

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**  
**INFORMATION DOCUMENT OF**  
**2018 ORDINARY GENERAL ASSEMBLY DATED MAY 2, 2019**

**ADDITIONAL EXPLANATIONS WITHIN THE CONTEXT OF CMB CORPORATE GOVERNANCE PRINCIPLES**

The additional explanations related to the agenda items, which should be provided in accordance with corporate governance principle 1.3.1 in Capital Market Board's "Communiqué on Corporate Governance" numbered II-17.1, are presented below and general information has been presented to our shareholders' information in this section:

**1. Shareholding Structure and Voting Rights:**

Authorized capital of Gübre Fabrikaları Türk Anonim Şirketi ("the Company" or "Gübretaş") is TRY 1.000.000.000 and issued capital is TRY 334.000.000. There are no privileged shares in the Company.

Shareholders	Share Amount (TRY)	Share in Capital	Voting Right	Voting Right
Central Union of Turkish Agricultural Credit Cooperatives	253.684.606,88	75,95%	25.368.460.688	75,95%
Other	80.315.393,12	24,05%	8.031.539.312	24,05%
<b>Total</b>	<b>334.000.000,00</b>	<b>100,00%</b>	<b>33.400.000.000</b>	<b>100,00%</b>

**2. Information Regarding Changes in the Management and Operations that would have a Significant Impact on the Company and our Subsidiaries:**

Informations about the managerial and operational changes, which can have significant effect on Gübretaş and its subsidiaries, are being announced to public through material disclosures and financial statements.

These disclosures can be found at the website of the Public Disclosure Platform ("KAP") at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/974-gubre-fabrikalari-t-a-s> and corporate internet site at <http://www.gubretas.com.tr/icerik/55/2064/kap-haberleri.aspx>.

**3. Information Regarding the Requests of the Shareholders for Inclusion of additional items onto the Meeting Agenda:**

Investor and Subsidiaries Relations Department of the Company has not received any written requests from its shareholders regarding the inclusion of any additional items onto the agenda of the 2018 Annual General Assembly.

**EXPLANATIONS REGARDING THE AGENDA OF  
ORDINARY GENERAL ASSEMBLY MEETING DATED MAY 2, 2019**

**1. Opening and formation of the Meeting Board**

The Meeting Board, which consists of the chairman, vote collector and minutes scribe, shall be constituted to conduct the Ordinary General Assembly within the framework of Turkish Commercial Code No: 6102, "Regulation on Procedures and Principles of Ordinary General Assemblies of Joint Stock Companies and Representatives of the Ministry of Customs and Trade who shall attend these Meetings ("Regulation")" and related "Internal Directive" of the Company.

**2. Reading and discussion of the Activity Report of the Board of Directors for the fiscal year 2018**

Activity Report of the Board of Directors for the fiscal year 2018, shall be read at the General Assembly and be submitted for the negotiation of the Company's shareholders.

**3. Reading the Independent Auditor's Report for the fiscal year 2018**

"The Independent Auditor Report" signed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Muşavirlik A.Ş., which was selected to audit the financial statements for the period between 01.01.2018–31.12.2018 and to conduct related activities according to regulations, shall be read.

**4. Reading, discussion and approval of the Financial Statements for the fiscal year 2018**

Financial Statements for the period between 01.01.2018–31.12.2018 will be read and submitted to the negotiation and approval of the Company's shareholders.

**5. Acquittal of the members of the Board of Directors**

The racquittals of the Company's Board of Directors due to their activities and accounts of the year 2018 shall be submitted for the approval of the Company's shareholders.

**6. Accepting, accepting by amendment or rejecting the proposal of the Board of Directors about the distribution of the profit of 2018, the dividend payout ratio and the date of dividend distribution**

The following proposal of the Company's Board of Directors on the profit distribution shall be presented to the approval of the General Assembly.

## Profit Distribution Proposal of Gübre Fabrikaları T.A.Ş. for the year 2018

The Table of Dividend Distribution of Gübre Fabrikaları T.A.Ş. for the year 2018 (TRY)			
1	Paid-In / Issued Capital	334.000.000,00	
2	Total Legal Reserves (According to Legal Records)	52.456.085,39	
Information on privileges in dividend distribution, if any, in the Articles of Association			None
		According to CMB	According to Legal Records
3	Current Period Profit	140.977.347,00	-328.819.510,81
4	Taxes Payable (-)	-14.577.880,00	
5	Net Current Period Profit (=) (Net Profit to Parent Company for CMB)	-64.340.136,00	-328.819.510,81
6	Losses in Previous Years (-)		
7	Primary Legal Reserves (-)	0,00	0,00
8	NET DISTRIBUTABLE CURRENT PERIOD PROFIT (=)	-64.340.136,00	-328.819.510,81
9	Donations Made during the Year (+)	872.609,19	
10	Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated (=)	-63.467.526,81	
11	First Dividend to Shareholders	0,00	
	<i>Cash</i>		
	<i>Stock</i>		
	<i>Total</i>		
12	Dividend Distributed to Owners of Privileged Shares	-	
13	Other Dividend Distributed	-	
	<i>To the Members of the Board of Directors</i>		
	<i>To the Employees</i>		
	<i>To None Shareholders</i>		
14	Dividend to Owners of Redeemed Shares	-	
15	Second Dividend to Shareholders	-	
16	Secondary Legal Reserves (-)	-	
17	Statutory Reserves	-	
18	Special Reserves	-	
19	EXTRAORDINARY RESERVES	- 64.340.136,00	- 328.819.510,81
20	Other Distributable Resources	-	

In 2018, the Company made a net loss of TRY-328.819.510,81 according to the statutory book of accounts; a net loss of TRY-64.340.136,00 in the financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards. **Therefore, it is proposed that no profit distribution is to be made due to the fact that the Company does not have a net distributable profit for the year.**

## **7. Determination of the remuneration of the members of the Board of Directors**

The proposals submitted by the shareholders in this respect shall be put to vote in the General Assembly, and the monthly net remunerations payable to the members of the Board of Directors, effective from the date of General Assembly of this year until the General Assembly Meeting in 2020 at which the year 2019 activities shall be discussed, will be resolved.

## **8. Submitting to the General Assembly for approval the elections of the member of the Board of Directors who was assigned by the Board of Directors in accordance with article 363 of Turkish Commercial Code**

The information about the Board Members who was elected for vacant positions after the resignations of those who were elected in the Ordinary General Assembly of 2017 are as follows:

After the resignation of Mr. Halim Altunkal, the member of the Board, on March 4, 2019, Mr. Selahattin Külcü was assigned to the vacant position. The election of the aforementioned member of the Board of Directors shall be submitted for the General Assembly's approval.

In case of any change in the members of the Board of Directors until 02.05.2019, which is the date of the Ordinary General Assembly, the updates will be shared with the public.

## **9. Election for the members of the Board of Directors whose term of services has been expired and determination of their term**

An election shall be made by the General Assembly for the substitution of the Board of Directors members, Fahrettin Poyraz, Ahmet Bağcı, Ramazan Bilgiç, Mehmet Tunçak, Selahattin Külcü and İbrahim Yumaklı, whose term of service has been expired.

The proposal of the Corporate Governance Committee regarding the Independent Board Members, which is approved by the Board, will also be submitted to the General Assembly for its approval, for the substitution of the Independent Board Members Murat Yaşa, Seyfullah Arslantürk and Mehmet Bulut, whose term of service has been expired.

There has not been any Board Member nominations sent to the Company till now. Besides, the Corporate Governance Committee has not made any proposal to the Board about independent board members.

Developments about the non-independent and independent Board member nominations will be announced.

**10. Submitting the Independent Audit Company selection to the General Assembly for approval, which is selected by the Board of Directors in accordance with Turkish Commercial Code and Capital Markets Board's regulations**

With taking into consideration the opinion of the Audit Committee, the Board of Directors' resolution about auditor, to audit the Company's financial statements for the year 2019 accounting period and to fulfill all other obligations required for the auditors by Capital Markets Law numbered 6362 and related regulations, shall be submitted for the approval of the General Assembly.

The Board of Directors has not made any resolutions about the auditor till now and developments about the selection of auditor will be announced.

**11. Informing the General Assembly on the warranty, pledge, mortgages and guarantees granted in favor of 3rd parties and the incomes or benefits acquired in the fiscal year 2018**

It shall be submitted at the General Assembly for our shareholders' information about warranty, pledge, mortgages, guarantees granted in favor of 3rd parties and incomes or benefits acquired in fiscal year 2017. As of 31.12.2018, There is no warranty, pledge and mortgages given for guaranteeing the debts of other 3<sup>rd</sup> parties for the performance of ordinary business activities.

**12. Within the context of the article 1.3.6 of the Annex-1 of Corporate Governance Communique (II-17.1) of Capital Markets Board, giving information to the General Assembly about transactions, that were realized by shareholders who control management, members of the Board of Directors, executives with management responsibilities, and their spouses and relatives either by blood or marriage up to second degree**

In pursuant of the articles 1.3.6 of the Annex-1 of Corporate Governance Communique numbered II-17.1 of Capital Markets Board, the General Assembly will be informed about relevant transactions.

**13. Informing the General Assembly on the donations and aids which were provided by the Company in the fiscal year 2018**

In pursuant of the article 6 of Dividend Communique numbered II-19.1 of CMB, the General Assembly has to be informed about the donations granted within the year. In the year 2018, the amount of donations granted to tax exempt foundations and associations is TRY 872.609,19.

#### **14. Informing the General Assembly and discussing about “Remuneration Policy” and benefits to the top management**

In pursuant of the articles 4.6.2 of the Annex-1 of Corporate Governance Communique numbered II-17.1 of Capital Markets Board, the remuneration details of the members of the Board of Directors and top executive management were put in writing and submitted to the information of the shareholders as a separate item on the agenda in the General Assembly, giving the shareholders the opportunity to voice their opinions. As indicated in footnote No 30 of our financial report, the Company paid its members of the Board of Directors and top executive management a total of TRY 2.577.102. Actual “Remuneration Policy”, which can be found in our corporate internet site, is presented to our shareholders in Annex.

#### **15. Granting authorization to the Members of the Board of Directors to conduct transactions with the company and to compete with company as stated in 395th and 396th articles of the Turkish Commercial Code**

The members of our Board of Directors can do business as stipulated in 395th and 396th articles of Turkish Commercial Code entitled “Prohibition of Conducting Transaction with Company, The Prohibition of Borrowing to Company” and “Prohibition of Competition” only with the approval of the general assembly. In order to fulfill the necessity of these regulations, the granting of this permission shall be presented to our shareholders’ approval at the General Assembly meeting.

#### **16. Wishes and requests**

#### **17. Closing**

## **APPENDIX**

### **GÜBRETAŞ FABRİKALARI T.A.Ş. REMUNERATION POLICY**

#### **Remuneration Principles for the Members of Board of Directors and Executives with Administrative Responsibility**

Gübre Fabrikaları T.A.Ş. remuneration policy document defines remuneration system and practices for the members of board of directors and top managers in the scope of those who have administrative responsibility as required by CMB Corporate Governance Principles regulations.

Remuneration Principles for the Members of the Board of Directors and the Executives with Administrative Responsibility are established in accordance with the international standards and the legal obligations by taking into consideration the macro-economic data in the market, the compensation policies prevailing in the market, the size of the company and the experiences, trainings, contributions of the individuals with respect to their current positions.

The basic purpose of this remuneration policy formed in the scope of principles above is to reward the success for the purpose of supporting our company to realize targets of company employees and to obtain the work results above their targets and to place the targetfocused performance culture in our company.

#### **Remuneration Principles for the Members of Board of Directors**

Within the scope of the Provisions of Articles of Association and relevant legislation which is valid for all the members of the Board of Directors, the amounts of fixed monthly fee, attendance fee and travelling expenses determined by the General Assembly are paid to the Board of Directors.

Remunerations paid to managers are determined by The Board of Directors.

For the remuneration of Independent Board Members, payment plans based on profit share, stock options or the company's performance may not be used. The wages for Independent Board Members shall be at a level reasonable for them to sustain their independence.

#### **Remuneration Principles for Executives with Administrative Responsibility**

Human Resources Department and Remuneration Committee defines its proposals related to the salary calculation of the senior managers considering the long-term objectives of the Company.

Remunerations for Executives with Administrative Responsibility arranged and applied in accordance with the fair, objective, appreciating high performance, competitive, rewarding and motivating criterias in the direction of the main targets of company.