

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING  
OF TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI  
HELD ON 06.04.2015**

Ordinary General Assembly Meeting of Türk Hava Yolları Anonim Ortaklığı was held on 06.04.2015 Monday at 14.00 hours at its Headquarter, in the Conference Hall located at General Management Building, Atatürk Hava Limanı, Yeşilköy, Bakırköy, İstanbul under the supervision of Ministry -Representative Ms. Ayten YAVUZ appointed by the letter of The City Directorate of Trade of the Ministry of Customs and Trade dated 03.04.2015 and numbered 431.03.

It was realized that, the invitation to the meeting has been announced at the Turkish Commercial Gazette dated 06.03.2015 numbered 8773 and at the newspaper Sabah dated 06.03.2015 in accordance with the Turkish Commercial Code (TCC), the Capital Markets Board (CMB) Legislation, 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 List of Attendants it was established that out of shares corresponding to TL 1,068,909,942,545 of TL 1,380,000,000 which was the paid capital of the company, were represented in the meeting as follows: the shares corresponding to TL 677,884,848.575 were represented per procuration, the shares corresponding to TL 390,645,082.013 were represented by proxy, and the shares corresponding to TL 380,011,957 were represented in person. It was determined that 8 members of the Board were ready for the meeting. In this way, it was realized that the minimum quorum set forth in both law and the articles of association was available. The meeting was hence, inaugurated by the Deputy Chairman of the Board Mr. Mecit EŞ in physical environment and electronic environment simultaneously pursuant to the TCC and CMB legislation. The negotiation of the meeting agenda was launched.

**1-**The 1<sup>st</sup> item of the agenda, the proposal of Privatization Administration for election of the Deputy Chairman of the Privatization Administration Mr. Ahmet AKSU as the chairman of the Assembly was discussed. The proposal was submitted for approval in both physical and electronic environment. At the end of the voting, Mr. Ahmet AKSU was elected as the Chairman of Meeting by majority votes of the attendees by 1,067,825,970.668 affirmative votes against 1,083,971.877 negative votes. Chairman of the Assembly Mr. Ahmet AKSU established the Meeting Committee by determining Ms. Melek Gülden ÇINAR as secretary in accordance with the article 419 of TCC.

**2-**The 2<sup>nd</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Ahmet AKSU has informed the attendees as follows: "The Board of Directors has decided to appoint Mr. Mehmet İlker Aycı and Ms. Arzu Akalın as Independent Board Members, in order to replace open positions from resignations of Board Members, Prof. Dr. Cemal Şanlı and Mr. Mehmet Nuri Yazıcı.

Appointment of Mr. Mehmet İlker Aycı and Ms. Arzu Akalın as Independent Board Members, in order to replace open positions from resignations of Board Members, Prof. Dr. Cemal Şanlı and Mr. Mehmet Nuri Yazıcı in 2014, was approved. Upon voting, it was approved by majority votes by 1,037,952,704.545 affirmative votes, against 30,957,238 negative votes.

**3-**The 3<sup>rd</sup> article of the agenda was discussed. Ms. Eda COŞKUN has taken the floor in order to read the Report of Auditor and Group Auditor belonging to the year 2014.

Report of Auditor and Group Auditor belonging to the year 2014 were read by Ms. Eda COŞKUN.

**4-**The 4<sup>th</sup> article of the agenda was discussed.

The Chairman of the Assembly, Mr. Ahmet AKSU has informed the attendees as follows:

"According to the legal books related to the accounting period 2014 of our Incorporation prepared within the framework of tax legislation, net profit for the period is TL 818.203.579. However, net profit for the period is TL 1.819.259.536 according to the financial statements drawn up in accordance with IFRS pursuant to TCC and CMB legislation."

The proposal of the Privatization Administration representatives that the balance sheet and profit and loss accounts of the year 2014 prepared according to IFRS pursuant to TCC and CMB regulations should be negotiated without being read as it has already been submitted for the information of shareholders was submitted for approval in physical and electronic environment.

At the end of the voting of the proposal, the proposal that the balance sheet and profit and loss accounts of the year 2014 prepared according to IFRS pursuant to TCC and CMB regulations should be negotiated without being read as it has already been submitted for the information of shareholders was accepted by majority votes of the attendees by 1.067.702.316,668 affirmative votes, against 1.207.625,877 negative votes.

Accordingly, balance sheet and profit and loss accounts of the year 2014 were approved both physically and electronically. Upon voting, it was approved by majority votes of the attendees by 1.067.702.316,668 affirmative votes, against 1.207.625,877 negative votes.

**5-**The 5<sup>th</sup> article of the agenda was discussed. The proposal of the Privatization Administration representatives that the Activity Report should not be read as the Activity Report of the Board of Directors for the year 2014 had already been submitted for the information of shareholders, was submitted for approval both physically and electronically.

Upon voting, the proposal that the Activity Report should not be read as the Activity Report of the Board of Directors for the year 2014 had already been submitted for the information of shareholders, was approved by majority votes of the attendees by 1.067.709.515,545 affirmative votes against 1.200.427 negative votes.

The Activity Report of the Board of Directors was negotiated.

Shareholder Mr. Hamza İL has taken floor and evaluated the Company's performance in 2014. He has congratulated all employees about the increase in gross profit in spite of the rise in amortization costs. Then, he addressed a question regarding financial income, deferred tax costs, precautions against the financial risks and accounting processes.

In order to answer this inquiry, the floor was given to the CFO, Mr. Coşkun KILIÇ on behalf of The Chairman of the Assembly. Mr. Coşkun KILIÇ made the related statements.

Shareholder Mr. Mintaz DERDİYOK has taken the floor and stated his views.

Shareholder Mr. Ümit UTKU has taken the floor and stated that he was proud of the success of Turkish Airlines, thanked notably to Mr. Hamdi Topçu, all managers and employees. He also mentioned that he is against the fact that pilots are being used as Instructor Pilots in simulators instead of flying.

In order to answer this inquiry, the floor was given to the Board Member and General Manager, Assoc. Prof. Temel KOTİL on behalf of The Chairman of the Assembly.

Assoc. Prof. Temel KOTİL stated that active flying pilots were not used in simulator trainings, instead retired pilots were rehired as Simulator Flight Instructors (SFI) in order to benefit from their experiences and know-how to train new pilots. He also mentioned that compared to 640 pilots employed in the department of flight operations in 2005, today 4.000 pilots are employed.

Shareholder Mr. Sefa İNAN has taken the floor and asked the reasons of the change in the number of aircraft entries in a short time, why the budget revision was made so late in October 2014, why especially the small investors were not warned in advance that the targeted budget would not be realized. He also asked why the 10 aircraft purchased from Sun Express were returned in a year.

Shareholder Mr. Bekir ÇELİKTEK has taken the floor and mentioned that he found the balance sheet of the company strong and congratulated everybody. He also stated that aircraft fuel costs decreased in parallel with the decrease in fuel prices worldwide and wanted to know when will this positive reflection on the Company take place and also the reasons of not distributing at least bonus shares to small investors despite Turkish Airline's profit.

In order to answer this inquiry, the floor was given to the General Manager, Assoc. Prof. Temel KOTİL and CFO, Mr. Coşkun KILIÇ on behalf of The Chairman of the Assembly. Both stated that due to not having net profit according to legal books in 2014, it was not possible to distribute dividend as bonus shares to shareholders.

Shareholder Mr. Nabi DELİCE has taken the floor and demanded information about short term and long term receivables. Then, he mentioned the need of trained technician and specialists, that his warnings regarding this matter haven't been taken into account by the management of the Company and also stated that personnel recruitment has to be done according to competence and experience, not to age and also priority has to be given to Turkish citizens.

In order to answer this inquiry, the floor was given to the Board Member and General Manager, Assoc. Prof. Temel KOTİL.

Assoc. Prof. Temel KOTİL gave information about Aydın Çıldır Airport Aviation Academy. He mentioned that first officer need of the Company is provided through this Academy, however since being a captain pilot requires a long-term training and flight experience, currently a part of captain need is provided from abroad. He also stated that by 2015, number of cabin crew went up to 8,000 from 1,700 of 2005 and that there will be no difficulty in terms of human resources by 2023, and added that due to the nature of the sector and competition it is inevitable to decrease ticket prices when there is a fall in fuel prices.

Upon negotiation, the Activity Report of the Board of Directors for the year 2014 was approved by majority votes of the attendees by 1.067.709.515,545 affirmative votes against 1.200.427 negative votes.

**6-**The 6<sup>th</sup> article of the agenda was discussed. The proposal of the Privatization Administration Representatives concerning the release of the members of the Board of Directors for their accounts and activities in 2014 was read. The release of the members of the Board of Directors was voted both physically and electronically.

The release of the members of the Board of Directors was approved by majority votes of the attendees by 1.067.494.472,039 affirmative votes against 1.415.470,505 negative votes.

**7-**The 7<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Ahmet AKSU has informed the attendees as follows:

“According to the consolidated financial statements belonging to the accounting period of 01.01.2014-31.12.2014 prepared in accordance with the International Financial Reporting Standards within the framework of the provisions of the Communiqué of the CMB Serial: II and Number: 14.1 and audited by AKİS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., net profit for the period is TL 1,819,259,536. On the other hand, the net profit of the period is TL 818,203,579 according to the legal books. Within this framework, net profit of TL 818.203.579 according to the legal books will be transferred to previous years' loss account of TL 1.023.653.930. Due to the remaining previous years' loss account of TL 205.450.351, there will not be any distributable profit (according to the legal books). Therefore, the net profit of TL 1.819.259.536 (according to IFRS) will be transferred to the previous years' profit account. The acceptance of the proposal of the Board of Directors concerning the profit distribution for the year 2014 and the Statement of Profit Distribution was submitted for approval of the General Assembly”.

The proposal of the Privatization Administration representatives for "the acceptance of the proposal of the Board of Directors concerning the profit distribution for the year 2014 and the Statement of Profit Distribution exactly as they are" was read. Then, voting started in the physical and electronic environments.

At the end of the voting, it was decided to accept the resolution of the Board of Directors dated 06.03.2015 and numbered 43 and the statement of profit distribution for the year 2014 given in the attachment of that resolution exactly as they were (**Attachment -1**) by majority votes of the attendees by 1,067,671,394.733 affirmative votes against 1,238,547,811 negative votes.

**8-**The 8<sup>th</sup> article of the agenda was discussed. In order to inform the General Assembly regarding the increase of the Authorised Capital of the Incorporation from TL 2,000,000,000 to TL 5,000,000,000 and the amendments to Articles 3., 4., 6., 10.,11.,14., 15., 21., 22., 23., 24., 25., 29., 34., 37. 40. of the Articles of Association, as indicated in the Attachment-2, the floor was given to SVP Legal, Mr. Ali UYSAL.

SVP Legal, Mr. Ali UYSAL informed the General Assembly about the related amendments. Voting started both physically and electronically.

Being approved by Capital Markets Board's letter dated 16.02.2015, and numbered 350-1708 and the letter of Ministry of Customs and Trade dated 17.02.015 and numbered 67300147/431.02), the increase of the Authorised Capital of our Incorporation from TL 2,000,000,000 to TL 5,000,000,000, and the amendments to Articles 3., 4., 6., 10.,11.,14., 15., 21., 22., 23., 24., 25., 29., 34., 37. and 40. of the Articles of Association, as indicated in

Attachment-2 were accepted by majority votes of the attendees by 776,518,633.464 affirmative votes against 292,391,309.081 negative votes.

**9-**The 9<sup>th</sup> article of the agenda was discussed. The proposal of the Privatization Administration for the Board Member Nominees was read. According to the proposal, Mr. Mehmet İlker AYCI was nominated as representative of Group C Shares and Chairman of the Board, Assoc. Prof. Temel KOTİL as Deputy Chairman of the Board, Prof. Dr. Mecit EŞ, Mr. Mehmet BÜYÜKEKŞİ, Mr. İsmail GERÇEK and Mr. Ogün ŞANLIER as Board Members, Ms. Arzu AKALIN, Mr. İsmail Cenk DİLBEROĞLU and Mr. Muzaffer AKPINAR as Independent Board Members. The proposal of the Privatization Administration was submitted for approval both in the physical and electronic environments.

It was seen that the Board Member Nominees, Mr. Mehmet İlker AYCI, Assoc. Prof. Temel KOTİL, Prof. Dr. Mecit EŞ, Mr. İsmail GERÇEK, Mr. Muzaffer AKPINAR, Mr. Ogün ŞANLIER, Ms. Arzu AKALIN and Mr. İsmail Cenk DİLBEROĞLU, were ready at the meeting. On the other hand, the petition of Mr. Mehmet BÜYÜKEKŞİ, accepting the assignment in case of being proposed as a Board Member and being elected, was read.

Upon voting, Mr. Mehmet İlker AYCI was elected as representative of Group C Shares and Chairman of the Board, Assoc. Prof. Temel KOTİL as Deputy Chairman of the Board, Prof. Dr. Mecit EŞ, Mr. Mehmet BÜYÜKEKŞİ, Mr. İsmail GERÇEK and Mr. Ogün ŞANLIER as Board Members, Ms. Arzu AKALIN, Mr. İsmail Cenk DİLBEROĞLU and Mr. Muzaffer AKPINAR as Independent Board Members by majority votes of the attendees by 767,311,916.114 affirmative votes against 301,598,026.431 negative votes.

**10-**The 10<sup>th</sup> article of the agenda was discussed. The proposal of our shareholder, Privatization Administration, that net wages of the members of the Board of Directors be 3 (three) times as much as the net wage determined by Higher Planning Council (HPC) for the board members working at the office at State Economic Enterprises, net wages of executive committee members be 4 (four) times as much as the wage determined by HPC, increased amounts be taken as basis for calculation )if any increase occurs in the wages determined for the board members working at the State Economic Enterprises as a result of a decision taken by HPC, such premiums be given to the members of the Board of Directors in values corresponding to their net monthly wages, for such premiums to be paid in the same number and time as those given to the staff, the amount of income tax, which occurs at the end of the financial year due to all these payments, to be covered by Turkish Airlines Incorporation by including in payments, and for no other daily allowance to be given" was read.

Upon voting, conducted to determine the wages of the Board of Directors, it was decided that net wages of the members of the Board of Directors to be 3 (three) times as much as the net wage determined by Higher Planning Council (HPC) for the Board Members working at State Economic Enterprises, net wages of Executive Committee members to be 4 (four) times as much as the wage determined by HPC, for increased amounts to be taken as basis for calculation if any increase occurs in the wages determined for the board members holding office at State Economic Enterprises as a result of a decision taken by HPC, for premiums to be given to the members of the Board of Directors in values corresponding to their net monthly wages, for such premiums to be paid in the same pieces and times as those given to the staff , for the amount of income tax, which is to occur at the end of financial year due to all these payments, to be included in payments and covered by Turkish Airlines Incorporation, and for no other daily allowance to be given by majority votes of the attendees by 1,022,980,752.199 affirmative votes, against 46,015,624.795 negative votes.

**11-**The 11<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Ahmet AKSU has informed the attendees as follows:

The proposal of the Privatization Administration for the election of AKİS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., to be elected by the General Assembly for the fiscal year 2015 as the Auditor and Group Auditor pursuant to the article 399 and article 400 of the TCC was read. The proposal was put to vote of the General Assembly physically and electronically.

Upon voting, AKİS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was elected as Auditor and Group Auditor of Türk Hava Yolları A.O. for the fiscal year 2015, pursuant to the article 399 and article 400 of the TCC by majority votes of the attendees by 980,685,544.668 affirmative votes against 88,310,832.327 negative votes.

**12-**The 12<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Ahmet AKSU has informed the attendees as follows:

"There is no guarantee, pledge, and mortgage given in favor of 3rd parties except for the purpose of conducting the ordinary commercial activities of our Incorporation, and there is no income or interest obtained in relation with the afore-mentioned."

**13-**The 13<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Ahmet AKSU has informed the attendees as follows:

"The donations made by our Incorporation throughout the year must be submitted for the information of the General Assembly, in accordance with the article 1.3.10 of the Principles of Corporate Governance. Pursuant to the resolution of the Board of Directors dated 16.09.2011 and numbered 38, it was decided to donate the net rental income gained from various canteen / cafeteria locations for 3 years within the scope of Canteen/Cafeteria Operation Service Contract to THY Spor Kulübü (THY Sports Club). Within this scope, TL 145,776 was donated to THY Spor Kulübü (THY Sports Club) in 2014. There was no other donation."

On the other hand, the article 19/5 of the CMB includes the following provision: "In publicly-held corporations", the limit of the donation to be made shall be determined by the General Assembly of the publicly-held corporation" Pursuant to this provision, the limit of the donations to be made shall be determined by the General Assembly of the Incorporation.

The proposal of the Privatization Administration concerning the upper limit of the donations to be made in 2015 was read. The proposal was submitted for approval both physically and electronically.

Upon voting, it was decided for the donations to be made in 2015 not to exceed the upper limit to be determined by the CMB in accordance with the Article 19 of the CMB by majority votes of the attendees by 854,045,828.114 affirmative votes against 214,864,114.431 negative votes.

**14-**The 14<sup>th</sup> article of the agenda was discussed.

Shareholder Mr. Sefa İNAN has taken the floor and wished success to the new Board.

Shareholder Ms. Nilüfer ER has taken the floor and underlined that having a picture of Atatürk and a flag of Turkish Republic present in the meeting room would be appropriate.

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Shareholder Mr. Nadi DELİCE has taken the floor and stated his wishes about experienced personnel recruitment.

Shareholder Mr. Ümit UTKU has taken the floor and underlined that a plaque of appreciation has to be given to former Chairman of the Board and Board members. Also he wished success to the new Board.

Shareholder Mr. Suphi AYVAZ has taken the floor and underlined that this meeting is the 25th Assembly since the first public offering of Turkish Airlines. Due to health concerns, it would be better to avoid serving salt in TK flights, since salty cheese and olive in breakfast is already being served, to place a Turkish Airlines logo on the lower fuselage of the aircraft which is a valuable promotion zone for commercials. He also mentioned that 82<sup>nd</sup> anniversary of Turkish Airlines, has to be reminded both to employees and passengers by placing a badge on the main gate of the Headquarters.

Since there was no other subject to discuss, the meeting was closed by the The Chairman of the Assembly. The minutes of the meetings is issued, read and executed at the meeting venue. 06.04.2015

Attachment

- 1-Statement of profit distribution
- 2- Amendments to Articles of Association

(signature)  
**Ayten YAVUZ**  
Ministry Representative

(signature)  
**Melek Günden ÇINAR**  
Secretary

(signature)  
**Ahmet AKSU**  
Chairman of the Assembly