

# KOÇ HOLDİNG INFORMATION DOCUMENT FOR THE 5 APRIL 2016 ORDINARY GENERAL ASSEMBLY TO REVIEW FINANCIAL YEAR 2015

## 1. INVITATION TO THE 5 APRIL 2016 ORDINARY GENERAL ASSEMBLY

Koç Holding A.Ş.'s Ordinary General Assembly Meeting shall be convened on 5 April 2016 Tuesday at 16:00 (2pm GMT) at the address of Nakkastepe Azizbey Sok. No. 1, 34674 Kuzguncuk-Üsküdar/Istanbul (Tel: +90 216 531 00 00, Fax: +90 216 531 00 99). At the meeting, the activities of the Company for the fiscal year 2015 will be reviewed, the following agenda will be discussed, and a resolution regarding the agenda will be reached.

In accordance with the legal requirements, 2015 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), the Corporate Governance Compliance Report, and the Board of Directors' Annual Report, including 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.koc.com.tr](http://www.koc.com.tr), on the Public Disclosure Platform, and in the Electronic General Meeting System of the Central Registry Agency at least three weeks prior to the meeting.

Shareholders 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 in accordance with the legal requirements, 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.koc.com.tr](http://www.koc.com.tr) and shall submit to the Company the notarized proxy documents issued in accordance with the requirements of the Communiqué 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 Communiqué shall not be accepted, given our legal liability.**

Shareholders intending to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our Company's website at [www.koc.com.tr](http://www.koc.com.tr) or from the Company Headquarters (Tel: +90 216 531 00 00) 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 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 right holders 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.

KOÇ HOLDİNG A.Ş.  
Board of Directors

Company Adress: Nakkaştepe Azizbey Sok. No:1 34674 Kuzguncuk-Üsküdar/İstanbul  
Trade Registry and Number: İstanbul/85714

## 2. ADDITIONAL EXPLANATIONS IN VIEW OF CMB REGULATIONS

The additional explanations required pursuant to Capital Markets Board (CMB) Corporate Governance Communiqué No. II-17.1, enacted 3 January 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:

Company shares are divided into two groups, Group A and Group B. Each Group A share has two votes at the General Assembly.

The voting rights of our shareholders, taking into consideration privileged shares, are provided in the following table:

Shareholder	Share Amount (TRY)	Equity Ratio (%)	Voting Right	Voting Right Stake (%)
Koç Family (B Group)	621,881,145	24.52	62,188,114,515	19.35
Temel Ticaret ve Yatırım A.Ş. (B Group)	401,210,786	15.82	40,121,078,578	12.48
Temel Ticaret ve Yatırım A.Ş. (A Group)	678,773,422	26.77	135,754,684,460	42.23
Koç Holding Retirement and Assistance Fund Foundation (B Group)	50,451,548	1.99	5,045,154,831	1.57
Vehbi Koç Foundation (B Group)	184,171,754	7.26	18,417,175,384	5.73
Rahmi M. Koç and Mahdumları A.Ş. (B Group)	35,385,424	1.40	3,538,542,410	1.10
Public Float (B Group)	564,023,971	22.24	56,402,397,052	17.54
<b>Total</b>	<b>2,535,898,050</b>	<b>100.00</b>	<b>321,467,147,230</b>	<b>100.00</b>

Majority of the shares of Temel Ticaret ve Yatırım A.Ş. belong to Koç Family members.

## **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. Besides that, material event disclosures made by our Company in accordance with legal requirements are available at [www.kap.gov.tr](http://www.kap.gov.tr)

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

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

## **3. ANNOUNCEMENTS PERTAINING TO THE AGENDA ARTICLES OF THE ORDINARY GENERAL ASSEMBLY MEETING AT 5 APRIL 2016**

### **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. Presentation for discussion and approval of the Annual Report of the Company prepared by the Board of Directors for the year 2015**

Within the framework of the TCC, the Regulation and the Capital Markets Law and related regulations, information shall be given on the 2015 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.koc.com.tr](http://www.koc.com.tr) for review of our shareholders three weeks before the General Assembly meeting and it shall be presented for discussion and approval of our shareholders.

### **3. Presentation of the summary of the Independent Audit Report for the year 2015**

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 and [www.koc.com.tr](http://www.koc.com.tr), will be read aloud.

**4. Presentation for discussion and approval of the Financial Statements of the Company for the year 2015**

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 and on [www.koc.com.tr](http://www.koc.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 Company's activities for the year 2015**

Pursuant to the TCC and Bylaws, the release of our Board of Directors members for the activities, transactions and accounts for the year 2015 shall be submitted to the General Assembly for its approval.

**6. Approval, amendment and approval, or disapproval of the Board of Directors' proposal on the distribution of profits for the year 2015 and the distribution date**

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 01.01.2015 – 31.12.2015; consolidated profit attributable to equity holders of the parent in the amount of TL 3,567,593,000 has been obtained. The dividend payment proposal, drawn up in accordance with the Dividend Distribution Table format provided in the Dividend Communiqué numbered II-19.1 and the Dividend Manual announced in accordance with the said Communiqué, 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. Approval, amendment and approval, or disapproval of the Board of Directors' proposal on the amendment of Article 11 of the Articles of Association of the Company "Board of Directors, Election of Directors and Board Decisions" and Article 12 of the Articles of Association of the Company "Structure, Representation And Delegation Of Powers Of The Board Of Directors"**

The amendments proposed by the Board of Directors for Article 11 of the Company's Articles of Association related to the "Board of Directors, Election of Directors and Board Decisions" and Article 12 of the Company's Articles of Association related to the "Structure, Representation and Delegation of Powers of the Board of Directors" shall be submitted to the General Assembly for its approval. The proposed amendments and the related Board of Directors decision is provided in **Annex 2**. Necessary approvals for the proposed amendments have been received from CMB and the Ministry of Customs and Trade on 05.02.2016 and 23.02.2016 respectively.

**8. In the event the amendment of the Articles of Association on item 7 of the agenda is approved, resolution of the number of the members of the Board of Directors and their terms of office, and election of the members of the Board of Directors in accordance with the newly resolved number and election of the independent board members**

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 Communiqué 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 9 and at most 15 members, elected in line with the TCC and CMB regulations. If the amendments to the Company's Articles of Association in the 7<sup>th</sup> Agenda item are approved; the Board of Directors shall consist of at least 9 and at most 18 members. General Assembly may decide on the renewal of the Board of Directors even if their terms of office have not expired.

One third of the elected Board of Director members shall 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 Nomination and Remuneration Committee, has designated the following candidates as the Independent Members of the Board of Directors: Dr. Victor K. Fung, Muharrem Hilmi Kayhan, Kutsan Çelebican, Mustafa Kemal Olgaç, Jacques Albert Nasser and Anne Lauvergeon. CMB has not given any negative opinion on these candidates according to its statement dated 16.02.2016.

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

**9. In accordance with the Corporate Governance Principles, presentation to the shareholders and approval by the General Assembly of the "Remuneration Policy" for the members of the Board of Directors and the Senior Executives and the payments made on that basis**

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. The Remuneration Policy that was adopted by the general assembly decision dated 31 March 2015 is attached hereto as **Appendix 4** for this purpose. Information on the compensation of the members of the Board of Directors and the senior management has been cited in footnote No. 29 of our financial statements, attached to the 2015 Annual Report.

**10. Resolution of the annual gross salaries to be paid to the members of the Board of Directors**

The annual gross remuneration to be paid to the members of the Board of Directors in 2016 shall be determined by the shareholders as per our Remuneration Policy submitted for the approval of the shareholders as per item 9 of the agenda.

**11. Approval of 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 meeting on 24 February 2016 to have Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member firm of Ernst & Young Global Limited) serve as the independent auditors of the Company's financial reports for the financial year 2016 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. Presentation to the shareholders of the donations made by the Company in 2015, and resolution of an upper limit for donations for the year 2016**

Pursuant to Article 6 of the CMB's Communiqué 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 1,359,445 were made to foundations and associations in 2015. The upper limit of donations to be made in 2016 shall be resolved by the General Assembly.

**13. In accordance with the Capital Markets Board regulations, presentation to the shareholders of the securities, pledges and mortgages granted in favor of the third parties in the year 2015 and of any benefits or income thereof**

Pursuant to Article 12 of the Capital Markets Board Corporate Governance Communiqué No. II-17.1, income or benefits derived by our Company and/or its Subsidiaries from collaterals, 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. 32 of our financial statements dated 31 December 2015.

**14. Authorization of the shareholders that have management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree as per the provisions of articles 395 and 396 of the Turkish Commercial Code and presentation to the shareholders of the transactions carried out thereof in the year 2015 pursuant to the Corporate Governance Communiqué of the 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 in 2015, there has not been any transaction in this respect.

## **15. Wishes and Opinions.**

### **APPENDICES:**

**APPENDIX 1** - 2015 Dividend Distribution Proposal

**APPENDIX 2** – Proposed Amendments to Articles of Association and the Related Board of Directors Decision

**APPENDIX 3** - CVs of Board of Directors Candidates and Independence Declarations of Independent Board Member Candidates

**APPENDIX 4** - Remuneration Policy for Board of Directors and Executive Management

## APPENDIX 1 - 2015 DIVIDEND DISTRIBUTION PROPOSAL

<b>Koç Holding A.Ş. Profit Distribution Proposal for 2015 (TL)</b>			
1.	Paid-in capital		2.535.898.050,00
2.	General legal reserves (as per statutory records)		434.131.844,88
Information concerning preferred shares, if, as per the company Articles of Association, there are any privileges for preferred shares in distribution of dividend: No			
		<b>As per Capital Markets Board</b>	<b>As per Statutory Records</b>
3.	Profit for the period	5.557.102.000,00	1.412.194.068,92
4.	Taxes (-)	-272.249.000,00	103.152.380,35
5.	Net profit (=)	<b>3.567.593.000,00</b>	<b>1.309.041.688,57</b>
6.	Prior years' losses (-)	0,00	0,00
7.	Legal reserve fund (-)	65.452.084,43	65.452.084,43
<b>8.</b>	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)</b>	<b>3.502.140.915,57</b>	<b>1.243.589.604,14</b>
9.	Grants made during the year (+)	1.359.445,00	
<b>10.</b>	<b>Net distributable profit including grants</b>	<b>3.503.500.360,57</b>	
11.	First category dividend to shareholders		
	- Cash	175.175.018,03	
	- Shares	0,00	
	<b>- Total</b>	<b>175.175.018,03</b>	
12.	Dividends distributed to preferred shareholders	0,00	
13.	Other dividends distributed	<b>10.000.000,00</b>	
	- Members of the Board of Directors	0,00	
	- Employees (Koç Holding Pension and Assistance Foundation)	10.000.000,00	
	- Non-shareholders	0,00	
<b>14.</b>	<b>Dividends distributed to holders of usufruct right certificates</b>	<b>101.260.380,39</b>	
<b>15.</b>	<b>Second category dividend to shareholders</b>	<b>562.771.314,52</b>	
16.	Legal reserve fund	0,00	
17.	Status reserves	0,00	
18.	Special reserves	0,00	
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	<b>2.652.934.202,63</b>	<b>394.382.891,20</b>
20.	Other sources planned for distribution	<b>0,00</b>	<b>0,00</b>
	- Prior years' income	0,00	0,00
	- Extraordinary reserves	0,00	0,00
	- Other distributable reserves as per the legislation and Articles of Association	0,00	0,00

<b>Koç Holding A.Ş. Information on Dividend per Share for 2015</b>						
	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND PER SHARE FOR 1 TL NOMINAL VALUE	
		CASH (TL)	SHARES (TL)	RATIO (%)	AMOUNT (TL)	SHARE (%)
<b>NET</b>	A	197.523.065,89		5,64	0,291000	29,1000
	B (registered as legal entities)	127.049.497,08		3,63	0,291000	29,1000
	B (unknown shareholders)	351.367.704,15		10,03	0,247350	24,7350
	<b>TOTAL</b>	<b>675.940.267,11</b>		<b>19,30</b>		

(\* ) Preferred shares don't have privileges in dividend.

(\*\*) No withholding tax is calculated for all of Group A shareholders and some of Group B shareholders who are known as full fledged legal entity tax payers. The calculations have been based on the assumption that other B Group shareholders are subject to withholding tax.

**APPENDIX 2 - PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION AND THE RELATED BOARD OF DIRECTORS DECISION**

The Board of Directors, in its meeting on 01.02.2016 resolved to obtain the necessary approvals from the Capital Markets Board and the Ministry of Customs and Trade for the amendment of Article 11 of the Company’s Articles of Association related to the Board of Directors, Election of Directors and Board Decisions and Article 12 of the Company’s Articles of Association related to the Structure, Representation and Delegation of Powers of the Board of Directors and to submit the amendments to the approval of the shareholders at the first General Assembly.

The amendments to the Articles of Association were approved by Capital Markets Board on February 5<sup>th</sup>, 2016 and by the Ministry of Customs and Trade on February 23<sup>rd</sup>, 2016.

EXISTING ARTICLE	PROPOSED AMENDMENT
<p><b>Article 11: BOARD OF DIRECTORS, ELECTION OF DIRECTORS AND BOARD DECISIONS</b></p> <p>11.1. Without prejudice to the non-transferable powers of the General Assembly of Shareholders pursuant to the relevant provisions of the Turkish Commercial Code, the Company will be managed and directed by a Board of Directors consisting of minimum 9 and maximum 15 members to be elected by the General Assembly of Shareholders in accordance with the relevant articles of the Turkish Commercial Code, and regulations of the Capital Markets Board. Number and qualifications of independent members of the Board of Directors will be governed by the regulations of the Capital Markets Board pertaining to Corporate Governance Principles.</p> <p>11.2. Members of the Board of Directors are elected for a maximum term of three years. Any Director whose term of office is over may be re-elected.</p> <p>11.3. The General Assembly of Shareholders is authorized to determine the number of and to elect members of the Board of Directors. Without prejudice to the obligations with regard to independent members arising out of the Corporate Governance Principles of the Capital Markets Board, the General Assembly of Shareholders may at all times replace all or any of the Directors if and when deemed necessary pursuant to provisions of article 364 of the Turkish Commercial Code.</p> <p>11.4. If and when a vacancy occurs in the Board of Directors for any reason whatsoever, the Board of Directors temporarily elects a member who is eligible and meets the legal requirements, and submits such</p>	<p><b>Article 11: BOARD OF DIRECTORS, ELECTION OF DIRECTORS AND BOARD DECISIONS</b></p> <p>11.1. Without prejudice to the non-transferable powers of the General Assembly of Shareholders pursuant to the relevant provisions of the Turkish Commercial Code, the Company will be managed and directed by a Board of Directors consisting of minimum 9 and maximum <b>18</b> members to be elected by the General Assembly of Shareholders in accordance with the relevant articles of the Turkish Commercial Code, and regulations of the Capital Markets Board. Number and qualifications of independent members of the Board of Directors will be governed by the regulations of the Capital Markets Board pertaining to Corporate Governance Principles.</p> <p>11.2. Members of the Board of Directors are elected for a maximum term of three years. Any Director whose term of office is over may be re-elected.</p> <p>11.3. The General Assembly of Shareholders is authorized to determine the number of and to elect members of the Board of Directors. Without prejudice to the obligations with regard to independent members arising out of the Corporate Governance Principles of the Capital Markets Board, the General Assembly of Shareholders may at all times replace all or any of the Directors if and when deemed necessary pursuant to provisions of article 364 of the Turkish Commercial Code.</p> <p>11.4. If and when a vacancy occurs in the Board of Directors for any reason whatsoever, the Board of Directors temporarily elects a member who is eligible and meets the legal requirements, and submits such</p>

<p>election to the approval of the next subsequent meeting of the General Assembly of Shareholders. If any independent member loses its independence, or resigns, or becomes incapable of performing its duties, the procedures envisaged in the pertinent regulations of the Capital Markets Board shall apply.</p> <p>11.5. Meeting and decision quorum in the Board of Directors is the simple majority of the total number of Directors. Provided, however, the decisions pertaining to the participation in a company or disposal of any existing shares require an affirmative votes of 7 Directors in a Board of Directors comprising 9 members, or of 8 Directors in a Board of Directors comprising 10 members, or of 9 Directors in a Board of Directors comprising 11, 12 or 13 members, or of 10 Directors in a Board of Directors comprising 14 members, or of 11 Directors in a Board of Directors comprising 15 members. The obligations arising out of the Corporate Governance Principles of the Capital Markets Board are, however, reserved.</p> <p>11.6. Unless any one of the Directors requests a negotiation, the Board of Directors may take its decisions by way of receiving written consents and approvals of all Directors on a motion submitted by any one Director. Such decisions may, however, require the written consent and approval of the number and composition of the members as stipulated in Article 11.5 of these Articles of Association. The Board of Directors can only validly take decisions without a meeting if such motion has been submitted to all of the members of the Board of Directors. Consents/approvals of the members of the Board of Directors are not required to be placed on the same paper, but all of the papers containing the related consents/approvals must be affixed to the decision book of the Board of Directors, or a single decision document containing signatures of all of the consenting members must be prepared and incorporated in the decisions book for a valid resolution without a meeting.</p>	<p>election to the approval of the next subsequent meeting of the General Assembly of Shareholders. If any independent member loses its independence, or resigns, or becomes incapable of performing its duties, the procedures envisaged in the pertinent regulations of the Capital Markets Board shall apply.</p> <p>11.5. Meeting and decision quorum in the Board of Directors is the simple majority of the total number of Directors. Provided, however, the decisions pertaining to the participation in a company or disposal of any existing shares require an affirmative votes of 7 Directors in a Board of Directors comprising 9 members, or of 8 Directors in a Board of Directors comprising 10 members, or of 9 Directors in a Board of Directors comprising 11, 12 or 13 members, or of 10 Directors in a Board of Directors comprising 14 members, <b>or of 11 Directors in a Board of Directors comprising 15, 16 and 17 members, or of 12 Directors in a Board of Directors comprising 18 members.</b> The obligations arising out of the Corporate Governance Principles of the Capital Markets Board are, however, reserved.</p> <p>11.6. Unless any one of the Directors requests a negotiation, the Board of Directors may take its decisions by way of receiving written consents and approvals of all Directors on a motion submitted by any one Director. Such decisions may, however, require the written consent and approval of the number and composition of the members as stipulated in Article 11.5 of these Articles of Association. The Board of Directors can only validly take decisions without a meeting if such motion has been submitted to all of the members of the Board of Directors. Consents/approvals of the members of the Board of Directors are not required to be placed on the same paper, but all of the papers containing the related consents/approvals must be affixed to the decision book of the Board of Directors, or a single decision document containing signatures of all of the consenting members must be prepared and incorporated in the decisions book for a valid resolution without a meeting.</p>
<p><b>ARTICLE 12: STRUCTURE, REPRESENTATION AND DELEGATION OF POWERS OF THE BOARD OF DIRECTORS</b></p> <p>12.1.If not elected by the General Assembly, the Board of Directors itself shall elect the Chairman of the Board and two Vice Chairman of the Board of Directors to act as deputy in the absence of the Chairman. The Vice Chairman of the Board of Directors will also be granted the powers allotted to the Chairman of the Board of Directors under the</p>	<p><b>ARTICLE 12: STRUCTURE, REPRESENTATION AND DELEGATION OF POWERS OF THE BOARD OF DIRECTORS</b></p> <p>12.1.If not elected by the General Assembly, the Board of Directors itself shall elect the Chairman of the Board and <b>at least one</b> Vice Chairman of the Board of Directors to act as deputy in the absence of the Chairman. The Vice Chairman of the Board of Directors will also be granted the powers allotted to the Chairman of the Board of Directors under the</p>

<p>Turkish Commercial Code for convening meetings and request of information.</p> <p>12.2. The Board of Directors may, specifically initiate lawsuits in the name and on behalf of the Company, settle, apply to arbitration, request bankruptcy, suspension of bankruptcy and concordat, undertake foreign exchange transactions, make donations subject to compliance with the regulations of the Capital Markets Board, become guarantor, transfer immovables and establish encumbrance on the same. If need be, the Board of Directors may authorize third persons in this respect.</p> <p>12.3. The Board of Directors is authorized to delegate all or some of its managerial powers to one or more directors or non-directors (executive directors) by an internal directive to be prepared pursuant to article 367 of the Turkish Commercial Code. By the said internal directive, the Board of Directors determines the powers and responsibilities of the executive directors, and may delegate to the relevant persons all kinds of powers and responsibilities of the Board of Directors under conditions, provisions and restrictions to be determined again by the Board of Directors, and if and when deemed necessary, may change or withdraw all or some of these powers. The provisions of articles 371, 374 and 375 of the Turkish Commercial Code are reserved. Provided, however, in any case, the following actions require the decision of the Board of Directors; purchase, lease, sale or rent of real properties, and sea and air transportation means and vehicles, and subject to compliance with the regulations of the by the Capital Markets Board, establishment of all kinds of rights, including, but not limited to mortgages and pledges, on such properties in favor of itself and/or third parties, and removal and annulment of such encumbrances, and establishment and removal of such rights on the real properties and other assets and properties of the third parties by the Company, and carrying out commercial passenger and cargo transportation by its own aircrafts.</p> <p>12.4. Pursuant to article 370 of the Turkish Commercial Code, the Board of Directors may delegate its representation rights to one or more persons who need not to be a member of the Board of Directors or a shareholder. Provided, however, the representation rights of at least one member of the Board of Directors must be retained. Unless otherwise resolved by the Board of Directors, the Board of Directors, with the joint signatures of any two members of the Board of Directors, who are not the independent members as per the pertinent regulations of the Capital Markets Board, affixed under the title of the Company may represent the Company in all</p>	<p>Turkish Commercial Code for convening meetings and request of information.</p> <p>12.2. The Board of Directors may, specifically initiate lawsuits in the name and on behalf of the Company, settle, apply to arbitration, request bankruptcy, suspension of bankruptcy and concordat, undertake foreign exchange transactions, make donations subject to compliance with the regulations of the Capital Markets Board, become guarantor, transfer immovables and establish encumbrance on the same. If need be, the Board of Directors may authorize third persons in this respect.</p> <p>12.3. The Board of Directors is authorized to delegate all or some of its managerial powers to one or more directors or non-directors (executive directors) by an internal directive to be prepared pursuant to article 367 of the Turkish Commercial Code. By the said internal directive, the Board of Directors determines the powers and responsibilities of the executive directors, and may delegate to the relevant persons all kinds of powers and responsibilities of the Board of Directors under conditions, provisions and restrictions to be determined again by the Board of Directors, and if and when deemed necessary, may change or withdraw all or some of these powers. The provisions of articles 371, 374 and 375 of the Turkish Commercial Code are reserved. Provided, however, in any case, the following actions require the decision of the Board of Directors; purchase, lease, sale or rent of real properties, and sea and air transportation means and vehicles, and subject to compliance with the regulations of the by the Capital Markets Board, establishment of all kinds of rights, including, but not limited to mortgages and pledges, on such properties in favor of itself and/or third parties, and removal and annulment of such encumbrances, and establishment and removal of such rights on the real properties and other assets and properties of the third parties by the Company, and carrying out commercial passenger and cargo transportation by its own aircrafts.</p> <p>12.4. Pursuant to article 370 of the Turkish Commercial Code, the Board of Directors may delegate its representation rights to one or more persons who need not to be a member of the Board of Directors or a shareholder. Provided, however, the representation rights of at least one member of the Board of Directors must be retained. Unless otherwise resolved by the Board of Directors, the Board of Directors, with the joint signatures of any two members of the Board of Directors, who are not the independent members as per the pertinent regulations of the Capital Markets Board, affixed under the title of the Company may represent the Company in all</p>
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<p>circumstances.</p> <p>12.5. The Board of Directors shall have full authority with respect to the delegation of its management and representation powers as stipulated above.</p> <p>12.6. The Company shall have a Planning and Coordination Council (the “Council”) consisting of members to be designated by the Board of Directors. The Chairman of the Board of Directors shall preside the meetings of the Council.</p> <p>The main purpose of the Council is to review, assess, and advise on the operating results, business plans, long-term plans and personnel policies of the companies which are directly or indirectly controlled by the Company or of the Company participates in management of.</p> <p>The meeting and functioning principles of the Council shall be determined by the Board of Directors.</p> <p>12.7. Besides, the Board of Directors may, as deemed appropriate and subject to compliance with the applicable laws and regulations, establish committees or sub-committees for advisory, coordination, audit or similar purposes which may consist of the directors of the Board and/or members other than the directors of the Board. The composition, meeting, functioning and reporting principles of the committee chairman and the members shall be determined, regulated and revised by the Board of Directors.</p>	<p>circumstances.</p> <p>12.5. The Board of Directors shall have full authority with respect to the delegation of its management and representation powers as stipulated above.</p> <p>12.6. The Company shall have a Planning and Coordination Council (the “Council”) consisting of members to be designated by the Board of Directors. The Chairman of the Board of Directors shall preside the meetings of the Council.</p> <p>The main purpose of the Council is to review, assess, and advise on the operating results, business plans, long-term plans and personnel policies of the companies which are directly or indirectly controlled by the Company or of the Company participates in management of.</p> <p>The meeting and functioning principles of the Council shall be determined by the Board of Directors.</p> <p>12.7. Besides, the Board of Directors may, as deemed appropriate and subject to compliance with the applicable laws and regulations, establish committees or sub-committees for advisory, coordination, audit or similar purposes which may consist of the directors of the Board and/or members other than the directors of the Board. The composition, meeting, functioning and reporting principles of the committee chairman and the members shall be determined, regulated and revised by the Board of Directors.</p>
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## **APPENDIX 3 - CVs OF BOARD OF DIRECTORS CANDIDATES AND INDEPENDENCE DECLARATIONS OF INDEPENDENT MEMBER CANDIDATES**

### **Rahmi M. Koç**

A graduate of Johns Hopkins University in Business Administration, he joined Koç Group in 1958 at Otokoç and held various senior positions at Koç Holding. He became Chairman of the Executive Committee in 1980 and Chairman of the Board of Directors of Koç Holding in 1984. He has been serving as the Honorary Chairman since 2003. He was the President of the International Chamber of Commerce between 1995 and 1996. In addition to his role as Koç Holding Honorary Chairman, Rahmi M. Koç also serves as Vice Chairman of the Board of Trustees of Vehbi Koç Foundation, Chairman of the Board of Trustees of Koç University, Founder and Chairman of the Board of Directors of Rahmi M. Koç Museum and Cultural Foundation, Chairman of the Board of Directors of Vehbi Koç Foundation American Hospital, Honorary Chairman and Founder of TURMEPA (Turkish Marine and Environment Protection Association), Honorary President of the High Advisory Council of Turkish Industrialists' and Businessmen's Association, Member of the Advisory Board of the Turkish Employers Association, Honorary Member of the Foreign Policy Association, Honorary Member of the NY Metropolitan Museum Board of Trustees and Founder Member of Global Relations Forum.

### **Ömer M. Koç**

He received his B.A. degree from Columbia University in 1985. He worked at Kofisa Trading for one year. After completing his MBA at Columbia University in 1989, he worked at Ramerica International Inc. He joined Koç Group in 1990 and worked at Gazal A.Ş. He held various senior positions at Koç Holding including Finance Coordinator, Vice President and President of Energy Group. He became member of Board of Directors in 2004 and Vice Chairman in May 2008. He was appointed as Chairman of Koç Holding Board of Directors on February 22, 2016. He is also the President of the Turkish Educational Foundation and Geyre Foundation and Chairman of Yapı Kredi Kültür Sanat Yayıncılık Board of Directors and Tüpraş Board of Directors.

### **Ali Y. Koç**

He graduated from Rice University in Business Administration and completed his MBA degree at Harvard Business School. He attended the American Express Bank Management Trainee program between 1990 and 1991 and worked as an analyst at Morgan Stanley Investment Bank between 1992 and 1994. He held various senior positions at Koç Holding such as the New Business Development Coordinator and President of the Information Technology Group between 1997 and 2006. He was the President of the Corporate Communications and Information Technology Group between 2006 and 2010. He has been a member of Koç Holding Board of Directors since 30 January 2008 and was named Vice Chairman on February 22, 2016.

### **Semahat S. Arsel**

She began her career in 1964 as a member of Koç Holding Board of Directors, a position she continues to hold. In addition, she is the Chairman of the Board of Directors of Vehbi Koç Foundation, Chairman of the Divan Group Board of Directors, Chairman of Semahat Arsel Nursing Education and Research Center and Second Chairman of Florence Nightingale Foundation. She is also the founder of Koç University School of Nursing.

### **Temel K. Atay**

A graduate of Mechanical Engineering from Istanbul Technical University, he holds an MBA degree from Wayne State University. He joined Koç Group in 1966 and later served as the General Manager of Otoyol Sanayi A.Ş. and Tofaş Türk Otomobil Fabrikası A.Ş. After working in various senior management posts at Koç Holding, he served as the CEO between 2000 and 2001. He has been a member of the Board of Directors since 1996 and was named Vice Chairman in 1998.

**Dr. Bülent Bulgurlu**

He graduated from Ankara Engineering and Architectural Faculty and earned his Ph.D. from Norwegian University of Science and Technology (NTNU). He started his career in 1972 as a Construction Engineer at Elliot Strømme A/S in Oslo. He joined Garanti İnşaat in 1977 as Construction Engineer and worked as Planning and Construction Manager, Site Coordination and Construction Manager, Assistant General Manager, General Manager and Executive Director at Garanti-Koza. He has worked at Koç Holding since 1996 as President of Tourism and Services Group, President of Tourism and Construction Group and President of Consumer Durables and Construction Group. He was Koç Holding CEO between May 2007 and April 2010. He is a Member of Koç Holding Board of Directors since May 2007. He is also a member of the Turkish Industrialists' and Businessmen's Association, TURMEPA (Turkish Marine and Environment Protection Association).

**Caroline Nicole Koç**

After graduating from high school at Switzerland's St. George's School, Ms. Koç went on to receive a Bachelor's degree in Business Administration from Babson College, USA. Ms. Koç started her professional career in 1992 at Edwards of Hisar, where she acted as the managing director until 1998. Subsequently, she founded "İlkadım Play and Education Center for Kids" in 1998. She was the acting manager of the Center until 2003. She is the founder and the current Chairwoman of "Haremliqie Istanbul" and "Selamliqie Turkish Coffee" brands since 2008. Ms. Koc has always been an active contributor to philanthropic organizations. She is the Chairwoman of Turkish Family Health and Planning Foundation, a Board Member at Tohum Autism Foundation, a Founding Member of Tina Foundation and a Founding Member of the Contemporary Education Foundation.

**İpek Kıraç**

She graduated from Koç Private High School in 2002 and from Brown University Department of Biology in 2007. Since March 2012, she has been the Board of Directors Member and CEO of Sirena Marine Maritime Industry and Trade Inc.; a subsidiary of Kıraç Holding. Besides being a founding member of the Suna and İnan Kıraç Foundation, İpek Kıraç continues to work as an Executive Board Member for Koç Private High School, Board of Directors Member for Temel Trade and Investment Inc., Board of Directors Member for Amerikan Hospital Health Services Trade Inc., Board of Directors Member for Zer Central Services Inc. and Board of Trustees Member of TEGV and GEV.

**Levent Çakıroğlu**

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, Migros between 2007 and 2008 and Arçelik between 2008 and 2015. Between 2010 and 2015 he served as President of Consumer Durables Group at Koç Holding. Çakıroğlu was appointed Koç Holding's Deputy CEO in February 2015 and has been serving as the CEO since April 2015.

**Prof. Dr. John H. McArthur**

He graduated from the University of British Columbia and received his MBA and doctorate from the Harvard Business School. He became a professor at the Harvard Business School in 1962 and served as Dean between 1980 and 1995. He currently chairs the Asia Pacific Foundation of Canada and is a member of the Board of Directors of Duke University Health Systems, Stemnion, Inc., Aileron Therapeutics, and the Thomson Reuters Founders Share Co. Ltd. For many years, he served as Chair of the Brigham and Women's Hospital and, following its merger with the Massachusetts General Hospital, was the founding co-chair of the Board of Partners HealthCare System, Inc. He has also served on the boards of Chase Manhattan Corporation, Bell Canada, GlaxoSmithKline PLC, and the AES

Corporation. In 2013 he was made an Officer of the Order of Canada. John H. McArthur has been a member of Koç Holding Board of Directors since 1999.

**Prof. Dr. Heinrich V. Pierer**

He studied Law and Economics at the Friedrich Alexander University Erlangen-Nuremberg. He joined Siemens AG in 1969 and held various senior positions in the company. He was the Chief Executive Officer of Siemens AG between 1992 and 2005 and the Chairman of the Supervisory Board of Siemens AG between 2005 and 2007. He served as Chairman of the Asia-Pacific Committee of German Business between 1993 and 2006. Prof. Dr. Heinrich V. Pierer is an Honorary Professor at the Friedrich Alexander University Erlangen-Nuremberg, Department of Law and Economics. He has been a member of Koç Holding Board of Directors since 2008.

**Peter Denis Sutherland**

He received education at Gonzaga College, University College Dublin and the King's Inns and graduated in Civil Law. He served as Attorney General of Ireland (1981-1984), EC Commissioner responsible for Competition Policy (1985-1989), Director General of The World Trade Organization (1993-1995), Chairman of Goldman Sachs Intl. (1995 - 2015), Chairman of BP p.l.c. (1997-2009) and Chairman of London School of Economics (2008-2015). Mr. Sutherland is UN Special Representative for Migration and Development (2006 – current). His other associations include Allianz BoD, BW Group Ltd. BoD, Eli Lilly Advisory Board, Trilateral Commission (Europe) and The Federal Trust. He has received sixteen honorary doctorates from universities in Europe and America and has many awards and publications. Peter Denis Sutherland has been a member of the Board of Directors since 2009.

**Kwok King Victor Fung (Independent Board Member Candidate)**

He received his bachelor and Master's degrees in Electrical Engineering from the Massachusetts Institute of Technology, and a doctorate in Business Economics from Harvard University. He was the Chairman of the Hong Kong Trade Development Council (1991-2000), the Hong Kong representative on the APEC Business Advisory Council (1996-2003), Chairman of the Hong Kong Airport Authority (1999-2008), Chairman of The Council of The University of Hong Kong (2001-2009), Chairman of the Greater Pearl River Delta Business Council (2004 to February 2013), Chairman (July 2008-June 2010) and Honorary Chairman (July 2010-June 2013) of the International Chamber of Commerce, a member of WTO Panel on Defining the Future of Trade (2012-2013) and a vice chairman of China Centre for International Economic Exchanges. Dr. Fung is the Group Chairman of the Fung Group (formerly known as the Li & Fung Group), a Hong Kong-based multinational which comprises major subsidiaries in trading, logistics, distribution and retailing. They include publicly-listed Li & Fung Limited, Global Brands Group Holding Limited, Convenience Retail Asia Limited and Trinity Limited. In July 2015, Dr Fung was appointed Chairman of the Advisory Board of the Asia Global Institute at The University of Hong Kong, a new multi-disciplinary think-tank to assume and carry forward the mission and operations of which Dr. Fung was Founding Chairman. He is also a member of the Chinese People's Political Consultative Conference, a member of the Economic Development Commission of the Hong Kong Government and Chairman of the Steering Committee on the Hong Kong Scholarship for Excellence Scheme. Dr. Fung is an independent non-executive Director of Chow Tai Fook Jewellery Group Limited in Hong Kong, and China Petrochemical Corporation in the People's Republic of China. He is also Chairman of the Asia Advisory Board of Prudential Financial, Inc (USA). He was awarded the Gold Bauhinia Star in 2003 and Grand Bauhinia Medal in 2010 for distinguished service to the community. Kwok Victor Fung has been a member of the Board of Directors since 2011.

**Muharrem Hilmi Kayhan (Independent Board Member Candidate)**

Muharrem Kayhan received education at St. Joseph French School and Robert College of Istanbul. He got his Engineering Degree in Textiles in 1976 from the University of Manchester in England. He received his MBA from Cornell University in 1978. Muharrem Kayhan is presently Chairman of the Board of Söktaş. He has represented the interests of the Turkish textile industry in various European Union platforms while serving on the boards of the Aegean Chamber of Industry, the Exporters' Union, and the Turkish Textile Employers' Union. He has served as the

Chairman of TÜSİAD (Turkish Industrialists' and Businessmen's Association) between 1997 and 1999, and is now one of its Honorary Chairman. Muharrem Kayhan serves on the Board of Trustees of Robert College, and the Izmir Culture, Art and Education Foundation. He represents Spain as Honorary Consul in İzmir since 2003. He is the recipient of the Turkish National Assembly Distinguished Service Award (2009). Muharrem Hilmi Kayhan, has been a member of the Board of Directors since 2012.

**Kutsan Çelebican (Independent Board Member Candidate)**

He graduated from Ankara University School of Political Science. He began his career at the Ministry of Finance Tax Auditors Board in 1969, served as Deputy General Director at the General Directorate of Treasury of the Ministry of Finance between 1979 and 1982, and was appointed as Assistant to Executive Director in the World Bank (IBRD). He joined the Koç Group in 1987 and served as Finance Coordinator, Vice President and President of the Finance Group. He retired from Koç Group as of December 2001. He currently manages his own financial consulting company. Kutsan Çelebican has been a member of the Board of Directors since 2013.

**Mustafa Kemal Olguç (Independent Board Member Candidate)**

He graduated from Boğaziçi University in Mechanical Engineering and completed two master degrees at Gallier University Controlling Engineering and Edinburgh University Fire Engineering. He started his career in 1977 at Koç Allianz Sigorta A.Ş. He worked as General Manager in Koç Allianz Hayat ve Emeklilik A.Ş. between 1991 and 2006, as CEO of Allianz Turkey between 2001 and 2006, as member of Board of Directors of Allianz Sigorta A.Ş. and Allianz Hayat ve Emeklilik A.Ş.; as Chairman of Allianz Global Assistance and Magdeburger Insurance between 2001 and 2014. He served as member of Turkey Insurance Association, as Chairman of Turkish Insurance Institute Foundation, as member of YASED International Investors Association, as member and Chairman of EGM Pension Monitoring Center. He is also independent member of Avicennia Capital Sdn Bhd (subsidiary of Khazanah group which is strategic investment fund of Malaysian government) and Acıbadem Sağlık ve Hayat Sigorta A.Ş. In addition, he is Chairman of Board of Directors of Akasya Bakım ve Yaşam Merkezi A.Ş. He is a member of TÜSİAD and 1907 Fenerbahçe Association. Mustafa Kemal Olguç has been a member of the Board of Directors in 2014.

**Jacques Albert Nasser (Independent Board Member Candidate)**

Jacques Nasser is the Chairman of BHP Billiton. He has been a member of the Board of BHP Billiton from 2006. He also presently serves on the Boards of 21st Century Fox and the International Advisory Board of Allianz. Following a 33-year, global career with Ford Motor Company, Mr. Nasser served as a member of the Board of Directors, and as President and Chief Executive Officer of Ford from 1998- 2001. In addition, he has also served on the Boards of Brambles Industries and News Corporation's British Sky Broadcasting and as a Partner of One Equity Partners, the private equity investment arm of JPMorgan Chase. Mr. Nasser has received a Doctorate of Technology honoris causa and graduated in Business from RMIT University, Melbourne, Australia. In recognition of his work for industry, as an advisor to government, and for education in the area of technology, he was awarded an Order of Australia and a Centenary Medal. Mr. Nasser was also awarded the Order of the Cedar from Lebanon. In 2008 he received the Ellis Island Medal of Honor for outstanding contributions to American Society. Jacques Nasser has been a member of the Board of Directors since 2015.

**Anne Lauvergeon (Independent Board Member Candidate)**

Anne Lauvergeon is a graduate of the Ecole Normale Supérieure and the French National School of Mining Engineer. She holds an advanced degree in Physics & Chemistry. She started her professional career in 1983, in the iron and steel industry (Usinor). In 1984, she directed the European nuclear safety studies applied to the chemical industry for CEA (Commissariat à l'Énergie Atomique, the public technological research organization in France). From 1985 to 1988, she supervised the underground activities in and around Paris and was appointed, in 1988, Deputy Director of the General Mining Council. From 1990 to 1995, she worked for the French President's office, in charge of international economy and foreign trade missions and Deputy Chief of Staff in 1991. At the same time she became Personal Representative to the French President, in charge of the G7/G8 Summits. In 1995, she became Managing Director and Partner of Lazard Frères (New York, Paris). In March 1997, she joined Alcatel Telecom as Senior

Executive Vice President and was appointed Member of the Executive Committee in July 1998. She was in charge of international network and the Group's interests in energy, defense, transportation and nuclear fields. From July 2001 to June 2011, after its creation, she was Chief Executive Officer of AREVA. From June 1999 to June 2011, she was Chairman and Chief Executive Officer of COGEMA (now AREVA NC). Since 2011, Anne Lauvergeon is Founder and CEO of A.L.P a French advisory and investments company. Since 2013, she is appointed Head of Innovation 2030 National Committee. Since 2014, she is Chairman of the Board of Sigfox, a French start-up that operates a cellular network dedicated exclusively to small messages. Since 2015, she is Chairman of the Board of BoostHEAT, which develops and manufactures a new generation of heat pump boilers.

## INDEPENDENCE DECLARATIONS OF INDEPENDENT MEMBER CANDIDATES

### DECLARATION FOR INDEPENDENCY

I hereby declare my candidacy to serve as an independent board member on the Board of Directors of Koç Holding A.Ş. ("Company") within the framework of the applicable legislation, articles of association of the Company and the criteria stated in the Communiqué on Corporate Governance Principles nr. II-17.1 of the Capital Markets Board ("CMB") subject to the consent of the CMB in view of the criteria of "qualifying as a *Turkish resident under the Income Tax Law*". In this regard, I also confirm that;

- a) In the last five years, there has not been any relationship in terms of employment for key management positions assuming significant duties and responsibilities; any joint or several ownership exceeding 5% of capital or voting rights or privileged rights; or any material commercial transactions between the Company, or the entities where the Company has the managerial control or substantial influence thereon, or any shareholders which has the managerial control or substantial influence over the Company, or any legal entity where such shareholders have the managerial control thereon; and myself, my spouse and my blood or affinity relatives up to the second degree;
- b) In the last five years, I have not had a shareholding of or over 5% therein, or been employed by for any key management position, assuming significant duties and responsibilities, in a company, or served as a board member for any company, which the Company purchases from or supplies to any goods or services at a substantial level under any respective contract, particularly for the audit (including tax, legal and internal audit), rating and consultancy services over the course of the provision of such goods or services;
- c) I have the adequate skills, competence, knowledge and expertise to fulfill my duties as an independent board member;
- d) After my election, I will not work full time in a public institution or organization, except for the academic membership in compliance with the applicable legislation,
- e) I have strong ethical standards, professional reputation and expertise to make effective contributions to the business of the Company, to protect my objectivity and independence in case of any conflict of interest between the Company and its shareholders and to make objective business decisions considering the rights of the stakeholders of the Company;
- f) I will devote my time to fulfill my duties in full extent and for the supervision of the activities of the Company;
- g) In the last ten years, I have not served on the board of the Company more than six years;
- h) I do not serve as an independent board member in any Koç Group company or any company listed on Borsa Istanbul.
- i) I have not been registered or announced in the name of any legal entity elected as a board member.

(signature)

**Kwok King Victor Fung**

## DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Koç Holding A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's Communiqué on Corporate Governance. In that regard I also confirm that;

a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,

ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

d) I am deemed to be resident in Turkey according to Revenue Tax Law No. 193 dated 31.12.1960

d) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

e) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

f) I have not been on the board of the Company for more than six years within last ten years,

g) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

h) I am not registered in the name of any legal entity elected as a board member.

(signature)

Muharrem Hilmi Kayhan

## DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Koç Holding A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's Communiqué on Corporate Governance. In that regard I also confirm that;

a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,

ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

d) I am deemed to be resident in Turkey according to Revenue Tax Law No. 193 dated 31.12.1960

d) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

e) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

f) I have not been on the board of the Company for more than six years within last ten years,

g) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

h) I am not registered in the name of any legal entity elected as a board member.

(signature)

Kutsan Çelebican

## DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Koç Holding A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's Communique on Corporate Governance. In that regard I also confirm that;

a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.

b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,

ç) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

d) I am deemed to be resident in Turkey according to Revenue Tax Law No. 193 dated 31.12.1960

d) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

e) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

f) I have not been on the board of the Company for more than six years within last ten years,

g) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.

h) I am not registered in the name of any legal entity elected as a board member.

(signature)

Mustafa Kemal Olgaç

## DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Koç Holding A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's ("CMB") Communiqué on Corporate Governance, subject to the consent of CMB in view of the criteria of "qualifying as a Turkish resident under the Income Tax Law". In that regard I also confirm that;

- a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.
- b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,
- c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,
- d) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- e) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- f) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- g) I have not been on the board of the Company for more than six years within last ten years,
- h) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.
- i) I am not registered in the name of any legal entity elected as a board member.

(signature)

**Jacques Albert Nasser**

## DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of Koç Holding A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board's ("CMB") Communiqué on Corporate Governance, subject to the consent of CMB in view of the criteria of "qualifying as a Turkish resident under the Income Tax Law". In that regard I also confirm that;

- a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders.
- b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,
- c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,
- d) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,
- e) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- f) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,
- g) I have not been on the board of the Company for more than six years within last ten years,
- h) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total.
- i) I am not registered in the name of any legal entity elected as a board member.

(signature)

Anne Lauvergeon

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

This policy determines the remuneration system for the Board of Directors and key executives within the scope of the definition of persons discharging managerial responsibilities under Capital Markets Board regulations.

A fixed remuneration is determined for all members of the Board at the annual general meeting of the Company.

Additional payment is made to the executive members of the Board in accordance with the policy established for senior executives.

Additional payment is made to the Board members who have been assigned specific duties to support the activities of the Company the amount of which is to be determined by the Board of Directors in consultation with the Nomination and Remuneration Committee.

To the chairman and members of the Executive Committee of the Board which supports the Board in the proper management of the Company in all respects, additional compensation determined by the Board of Directors in consultation with the Nomination and Remuneration Committee by taking into account such Committee Members' contributions, attendance at the meetings, functions, etc. can be granted. Payments made thereof to Executive Committee members within the year are to be deducted from the amount determined at the end of the year.

In respect of remuneration of the independent members of the Board of Directors, a payment plan based on the performance of the Company may not be used.

Pro rata payment is made to the members of the Board of Directors by taking into account the time they carried out their duty between the date of appointment and the date of resignation. Expenses incurred by the members of the Board of Directors on account of making contributions to the company (such as transportation, telephone, insurance, etc.) can be paid by the Company.

The remuneration of Senior Executives is to consist of two components, which are fixed and performance based.

Fixed salaries of senior executives are determined in accordance with international standards and legal obligations by taking into account the prevailing macroeconomic data in the market, the salary policies prevailing in the market, the size and long-term targets of the Company and the positions of the persons.

Bonuses for senior executives are calculated according to the bonus base, the performance of the Company and the individual performance. A summary of the criteria is as follows:

**Bonus Base:** Bonus Bases are updated at the beginning of each year. They vary depending on the work volume of the executives' positions. When updating the bonus bases, senior management bonus policies in the market are taken into account.

**Company Performance:** The performance of the Company is determined at the end of the year by measuring the financial and operational targets (market share, exports, overseas operations, productivity, etc.) assigned to the Company at the beginning of each year. In determination of the Company's targets, the sustainability of success and the degree to which it incorporates improvements over previous years are the principles taken into account.

**Individual Performance:** In the determination of individual performance, along with the targets of the company, those related to the employee, customer, process, technology and long-term strategy are taken into account. In the measurement of individual performance, in line with the performance of the company, the principle of achieving long term sustainable improvement in areas apart from the financial dimension is observed.

Severance payments may be granted to the key executives by taking into account total term of service, term of service as an executive, as well as contributions made to the company, the recent bonus base, and the salaries and bonuses paid in the last year of service.

Total amounts determined by the above principles and paid to the members of the Board of Directors during the year are submitted for shareholder approval at the next general meeting.