOARD OF DIRECTORS CANDIDATES**

### **RAHMI M. KOÇ**

Chairman of the Board of Directors

Mr. Koç completed his graduate studies in Industrial Management at Johns Hopkins University in the USA. He began his career in 1958 at Otokoç. In 1960, he was appointed to Koç Ticaret A.Ş., which represented the Koç Group in Ankara. In 1964, he was appointed as the General Coordinator of Koç Holding A.Ş. Subsequently, he served as Chairman of the Executive Committee in 1970, Deputy Chairman of the Management Committee in 1975, and Chairman of the Management Committee at Koç Holding A.Ş. in 1980. From 1984 to 2003, he carried out the duties of Chairman of the Board of Directors of Koç Holding A.Ş. Rahmi M. Koç served as the President of the International Chamber of Commerce from 1995-1996. He has been serving as the Honorary Chairman of Koç Holding A.Ş. since 2003 and has been the Chairman of the Board of Directors at Aygaz A.Ş. since 1996.

### **ÖMER M. KOÇ**

Vice Chairman of the Board of Directors

Completed his high school education at Robert College, Ömer Koç received his BA in Ancient Greek at Columbia University in 1985; then earned his MBA from the same university in 1989. He began his professional career in 1985 as a Sales Clerk at Kofisa Trading Company in Switzerland. From 1989 to 1990, he worked as a sales representative at Ramerica Int. Inc. in New York and then became a manager at Gazal A.Ş. in 1991. Ömer M. Koç served as Financial Coordinator at Koç Holding A.Ş. from 1992 to 1996, Vice President and then President of Energy Group between 1996 and 2004. Since April 2004, Mr. Koç has been on the Board of Directors of Koç Holding and served as Vice Chairman between 2008 and 2017. As of February 22, Mr. Koç became Chairman of Koç Holding. At Aygaz A.Ş. he has been on the Board of Directors since 1996 and has acted as the Vice Chairman since 2001.

### **ALEXANDRE F.J. PICCIOTTO**

Member of the Board of Directors

Mr. Picciotto is one of the grandsons of Mr. Hillel Picciotto who established Aygaz in 1961 with Mr. Vehbi Koç. Graduated from Ecole Supérieure de Gestion (Paris) in 1990, he started his career in Orfim, the investment company of his family in Paris, France. From 1990 to 2003, he managed different subsidiaries operating in various fields including real estate, movie business and watch industry. In 2003, he was appointed General Manager at Liquid Petroleum Gas Development Company, the Picciotto family owned company, which is historical shareholder of Aygaz. Then he was appointed General Manager at Orfim in 2008. Mr. Picciotto is also member of the board of directors at various companies in both Turkey and France. He has been serving on the Aygaz Board of Directors since July 2012.

## **DR. BÜLENT BULGURLU**

Member of the Board of Directors

After completing his higher education at the Ankara College of Engineering and Architecture, he continued on to a doctoral program at the Norwegian University of Science and Technology. Dr. Bülent Bulgurlu began his career working as a civil engineer at Elliot Strömme in Oslo in 1972. From 1977 to 1979, he worked as a civil engineer at İntes A.Ş. After working at Garanti İnşaat A.Ş. as Engineering, Planning and Construction Manager, Work Site Coordination and Construction Manager, Assistant General Manager and General Manager, he started working at Koç Holding A.Ş. in 1996 as Vice President of the Tourism and Services Group. Dr. Bulgurlu became President of the Tourism and Services Group in 2000 and President of the Tourism and Construction Group in 2001. In 2004, Dr. Bulgurlu was President of the Durable Consumer Goods and Construction Group and served as the CEO of Koç Holding A.Ş. from 2007 to 2010. Dr. Bülent Bulgurlu has been serving on the Aygaz Board of Directors since 2008.

## **LEVENT ÇAKIROĞLU**

Member of the Board of Directors

He graduated from Ankara University School of Political Science in Business Administration and completed his MBA at the University of Illinois. He began his career at the Ministry of Finance as junior accountant in 1988. Between 1997 and 1998, he worked as part-time lecturer at Bilkent University and as Vice President of Financial Crimes Investigation Board at Ministry of Finance. He joined Koç Holding in 1998 as Finance Group Coordinator. He was the CEO of Koçtaş between 2002 and 2007 and Migros between 2007 and 2008. After becoming the CEO of Arçelik in 2008, he was also appointed as the President of Consumer Durables Group at Koç Holding in April 2010. He was appointed as the CEO of Koç Holding by proxy as of February, 2016. He became the CEO after the Ordinary General Assembly of Koç Holding on 31 March 2016. He became a member of Koç Holding Board of Directors in 2016. He serves on the Aygaz Board of Directors since 2015.

## **YAĞIZ EYÜBOĞLU**

Member of the Board of Directors

Mr. Yağız Eyüboğlu graduated from Boğaziçi University with BA degree in Economics in 1991, he earned his MBA from Koç University in 1996. Mr. Yağız Eyüboğlu started his professional life as a Management Trainee at Arçelik A.Ş. in 1991. In 1993, he was promoted to Koç Holding Headquarters, where he worked for more than 10 years, as Auditor, Senior Internal Auditor, Assistant Financial Coordinator and Financial Coordinator, respectively. Between 2004 and 2009, Eyüboğlu assumed several responsibilities within the Koç Group, namely, CFO of Arçelik A.Ş., CEO and Board Member of Beko Elektronik A.Ş., Assistant to the President of the Koç Holding Foreign Trade and Tourism Group, and Human Resources Director of Koç Holding. In 2009 he joined Aygaz A.Ş. as the General Manager. Mr. Yağız Eyüboğlu is assigned to Koç Holding as the Energy Group Deputy President as of

October 2015, afterward on April 2016, he is assigned as as the Energy Group President. Eyübođlu, who is a member of the Board of Directors of various companies of Koç Group, is the President of the World LPG Association, the Chairman of the Board of Trustees of the Turkish Family Planning Association and Board of Directors of International Competition Research Institute. He became a member of Aygaz Board of Directors in 2016.

## **AYŞE CANAN EDİBOĐLU**

Independent Member of the Board of Directors

Ayşe Canan Edibođlu completed her high school education at Ancaster House School and her graduate studies at Southampton University (UK) obtaining a master's degree in financial control and management. Following her studies at the same university as a Research Assistant, she continued her professional life as Planning Manager at Shell in 1980. Assuming various responsibilities at Shell Turkey, she was appointed as General Manager in 2002 and the Country Officer in 2006. She served as a Board Member at Shell-Turcas Petrol A.Ş. from 2006 to 2009. Ayşe Canan Edibođlu has been serving on the Aygaz Board of Directors since 2012.

## **TUNÇ ULUĐ**

Independent Member of the Board of Directors

Tunç Uluđ completed his graduate degrees at Robert College Engineering School and Columbia University (USA). He joined Koç Group in 1969 at Aygaz A.Ş. as Assistant General Manager. He was appointed as General Manager at Tat A.Ş. in 1976 and at RAM A.Ş. in 1979. At Koç Holding, he served as the Vice President of Energy and Trade Group between 1981-1985 and as the President of Foreign Trade Group between 1991-1997. After serving as a Member of Yaşar Holding Board of Directors between 1997-2000, Tunç Uluđ is now offering consultancy to various firms since 2001. Tunç Uluđ has memberships from DEIK, TESEV and Turkey- Switzerland Trade Office. He has been serving on the Aygaz Board of Directors since 2012.

## **MANSUR ÖZGÜN**

Independent Member of the Board of Directors

Mansur Özgün graduated from Ankara Economic and Commercial Sciences Academy. He started his career in 1958 at the Directorate General of Foundations and betwen 1963-1971 he worked at the Ministry of Finance. He joined Koç Group in 1971 at Koç Holding as Assistant Finance Manager. He was appointed as Assistant General Manager at Ormak A.Ş. between 1973-1974. He served as Finance Coordinator at Koç Holding between 1984-1999. After 1999, he worked as a chartered accountant. He has been serving on the Aygaz Board of Directors since 2012.

## INDEPENDENCE DECLARATIONS OF INDEPENDENT MEMBER CANDIDATES

DECLARATION OF INDEPENDENCE

January 23rd, 2017

Within the framework of the criteria determined in the Corporate Governance Communiqué No. II-17.1 announced at the Aygaz A.Ş (Company) Board of Directors, the Company Articles of Association, and the Capital Markets Board, I hereby declare that I am a candidate to serve as an "Independent Member," and in this context, I further declare that:

- a) I have assumed no major duty or responsibility or been employed in a management position in the last five years or acquired more than 5% of capital or voting rights or privileged shares either by myself or with others and have established no major commercial relations of any significant kind with the Company, the partnerships that have management control of the Company, or the shareholders that have management control in the Company or are of major influence in the Company, neither with legal persons in which these shareholders have management control, and there is no relationship between the above-mentioned and myself, my spouse or my blood relatives or relatives by marriage to the second degree;
- b) In the last five years, I have not been a partner (5% or more) or assumed major duties or responsibilities or been employed in a management position or as a member of the board of directors of any Company from or to which the Company purchases or sells or has assigned the purchasing or selling of services or products within the framework of signed agreements, particularly with auditing companies (tax auditing, legal auditing, internal auditing, included), rating or consultancy companies;
- c) I have the necessary professional education, knowledge and experience to assume and execute the duties I am responsible for as an independent member of the board of directors;
- d) Provided it is within the laws to which I must abide, I will not work full-time in public enterprises and organizations after being appointed member, save for my duties as university faculty member;
- e) I am considered a resident of Turkey according to Income Tax Law (GVK) No. 193 dated December 31, 1960 and December 19, 1960;
- f) I possess the strong ethical standards, professional reputation and experience that will allow me to freely make decisions and contribute positively to Company operations, maintain my impartiality in conflicts of interest between the Company and its shareholders, and consider the rights of stakeholders in the Company;
- g) I will dedicate the time necessary to follow up on the workings of Company operations and fully perform the duties that I have assumed with regard to Company matters;
- h) I have not performed the duties of member of the board of directors of the Company for more than six years within the last decade;
- i) I have never before assumed the duty of independent member of the board of directors in the Company or in more than three of the companies in which management control belongs to the partners in which the Company has management control or in a total of more than five publicly-traded companies;

j) I have not been registered or announced in the name of the legal person that has been appointed as member of the Board of Directors.

Ayşe Canan EDİBOĞLU

## DECLARATION OF INDEPENDENCE

January 23rd, 2017

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b) In the last five years, I have not been a partner (5% or more) or assumed major duties or responsibilities or been employed in a management position or as a member of the board of directors of any Company from or to which the Company purchases or sells or has assigned the purchasing or selling of services or products within the framework of signed agreements, particularly with auditing companies (tax auditing, legal auditing, internal auditing, included), rating or consultancy companies;

c) I have the necessary professional education, knowledge and experience to assume and execute the duties I am responsible for as an independent member of the board of directors;

d) Provided it is within the laws to which I must abide, I will not work full-time in public enterprises and organizations after being appointed member, save for a university faculty member position;

e) I am considered a resident of Turkey according to Income Tax Law (GVK) No. 193 dated December 31, 1960 and December 19, 1960;

f) I possess the strong ethical standards, professional reputation and experience that will allow me to freely make decisions and contribute positively to Company operations, maintain my impartiality in conflicts of interest between the Company and its shareholders, and consider the rights of stakeholders in the Company;

g) I will dedicate the time necessary to follow up on the workings of Company operations and fully perform the duties that I have assumed with regard to Company matters;

h) I have not performed the duties of member of the board of directors of the Company for more than six years within the last decade;

i) I have never before assumed the duty of independent member of the board of directors in the Company or in more than three of the companies in which management control belongs to the partners in which the Company has management control or in a total of more than five publicly-traded companies;

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#### **APPENDIX 4 - REMUNERATION POLICY FOR BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT**

This policy document defines the remuneration system and practices adopted with regard to members of the board of directors and senior management who have assumed administrative responsibilities within the scope of CMB regulations.

A fixed remuneration is allocated to each of the members of the board of directors, as determined annually at the ordinary general meeting of shareholders.

Executive directors on the board shall receive a payment within a determined policy for senior management, the details of which are specified below.

The president and members of the Executive Committee, which will support the Company's Board of Directors in all matters related to the operations of the Company, may be remunerated at the end of each year for their contributions, their participation in meetings and on the basis of the functions they serve, in an amount determined by the board of directors within the framework of the opinion set forth by the Corporate Governance Committee. If a payment has been made to the members of the Executive Committee during the year, this amount shall be set off at the end of the year from the determined amount.

The performance-based payment plans of the Company may not be used in the remuneration of independent members of the board of directors.

The remuneration of members of the board is allocated on the basis of the dates of their appointment to and withdrawal from the board and according to the length of the term served. Expenses incurred by members of the board of directors in the course of their contributions to the Company (transportation, telephone, insurance costs) may be borne by the Company.

The remuneration of Senior Executives however is based on a fixed and performance-based salary comprised of two components.

The fixed salaries of Senior Executives are determined in line with macroeconomic data related to the market, general salary policies in the market, the size of the company, as well as long term goals, the position of the individual officer, and international standards and legal requirements.

Premiums for Senior Executives are calculated according to the premium baseline, Company performance and individual performance. Information on these criteria is summarized below:

- **Premium Baselines:** Premium Baselines are updated at the start of every year and may vary according to the size of the workload of the executive position. Premium baselines are updated in the light of senior executive premium policies in the market.
- **Company Performance:** Company performance is determined at the end of the period by measurement of the achievement of the financial and operational goals given to the Company (market share, exports, foreign operations, productivity, etc.). Company goals are based on the important principles of sustaining Company achievements and making improvements over previous years.
- **Individual Performance:** In determining individual performance, goals related to employees, customers, processes, technologies and long-term strategies are taken into consideration along with Company goals. In measuring individual performance, parallel with Company performance, long-term sustainable improvements are considered in addition to financial matters.

In the event a senior executive vacates his/her position in the company, severance indemnity may be paid on the basis of the term served in the position of senior executive, the contributions made to the Company, the last goal achievement premium paid out before the date of leaving the Company, and the salary and premiums paid out in the last year.



The total amounts paid out to Senior Management and Members of the Board of Directors according to the principles stated above are presented to the General Assembly for their information and/or approval in accordance with the law.