



## **TURCAS PETROL A.Ş.**

# **2019 ANNUAL GENERAL MEETING 28 MAY 2020**

## **INFORMATION DOCUMENT**

### **1) INVITATION TO THE 2019 ANNUAL GENERAL MEETING DATED 28 MAY 2020**

2019 Annual General Meeting of our Company shall be held at the address of Ahi Evran Caddesi No: 6 Aksoy Plaza 7<sup>th</sup> Floor Maslak Sarıyer İstanbul, our Company's Head Office, at 10.30 a.m. on 28.05.2020, Thursday to discuss and conclude the agenda stated in this document.

The Annual General Meeting of our Company may be attended by shareholders in physical environment while ensuring full compliance with precautionary actions taken by our country due to COVID-19 (Corona Virus Outbreak) or electronic media and they may also attend through their representatives. Attendance in the General Assembly is possible with secure electronic signatures of shareholders or their representatives. Therefore, it is necessary for shareholders to take action at Electronic General Assembly System (EGAS) to register in Central Registry Agency A.Ş. (CRA) e-CRA Information Portal and record their contact details and to have secure e-signatures. Shareholders or their representatives who are not registered in e-CRA Information Portal or do not have secure electronic signatures can not attend the General Assembly electronically.

In addition, shareholders or their representatives who want to attend to the meeting on electronic media are required to fulfill their obligations in accordance with provisions of "Communiqué on Electronic General Assembly System to be Applied in General Assemblies of Joint Stock Companies issued at Official Gazette no. 28396 and dated 29 August 2012 and "Regulation on General Assemblies to be Held Electronically in Joint Stock Companies" issued at Official Gazette no. 28395 and dated 28 August 2012.

Our shareholders who want to attend General Assembly in physical environment while ensuring full compliance with precautionary actions taken by our country due to COVID-19 (Corona Virus Outbreak), can use their rights as to their shares registered in "Shareholders List" stated in CRA system by submitting their identity.

It is required for shareholders who can not participate in the meeting personally in physical or electronic media to arrange their powers of attorney in compliance with the following sample or to provide the sample form from our Company Headquarter or website [www.turcas.com.tr](http://www.turcas.com.tr) and to fulfill matters foreseen in “Voting by Proxy and Proxy Solicitation” Communiqué II-30-1of Capital Markets Board published in the Official Gazette dated 24 December 2013, no.28861 and to submit their notarized powers of attorney by attaching it to Power of Attorney Form bearing their own signatures. Proxy holders who have been electronically appointed via Electronic General Assembly System don't have to submit a notarized power of attorney.

Open ballot system shall be used by the procedure of raising hand provided that voting provisions for electronic media are reserved as to approval of Agenda items at General Meeting.

In accordance with subparagraph 4 of article 415 of New Turkish Commercial Code no. 6102 and subparagraph 1 of article 30 of Capital Markets Law, right to attend to general assembly and voting shall not be affiliated to term of storing share certificates. Within this framework, there is no need for our shareholders to block their shares in case they want to attend to General Meeting. However, our shareholders who do not want their identities and information as to shares in their accounts to be communicated to our Company and therefore information of whom can not be seen by our Company are required to apply to intermediary agencies where their accounts are available and to remove “limitation” that block their identities and information as to shares in their accounts to be informed to our Company until 16.30 one day before the General meeting at the latest in case they want to attend to General Meeting.

Further information can be obtained from “Investor Relations Department” at the Head Office of our Company.

In accordance with related legislation of Turkish Commercial Code, Capital Markets Board and Ministry of Customs & Trade, 2019 Annual Report, Independent Audit Report, Financial Statements, Dividend Distribution Proposal and detailed Information Document including requirements of Corporate Governance Principles will be readily available for review of shareholders 21 days prior to the General Meeting at the Company's corporate web-site, [www.turcas.com.tr](http://www.turcas.com.tr) and Electronic General Assembly System.

It is noticed to our shareholders respectfully.

**TURCAS PETROL A.Ş.**

**2) FURTHER EXPLANATION ON AGENDA ITEMS OF 2019 ANNUAL GENERAL MEETING DATED 28 MAY 2020**

**1. Opening and constitution of Meeting Council,**

Pursuant to the provisions of “Turkish Commercial Code” (TCC), “Regulation on the Procedures and Principles of the General Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Trade to Attend These Meetings” (“Regulation”) and Article 7 of Internal Directive on Working Principles of General Assembly of the Company, Meeting Chairman and the Presidency Council to direct the General Meeting shall be formed.

**2. Authorizing Meeting Council to sign the Annual General Meeting Minutes**

Pursuant to the provisions of “Turkish Commercial Code” (TCC) and Article 13 of Internal Directive on Working Principles of General Assembly of the Company, authorization of Meeting Council to sign the Annual General Meeting Minutes shall be submitted to the approval of our shareholders.

**3. Review, discussion and approval of 2019 Annual Report,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about 2019 Annual Report which was available to our shareholders for examination purposes at our corporate web site ([www.turcas.com.tr](http://www.turcas.com.tr)), Electronic General Assembly portal of the Central Registry Agency and Public Disclosure Platform (“PDP”) 21 days prior to the date of the meeting, within statutory period. The mentioned annual report shall be submitted to the approval of our shareholders.

**4. Review, discussion and approval of 2019 Independent Audit Report Summary,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about 2019 Independent Audit Report Summary which was available to our shareholders for examination purposes at our corporate web site ([www.turcas.com.tr](http://www.turcas.com.tr)), Electronic General Assembly portal of the Central Registry Agency and Public Disclosure Platform (“PDP”) 21 days prior to the date of the meeting, within statutory period. The mentioned independent audit report shall be submitted to the approval of our shareholders.

**5. Review, discussion and approval of the year-end financial statements for the fiscal year 2019,**

Pursuant to the provisions of TCC, Regulation, Capital Markets Law and other applicable legislation; information shall be given about Balance Sheet and Income Statement for the fiscal year 2019 which was available to our shareholders for examination purposes at our

corporate web site (www.turcas.com.tr), Electronic General Assembly portal of the Central Registry Agency and Public Disclosure Platform (“PDP”) 21 days prior to the date of the meeting, within statutory period. The mentioned financial statements shall be submitted to the approval of our shareholders.

**6. Release of each member of the Board of Directors of liability related to activities of the Company during 2019,**

Pursuant to the provisions of TCC and Regulation, release of our members of the Board of Directors separately for activities, transactions and accounts for the year 2019 shall be submitted to the approval of our shareholders.

**7. Appointment of a new Independent Board Member to replace previous Independent Board Member who has resigned and determination of the term of office of the newly elected Independent Board Member,**

As publicly disclosed on 27 April 2020, Mr. Mustafa Ergen, our Company’s Independent Board Member, has resigned from all of his duties to become effective from 28 May 2020 onwards.

In accordance with Capital Markets Board’s Corporate Governance Communique numbered II-17.1, following the evaluation of Corporate Governance Committee, who has assumed the role of Nomination Committee, proposal regarding nomination of Independent Board Member was submitted to Board of Directors. As publicly disclosed on 6 May 2020, Board of Directors has decided to nominate Ms. Lale Ergin, whose resume can be found in Annex-2, as Independent Board Member until the Annual General Meeting for 2022 and submit the above mentioned appointment to the approval of 2019 General Assembly to be held on 28th of May, 2020. Proposal regarding the appointment of Independent Board Member will be submitted to the approval of General Assembly.

**8. Discussion and approval of the rights of the members of the Board of Directors regarding remuneration, bonus, premium**

In parallel with the Corporate Governance Principles of the Capital Markets Board, the proposal for paying each Independent Member of the Board of Directors during 2020 a remuneration in the gross amount of TL 247,896 per year and, paying other Members of the Board of Directors an attendance fee and/or remuneration in the gross amount of TL 3,700,931 per year in total shall be submitted to approval of the General Assembly.

**9. Approval of the Independent Audit Company for the fiscal year 2020 recommended by the Board of Directors in accordance with the Company’s related Audit Committee report pursuant to the Turkish Commercial Code and the regulations of the Capital Markets Board,**

In accordance with TCC, Capital Markets Law and related legislation as well as the positive view of Audit Committee and the Board of Directors’ Decision dated 27 April

2020 and numbered 2020/06; Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of Ernst & Young Global)'s election for the independent audit of financial statements of the fiscal year 2020 shall be submitted to the approval of shareholders during 2019 Annual General Meeting.

#### **10. Discussion and approval of dividend distribution proposal by the Board of Directors for the fiscal year 2019,**

Dividend Distribution proposal, which was approved with Board resolution no. 2020/07, dated 27.04.2020 and disclosed to the public, shall be submitted to approval of the General Assembly. 2019 Dividend Distribution Table has been presented in Annex-1.

#### **11. Informing General Assembly about the donations granted during the fiscal year of 2019,**

Our Company has not granted any donations during the fiscal year of 2019.

#### **12. Informing General Assembly about securities-pledges, mortgages and acquired incomes and benefits given in favour of third parties during the fiscal year of 2019,**

Pursuant to the Article 12 of the Capital Markets Board Corporate Governance Communique No. II-17.1, securities-pledges, mortgages and acquired incomes and benefits given in favor of third parties must be stipulated in a separate article of the agenda of the Annual General Meeting. This is indicated in footnote 13 of our financial statements dated 31 December 2019.

#### **13. Informing General Assembly about transactions stated in principles 1.3.6 and 1.3.7 (Annex -1) of Capital Markets Board's Corporate Governance Communique no II.17.1,**

Since, it is only possible with approval of General Assembly for Shareholders, Board Members and Senior Managers who have management domination and their spouses and their blood relatives and relative by marriage to make transaction in a nature possible to cause interest conflict with the Company or Subsidiaries and to compete and to make transaction within framework of article 395 of Turkish Commercial Code titled "Prohibition of Transaction with the Company" and article 396 titled "Non-Competition" and in accordance with Corporate Governance Communiqué of Capital Markets Board No II.17.1, the mentioned permission request shall be submitted to approval of our shareholders at the General Assembly (15<sup>th</sup> agenda item) and General Assembly shall be informed on actions realized within this scope in accordance with the approval of General Assembly in 16 May 2019.

## **14. Informing General Assembly regarding transactions with related parties in 2019,**

Information shall be given to the General Assembly about transactions made with related parties in 2019 within the framework of regulations of Capital Markets Board. The mentioned transactions with related parties are indicated in footnote 27 of our financial statements dated 31 December 2019.

## **15. Granting authorization to the Chairman and Members of the Board to make transactions written in articles 395 and 396 of Turkish Commercial Code,**

Since it is only possible for our Board Chairman and Members to make a transaction within the framework of article 395 Turkish Commercial Code titled “Prohibition of Transaction with the Company” and article 396 titled “Non-Competition” with the approval of General Assembly, the mentioned permission shall be submitted to approval of our shareholders at General Assembly.

## **16. Response to questions asked by shareholders.**

Necessary explanations shall be made by the authorities if there are questions asked by the Shareholders.

## **2) ADDITIONAL DISCLOSURES PURSUANT TO THE REGULATIONS OF THE CAPITAL MARKETS BOARD**

### **A-) Shareholding structure of our Company/Voting Rights/ Privilege at Voting**

#### **Turcas Petrol A.Ş. Shareholding Structure\***

<b>Commercial Title/Name Surname</b>	<b>Share in Capital (TL)</b>	<b>Share in Capital (%)</b>	<b>Voting Right</b>	<b>Share in Voting Right (%)</b>
Aksoy Holding A.Ş.	139,175,892	54.45	139,175,892	54.45
Traded at BIST	71,584,048	28.01	71,584,048	28.01
Turcas Petrol A.Ş. (Traded at BIST)	71,336	0.03	71,336	0.03
Other Individual and Corporate Investors	44,768,724	17.52	44,768,724	17.52
<b>TOTAL</b>	<b>255,600,000</b>	<b>100.00</b>	<b>255,600,000</b>	<b>100.00</b>

\*As of 06 May 2020

## Information as to Shares Representing the Capital

Group	Registered/to the Bearer	Nominal Value of Each Share (TL)	Total Nominal Value (TL)	Share in Capital (%)	Privilege Type	Whether or Not Traded at Stock Exchange
A	REGISTERED	1,00	255,599,850.00	99.99	NO PRIVILEGE	TRADED
B	REGISTERED	1,00	112,50	0.00	PRIVILEGED	NOT TRADED
C	REGISTERED	1,00	37,50	0.00	PRIVILEGED	NOT TRADED
		<b>TOTAL</b>	<b>255,600,000.00</b>	<b>100.00</b>		

Majority of Group A shares are owned by Aksoy Holding A.Ş. In addition, all of Group C shares are owned by Aksoy Holding A.Ş.

In accordance with Article 29 of the Company's Articles of Association, every shareholder attending the General Meeting has the right to cast one vote for each share as per Article 434 of the Turkish Commercial Code.

**Scope of Privilege:** Owners of B and C Group shares have the privilege of identifying Board Member candidates in accordance with Article 13 of Articles of Association of the Company.

### **B-) Realized or expected changes in management and operations during 2019 or later by the Company which have significant impact on corporate activities of the Company and its Subsidiaries :**

Our Company's Head Office has switched to remote working effective from 20 March 2020 onwards due to Coronavirus (COVID-19) outbreak while minimizing any potential disruptions in business processes.

Turcas Petrol A.Ş. ("Turcas"), an investment company focused on oil and energy sector, operates in 3 main business segments via its subsidiaries and associates:

1) Our 30% subsidiary operating in fuel distribution and lubricants sector, Shell & Turcas Petrol A.Ş. ("Shell & Turcas"), prioritized ensuring health and safety of its customers, business partners and employees while continuing uninterrupted delivery of its products. Shell & Turcas follows all of the information, regulations and warnings published by Republic of Turkey's Ministry of Health and other relevant Ministries with utmost attention.

Accordingly; employees working at Head Office and production facilities were trained in order to increase awareness. Precautions like continuously disinfecting common working spaces, rearranging business travel and meetings were taken with utmost attention. Business continuity plans under different scenarios were prepared and tested if possible in order to prevent any disruption in supply of fuel, LPG, natural gas, lubricants and petrochemical products to customers operating in different business segments. Also, a set of precautions were taken regarding health conditions of business partners within field operations including fuel stations, employees working at fuel stations and customers visiting fuel stations. Fuel station management teams were informed about these precautions. In this perspective, disinfections are carried out in fuel stations while informative banners about coronavirus are placed inside these stations. Necessary directives are given to fuel station management teams regarding required hygiene products.

Shell&Turcas closely monitors the process, new regulations and is ready to take action swiftly in case additional precautions have to be taken according to new developments.

2) Our 30% subsidiary operating in conventional power generation sector, RWE & Turcas Güney Elektrik Üretim A.Ş. (“RWE & Turcas”) has switched to remote working method at its Head Office. Currently, power generation at 800 MW Combined Cycle Gas Power Plant in Denizli continues while taking necessary precautions set by Ministry of Health related to health, hygiene, safety, environment etc.

3) Our 100% associate operating in renewable power generation sector, Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. (“Turas Kuyucak”) has switched to remote working method at its Head Office. Currently, power generation at 18 MW Geothermal Power Plant in Aydın continues while taking necessary precautions set by Ministry of Health related to health, hygiene, safety, environment etc.

**C-) Requests of shareholders, Capital Markets Board and other public authorities to add items to the agenda**

None.

**D-) In case the general assembly meeting agenda includes dismissal, change or election of board of directors members, the grounds for their dismissal and change and with respect to the persons whose candidacy has been declared to the corporation; their CVs, duties that they have conducted in the last ten years and reasons for their resignation, feature and materiality level of their relation with the corporation and its related parties, whether they are independent or not, and information on similar issues which may affect the activities of the corporation should these persons are elected as members of Board of Directors:**

Appointment of new Independent Board Member exists in the 7<sup>th</sup> agenda item of 2019 Annual General Meeting. Resume of Independent Board Member Nominee can be found in Annex-2. Ms. Lale Ergin’s duties conducted in the last 10 years have been explained in her resume. There are no issues which may affect the activities of our Company if Ms. Lale Ergin is elected as Independent Board Member. Declaration of Independence has been obtained from Ms. Lale Ergin.

## ANNEX.1 Dividend Distribution Table

TURCAS PETROL A.Ş. 2019 Dividend Distribution Table (TL)			
<b>1. Paid-in Capital</b>		255,600,000.00	
<b>2. Legal Reserves (According to Statutory Books)</b>		39,311,954.06	
<b>Info on privileges regarding dividends, if there is any as per Articles of Association</b>		None	
		<b>According to CMB Financials</b>	<b>According to Statutory Financials</b>
3.	Profit Before Tax	-32,768,456.00	148,029,536.67
4.	Tax Expense (-)	-4,089,119.00	0.00
5.	Net Profit (=)	-28,679,337.00	148,029,536.67
6.	Prior Years' Losses (-)	0.00	116,717,985.98
7.	1st Legal Reserves (-)	1,565,577.53	1,565,577.53
8.	<b>NET DISTRIBUTABLE PROFIT (=)</b>	<b>-30,244,914.53</b>	<b>29,745,973.16</b>
9.	Donations Made During the Year (+)	-	
10.	<b>Net Distributable Profit including donations to be used in the calculation of first dividend (=)</b>	<b>-30,244,914.53</b>	
11.	First Dividend to Shareholders	0.00	
	-Cash	0.00	
	-Bonus Shares	0.00	
	Total	0.00	
12.	Dividends Distributed to Owners of Privileged Shares	0.00	
13.	Dividends to Board Members, Employees, etc.	0.00	
14.	Dividends Distributed to Redeemed Shareholders	0.00	
15.	Second Dividend to Shareholders	0.00	
16.	Second Legal Reserves	0.00	
17.	Statutory Reserves	0.00	
18.	Special Reserves	0.00	
19.	<b>EXTRAORDINARY RESERVES</b>	0.00	<b>29,745,973.16</b>
20.	<b>Other sources provided for distribution</b>	0.00	
	Retained Earnings	0.00	

DIVIDEND PAYOUT RATIO							
	GROUP	TOTAL DIVIDEND AMOUNT (TL)		THE RATIO OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS TO NET DISTRIBUTABLE INCOME(TL)		DIVIDEND PER SHARE WITH 1 TL NOMINAL VALUE	
		CASH (TL)	BONUS SHARES (TL)	RATIO (%)		AMOUNT (TL)	RATIO (%)
NET	A <sup>(1)</sup>	0.00	-	-	-	0.000000	0.000
	B	0.00	-	-	-	0.000000	0.000
	C	0.00	-	-	-	0.000000	0.000
	<b>TOTAL</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.000000</b>	<b>0.000</b>

(1) Consists of free float and remaining other shares (not publicly traded). As these shareholders' identities (real/legal person) are unknown, net dividend amounts were calculated with the "real person" assumption

## **ANNEX.2 Resume of Independent Board Member Nominee :**

### **Lale Ergin**

Lale Ergin graduated from Middle East Technical University – School of Management with Honours Degree in 1996 and completed Executive MBA program from Koç Univesity between 2000-2001. Ms. Ergin started her professional career at Borusan Holding as Business Analyst in 1996. Within the same company, she served as Strategy and Business Development Manager between 2000-2008 ; Chief Strategy, Business Development and Innovation Officer between 2008-2018 and Member of the Executive Committee, Group Head of Strategy, Business Development, M&A and Innovation until July 2019. Ms.Lale Ergin successfully completed Executive Programs about Driving Corporate Performance at Harvard Business School and Strategy Management at The Wharton School. Ms. Lale Ergin is currently a member of TÜSİAD (Turkish Industry & Business Association), YPO (Young Presidents' Organization) and Corporate Change Academy.