

**INFORMATION NOTE ON 2019 ORDINARY GENERAL ASSEMBLY MEETING DATED
18.03.2020**

1. INVITATION TO ORDINARY GENERAL ASSEMBLY MEETING DATED 18/03/2020

Ordinary General Assembly Meeting of the Company to review 2019 activities and discuss the following agenda will be held on 18 March 2020 Wednesday at 10:30 at "Büyükdere Caddesi Tofaş Han No: 145 Zincirlikuyu 34394 Şişli-İstanbul (Phone: 0212 275 33 90 (pbx), Fax: 0212 275 39 88)".

2019 Financial Tables, Independent Audit Report, Profit Distribution proposal and Activity Report and annexed Corporate Governance Principles Compliance Report and this detailed Information Note including the items of the agenda and the explanations required for compliance to Capital Markets Board regulations will be made available for the review of shareholders three weeks prior to the meeting as legally required at the Company Headquarters in Istanbul, Bursa Plant, corporate website www.tofas.com.tr and via Central Registration Agency Electronic General Assembly System.

Shareholders who will not personally attend the meeting, save for the rights and liabilities of the shareholders who will attend through the electronic system, should provide a letter of representation in accordance with the legislation or take a letter of representation sample from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent-İstanbul), other Company units or Company website www.tofas.com.tr and meet the requirements set forth by "Communiqué on Voting by Proxy and Collection of Proxy by Invitation" no. II-30.1 in force after being issued on the Official Gazette numbered 28861 and dated 24.12.2013 and submit the letter of representation with a notary public approved signature to the Company. A letter of representation is not required for a representative assigned electronically through the Electronic General Assembly System. **Any letter of representation not compliant with the sample letter of representation attached to the invitation of the general assembly meeting required as per such Communiqué will not be accepted due to our legal liabilities.**

Shareholders who will vote using the Electronic General Assembly System can access information regarding their liabilities as per the related Regulation and the Communiqué from the Central Registration Agency, Company website www.tofas.com.tr and Company headquarters, Financial Risk and Investor Relations Unit (Phone: 0212 275 33 90 Extension: 2751 / 0212 337 09 17).

As required by the New Turkish Commercial Code No. 6102 Article 415 Paragraph 4 and Capital Markets Law Article 30 Paragraph 1, General Assembly attendance and voting rights are not dependent on storage of shares. In this context, shareholders are not required to block their shares to attend the General Assembly Meeting.

As per the Law on Protection of Personal Data No. 6698, you can access detailed information on how your personal data are processed by the Company in Tofaş Türk Otomobil Fabrikası A.Ş. Personal Data Protection and Processing Policy available at www.tofas.com.tr.

The voting of Agenda of the Ordinary General Assembly Meeting will be exercised by way of open voting by raising hands, with the provisions regarding electronic voting reserved.

All stakeholders that own rights and interests as well as members of press-media are invited to our General Assembly meeting.

No notification will be made to the Shareholders via registered mail for registered shares quoted into the Stock Market as per the Capital Markets Law.

This is to inform our esteemed Shareholders.

**TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
BOARD OF DIRECTORS**

Company Address: Büyükdere Caddesi Tofaş Han No: 145 Zincirlikuyu 34394 Şişli - İstanbul

Trade Registry and Number: İstanbul Trade Registry - 100324

Mersis No: 0846000042200017

2. ADDITIONAL EXPLANATIONS ON CMB REGULATIONS

Additional explanations which are required as per “Corporate Governance Communiqué” II-17.1 of the Capital Markets Board (“CMB”) and relevant with the agenda items are included in the agenda items below and other required explanations are notified in this section:

2.1. Shareholding Structure and Voting Rights

Total number of shares and voting rights reflecting the partnership structure of the company as of the date of announcement of this Information Document and number of shares and voting rights reflecting the privileged share groups and the nature of privileges, if any, are given below:

The total issued capital of TL 500,000,000 of the Company consists of A, D and E group registered shares. There are no voting privileges and each share has one vote. As per Article 10 of the Company Articles of Association, one-half of the Board Members should be elected among the nominees who will be nominated by Group A and the other half shall be elected among the nominees who will be nominated by Group D shareholders and one of the nominees for each of Group A and D shareholders should meet the requirements for independence as set forth by the regulations by Capital Markets Board. There is no privilege regarding allocation of dividends (as per Article 18 of Articles of Association).

The issued capital of the Company is TL 500,000,000 (Five hundred million TL) fully paid. The number and the total values of Group A, D and E shares, all of which are registered shares, representing the Company’s capital TL 500,000,000 are shown in the following table in groups.

Allocation of the Capital amounting TL 500,000,000 in terms of Group A, D, and E Shares:

Group	Shareholder	Amount of Shares (Nominal TL)	Capital Ratio (%)	Voting Right	Voting Right Rates (%)
Group A – Registered	Koç Holding A.Ş.	187,938,121.26	37.5876	18,793,812,126	37.5876
Group A – Registered	Temel Tic. ve Yat. A.Ş.	175,693.44	0.0351	17,569,344	0.0351
Group A – Registered	Koç Family	1,166,042.17	0.2333	116,604,217	0.2333
Group D – Registered	FCA Italy S.p.A.	189,279,856.87	37.8560	18,927,985,687	37.8560

Group E – Registered	Other	121,440,286.26	24.2880	12,144,028,626	24.2880
TOTAL		500,000,000.00	100	50,000,000,000	100

2.2. Changes on Management and Activities of Our Company and Affiliates Which Significantly Effect Company Activities:

There are no changes, whether completed or estimated, regarding management and activities of our company at previous periods or future plans which significantly affect the activities of the company and its affiliates.

2.3. Information on Requests by Shareholders Regarding Added Agenda Items:

Requests by shareholders for adding agenda items submitted in writing to the Financial Risk and Investor Relations Unit, if rejected by the board, are listed below with the reasons for such rejection:

No such request is made for the Ordinary General Assembly Meeting for 2019 activities.

3. EXPLANATIONS ON THE AGENDA OF ORDINARY GENERAL ASSEMBLY MEETING DATED 18.03.2020

1. Opening and election of Meeting Chairmanship,

The election will be made for the Chairman who will chair the General Assembly Meeting pursuant to “Turkish Commercial Code No. 6102” (TCC), “Regulation on Procedures and Principles for General Assembly Meetings of Joint Stock Companies and Ministry of Customs and Commerce Representatives to Attend Such Meetings” (“Regulation” or “General Assembly Regulation”) and Article 7 of the General Assembly Internal Regulation. Chairman will assign minimum one Meeting Minutes Recorder as per the General Assembly Internal Regulations. Chairman can assign required number of vote collectors.

2. Reading, discussion and approval of 2019 Activity Report prepared by the Company’s Board of Directors,

Information will be provided on the 2019 Activity Report which is made available at Company Headquarters in Istanbul, Bursa Plant, Central Registration Agency Electronic General Assembly System and Company website www.tofas.com.tr three weeks prior to the General Assembly meeting within the scope of TCC, Regulation and Capital Markets Board legislation and comments and approval of the Shareholders will be taken.

3. Reading of Independent Audit Report Summary for 2019 accounting period,

Information will be provided on the Independent Audit Report which is prepared as per TCC and Capital Markets Board legislation and made available at Company Headquarters in Istanbul, Bursa Plant, Central Registration Agency Electronic General Assembly System and Company website www.tofas.com.tr three weeks prior to the General Assembly meeting for the review of the Shareholders.

4. Reading, discussion and approval of 2019 Financial Statements,

Information will be provided on financial tables and legal financial statements prepared as per Tax Procedure Law which are made available at Company Headquarters in Istanbul, Bursa Plant, Central Registration Agency Electronic General Assembly System and Company website www.tofas.com.tr three weeks prior to the General Assembly meeting within the scope of TCC, Regulation and Capital Markets Board legislation and comments and approval of the Shareholders will be taken.

5. Acquittal of each Board Member for 2019 activities of the Company,

Acquittal of each member of the Board of Directors from liability in respect of the operations, activities and accounts in 2019 pursuant to provisions of TCC and Regulation will be submitted to the approval of the General Assembly.

6. Approval, approval with amendment or rejection of the Board's proposal on appropriation of 2019 profits and the date of appropriation created as per the Company's profit distribution policy,

Based on the 01.01.2019 - 31.12.2019 financial tables created by the Company as per Turkish Commercial Code and Capital Markets Law in accordance with Turkish Accounting/Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of Ernst&Young Global Limited), "Consolidated Net Term Profit" of the main partnership has been TL 1,481,639,000 and the profit distribution offer created based on our Profit Distribution Policy, long-term company strategy, investment and financing policies, profitability and cash position and in accordance with Profit Share Communiqué no. II-19.1 and the Profit Distribution Table created in accordance with the Profit Share Guide issued as per this communiqué is attached as **ANNEX/1**.

7. Determination of the number and office term of the Members of the Board of Directors, appointment of the members of the Board of Directors, appointment of the independent members of the Board of Directors,

The board members whose terms have expired will be replaced as per the CMB regulations, TCC, Regulation and the terms of Articles of Association on election of Board Members. Furthermore, independent board members will be elected for compliance with CMB's Corporate Governance Communiqué no. II-17.1.

As per Article 10 of the Articles of Association, the Company is managed by a Board of Directors consisting of 8 to 12 members who are elected by the General Assembly for a maximum term of 3 years within the scope of relevant provisions of the Turkish Commercial Code. The General Assembly can replace the Board of Directors before the expiry of their term.

Article 6 Paragraph 1 of the CMB's Corporate Governance Communiqué no. II – 17.1 regulates that Principle 4.3.4 regarding the number of independent board members will not be applicable for partnerships in which management control is equally shared among two real or legal persons who are not in any sort of engagement in terms of capital, management or auditing whether directly or indirectly for minimum 51% of the capital, and in a manner which requires approval of both parties in major decisions and decisions on partnerships and two independent members shall be sufficient; therefore, our Company, qualified for these criteria, has submitted to Capital Markets Board for approval and our request has been confirmed with the letter numbered 326-1965 and dated 23.02.2012 and the number of independent board members has been specified as 2 (two). In this sense, 2 of the Board Members to be elected should meet the criteria of independence as set forth by the CMB's Corporate Governance Principles.

As per the Board Decision dated 07.01.2020 based on the assessments on the proposed members by the Corporate Governance Committee, Ms. Neslihan TONBUL and Mr. Sergio DUCA are candidates for Independent Board Members. The Capital Markets Board has notified the Company with the letter numbered 29833736-110.07.07-E.1345 and dated 31.01.2020 that "no negative comments are made" regarding the designation of the candidates for Independent Board Members.

The resumes and statements of independence of the candidates for Board of Directors are available in **ANNEX/2**.

8. Informing the Shareholders on and approval of “Remuneration Policy” for Board Members and Top-Level Managers and the payments made within the frame of such policy as required by Corporate Governance Principles,

As per CMB Corporate Governance Principle 4.6.2, remuneration principles for Board Members and top level managers will be documented and notified to the shareholders as a separate article of agenda of the General Assembly to take their views. Remuneration Policy created for this purpose is attached as **ANNEX/3**.

The information on benefits provided for board members and senior management of Tofaş Türk Otomobil Fabrikası A.Ş. in 2019 is provided under footnote 27 of 2019 financial reports.

9. Determination of annual gross remunerations of Board Members,

Within the scope of the Remuneration Policy submitted to the approval of Shareholders with agenda item 8, annual gross salaries payable to Board Members in 2020 will be specified by the Shareholders.

10. Approval of selection of Independent Audit Organization by the Board of Directors as per the Turkish Commercial Code and Capital Markets Board regulations,

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of Ernst&Young Global Limited) has been appointed for the auditing of financial statements of the Company as of the fiscal year 2020 and execution of other related activities in accordance with the Turkish Commercial Code and Capital Markets Board regulations, by obtaining the opinion of the Committee Responsible for Auditing, at the Board Decision dated 21.02.2020, and the matter will be submitted to the approval of the General Assembly.

11. Informing the Shareholders on donations made by the Company in 2019 and setting an upper limit for donations in 2020,

As per Article 6 of the Profit Share Communiqué no. II-19.1 by the Capital Markets Board, the limit of any donation should be set by the General Assembly where it is not specified by the Articles of Association and the donations and payments will be notified to the General Assembly. Total amount of donations to foundations and organizations in 2019 is TL 6,707,127. TL 6,500,000 of this amount has been donated to Vehbi Koç Foundation, and the remaining amount has been donated to other institutions and organizations. Furthermore, the upper limit for donations in 2020 will be set by the General Assembly.

12. Informing the Shareholders on assurances, pledges, securities and indemnities supplied by the Company and its affiliates in favor of third parties and the profits and benefits gained in 2019 as per the Capital Markets Board regulations,

As per Article 12 of CMB's Corporate Governance Communiqué no. II-17.1, assurances, pledges, securities and indemnities supplied by the Company and its Affiliates in favor of third parties and the profits and benefits gained should be added to the agenda of the general assembly meeting as a separate item and the footnote 15 of the Financial Tables dated 31.12.2019 provides information on this issue.

13. Authorization of the majority shareholders, members of the Board of Directors, top level managers and their spouses and up-to-second-degree relatives within the frame of Turkish Commercial Code Articles 395 and 396 and informing the shareholders on such business and transactions of this nature in 2019 as per the Capital Markets Board Corporate Governance Communiqué,

Board Members will be entitled to make transactions within the frame of TCC article 395 "Restriction on Making Transactions with and Being Debted to the Company" paragraph one and article 396 "Restriction of Competition" only by approval of the General Assembly.

As per CMB's 1.3.6. mandatory Corporate Governance Principle, if majority shareholders, members of the Board of Directors, administrative managers and their spouses and up-to-second-degree relatives are engaged in a significant business in conflict of interests with the company or its affiliates and/or conduct a commercial business within the operation area of the company or its affiliates on behalf of themselves or third parties or be shareholders in a company in the same area of business as an unlimited liability shareholder; such transactions will be taken to the General Assembly agenda as a separate item to provide detailed information and recorded in the General Assembly meeting minutes.

In accordance with such regulations, grant of such consent (if any) will be submitted to the approval of our shareholders at the General Assembly. Additionally, information on the transactions carried out in this context within the year will be provided to the shareholders. Some of the majority shareholders, members of the Board of Directors, administrative managers and their spouses and up-to-second-degree relatives are assigned as board members at other Koç Group and Fiat Group companies including those operating in the similar business with the Company. In 2019, no transaction which requires notification as per principle 1.3.6 of the Corporate Governance Communiqué has been made.

14. Wishes and opinions.

ANNEXES:

- ANNEX/1.** Board's 2019 Profit Distribution Offer and 2019 Profit Distribution Table
- ANNEX/2.** Resumes of Candidates for Board Members and Independency Statements of Candidates for Independent Board Members
- ANNEX/3.** Remuneration Policy for Board Members and Top Level Managers

ANNEX/1.

2019 PROFIT DISTRIBUTION PROPOSAL

In accordance with the consolidated Balance Sheet and Income/Loss Statement that has been drawn up pursuant to the CMB Communiqué Serial: II-14.1 on Principles of Financial Reporting in the Capital Market and Communiqué Serial: II-19.1 on Dividends, our Company booked a consolidated net profit of TL 1,481,639,000 TL in 2019. The donations and charitable grants made to foundations and associations during the reporting period amounted to TL 6,707,127.

It is hereby proposed that; Cash dividends in the total amount of TL 1,200,000,000.- corresponding to a rate of 240.00% (gross) be paid out of the net profit for the period to our Shareholders after deducting the legal liabilities in accordance with the provisions of the Turkish Commercial Code, Capital Market legislation, and the Company's Articles of Association and the Dividend Policy.

Resident corporate entities and non-resident corporate entities deriving dividends via a workplace or permanent representation in Turkey be paid out a cash dividend at a rate of 240.00% (gross) and in the amount of Kr 2.40 Gross=Net for each share with a nominal value of Kr 1,

Our other shareholders be paid out a cash dividend at the rate of 240.00% and in the amount of Kr 2.40 gross and Kr 2.04 net per share with a nominal value of Kr.1., and;
The beginning date of dividend distribution be set as 25 March 2020.

We hereby propose that the dividend distribution and timing be resolved as proposed above.

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2019 Dividend Distribution Proposal Table (TL)			
1. Paid-in/Issued Capital		500.000.000	
2. Total Legal Reserves (According to Tax Book)		366.783.458	
If there is dividend privilege in the Articles of Association,information regarding this			
		According to CMB	According to Tax Book
3.	Current Period Profit	1.456.555.000	1.214.622.956
4.	Taxes Payable (-)	-25.084.000	12.177.831
5.	Net Current Period Profit (=)	1.481.639.000	1.202.445.125
6.	Losses in Previous Years (-)		
7.	Primary Legal Reserves (-)		
8.	NET DISTRIBUTABLE CURRENT PERIOD (=)	1.481.639.000	1.202.445.125
9.	Donations Made during the Year (+)	6.707.127	
10.	Donation-Added Net Distributable Current Period Profit on which First Dividend is Calculated	1.488.346.127	
11.	First Dividend for Shareholders		
	- Cash	1.200.000.000	25.000.000
	- Stock		
	- Total	1.200.000.000	25.000.000
12.	Dividend Distributed to Owners of Privileged Shares		
13.	Other Dividend Distributed		
	- To the Members of the Board of Directors,		
	- To the Employees		
	- To None Shareholders		
14.	Dividend to Owners of Redeemed Shares		
15.	Second Dividend for Shareholders		1.070.404.659
16.	Secondary Legal Reserves	117.500.000	107.040.466
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	164.139.000	
20.	Other Distributable Resources	0	104.595.341
	- Retained Earnings		
	- Extraordinary Reserves		
	- Other distributable reserves in accordance with the Law and the Articles of Association		104.595.341
21.	Legal Reserves From Other Distributable Resources	0	10.459.534
	- Retained Earnings		
	- Extraordinary Reserves		
	- Other distributable reserves in accordance with the Law and the Articles of Association		10.459.534

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2019 Dividend Rates Table						
	SHARE GROUP	DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT (TL)/ NET DISTRIBUTABLE	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF 1 TL	
		CASH (TL)	STOCK (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET *	A (real person)	2.378.726		0,16	2,0400	204,00
	A (legal entity)	451.473.155		30,47	2,4000	240,00
	D	386.130.908		26,06	2,0400	204,00
	E	247.738.184		16,72	2,0400	204,00
	TOTAL	1.087.720.973	0	73,41	0	0

(1) There is no privileged share group in profits

(2) Dividend amounts to be distributed to A, D and E groups are shown as consolidated.

(3) No withholding tax will be applied as Group A shares which correspond to 37.62% of the capital belong to full-fledged legal persons. And as Group A shares which correspond to 0.23% of the capital belong to full-fledged real persons, 15% withholding tax will be applied,

(4) 15% withholding tax is applied by taking into account that all Group D shares belong to limited liability real persons.

(5) 15% withholding tax is applied accepting that all Group E public shares belong to real persons.

ANNEX/2.

MEHMET ÖMER KOÇ

Chairman of the Board of Directors

He received his B.A. degree from Columbia University in 1985. He worked at Kofisa Trading for one year. He completed his MBA at Columbia University in 1989. After working at Ramerica International Inc., he joined Koç Group in 1990. 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. In February 2016, he was appointed as the Chairman of Koç Holding. Ömer M. Koç has been serving as the Chairman of Tofaş Board of Directors since April 2016.

PIETRO GORLIER

Vice Chairman of the Board of Directors

Pietro Gorlier graduated from University of Turin with degrees in Economics and Business. Gorlier joined the Fiat Group as a Market Analyst in Iveco in 1989 and assumed various responsibilities in Logistics, After-Sales and Customer Services. Starting to work in Network Development at Fiat Group Automobiles in 2006, Gorlier later served at Fiat Group Automobiles S.p.A. and CNH Global N.V within Chrysler Group. Gorlier was appointed as the President and Chairman of the Executive Board of Chrysler Group LLC-MOPAR Brand Service, Parts and Customer Services in 2009 and as the Chief Operating Officer (COO) in 2015. Pietro Gorlier was appointed as the COO for Europe, Middle East and Africa Region in October 2018. He is a member of the Group Executive Council (GEC) and Global Head of Parts & Service (MOPAR) since 2011. Pietro Gorlier has been serving as the Vice Chairman of Tofaş Board of Directors since November 2018.

CENGİZ EROLDU

Member of the Board of Directors – CEO

Cengiz Eroldu graduated from the Business Administration Faculty of Istanbul University in 1988 and completed the MBA program at LUISS University (Italy) from 1993 to 1995. He began his career as an Audit Specialist at Koç Holding in 1989. He was appointed to the position of Assistant Accounting and Industrial Governance Manager for Tofaş in 1995. He worked as the Accounting and Industrial Governance Manager and the Budget and Governance Manager from 2001 to 2008, and as the Finance Director between 2008 until 2015. Since January 2015, Eroldu has been serving as Member of the Tofaş Board of Directors and CEO.

TEMEL KAMİL ATAY

Member of the Board of Directors

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 Otoşol 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. Temel Kamil Atay was a member of Koç Holding Board of Directors between 1996-2019. Since April 1994, Temel Kamil Atay has been serving as Member of the Tofaş Board of Directors.

LEVENT ÇAKIROĞLU

Member of the Board of Directors

Levent Çakıroğlu graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration. He earned a Master's degree at the University of Illinois. Mr. Çakıroğlu began his professional career as an Auditor at the Ministry of Finance in 1988. From 1997 to 1998, he taught as a part-time instructor at Bilkent University, and served as Vice President of the Financial Crimes Investigation Board at the Ministry of Finance. He joined Koç Holding in 1998 as Financial Coordinator. Subsequently, he served as the General Manager of Koçtaş (2002-2007),

General Manager of Migros (2007-2008), General Manager of Arçelik (2008-2015), and President of the Consumer Durables Group at Koç Holding (2010-2015). In February 2015, Mr. Çakıroğlu was appointed Deputy Chief Executive Officer of Koç Holding, and he has been the Chief Executive Officer of Koç Holding since April 2015. He has been a member of Koç Holding Board of Directors since 2016. Since April 2015, Levent Çakıroğlu has been serving as Member of the Tofaş Board of Directors.

DAVIDE MELE

Member of the Board of Directors

Davide Mele graduated from Polytechnic University of Turin with a degree in Engineering. Mele joined the Fiat Group as a Senior Auditor at Fiat Revi S.r.l in 2001 and later assumed various posts as the Financial Controller responsible for financial management of all aspects of the Fiat Auto-Ford partnership agreement as part of the Audit Department and as Project Controller. In 2013, he was appointed as the Head of Financial Planning and Analysis at Fiat S.p.A. and assumed responsibilities of financial planning, budgeting and corporate level reporting and analysis for both Chrysler LLC and Fiat S.p.A. Mele has been serving in various significant roles in the Group, including his appointment as the FCA Group Head of Audit of Passenger Cars in 2016 and Latin America Chief Operating Officer (COO) in 2017. Davide Mele has been assigned as Deputy Chief Operating Officer for the EMEA Region in April 2018. Davide Mele has been serving as Member of the Tofaş Board of Directors since November 2018.

İSMAİL CENK ÇİMEN

Member of the Board of Directors

İsmail Cenk Çimen holds a degree in Industrial Engineering from Istanbul Technical University; in addition, he completed Executive Development Programs at Stanford University (USA) and University of California – Los Angeles (USA). He joined Koç Group in 1991 as a Management Trainee at Nasoto. He assumed Sales Coordinator, Regional Manager and Import Manager responsibilities at Otosan Pazarlama between 1993 and 1996. He served as Fleet Sales Manager at Ford Otosan from 1996 to 1998 and became the General Manager of Otokoç Ankara in 1998. In 2001, he was appointed General Manager of the companies merged under Otokoç. In 2005, his responsibility was extended to include the General Manager role at Birmot A.Ş., while also assuming responsibility for Avis car rental. He has served as the President of Automotive Group at Koç Holding since June 2009. İsmail Cenk Çimen has been serving as Member of the Tofaş Board of Directors since October 2009.

GIORGIO FOSSATI

Member of the Board of Directors

Giorgio Fossati holds a degree in law from the University of Turin (Italy). He started his professional career in the Legal Department at Iveco S.p.A. in 1988 and joined Fiat S.p.A. in 1999 as a member of the legal staff. He became General Counsel of FCA Italy S.p.A. in 2002. He has served as the General Counsel for FCA EMEA Region and as Corporate General Counsel for Fiat Chrysler Automobiles N.V. since 2011. Mr. Fossati is a member of the Boards of Directors of FCA US LLC, FCA Italy S.p.A., Teksid S.p.A., Fiat Chrysler Finance S.p.A., Fidis S.p.A., FCA Partecipazioni S.p.A., Fiat Chrysler Risk Management S.p.A. and Abarth & C. S.p.A. In addition, he is a member of the Executive Committee of FCA Poland S.A. Giorgio Fossati has been serving as Member of the Tofaş Board of Directors since February 2016.

NESLIHAN TONBUL

Candidate Independent Member of the Board of Directors

Having graduated with a high degree from the Economics and Political Science department of Rutgers University in 1981, Neslihan Tonbul completed her post-graduate study on International Finances and Economic Development at The Fletcher School of Law and Diplomacy - Tufts University. Appointed to the senior executive positions at New York, London and Istanbul agencies of various international finance institutions (The Irving Trust Company, The Bank of New York and

BNY Mellon) from 1983 to 2008, she was appointed as regional manager overseeing a region that includes the Middle East, Africa, Eastern Europe and Turkey. Serving as board member to the prominent Turkish holdings since 2008, Neslihan Tonbul is a board member of Tofaş, Petkim, Alarko Holding and Vakıfbank International. Gaining expertise in the Management of Family Companies by studying at the Harvard Business School with CFEG, Tonbul has been teaching "Management of Family Companies" at the Faculty of Economics and Administrative Sciences of Koç University since 2017. Neslihan Tonbul has been serving as Independent Member of the Tofaş Board of Directors since March 2018.

SERGIO DUCA

Candidate Independent Member of the Board of Directors

Mr. Duca graduated with honors in Economics and Business from Bocconi University in Milan. As a certified chartered accountant and auditor, he acquired broad experience through the PricewaterhouseCoopers network as the external auditor of a number of significant Italian companies. From 1997 to 2007, Mr. Duca was the Chairman of PricewaterhouseCoopers S.p.A. In addition, he has previously served as Chairman of the Board of Auditors of the Silvio Tronchetti Provera Foundation, Chairman of the Board of Auditors of the Compagnia di San Paolo until May 2016, member of the Edison Foundation's Advisory Board and the University Bocconi in Milan's Development Committee, as well as Chairman of the Bocconi's Alumni Association's Board of Auditors and a member of the Board of Auditors of the ANDAF (Italian Association of Chief Financial Officers). Mr. Duca has previously served as Chairman of the Board of Directors of Orizzonte SGR S.p.A. from 2008 until 2016, Chairman of the Board of Statutory Auditors of Exor S.p.A. until May 2015, Chairman of the Board of Statutory Auditors of GTech until April 2015, Chairman of the Board of Statutory Auditors of Tosetti Value SIM and an Independent Director of Sella Gestione SGR until April 2010. Sergio Duca is the Chairman of the Board of Statutory Auditors of Enel S.p.A. since April 2010. He also serves as Chairman of the Board of Auditors of Compagnia di San Paolo School Foundation and ISPI (Italian Institute for International Political Studies) and Member of the Board of Auditors of Intesa San Paolo Onlus Foundation. Sergio Duca has been serving as Independent Member of the Tofaş Board of Directors since March 2018.

STATEMENT OF INDEPENDENCE

I hereby declare that I am a candidate for independent board membership on the Board of Directors of TOFAŞ Türk Otomobil Fabrikası A.Ş. (Company) under the Articles of Association of the Company and the criteria stated in the Capital Markets Board (CMB)'s Communiqué on Corporate Governance No. II-17.1. In that regard I 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) I have professional education, knowledge and expertise 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,
- 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,
- ğ) 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.

Neslihan TONBUL

STATEMENT OF INDEPENDENCE

I hereby declare that I am a candidate for independent board membership on the Board of Directors of TOFAŞ Türk Otomobil Fabrikası A.Ş. (Company) under the Articles of Association of the Company and the criteria stated in the Capital Markets Board (CMB)'s Communique on Corporate Governance No. II-17.1 except for the criterion with respect to “being considered as a resident in Turkey under the Income Tax Law”. In that regard I 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) I have professional education, knowledge and expertise 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 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,
- ğ) I am not registered in the name of any legal entity elected as a board member.

Sergio DUCA

ANNEX/3.

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. **REMUNERATION POLICY** **FOR TOP-LEVEL MANAGERS AND MEMBERS OF THE** **BOARD OF DIRECTORS**

This policy document defines the remuneration system and practices for the members of the board of directors and top-level managers with administrative responsibilities as defined by CMB regulations.

Fixed wages payable to members of the board of directors are designated by the ordinary general assembly every year. Executive board members are paid in accordance with the policy applicable for top-level managers and detailed below.

Performance-based payments are not used for remuneration of independent members of the board of directors.

Members of the board of directors are paid based on the period from assignment to resignation. Expenses of the members of the board of directors related with the benefits they provide for the company (transportation, telephone, insurance, etc.) are covered by the company.

Remuneration for Top-Level Managers consists of fixed and performance based components.

Fixed wages of Top-Level Managers are determined in accordance with international standards and legal liabilities based on macroeconomic market data, wage policies applicable in the market, size of the company, long-term objectives and individual positions.

Bonuses payable to Top-Level Managers are based on bonus base, company performance and individual performance. The criteria are as follows:

- **Bonus Base:** Bonus Base is updated every year and varies according to the positions of managers and volume of business. Bonus base is updated based on the top-management bonus policies applicable in the market.
- **Company Performance:** Company performance is calculated every year by measuring the financial and operational (market share, exports, international operations, efficiency etc.) objectives of the company in terms of achievement at the end of the year. The basic principles while defining the company objectives are ensuring that achievements are sustainable and improvements are made as compared to the previous year.
- **Individual Performance:** Definition of individual performance is based on company objectives as well as objectives related with employees, customers, processes, technology and long term strategies. In measurement of individual performance, company performance and long term sustainable improvement in non-financial area are significant principles.

In case of resignation of a top-level manager, a certain amount of bonus can be paid based on the term of assignment, term of assignment as a top-level manager, benefits provided, last target bonus before resignation, wages paid in the last year and bonus data.

Total amounts paid to Top-Level Managers and Members of the Board of Directors based on the principles listed above are submitted to the information and/or approval of the shareholders at the next general assembly meeting.

This is to inform our esteemed Shareholders.