

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING  
OF TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI  
HELD ON 09.06.2017**

Ordinary General Assembly Meeting of Türk Hava Yolları Anonim Ortaklığı was held on 09.06.2017 Friday at 14.00 hours at its Headquarter, in the Conference Hall located at located at Yeşilköy Mahallesi, Havaalanı Cad. No:3/1 Bakırköy, İstanbul under the supervision of Ministry - Representative Mr. Feyyaz BAL appointed by the letter of The City Directorate of Trade of the Ministry of Customs and Trade dated 08.06.2017 and numbered 25643744.

It was realized that, the invitation to the meeting has been announced at the Turkish Commercial Gazette dated 18.05.2017 numbered 9329 and at the newspaper Sabah dated 17.05.2017 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 835,649,648.80964 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 150,549,249.214 were represented by proxy, and the shares corresponding to TL 7,215,551.02064 were represented in person. It was determined that 9 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 Chairman of the Board Mr. Mehmet İlker Aycı 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 Turkey Wealth Fund for election of the Chairman of the Board Mr. Mehmet İlker Aycı 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. Mehmet İlker Aycı was elected as the Chairman of Meeting by majority votes of the attendees by 835,624,956.66264 affirmative votes against 24,692.147 negative votes. Chairman of the Assembly Mr. Mehmet İlker Aycı established the Meeting Committee by determining Mr. İhsan Durdu as secretary in accordance with the article 419 of TCC.

**2-** The 2<sup>rd</sup> article of the agenda was discussed. The proposal of Turkey Wealth Fund and representatives that the Activity Report should not be read as the Activity Report of the Board of Directors for the year 2016 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 2016 had already been submitted for the information of shareholders, was approved by majority votes of the attendees by 835,594,041.66264 affirmative votes against 55.607,147 negative votes.

The Activity Report of the Board of Directors was negotiated.

Upon negotiation, the Activity Report of the Board of Directors for the year 2016 was approved by majority votes of the attendees by 835,614,041.80964 affirmative votes against 35,607 negative votes.

**3-** The 3rd article of the agenda was discussed. Mr. Fatih Saydam has taken the floor in order to read the Report of Auditor and Group Auditor belonging to the year 2016.

Report of Auditor and Group Auditor belonging to the year 2016 were read by Mr. Fatih Saydam.

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

The Chairman of the Assembly, Mr. Mehmet İlker Aycı has informed the attendees as follows:

"According to the legal books related to the accounting period 2016 of our Incorporation prepared within the framework of tax legislation, net loss for the period is TL 6.467.842.402 (previous years loss is TL 639,770,079). However, net loss for the period is TL 47.000.000 according to the financial statements drawn up in accordance with IFRS pursuant to TCC and CMB legislation."

The proposal of the Turkey Wealth Fund representatives that the balance sheet and profit and loss accounts of the year 2016 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 2016 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 835,644,956.80964 affirmative votes, against 4,692 negative votes.

Accordingly, balance sheet and profit and loss accounts of the year 2016 were approved both physically and electronically. Upon voting, it was approved by majority votes of the attendees by 835,644,956.80964 affirmative votes, against 4,692 negative votes.

**5-**The 5<sup>th</sup> article of the agenda was discussed. The proposal of Turkey Wealth Fund Representatives concerning the release of the members of the Board of Directors for their accounts and activities in 2016 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 835,040,781.66264 affirmative votes against 608,867.147 negative votes.

**6-**The 6<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Mehmet İlker Aycı has informed the attendees as follows:

"According to the consolidated financial statements belonging to the accounting period of 01.01.2016-31.12.2016 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 Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., net loss for the period is TL 47.000.000. On the other hand, according to the legal books (under the provisions of Turkish Tax Procedure Law) the net loss of the period is TL 6.467.842.402 and previous years' loss account has a balance of TL 639.770.079. The loss amount according to the legal books will be transferred to previous years' loss account. As there will not be any distributable profit (according to the legal books), the net loss

of TL 47.000.000 (according to IFRS) will be transferred to the previous years' loss account. The acceptance of the proposal of the Board of Directors concerning the profit distribution for the year 2016 and the Statement of Profit Distribution was submitted for approval of the General Assembly”.

The proposal of Turkey Wealth Fund representatives for "the acceptance of the proposal of the Board of Directors concerning the profit distribution for the year 2016 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 10.03.2017 and numbered 47 and the statement of profit distribution for the year 2016 given in the attachment of that resolution exactly as they were (**Attachment -1**) by majority votes of the attendees by 835,644,956.80964 affirmative votes against 4,692 negative votes.

**7-**The 10th article of the agenda was discussed. The proposal of our shareholder, Turkey Wealth Fund, that net wages of the members of the Board of Directors be 4 (four) 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, for 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 other matters, to take action according to the Remuneration Policy" was read.

Upon voting, it was decided that net wages of the members of the Board of Directors to be 4 (four) times as much as the net wage determined by Higher Planning Council (HPC) for the Board Members working at State Economic Enterprises, 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 other matters, to take action according to the Remuneration Policy, by majority votes of the attendees by 825,238,178.03364 affirmative votes, against 10,411,470.776 negative votes.

**8-** The 8<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Mehmet İlker AYCI has informed the attendees as follows:

Our Incorporation's Member of the Board and Deputy Chairman of the Board of Directors, Assoc. Prof. Dr. Temel KOTİL has retired as of 21.10.2016. Thus, Mr.Bilal EKŞİ has been appointed as the Member of the Board and Deputy Chairman of the Board of Directors, by the Board of Directors of our Incorporation. The appointment of Mr. Bilal Ekşi as the Member of the Board, was submitted for approval in physical and electronic environment.

Upon voting, the appointment of Mr. Bilal EKŞİ as the Member of the Board, due to the resignation of Assoc. Prof. Dr. Temel KOTİL on 21.10.2016, was approved by majority votes of the attendees by 833.210.273,80964 affirmative votes against 2.439.375 negative votes.

**9-**The 9<sup>th</sup> article of the agenda was discussed. The proposal of Turkey Wealth Fund

and the Privatization Administration representatives for the Board Member Nominees was read. According to the proposal, Mr. Mehmet İlker AYCI was nominated as representative of Group C Shares as the Chairman of the Board, Mr. Bilal EKŞİ as Deputy Chairman of the Board, Prof. Dr. Mecit EŞ, Mr. Orhan BİRDAL, Mr. İsmail GERÇEK and Mr. İsmail Cenk DİLBEROĞLU as Board Members, Ms. Arzu AKALIN, Mr. Ogün ŞANLIER and Mr. Muzaffer AKPINAR as Independent Board Members. The proposals of Turkey Wealth Fund and the Privatization Administration Representatives were submitted for approval both in the physical and electronic environments.

It was seen that the Board Member Nominees, Mr. Mehmet İlker AYCI, Mr. Bilal EKŞİ, 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. Orhan BİRDAL, 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, Mr. Bilal EKŞİ as Deputy Chairman of the Board, Prof. Dr. Mecit EŞ, Mr. Orhan BİRDAL, Mr. İsmail GERÇEK and Mr. İsmail Cenk DİLBEROĞLU as Board Members, Ms. Arzu AKALIN, Mr. Ogün ŞANLIER and Mr. Muzaffer AKPINAR as Independent Board Members by majority votes of the attendees by 829,851,890.77864 affirmative votes against 5,797,758.031 negative votes.

**10-**The 10<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Mehmet İlker AYCI has informed the attendees as follows:

The proposal of Turkey Wealth Fund 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 2017 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 2017, pursuant to the article 399 and article 400 of the TCC by majority votes of the attendees by 815,910,479.80964 affirmative votes against 19,739,169 negative votes.

**11-**The 11<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Mehmet İlker AYCI 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."

**12-**The 12<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mehmet İlker AYCI 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. The total donations made within 2016 totalled TL 3.015.463,83. 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

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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 2017 was read. The proposal was submitted for approval both physically and electronically.

Upon voting, it was decided for the donations to be made in 2017 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 705.318.593,43764 affirmative votes against 130.331.055,372 negative votes.

**13-**The 13<sup>th</sup> article of the agenda was discussed.

Shareholders Mr. Subhi AYVAZ, Erdoğan TUNCER, Bilal YILDIZ, Sefa İNAN have taken floor and stated thir views.

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. 09.06.2017

Attachment

1-Statement of profit distribution

(signature)  
**Feyyaz BAL**  
Ministry Representative

(signature)  
**İhsan DURDU**  
Secretary

(signature)  
**Mehmet İlker AYCI**  
Chairman of the Assembly

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<b>TÜRK HAVA YOLLARI A.O. 2016 PROFIT DISTRIBUTION (TL)</b>			
<b>1. Paid in / Issued Share Capital</b>		<b>1.380.000.000</b>	
<b>2. Total Legal Reserves (According to Legal Books)</b>		<b>75.738.987,22</b>	
<b>Information on Profit Distribution privileges according to Articles of Association</b>		<b>NONE</b>	
		<b>As per SPK</b>	<b>As per Legal Books</b>
<b>3.</b>	<b>Profit and Loss for the Period</b>	<b>2.000.000</b>	<b>-6.467.842.402</b>
<b>4.</b>	<b>Taxes Payable (-)</b>	<b>-49.000.000</b>	<b>0</b>
<b>5.</b>	<b>Net Profit and Loss for the Period (=)</b>	<b>-47.000.000</b>	<b>-6.467.842.402</b>
<b>6.</b>	<b>Previous Years' Losses (-)</b>	<b>0</b>	<b>-639.770.079</b>
<b>7.</b>	<b>Primary Legal Reserves (-)</b>	<b>0</b>	<b>0</b>
<b>8.</b>	<b>NET DISTRIBUTABLE PROFIT (=)</b>	<b>0</b>	<b>0</b>
<b>9.</b>	<b>Donations Made During the Year(+)</b>	<b>3.015.464</b>	<b>0</b>
<b>10.</b>	<b>Net Distributable profit determined with the addition of donations made during the year, as the basis for first dividends</b>	<b>0</b>	<b>0</b>
<b>11.</b>	<b>First Dividend to Shareholders</b>	<b>0</b>	<b>0</b>
	- Cash	0	0
	- Bonus Share	0	0
	- Total	0	0
<b>12.</b>	<b>Dividends to Holders of Preferred Shares</b>	<b>0</b>	<b>0</b>
<b>13.</b>	<b>Other Dividends</b>	<b>0</b>	<b>0</b>
	- Board of Directors	0	0
	- Personnel	0	0
	- Other	0	0
<b>14.</b>	<b>Dividends to Holders of Usufruct Shares</b>	<b>0</b>	<b>0</b>
<b>15.</b>	<b>Second Dividend to Shareholders</b>	<b>0</b>	<b>0</b>
<b>16.</b>	<b>Secondary Legal Reserve</b>	<b>0</b>	<b>0</b>
<b>17.</b>	<b>Statutory Reserves</b>	<b>0</b>	<b>0</b>
<b>18.</b>	<b>Special Reserves</b>	<b>0</b>	<b>0</b>
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	<b>0</b>	<b>0</b>
<b>20.</b>	<b>Other Resources to be Distributed</b>	<b>0</b>	<b>0</b>

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**TURKISH AIRLINES INFORMATION ON PROFIT DISTRIBUTION RATIO 2016**

	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND / NET DISTRIBUTABLE PROFIT	DIVIDEND FOR EACH 1 TL NOMINAL SHARE	
		CASH (TL)	BONUS SHARE (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
NET	A	0	0	0,00%	0,0000	0,00%
	C	0	0	0,00%	0,0000	0,00%
	TOTAL	0	0	0,00%	0,0000	0,00%