

**OUR EXPLANATIONS ON AGENDA OF ORDINARY GENERAL ASSEMBLY FOR THE YEAR 2016  
DATED MAY 10, 2017 OF  
PARK ELEKTRİK ÜRETİM MADENCİLİK SAN. VE TİC. A.Ş.**

**1. Opening and Constitution of Presidential Board**

Chairman to chair the General Assembly Meeting and the Presidential Boards shall be elected within the framework of the provisions of the Turkish Commercial Code (the “TCC”) and Regulation on the Observers of the Ministry of Industry and Trade (the “Regulation”), to be present at these meetings of the capital stock companies.

**2. Authorization of the Presidential Board for execution of the General Assembly Meeting Minutes and Attendance List,**

Authorization of the Presidential Board for keeping records of the resolutions passed at the General Assembly shall be submitted to our shareholders for ratification within the frame of the provisions of the Turkish Commercial Code and the Regulation.

**3. Reading, discussing and ratifying the Annual Report of the Board of Directors and Independent Audit Reports for the activity year 2016,**

The Annual Report of the Board of Directors and Independent Audit Reports for the activity year 2016, for the period between 01.01.2016–31.12.2016 are to be read at the General Assembly as per the provisions of Turkish Commercial Code, Capital Market Law and the Regulation.

It is possible that the relevant documents be accessed at the headquarters of the Company through our web site at [www.parkedlektrik.com.tr](http://www.parkedlektrik.com.tr) and Electronic General Assembly Portal of the Central Registrar.

**4. Reading, analyzing and ratifying the Balance Sheet and Profit/Loss Statements for the activity year 2016,**

The Balance Sheet dated 31.12.2016 and the Profit Loss Statements for the period 01.01.2016–31.12.2016 shall be submitted to the General Assembly for opinion stating and ratification. It is possible that the relevant documents may be accessed at the headquarters of the Company through our web site at [www.parkedlektrik.com.tr](http://www.parkedlektrik.com.tr) and Electronic General Assembly Portal of the Central Registrar.

**5. Ratification by the General Assembly of Appointment to vacant Membership of the Board of Directors instead of Yakup Kaygusuz within the year,**

Submission of the matter of appointment of Salih Selim Şenkal to vacant membership of the board of directors instead of Yakup Kaygusuz within the year to the General Assembly for ratification.

**6. Discharge of the Chairman and members of the Board of Directors for the activity year 2016,**

The matter of discharge of the Chairman and members of the Board of Directors for the activity year 2016 and their activities in 2016 shall be submitted to the General Assembly for ratification as per the provisions of the Turkish Commercial Code and the Regulation.

**7. Submission of the matter of Non-Distribution of dividend, resolved acc. to Resolution of the BOD dated April 3, 2017 and numbered 2017/09 to the General Assembly for ratification,**

Resolution of our Board of Directors on non-distribution of dividend shall be presented to the General Assembly for ratification.

**8. Ratification of PwC BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.” as the Independent Audit Company, designated by the Board of Directors upon recommendation by the Audit Committee, to audit the Company and overview the activities and accounts for the year 2017 as per the Communiqué on Independent Audit Standards in the Capital Market, issued by the Capital**

**Market Board and the Turkish Commercial Code and the regulations of the Energy Market Regulatory Authority,**

Submission to the General Assembly for ratification of the matter of the resolution regarding appointment of PwC BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş as the Independent Audit Company, designated by the Board of Directors upon recommendation by the Audit Committee given at the Board of Directors held on January 20, 2017, to audit the Company and overview the activities and accounts for the year 2017 as per the Communiqué on Independent Audit Standards in the Capital Market, issued by the Capital Market Board and the Turkish Commercial Code and the regulations of the Energy Market Regulatory Authority, upon recommendation of the Audit Committee.

**9. In case the transaction to be discussed according to Article 10 of the Agenda is resolved, as considerable part of the assets of our Company is to be transferred and therefore, our subject of activity considerably changes, the relevant transaction is considered as material transaction as per Article 23 of the Capital Market Law and Communiqué on Common Principles Regarding Significant Transactions and the Retirement Right (No. II-23.1) Article 5, 1st Paragraph (b) and (c) subparagraphs and Article 6 of the issued by the Capital Market, our shareholders have the right to retire; before discussion of the agenda item on the relevant transaction, the operational process on the retirement fee and exercise of the retirement right is to be submitted for the information of our shareholders as follows:**

- a. As per Articles 10 and 12 of the Agenda, there are more than one material transaction to be resolved; and each material transaction shall be discussed as a separate agenda item;
- b. As the first public disclosures relating to both transactions, set forth in the agenda items 10 and 12, were made on the same date, the retirement fee for both transactions is the same too; within the term of the retirement of our shareholders, having separately cast dissenting votes and to report a minute of dissent for the agenda items 10 and 12, they have the retirement right by selling to our Company their shares each having a nominal value of TRY 1.00 at the cost of TRY 2,097682;
- c. In order that the transactions to be discussed according to agenda item no. 10 are to be accepted and resolved at the General Assembly, two thirds of the controlling shareholders at the General Assembly shall be required to cast affirmative votes without the need for a meeting quorum; however, in case at least half of the controlling shareholders is present at the General Assembly, then the resolution shall be passed by the majority of the controlling shares, who attend the meeting;
- d. As per Paragraph 9 of Article 9 titled “Exercise of the Retirement right” of the Communiqué No. 11-23.1 issued by the CMB; it is obligatory for our shareholders to exercise their retirement right for entire of the shares held by them;
- e. As per 6<sup>th</sup> paragraph of Article 9 titled “Exercise of the Retirement right” of the Communiqué No. 11-23.1 issued by the CMB; exercise of the retirement right shall be allowed within no later than 6 (six) business days after the date of the General Assembly Meeting when the relevant transactions are to be submitted for approval and the term of exercise of the retirement right shall be 10 (ten) business days;
- f. As the transfer of the retirement right is not possible, the shareholder attending to the ordinary general assembly and casting dissenting vote against Agenda Items 9 and 10 and reporting a minute of dissent and the shareholder applying for retirement have to be the same person; in case the shareholder intending to exercise the retirement right transfers his shares after the date of the general assembly, either the relevant shareholder or the new shareholder shall lose the retirement right;
- g. There is usufruct right on the share and in case the voting right is exercised by the usufructuaries, the relevant usufructuary (usufruct right holder) cannot exercise the retirement right; in this case the shareholder or its proxy is obligated to attend the general assemblies and cast dissenting vote against the relevant transaction and report a minute of dissent;
- h. According to Paragraph 7 of Article 9 titled “Exercise of the Retirement right “of the Communiqué No. 11-23.1 issued by the CMB; our shareholders, to exercise the retirement right”, shall complete the transfer (exercise of the retirement right) by the way of delivery of their shares, subject matter of the retirement, to the intermediary institution conducting the acquisition transactions for and on behalf of our Company within the frame specified with regard to the process of exercising such right; then the cost of the shares shall be paid to our shareholders, applying to the intermediary institutions to exercise their “retirement right” no later than on the business day following the sale;

- i. The payment relating to the retirement right shall be paid from our Company's sources;
- j. In case of dismissal of the agenda item no. 10 at the General Assembly, the retirement right shall not arise;
- k. Our shareholders, having cast dissenting vote against Agenda Item 10 and recorded a dissent minute for the material transactions at the General Assembly, might continue to exercise their shareholding rights in respect of the other agenda items voted at the relevant general assembly.

Submission to the shareholders the information on the retirement right, arising from the sale of the Company's assets relating to the concentrated copper production activities and the operational process with regard to the exercise of the retirement right.

**10. Submission to the General Assembly for ratification of the matter of sale of our Company's assets relating to the concentrated copper production activities to Cengiz İnşaat Sanayi ve Ticaret A.Ş. at the total cost of 195,000,000.- + VAT as per Article 5, 1st Paragraph (b) and (c) subparagraphs and Article 6 of the Communiqué on Common Principles Regarding Significant Transactions and the Retirement Right (No. II-23.1) issued by the Capital Market,**

Submission to the General Assembly for ratification of the matter of sale of our Company's assets relating to the concentrated copper production activities to Cengiz İnşaat Sanayi ve Ticaret A.Ş. at the total cost of 195,000,000.- + VAT.

**11. In case the transaction to be discussed according to Article 12 of the Agenda is resolved, as the considerable amount of assets is acquired from related parties and therefore, our subject of activity may considerably change, the relevant transaction is deemed as material transaction as per Article 23 of the Capital Market Law and Communiqué on Common Principles Regarding Significant Transactions and the Retirement Right (No. II-23.1) Article 5, 1st Paragraph (e) and (c) subparagraphs and Article 6 of the issued by the Capital Market, our shareholders have the right to retire; before discussion of the agenda item on the relevant transaction, the operational process on the retirement fee and exercise of the retirement right is to be submitted for the information of our shareholders as follows:**

- a. As per Articles 10 and 12 of the Agenda, there are more than one material transaction to be resolved; and each material transaction shall be discussed as a separate agenda item;
- b. As the first public disclosures relating to both transactions, set forth in the agenda items 10 and 12, were made on the same date, the retirement fee for both transactions is the same too; within the term of the retirement of our shareholders, having separately cast dissenting votes and to report a minute of dissent for the agenda items 10 and 12, they have the retirement right by selling to our Company their shares each having a nominal value of TRY 1.00 at the cost of TRY 2,097682;
- c. In order that the transactions to be discussed according to agenda item no. 12 are to be accepted and resolved at the General Assembly, two thirds of the controlling shareholders at the General Assembly shall be required to cast affirmative votes without the need for a meeting quorum; however, in case at least half of the controlling shareholders is present at the General Assembly, then the resolution shall be passed by the majority of the controlling shares, who attend the meeting;
- d. As per Paragraph 9 of Article 9 titled "Exercise of the Retirement right" of the Communiqué No. 11-23.1 issued by the CMB; it is obligatory for our shareholders to exercise their retirement right for entire of the shares held by them;
- e. As per 6th paragraph of Article 9 titled "Exercise of the Retirement right" of the Communiqué No. 11-23.1 issued by the CMB; exercise of the retirement right shall be allowed within no later than 6 (six) business days after the date of the General Assembly Meeting when the relevant transactions are to be submitted for approval and the term of exercise of the retirement right shall be 10 (ten) business days;
- f. As the transfer of the retirement right is not possible, the shareholder attending to the ordinary general assembly and casting dissenting vote against Agenda Item 12 and reporting a minute of dissent and the shareholder applying for retirement have to be the same person; in case the shareholder intending to exercise the retirement right transfers his shares after the date of the general assembly, either the relevant shareholder or the new shareholder shall lose the retirement right;
- g. There is usufruct right on the share and in cases when the voting right is exercised by the usufructuaries, the relevant usufructuary (usufruct right holder) cannot exercise the retirement

right; in this case the shareholder or its proxy is obligated to attend the general assemblies and cast dissenting vote against the relevant transaction and report a minute of dissent;

- h. According to Paragraph 7 of Article 9 titled “Exercise of the Retirement right “of the Communiqué No. 11-23.1 issued by the CMB; our shareholders, to exercise the retirement right”, shall complete the transfer (exercise of the retirement right) by the way of delivery of their shares, subject matter of the retirement, to the intermediary institution conducting the acquisition transactions for and on behalf of our Company within the frame specified with regard to the process of exercising such right; then the cost of the shares shall be paid to our shareholders, applying to the intermediary institutions to exercise their “retirement right” no later than on the business day following the sale;
- i. The payment relating to the retirement right shall be paid from our Company’s sources;
- j. In case of dismissal of the agenda item no. 12 at the General Assembly, the retirement right shall not arise;
- k. Our shareholders, having cast dissenting vote against Agenda Item 12 and recorded a dissent minute for the material transactions at the General Assembly, might continue to exercise their shareholding rights in respect of the other agenda items voted at the relevant general assembly.

Submission to the shareholders of the information on the retirement right arisen out of acquisition of 100% shares of Konya Ilgın Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi and the operational process on exercise of the retirement right.

**12. Submission of the matter of acquisition of the entire shares of Konya Ilgın Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi, registered with Ankara Trade Registry Office with registration no 148939, from our major shareholder Park Holding A.Ş. (with a nominal value of TRY 126,233,000.-, consisting of unpaid portion of TRY 90,309,942.81 corresponding to 126,233,000 shares which equals to 99.9865346534653%) and our other shareholder Turgay Ciner (with a nominal value of TRY 17,000.- corresponding to 17,000 shares, which equals to 0.0134653465347%) at the total cost of USD 150,000,000.- to the General Assembly for ratification as per (e) and (c) subparagraphs of 1<sup>st</sup> Paragraph of Article 5 and Article 6 of the Communiqué No. II-23.1 on Common Principles regarding Significant Transactions and the Retirement Right,**

Submission of the matter of acquisition of the entire shares in Konya Ilgın Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi from Park Holding A.Ş. and Turgay Ciner at total cost of USD 150,000,000 to the General Assembly for ratification.

**13. Election of the new members of the Board of Directors, determination of their terms of office, designation of the Independent Members of the Board of Directors and presentation of information on the relevant Independent Members of the Board,**

Delivery of information on election of the new members of the Board of Directors, determination of their terms of office, designation of the Independent Members of the Board of Directors and information on the candidates.

**14. Delivery to the General Assembly of written information on remuneration policy applicable to members of the Board of Directors and top executives, determined as per the Corporate Governance Principles,**

Presentation to the General Assembly of written information on the Remuneration Principles.

**15. Discussion and passing resolution on the remuneration to be paid to the members of the Board of Directors,**

Monthly gross salaries of the Chairman and members of the Board shall be discussed within the frame of the TCC, provisions of the Regulation and our articles of association.

**16. Ratification by the General Assembly on performance of activities, possibly resulting in conflict of interest, competition with the Company and its affiliates, and participation in any other similar companies by the controlling shareholders, members of the board of directors, top executives, and their spouses, their lineal consanguinity up to second degree ex officio for their own account or for the account of others as**

**per Article 1.3.7 of the Communiqué regarding Determination and Implementation of the Corporate Governance Principles and Articles 395 and 396 of the Turkish Commercial Code,**

As it is possible for members of our Board of Directors to perform transactions only upon the ratification of the General Assembly within the frame of Articles 334 titled “Non-Performance of Transactions with the Company” and Article 335 titled “Non-Competition” of the TCC, submission of the permission request to the General Assembly for ratification.

**17. Submission, for the information of the Shareholders, of the donations and aids made by our Company in 2016 and determination of the upper limit for the donations to be made in 2017 as per Article 6 of the Communiqué on Dividends No. II-19.1 of the Capital Market Board,**

As per Article 6 of the Communiqué on Dividends No. II-19.1 of the Capital Market Board, the donations made within the year are required to be informed to the General Assembly. The relevant article is not related to the approval of the General Assembly and is only for information purposes. Donations of total TRY 821,219.- were made by our Company in 2016.

**18. Submission to the General Assembly of information on the transactions held by the Related Parties in 2016 as per the laws and regulations of the Capital Market Board,**

#### **BOARD OF DIRECTORS REPORT ON RELATED PARTIES**

Total trade receivables of our Company, due from the group companies, is TRY 54,507,320 as of 31.12.2016. This amount is stated as TRY 199,320,988.- in the financial statements dated 31.12.2015. TRY 8,008,395.- of this amount is of commercial nature. TRY 46,498,925 of this amount is non-trade receivables due from Park Holding A.Ş. The receivables are monitored in TRY denomination. The interest rate applicable to the commercial and financial receivables of the Company is 11.173% between January-March, 11.173% between April-June and 10.309% between July-September, 11.361% between October-December. These averages at least correspond to the weighted average of the interest rates applicable to deposits by the banks in Turkey. Interest income generated from Park Holding A.Ş. as of the date 31.12.2016 due to these receivables was TRY 11,087,346.-.

Submitted for the information of the General Assembly.

**19. Submission, for the information of the General Assembly, guarantees, pledge, mortgage and sureties provided by the Company in favor of the third parties and income or interest generated in 2016 as per the arrangements of the Capital Market Board.**

#### **GUARANTEES, PLEDGES AND MORTGAGES PROVIDED IN FAVOR OF THE THIRD PARTIES**

Total amount of the guarantees, pledges and mortgages, provided by the Company in favor of third parties as of the date of 31.12.2016 is TRY 4,150,000.-. This amount consists of the guarantees and collaterals provided to the subcontractors for buying fuel.

**20. Discussion of the proposals and advises and closing.**