

**INFORMATION DOCUMENT REGARDING THE 2015 ORDINARY GENERAL ASSEMBLY DATED APRIL 14, 2016**

**1. Invitation to the Ordinary General Assembly on April 14, 2016**

**INVITATION TO THE STAKEHOLDERS FOR THE ORDINARY GENERAL ASSEMBLY DATED APRIL 14, 2016**

The Ordinary General Assembly of Company Shareholders for 2015 shall be held on April 14, 2016, at 10:00 at Barbaros Mahallesi, Mor Smbl Sokak No:7/2 B Ataehir, İstanbul to discuss the following agenda items.

Shareholders may participate in the General Assembly of the Company physically or by electronic means by themselves or through representatives. Participation in the General Assembly by electronic means shall be possible with the electronic signatures of the shareholders or their representatives. Therefore, shareholders who will perform transactions in the Electronic General Meeting System (e-GEM) must first register their contact information in the e-MKK Information Portal of the Central Registry Agency (MKK) and obtain a secure electronic signature. Shareholders who do not register in the e-MKK Information Portal and do not have an electronic signature shall not be allowed to participate in the General Assembly by electronic means.

In addition, shareholders or their representatives who want to attend the General Assembly by electronic means are required to fulfill their obligations as per the Communiqu on Attendance to General Assembly Meetings of Joint Stock Companies by Electronic Means, published in the Official Gazette No. 28395 dated August 28, 2012, and the Communiqu on Electronic General Assembly Systems Used in the General Assembly Meetings of Joint Stock Companies, published in the Official Gazette No. 28396 dated August 29, 2012.

Pursuant to article 415, paragraph 4 of the New Turkish Commercial Code No. 6102 and article 30, paragraph 1 of the Capital Markets Law (CML) No. 6362, right to participate and vote in the General Assembly shall not be affiliated to term of storing share certificates. Accordingly, shareholders shall not have to block their shares in order to participate in the General Assembly. Shareholders who wish to participate in the General Assembly in person shall do so by presenting identification to exercise the rights regarding their shares registered in the "Shareholders List" in the MKK system. In the event that shareholders, who withhold information regarding identification and the number of shares in their accounts, wish to be listed in the General Assembly Shareholders List, they shall be required to request the account holding intermediary institutions to have these limitations removed and provide the information to our Company no later than the day before the General Assembly by 16:30.

Shareholders who cannot participate in the General Assembly in person shall be required to draw up a proxy form according to the sample below, without prejudice to the rights and obligations of the shareholders who will participate electronically, or obtain a sample proxy form from the Company or through the corporate website at [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), and submit the Company their notarized proxy form by completing the requirements stipulated by the Capital Markets Board (CMB) Communiqu Serial II, No: 30.1 on Voting by Proxy and Proxy Solicitation. A proxy form shall not be required for a representative appointed electronically through the Electronic General Meeting System (e-GEM).

The Board of Directors' Report for 2015, Financial Statements, Independent Audit Report, Dividend Distribution proposal, Annual Report and attached Corporate Governance Principles Compliance Report, and detailed Information Note on the agenda items shall be made available for review by the Shareholders at the Company Headquarters, Branches, corporate website at [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), and in the Electronic General Meeting System of the MKK within the legal period of three weeks before General Assembly.

We submit for the Shareholders' information and kindly request your participation.

## 2. Additional Disclosure within the scope of Corporate Governance Principles

The following agenda items contain the additional disclosures that are required to be made pursuant to the CMB Communique Serial II, No: 17.1 which enacted on 3 Jan, 2014 on Corporate Governance; other mandatory disclosures are provided for your information in this part:

### 2.1. Information on Emlak Konut's Partnership Structure, Shares and Voting Rights

Company shares are divided into group A and B. Group A shares are privileged in candidate nomination, pursuant to article 9 of the Articles of Association. The total number of shares and voting rights representing the Company's partnership structure as of the Information Document announcement date, the number of shares and voting rights representing each privileged share group, and the nature of the privileges are provided below:

BUSINESS NAME/FULL NAME	GROUP	TYPE	SHARE AMOUNT	NUMBER OF SHARES	%
Housing Development Administration	A	Registered	253.369.919,00	25.336.991.900	6,67
Housing Development Administration	B	Bearer	1.621.460.838,35	162.146.083.835	42,67
Free Float (open to public)	B	Bearer	1.925.110.763,85	192.511.076.385	50,66
Others	B	Bearer	58.478,80	5.847.880	<1
<b>Total</b>			<b>3.800.000.000,00</b>	<b>380.000.000.000,00</b>	

### 2.2. Information on Important Management and Operational Changes to Emlak Konut and Subsidiaries

There are no management or operational changes significantly affecting the partnership's planned activities in previous or upcoming accounting period.

### 2.3. Information on Agenda Item Requests by Shareholders

There are no written agenda item requests made by the partnership shareholders to the Emlak Konut Investor Relations Department.

## 3. Announcements Regarding the Agenda Items for the April 14, 2016 Ordinary General Assembly

### 1. Meeting opening and election of the General Assembly Executive Board

The Meeting Chair of the General Assembly shall be elected pursuant to the 6102 numbered TCC, the Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry of Customs and Trade (Regulation on General Assembly Regulation), and the provisions of article 7 of the General Assembly Internal Regulation. As stipulated by the General Assembly Internal Regulation, the Meeting Chair shall at a minimum appoint a Meetings Clerk. The Meeting Chair may also appoint enough number of vote collectors.

### 2. Article 7 of the Internal Regulation stipulates on giving authority to the General Assembly Executive Board

to sign meeting minutes.

### 3. Reading out, discussion and resolution of the Board of Directors' 2015 Annual Report and the Independent Audit Report

Pursuant to the TCC, Legislation, and the provisions of the CML No: 6362, the Board of Directors' Annual Report for the period from January 1, 2015, to December 31, 2015, and attached Corporate Governance Principles Compliance Report, and Independent Audit Report shall be made available for review by the

Shareholders at the Company Headquarters, corporate website at [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), and in the Electronic General Meeting System of the MKK within the legal period of three weeks before the General Assembly. Accordingly, these documents shall be provided for the information and approval of the shareholders.

#### **4. Reading out, discussion and resolution of the 2015 financial statements' accounts**

Pursuant to the TCC, Legislation, and the CML, our financial reports and legal financial statements for the period from January 1, 2015, to December 31, 2015, shall be made available for review by the Shareholders at the Company Headquarters, corporate website at [www.emlakkonut.com.tr](http://www.emlakkonut.com.tr), and in the Electronic General Meeting System of the MKK within the legal period of three weeks before the General Assembly. Accordingly, these documents shall be provided for the information and approval of the shareholders.

#### **5. Discussion and resolution of the release of the Board Members from liability for their activities during 2015.**

The release of the Board Members separately from liability for their activities, transactions and accounts for 2015 shall be submitted to the approval of the General Assembly in accordance with TCC and relevant regulations.

#### **6. Discussion and resolution of the Board of Directors' proposal on the use, distribution amount, method and date of the 2015 dividends**

The Company posted 952.605.000,00 Turkish lira of net profit for the period in the balance sheets drawn up pursuant to the provisions of the CMB Communiqué Serial: II No: 14.1, and 952.378.339,02 Turkish lira of net profit for the period in the balance sheets drawn up pursuant to the provisions of the Tax Procedure Law. Appendix-1 shows the table for our dividend distribution proposal prepared in accordance with the CMB Communiqué Serial II, No: 19.1 on Dividend Distribution and the Dividend Distribution Guide announced pursuant to this communiqué.

#### **7. Resolution on the Board of Directors' selection of the independent audit company pursuant to the TCC and the CML**

Pursuant to the TCC and the CMB Communiqué Serial X, No: 22 on Independent Auditing Standards in Capital Markets, the shareholders shall be submitted the proposal for approval regarding selection of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (DELOITTE) as independent auditor in line with the opinion of the Company's Audit Committee. This will be done so as to obtain the necessary services to meet the financial audit obligations for 2016 operations arising from the legislation.

#### **8. Election of the board members and establishing term of office pursuant to article 12 of the Articles of Association of the Company**

The number of board members and their term of office shall be established, and new members shall be elected to replace them pursuant to the CMB regulations, the TCC, the Regulation, and the principles in the Articles of Association regarding election of members. Also, independent members shall be elected in compliance with the CMB Communiqué Serial II, No: 17.1 on Corporate Governance.

Pursuant to article 12 of the Articles of Association, a seven-member board of directors shall be authorized to represent and bind the Company against third parties. The members shall possess the specifications stipulated by the TCC and the CML, and shall be elected by the General Assembly in accordance with the TCC provisions. The number and specifications of the independent members to serve in the Board of Directors shall be determined according to the CMB regulations on Corporate Governance Principles.

Accordingly, out of the seven-member board of directors, three members shall meet the independence criteria stipulated in the CMB's mandatory Corporate Governance Principles.

#### **9. Establishing the fees to pay to the board members**

Pursuant to the TCC and provisions of article 16 of the Articles of Association, Board Members shall be allocated a certain fee that the shareholders will determine based on the written remuneration principles

submitted to them in Appendix-2 during the General Assembly. The CMB's mandatory Corporate Governance Principles shall be observed in this regard. As a result, the remuneration of the Board Members during their term of office shall be determined in accordance with the opinion and resolution of the shareholders.

**10. Providing information on grants made in 2015 and setting the limit for the grants to be made in 2016**

Pursuant to article 6 of the CMB Communique Serial II, No: 19.1 on Dividend Distribution, a grant limit shall be determined by the General Assembly in situations when it is not stipulated by the Articles of Association, and the grants and payments made shall be submitted for the information of the stakeholders at the General Assembly. The amount of grants made in 2015 was 14.226.647,90 Turkish lira. The General Assembly shall determine the grant limit for 2016.

**11. Providing information on the guarantees, securities, liens issued in favor of third parties and on the incomes or benefits obtained in 2015 in accordance with the CMB regulations.**

Pursuant to article 12 of the CMB Communique Serial II, No: 17.1 on Corporate Governance, a separate agenda item shall be created in the Ordinary General Assembly for the guarantees, securities, liens and guarantees issued in favor of third parties by the Company and for the incomes or benefits obtained. Footnote 29 of the Financial Statements dated December 31, 2015 explains this matter.

**12. Providing information to the General Assembly on the procedures stated in article 1.3.6 of the Corporate Governance Principles**

Pursuant to article 1.3.6 of the Corporate Governance Principles attached in the appendix of the CMB Communique Serial II, No: 17.1 on Corporate Governance, shareholders shall be provided information at the General Assembly in the event that controlling shareholders and board members, executives, or their spouses and up to second-degree relatives by blood or marriage perform any transactions that could create a conflict of interest with the Company; and/or perform on their or somebody else's behalf any commercial activities that fall within the area of operations of the Company; or enter as an unlimited partner into a partnership involved in similar commercial activities.

**13. Providing information to shareholders on remuneration of the board members and executives put in writing in accordance with the Corporate Governance Principles**

Pursuant to article 4.5.1 of the CMB Corporate Governance Principles, the Corporate Governance Committee of the Company shall be responsible for establishing the principles, criteria and practices to be used in remuneration of the board members by taking into consideration the Company's long-term goals, as well as observing them; and for submitting to the Board of Directors its proposals on the remuneration of the board members by bearing in mind the level of achievement in reaching these criteria. The Remuneration Policy of the Board of Directors for 2016 approved by the Company's Board of Directors has been submitted for the review of the shareholders in Appendix-2.

**14. Discussion and resolution of giving authorization to the Board of Directors instead of Chairman of the Board of Director Ertan YETİM or General Manager Murat KURUM who were authorized by the general assembly held on 06.04.2015 within the framework of the program developed as per the provisions of the related legislation on buyback of the Company shares**

It shall be discussed and resolved of giving authorization to the Board of Directors instead of Chairman of the Board of Director Ertan YETİM or General Manager Murat KURUM who were authorized by the general assembly held on 06.04.2015 within the framework of the program developed as per the provisions of the related legislation on buyback of the Company shares.

**15. Authorizing the Board Members to perform the transactions stipulated in articles 395 and 396 of the TCC**

Authorization shall be required at the General Assembly for Board Members perform transactions with the Company within the scope of article 395 of the TCC, and perform commercial activities that fall within the

area of operations of the Company within the scope of article 396 of the TCC. The shareholders shall be submitted for their review and approval regarding authorization and permission on the matters within the scope of these articles.

**16. Comments and closing**

**Attachments:**

1-Profit Distribution Table

2-Remuneration Policy

**EMLAK KONUT REAL ESTATE INVESTMENT COMPANY PROFIT DISTRIBUTION TABLE**  
**(TL) FOR THE YEAR 2015**

1.	Paid / Issued Capital		3.800.000.000,00
2.	Total Legal Contingency Reserve (According to Legal Records)		350.139.670,23
	Information on concession, if any, regarding profit distribution as required by the articles of incorporation		
		According to CMB	According to Legal Records(LR)
3.	Period Income	952.605.000,00	952.378.339,02
4.	Taxes to be paid ( - )	0,00	0,00
5.	<b>Net Period Income ( = )</b>	<b>952.605.000,00</b>	<b>952.378.339,02</b>
6.	Losses from Previous Years ( - )	0,00	0,00
7.	Primary Legal Reserve ( - )	47.618.916,95	47.618.916,95
8.	<b>NET DISTRIBUTABLE PERIOD INCOME ( = )</b>	<b>904.986.083,05</b>	<b>904.759.422,07</b>
9.	Donations Made Throughout the Year ( + )	14.226.647,90	
10.	<b>Net Distributable Period Income by adding Donations to be calculated for First Dividend</b>	<b>919.212.730,95</b>	
11.	First Dividend Shareholders (*)	367.688.000,00	
	- Cash	367.688.000,00	
	- No-par		
	- Total	367.688.000,00	

12.	Dividends Distributed to Preference Shareholders		
13.	Dividends to Members of the Board of Directors, Divide Employees etc.		
14.	Dividends Distributed to Dividend Shareholders		
15.	Second Dividend for Shareholders		
16.	Secondary Legal Contingency Reserve	17.768.800,00	
17.	Status Reserves		
18.	Special Reserves		
19.	<b>EXCESS RESERVE</b>	<b>519.529.283,05</b>	<b>519.302.622,07</b>
20.	Other Resources Estimated to be Distributed - Profit of previous year - Excess Reserves - Other Reserves distributable as Required by the Law and articles of Incorporation		

<b>INFORMATION ON DISTRIBUTES PROFIT SHARE PERCENTAGES</b>				
<b>DIVIDEND INFORMATION PER SHARE</b>				
	<b>GROUP</b>	<b>TOTAL DIVIDEND AMOUNT (TL)</b>	<b>DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TL</b>	
			<b>AMOUNT(TL)</b>	<b>PERCENTAGE (%)</b>
<b>GROSS</b>	<b>A</b>	<b>24.516.073,36</b>	<b>0,09676</b>	<b>9,67600</b>

	<b>B</b>	<b>343.171.926,64</b>	<b>0,09676</b>	<b>9,67600</b>
	<b><u>TOTAL</u></b>	<b>367.688.000,00</b>		
<b>NET</b>	<b>A</b>	<b>24.516.073,36</b>	<b>0,09676</b>	<b>9,67600</b>
	<b>B</b>	<b>343.171.926,64</b>	<b>0,09676</b>	<b>9,67600</b>
	<b><u>TOPLAM</u></b>	<b>367.688.000,00</b>		
<b>RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)</b>				
<b>AMOUNT OF PROFIT SHARE DISTRIBUTED SHAREHOLDERS (TL)</b>		<b>RATIO OF AMOUNT OF PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD INCOME INCLUDING DONATIONS (%)</b>		
<b>367.688.000,00</b>		<b>0,4000031632</b>		

## REMUNERATION POLICY

- (i) Net 6.600,00 TL monthly and additionally 4 extra net salary premium is paid to our Company`s Board members.
- (ii) The income tax which is occurred from the abovementioned payments (regarding salaries from one more employer) are paid by Emlak Konut REIC at the end of the fiscal year.
- (iii) Salaries which are to be paid to the members of the Board of Directors are submitted for approval to the shareholders in the subject activity term`s General Assembly.
- (iv) Remuneration of Independent Board Members cannot be based on profit share, share options or performance of company and must be in the level which Independent Board Members will save their independence.
- (v) Remuneration of top level managers are based on current economical data of market, relevant remuneration policies of current market, our Company`s long term aims and policies and additionally these directors` roles in Company, responsibility and experience and legal obligations.