

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING  
OF TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI  
HELD ON 08.04.2011**

Ordinary General Assembly Meeting of Türk Hava Yolları Anonim Ortaklığı was held on 08.04.2011 Friday at 14:30 hours at its Headquarter, in the Conference Hall located at General Management Building, Atatürk Hava Limanı, Yeşilköy, Bakırköy, İstanbul under the supervision of the Ministry Commissar Ms. Ayten YAVUZ appointed by the letter of The City Directorate of Industry and Trade of the Ministry of Industry and Trade dated 07.04.2011 and numbered 20289.

It was realized that, the invitation to the meeting which also included the agenda has been announced at the Turkish Commercial Gazette dated 21.03.2011 with numbered 7776 and at the newspaper Hürriyet dated 08.03.2011 in accordance with the law and the Articles of Association and the shareholders have been notified of the date and agenda of the meeting on time.

Homage was made, the Turkish National Anthem was sung. Upon examination of the Attendance List, it was established that out of 100.000.000.000 shares of the Company corresponding to the paid capital of TRL 1.000.000.000 a total of 51.610.526.311 shares were being represented in the meeting; 49.122.090.477 of which by representation and 2.486.154.199 of which by proxy and 2.281.635 of which in person thus the quorum requested by both the law and the Articles of Association was met and the meeting was opened by Mr. Hamdi TOPÇU. The opening speech about the growth of Turkish Airlines in the last 8 year was made by Mr. Hamdi TOPÇU. After the cinevision, the discussions of the agenda started.

1. The 1<sup>st</sup> article of the agenda was discussed and upon voting of the proposal submitted by the representatives of the Privatization Administration, namely Mr. Ayhan KABAĞTEPE and Mr. İbrahim CÜREBAL, it was approved by unanimously votes of the attendees, Mr. Mehmet BÜYÜKEKŞİ and Mr. Temel KOTİL be elected as the vote collectors and Mr. Ayhan KABAĞTEPE as the secretary for the assembly which was being chaired by the Chairman of the Board of Directors Mr. Hamdi TOPÇU in accordance with the Article 33 of the Articles of Association.

2. The 2<sup>nd</sup> article of the agenda was discussed and the authorization of the Assembly for issuance and execution of the minutes of the meeting has been accepted by unanimously votes of the attendees.

3. The 3<sup>rd</sup> article of the agenda was discussed and the proposal of the representatives of the Privatization Administration, suggesting to content with the rehearsal of the Report of the Board of Auditors only and not to read the Annual Report since all of the shareholders had been already notified of the Annual Report of The Board of Directors of 2010 in advance, was accepted unanimously. Report of the Board of Auditors and the Report of the Independent Audit Institution were read by Mr. Okan SİSO. Report of the Board of Auditors and Annual Report of The Board of Directors of 2010 were discussed separately. The shareholder Mr. Adnan BAHAR has taken the floor and has declared his opinions about international flights of Turkish Airlines, ticket prices and the need of Turkish Airlines flights from/to Sabiha Gökçen Airport.

The shareholder Mr. Erdoğan TUNCER has taken the floor and has appreciated the recent years success of Turkish Airlines in domestic and international market. Mr. Erdoğan TUNCER has asked the difference of 4-star and 5-star airlines as well the present financial and operational strength of Turkish Airlines. Mr. Erdoğan TUNCER has also asked the cost of sponsorship agreements by accepting the importance of the sponsorship agreements, the target market of advertisement, whether the advertisement is released in the United States. Furthermore he indicated that substantial amount of the shares are held by the PA and requested explanation if this fact has negative effect on brand equity.

The Chairman of the Board of Directors Mr. Hamdi TOPÇU answered the questions of the shareholders. Mr. Hamdi TOPÇU mentioned that the star-grading increases the quality of

the Airline and its commercial appeal, Turkish Airlines has a high credibility in terms of its financial and operational strength and one of the rare airlines capable of financing with lowest cost; furthermore, more aircraft will join the fleet in the near future. Mr. Hamdi TOPÇU also mentioned that the newly opened destinations has reached the L/F of 70-80% in their first months to advertisements and sponsorship agreements; Turkish Airlines has become the name sponsor of Euroleague Basketball League which is broadcasted live in 175 countries, these are also advertisements for Turkey. Mr. Hamdi TOPÇU mentioned Turkish Airlines is managed professionally and Privatization Administration does not interfere to the management other than participating to the General Assembly.

After the discussion, Annual Report of The Board of Directors of 2010 and Report of the Board of Auditors were separately voted and they were approved by majority votes of the attendees by 51.519.799.244 affirmative votes against the 80.581.700 negative vote of Ms. H. Vuslat SÜMEN, 10.145.367 abstaining vote of Ms. Berna YAZKAN, who were representing shares by proxy.

4. The 4<sup>th</sup> article of the agenda was discussed. According to the proposal of the Privatization Administration, the balance sheet and income statement prepared both in accordance with Capital Market Rules and IFRS were not read since they had been already provided to the attendees in advance.

The shareholder Mr. Cahit BAŞARAN has taken the floor and asked why cash dividend has not been distributed for two years. Authorization in order to inform the General Assembly was given to Chief Financial Officer Mr. Coşkun KILIÇ by the Chairman of the Assembly Mr. Hamdi TOPÇU. Chief Financial Officer Mr. Coşkun KILIÇ informed the General Assembly.

After the discussion, the balance sheet and income statement for the period of 01.01.2010-31.12.2010, with the net profit of 286.443.361 TL, prepared in accordance with the CMR and with the net loss of 102.228.442,66 TL prepared in accordance with the legal books were separately voted and they were approved by majority votes of the attendees by 51.519.799.244 affirmative votes against the 80.581.700 negative vote of Ms. H. Vuslat SÜMEN who was representing shares by proxy and 10.146.367 abstaining vote of Ms. Berna YAZKAN who was representing shares by proxy.

5. The 5<sup>th</sup> article of the agenda was discussed. The proposal submitted by the representatives of the Privatization Administration was read. The release of Board of Directors and Board of Auditors were separately voted and;

- Release of Board of Directors were approved by majority votes of the attendees by 50.941.204.768 affirmative votes against the 664.871.028 negative vote of Ms. H. Vuslat SÜMEN who was representing shares by proxy and 4.450.515 negative vote of Ms. Berna YAZKAN who was representing shares by proxy.
- Release of Board of Auditors were approved by majority votes of the attendees by 50.941.204.768 affirmative votes against the 664.871.028 negative vote of Ms. H. Vuslat SÜMEN who was representing shares by proxy and 4.450.515 negative vote of Ms. Berna YAZKAN who was representing shares by proxy.

6. The 6<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly has informed the attendees as follows;

Consolidated balance sheet and income statement for the period of 01.01.2010 – 31.12.2010 which is audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with CMB Rules XI; No:29 the net profit according to Capital Market consolidated report is 286.443.361 TL; according to the legal books is 102.228.442,66 TL loss . Thus, according to the Turkish Commercial Law Article 466, primary legal reserves will not be applicable due to the loss according to legal books. There is previous year profit of 303.035.058,42 and extraordinary reserve according to legal books. After the current year loss is set off, the dividend will be paid from the balance of 200.806.615,76 TL. Taking no donation made in 2010 into consideration, the net income after the legal reserve according to CMR is 286.443.361 TL. Dividend payment (%69.82) will be made as bonus share, 200.000.000 TL (0.20 TL dividend per 1 TL share) will be paid as bonus share to the shareholders. Due to all dividend will be

paid as bonus shares secondary legal reserve is not applicable. The balance net income according to CMR of 86.443.361 TL will be transferred to the extraordinary reserves. In conclusion, the Board of Directors proposal dated 23.03.2011 and numbered 059 was approved together with the statement of profit appropriation and The authorization is given to the Board of Directors to finalize the date for the distribution of bonus shares in accordance with the Capital Market Rules.

The proposal of the representatives of the Privatization Administration regarding to 2010 dividend payment proposal of the Board of Directors was read. The proposed agenda was approved by unanimously votes of the attendees:

Thus;

- a) Primary legal reserves will not be applicable due to the loss according to legal books,
- b) Dividend payment (%69.82) will be made as bonus share, 200.000.000 TL (0,20 TL dividend per 1 TL share) shall be paid as bonus share to shareholders,
- c) Due to all dividend will be paid as bonus shares secondary legal reserve is not applicable,
- d) After the current year loss of 102.228.442,66 TL is deducted, the dividend will be paid from the balance of 200.806.615,76 TL,
- e) The balance net income according to CMR of 86.443.361 TL will be transferred to the extraordinary reserves,
- f) The paid-in capital of the Incorporation will increase from 1.000.000.000 TL to 1.200.000.000 TL as a result of bonus shares distributed,
- g) Approval of the Board of Directors proposal dated 23.03.2011 numbered 059 together with the statement of profit appropriation,
- h) The date of distributing the bonus shares to shareholders within the limits as per CMR will be decided by the Board of Directors.

7. The 7th article of the agenda was discussed. The Chairman of the Assembly has informed the attendees as follows; In compliance with the Capital Market Board's decision dated 05.06.2003 numbered 29/666, General Assembly has to be informed about the donations made by the Incorporation, there is no donations made in 2010.

8. The 8<sup>th</sup> article of the agenda was discussed and Chairman of Assembly Mr. Hamdi TOPÇU informed the shareholders that the Incorporation did not institute any collateral, pledge and mortgage in favor of third parties.

9. The 9<sup>th</sup> article of the agenda was discussed. The proposal submitted by the representatives of the Privatization Administration was read. The candidates for members of the Board of Directors determined by the proposal of Privatization Administration have been submitted to the approval of the General Assembly.

Mr. Hamdi TOPÇU (as the Chairman and the representative of the C Group Share), Mr. Temel KOTİL, Mr. Cemal ŞANLI, Mr. Muzaffer AKPINAR, Mr. Mehmet BÜYÜKEKŞİ, Mr. İsmail GERÇEK and Ms. Gülsüm AZERİ, were elected as the members of the Board of Directors by majority votes of the attendees by 51.338.938.084 affirmative votes against the 257.336.528 negative vote of Ms. H.Vuslat SÜMEN who was representing shares by proxy, 4.105.332 negative and 10.146.367 abstaining vote of Ms. Berna YAZKAN, who was representing shares by proxy.

It has been observed that all of the elected members of the Board of Directors other than Mr. Cemal ŞANLI were present at the meeting. Mr. Cemal ŞANLI has given the deed of consent to accept the assignment in case of being elected.

10. The 10<sup>th</sup> article of the agenda was discussed. The proposal submitted by the representatives of the Privatization Administration was read. The candidates for members of the Board of Auditors determined by the proposal of Privatization

Administration have been submitted to the approval of the General Assembly.

Mr. Naci AĞBAL (as the representative of the C Group Share), Mr. Orhan BİRDAL and Mr. Ateş VURAN were elected as the members of the Board of Auditors by majority votes of the attendees by 617.869.435 affirmative votes against the 603.381.828 negative vote of Ms. H. Vuşlat SÜMEN and 4.450.515 negative and 10.037.092 abstaining vote of Ms. Berna YAZKAN, who were representing shares by proxy.

It has been observed that all of the elected members of the Board of Auditors were present at the meeting.

11.The 11<sup>th</sup> article of the agenda was discussed. The proposal submitted by Lale KAPLAN was read. Upon voting, it was accepted by majority votes of the attendees by 51.510.671.011 affirmative votes against the 80.581.700 negative and 19.234.600 abstaining vote of Ms. H. Vuşlat SÜMEN and 39.000 abstaining vote of Ms. Berna YAZKAN, who were representing shares by proxy, that the net wage of the members of the Board of Directors and Board of Auditors should be three (3) times of the net wage determined by High Planning Committee (YPK) for members of the Board of Directors and the Board of Auditors working in State Economic Enterprises and that the net wage of members of executive committee should be four (4) times of the net wage determined by YPK. Payment should be made to the Board of Directors and the Board of Auditors same period and numbers as the Personnel payroll and personal income tax which shall arise out of these wages at the end of the fiscal year shall be paid by Türk Hava Yolları A.O. by including the same into the wage and that no other honorarium apart from these should be paid.

12.The 12<sup>th</sup> article of the agenda was discussed. Shareholder Suphi AYVAZ, Ümit UTKU and Cahit BAŞARAN have taken the floor and addressed their wills and wishes. Since there was no other subject to discuss, the meeting was closed by the Chairman of the Assembly. This minutes of the meeting is issued, read and executed at the meeting venue. 08.04.2011

(original signature)  
**Ayten YAVUZ**  
Ministry Commissar

(original signature)  
**Hamdi TOPÇU**  
Chairman of the Assembly

(original signature)  
**Temel KOTİL**  
Vote Collector

(original signature)  
**Cemal ŞANLI**  
Vote Collector

(original signature)  
**AYHAN KABAKTEPE**  
Secretary