

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING  
OF TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI  
HELD ON 28.06.2019**

Ordinary General Assembly Meeting of Türk Hava Yolları Anonim Ortaklığı was held on 28.06.2019 Friday at 14.30 hours at its Headquarter, in the Conference Hall located at Yeşilköy Mahallesi, Havaalanı Cad. No:3/1 Bakırköy, İstanbul under the supervision of Ministry - Representative Mr. Zafer KARAKOÇ appointed by the letter of The City Directorate of Trade of the Ministry of Customs and Trade dated 27.06.2019 and numbered 45510020.

It was realized that, the invitation to the meeting has been announced at the Public Disclosure Platform dated 29.05.2019, at the Turkish Commercial Gazette dated 03.06.2019 numbered 9842 and at the newspaper Sabah dated 10.06.2019 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 943,139,813.07464 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 255,438,367.35 were represented by proxy, and the shares corresponding to TL 9,816,597.14964 were represented in person. It was determined that 7 members of the Board, Mr. Mehmet İlker AYCI, Mr. Bilal EKŞİ, Mr. Mehmet Muzaffer AKPINAR, Mr. Mecit EŞ, Mr. Ogün ŞANLIER, Mr. Orhan BİRDAL and Ms. Fatmanur ALTUN, and representative of KPMG Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş., Mr. Gökhan ATILGAN 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 AYCI in physical and electronic environments 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's representative for election of the Chairman of the Board Mr. Mehmet İlker AYCI as the Chairman of the Assembly was discussed. The proposal was submitted for approval in both physical and electronic environments. At the end of the voting, Mr. Mehmet İlker AYCI was elected as the Chairman of Meeting by majority votes of the attendees by 943,129,802.92764 affirmative votes against 10,010.147 negative votes. Chairman of the Assembly Mr. Mehmet İlker AYCI established the Meeting Committee by determining Mr. Zafer SÖNMEZ as secretary in accordance with the article 419 of TCC.

**2-** The 2<sup>nd</sup> article of the agenda was discussed. The proposal of Turkey Wealth Fund's Representative that the Board Activity Report should not be read since the Board Activity Report for the year 2018 had already been submitted for the information of shareholders was submitted for approval both physically and electronically.

Upon voting, the proposal that the Board Activity Report should not be read since the Board Activity Report for the year 2018 had already been submitted for the information of shareholders, was approved by majority votes of the attendees by 935,120,120.02764 affirmative votes against 8,019,693,047 negative votes.

The Board Activity Report was negotiated.

Shareholder, Mr. Bilal YILDIZ, asked whether Do&Co has paid the goodwill of USD 100,000,000, which was the signing condition for the new contract, and if yes, why it is not seen in the balance sheet.

Chairman of the Assembly, Mr. Mehmet İlker AYCI addressed the question to Mr. Murat ŞEKER, Chief Financial Officer, and Mr. ŞEKER stated that the approval process from related institutions is still continuing. As soon as the process is finished, it will be announced to the public.

Upon negotiation, the Board Activity Report for the year 2018 was approved by majority votes of the attendees by 935,130,130.17464 affirmative votes against 8,009,682.9 negative votes.

**3-** The 3<sup>rd</sup> article of the agenda was discussed. Ms. Kübra KARADEMİR has taken the floor in order to read the Report of Auditor and Group Auditor belonging to the year 2018.

Report of Auditor and Group Auditor belonging to the year 2018 were read by Ms. Kübra KARADEMİR.

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

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

"According to the legal books related to the accounting period 2018 of our Incorporation prepared within the framework of tax legislation, net loss for the period is TL 7,762,905,780 (previous year's loss is TL 10,055,207,776). However, net profit for the period is TL 4,045,000,000 according to the financial statements drawn up in accordance with IFRS pursuant to TCC and CMB legislation."

The proposal of Turkey Wealth Fund's representative that the balance sheet and profit and loss accounts of the year 2018 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 environments.

At the end of the voting of the proposal, the proposal that the balance sheet and profit and loss accounts of the year 2018 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 935,120,121.02764 affirmative votes, against 8,019,692.047 negative votes.

The balance sheet and profit and loss accounts of the year 2018 was negotiated.

Shareholder, Mr. Bilal YILDIZ has taken the floor and asked about the expenses that have been paid for the move to the new airport and which method is preferred for accounting these expenses. Also he asked about why the 'Other Expenses' in the balance sheet, which contain claims and penalties, increased from 6 bn. TL in 2017 to 27 bn. in 2018.

Chairman of the Assembly, Mr. Mehmet İlker AYCI gave the floor to Mr. Murat ŞEKER, Chief Financial Officer, and Mr. ŞEKER indicated that the movement expenses of new airport are not included in to the balance sheet of 2018, but to the balance sheet of 2019, and that these expenses are not high, so that amortization is not needed. He also stated that the

increase of the claims and penalties was issued by changes in some foreign countries' tax laws and the change of the case law by the State Council, concerning withholding taxes.

Shareholder, Mr. Kemal HADRA shared his opinion about the requirement to take currency losses as expenses into account. He also stated that the shareholders have not received any dividends in the recent years and asked when a dividend payment will be possible again.

Chairman of the Assembly, Mr. Mehmet İlker AYCI addressed the question to Mr. Murat ŞEKER, Chief Financial Officer, and Mr. ŞEKER explained that most of the fleet consists of leased aircraft and therefore occurs financial liabilities and how the 33% decrease of TL affected the accounts. He also stated that the useable life of aircraft has been increased to 25 years, so that dividend payments in the future will be possible.

Accordingly, balance sheet and profit and loss accounts of the year 2018 were approved both physically and electronically. Upon voting, it was approved by majority votes of the attendees by 935,130,131.17464 affirmative votes, against 8,009,681.9 negative votes.

**5-** The 5<sup>th</sup> article of the agenda was discussed. The proposal of Turkey Wealth Fund's representative concerning the release of the members of the Board of Directors for their accounts and activities in 2018 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 936,360,075.02764 affirmative votes against 6,779,738.047 negative votes.

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

"According to the consolidated financial statements belonging to the accounting period of 01.01.2018-31.12.2018 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 KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., net profit for the period is TL 4,045,000,000. 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 7,762,905,780 and previous years' loss account has a balance of TL 10,055,207,776. 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 profit of TL 4,045,000,000 (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 2018 and the Statement of Profit Distribution was submitted for approval of the General Assembly."

The proposal of Turkey Wealth Fund's representative for "the acceptance of the proposal of the Board of Directors concerning the profit distribution for the year 2018 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 15.03.2019 and numbered 86 and the statement of profit distribution for the year 2018 given in the attachment of that resolution exactly as they were (**Attachment -1**) by majority

votes of the attendees by 942,355,409.92764 affirmative votes against 784,403,147 negative votes.

7- The 7<sup>th</sup> article of the agenda was discussed. The proposal of our shareholder, Turkey Wealth Fund's representative, that net wages of the members of the Board of Directors be 5 (five) 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.

Shareholder, Mr.Sefa İNAN has stated that the employment income tax of the Board Members should be paid by the members of the Board, instead of the Incorporation.

Upon voting, it was decided that net wages of the members of the Board of Directors to be 5 (five) 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 692,476,902.57764 affirmative votes, against 250,662,910.497 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 Members of the Board Ms. Arzu AKALIN and Mr. İsmail GERÇEK resigned on 04.05.2018. Due to the resignation of Ms. Arzu AKALIN from the Member of the Board, the Board of Directors has decided to appoint Ms. Fatmanur ALTUN as Member of the Board. Due to the resignation of Mr.İsmail GERÇEK from the Member of the Board, the Board of Directors has decided to appoint Mr. Mithat Görkem AKSOY as the Member of the Board.

Due to the resignations of Ms. Arzu AKALIN, Chairman of Corporate Governance Committee and Mr. İsmail GERÇEK, Member of Corporate Governance Committee, the Incorporation has decided to appoint Ms. Fatmanur ALTUN as the Chairman of Corporate Governance Committee upon the Independence Board Member Approval of Capital Market Board and Mr. Mithat Görkem AKSOY as the Member of Corporate Governance Committee. The appointment of Ms. Fatmanur ALTUN and Mr. Mithat Görkem AKSOY as the Members of the Board, was submitted for approval in physical and electronic environment.

Shareholder, Mr. Bilal YILDIZ has stated that the appointment of Ms. Fatmanur ALTUN as the Member of the Board, due to the resignation of Arzu AKALIN, is contrary to the corporate governance principles of CMB according to the 4.3.6'th paragraph. Letter of opposition annotation was attached to the minutes of the meeting. **(Attachment-2)**

Upon voting, the appointment of Ms. Fatmanur ALTUN and Mr. Mithat Görkem AKSOY as the Members of the Board, due to the resignation of Ms. Arzu AKALIN and Mr. İsmail GERÇEK on 04.05.2018, was approved by majority votes of the attendees by 783,583,317.07764 affirmative votes against 159,556,495.997 negative votes.

**9-** The 9<sup>th</sup> article of the agenda was discussed. The Chairman of the Assembly Mr. Mehmet İlker AYCI read the proposal of Turkey Wealth Fund's representative.

According to the proposal, the Chairman of the Board Mr. Mehmet İlker AYCI (TR Identity number: 24397848274) has been nominated to be the Chairman of the Board and to represent the C group share for a period of 2 years. Subsequently the proposal of the Turkey Wealth Fund has been read. According to the proposal, the following nominations have been made for a 2 year appointment: Mr. Mecit EŞ (TR Identity number: 29159347910) as Deputy Chairman of the Board, Mr. Bilal EKŞİ (TR Identity number: 31241252224), Mr. Orhan BİRDAL (TR Identity number: 13757078154), Mr. Mithat Görkem AKSOY (TR Identity number: 44635356286) and Mr. Salim Arda ERMUT (TR Identity number: 19037849292) as Members of the Board, Mr. Ogün ŞANLIER (TR Identity number: 27992360660), Ms. Fatmanur ALTUN (TR Identity number: 26365193522) and Mr. Mehmet Muzaffer AKPINAR (TR Identity number: 18286535604) as Independent Members of the Board.

Mr. Mehmet İlker AYCI, Mr. Mecit EŞ, Mr. Bilal EKŞİ, Mr. Orhan BİRDAL, Mr. Ogün ŞANLIER, Ms. Fatmanur ALTUN and Mr. Mehmet Muzaffer AKPINAR attended to the General Assembly. The affirance letters of Mr. Mithat Görkem AKSOY and Mr. Salim Arda ERMUT, stating to accept the position at the board in case of their election, have been read.

The nominations of the Turkish Privatization Administration and the Turkey Wealth Fund were submitted for approval in physical and electronic environments.

The nominations of the Turkish Privatization Administration and the Turkey Wealth Fund, in which the Chairman of the Board Mr. Mehmet İlker AYCI (TR Identity number: 24397848274) has been nominated to be the Chairman of the Board and to represent the C group share, Mr. Mecit EŞ (TR Identity number: 29159347910) as Deputy Chairman of the Board, Mr. Bilal EKŞİ (TR Identity number: 31241252224), Mr. Orhan BİRDAL (TR Identity number: 13757078154), Mr. Mithat Görkem AKSOY (TR Identity number: 44635356286) and Mr. Salim Arda ERMUT (TR Identity number: 19037849292) as Members of the Board, Mr. Ogün ŞANLIER (TR Identity number: 27992360660), Ms. Fatmanur ALTUN (TR Identity number: 26365193522) and Mr. Mehmet Muzaffer AKPINAR (TR Identity number: 18286535604) as Independent Members of the Board for the period of 2 years, was approved by majority votes of the attendees by 765,753,620.07764 affirmative votes against 177,386,192.997 negative votes.

**10-** The proposal of Turkey Wealth Fund's representative for the election of KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., to be elected by the General Assembly for the fiscal year 2019 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, KPMG 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 2019, pursuant to the article 399 and article 400 of the TCC, by majority votes of the attendees by 689,956,862.57764 affirmative votes against 253,182,950.497 negative votes.

**11-** The 11th 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 2017 totaled TL 434,783. 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. In the past years, some donations had been made due to natural disaster, war and similar cases in a frame of social responsibility and the General Assembly has been informed regarding these donations. We, hereby are submitting to the information and discretion of the General Assembly that similar donations can be made any time.

The proposal of Turkey Wealth Fund's representative concerning the upper limit of the donations to be made in 2019 was read. The proposal was submitted for approval both physically and electronically.

Upon voting, it was decided for the donations to be made in 2019 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 709,091,731.72464 affirmative votes against 234,048,081.35 negative votes.

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

Shareholder, Mr. Sefa İNAN has stated that the Incorporation should not side with one of the two unions in order to ensure equality and take back former employees, who have been thrown out of work wrongfully. Also he shared some thoughts about the 12 grounded Boeing 737 Max aircraft and another 12 to be delivered in future and some issues concerning the collective bargaining agreement that has been signed for Teknik A.Ş.

Shareholder, Mr. Yusuf ÇETİN has demanded that the Incorporation should inform shareholders about whether Turkey Wealth Fund is the controlling company of Turkish Airlines legally and its results.

Shareholder, Mr. Bilal YILDIZ has spoken about giving the right of free pass tickets and ID cards to retired employees.

Shareholder, Mr. Mehmet MIZRAK has stated that it would bound shareholders to the Incorporation if shareholders would receive free pass tickets.

Shareholder, Mr. Serdar BAŞAĞAOĞLU demanded the Incorporation to support tennis, ice hockey and other sports.

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Shareholder, Mr. Kemal HADRA has mentioned that the share price is negatively affected by the additional expenses in the new airport. Also, he stated that Anadolujet should operate as an independent Incorporation.

Shareholder, Mr. Hamza İNAN thanked all members of the board and employees for their work and success.

Chairman of the Assembly, Mr. Mehmet İlker AYCI thanked the attended shareholders for sharing their thoughts and criticism.

Since there was no other subject to discuss, the meeting was closed by The Chairman of the Assembly. The minutes of the meetings is issued, read and executed at the meeting venue. 28.06.2019

Attachment

1- Statement of Profit Distribution

2- Bilal Yıldız's Letter of opposition annotation about article 8

(signature)  
**Zafer KARAKOÇ**  
Ministry Representative

(signature)  
**Zafer SÖNMEZ**  
Secretary

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

## Attachment 1-Statement of Profit Distribution

<b>TÜRK HAVA YOLLARI A.O. 2018 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>5.234.000.000</b>	<b>-8.115.218.355</b>
<b>4.</b>	<b>Taxes Payable (-)</b>	<b>-1.189.000.000</b>	<b>0</b>
<b>5.</b>	<b>Net Profit and Loss for the Period (=)</b>	<b>4.045.000.000</b>	<b>-8.115.218.355</b>
<b>6.</b>	<b>Previous Years' Losses (-)</b>	<b>0</b>	<b>-10.055.207.776</b>
<b>7.</b>	<b>Primary Legal Reserves (-)</b>	<b>0</b>	<b>0</b>
<b>8.</b>	<b>NET DISTRIBUTABLE PROFIT (=)</b>	<b>4.045.000.000</b>	<b>0</b>
<b>9.</b>	<b>Donations Made During the Year(+)</b>	<b>434.783</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>4.045.434.783</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>4.045.000.000</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 2018						
	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%

**Attachment 2-Bilal Yıldız' Letter of opposition annotation about article 8**

Ek-2

THY AO 2018 OLAĞAN GENEL KURUL GÜNDEMİNİN 8. MADDESİNE İLİŞKİN MUHALEFET SERHİ

Yönetim Kurulu Üyesi Arzu Akalın'ın, 04.05.2018 tarihinde istifasıyla boşalan "Bağımsız" Yönetim Kurulu Üyeliğine Cumhurbaşkanlığı/İletişim Başkanının eşi Fatmanur Altun'un seçilmesi, SPK Kurumsal Yönetim İlkelerinin 4.3.6.a maddesine aykırıdır.

Keyfiyeti Genel Kurul Üyelerinin takdirlerine arz ederim. 28.06.2019

  
Bilal YILDIZ