

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
INFORMATION DOCUMENT OF
2017 ORDINARY GENERAL ASSEMBLY DATED MAY 3, 2018

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 the company is 1.000.000.000 ₺ and issued capital is 334.000.000 ₺. There are no privileged shares in our Company.

Shareholders	Share Amount (₺)	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%
Total	334.000.000	100,00%	33.400.000.000	100,00%

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

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

These disclosures can be found at the websites of the Public Disclosure Platform 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 to the Meeting Agenda:

Investor and Subsidiaries Relations Department of our Company has not received any written requests from shareholders regarding the inclusion of any additional items to the agenda of the 2017 Annual General Assembly.

**EXPLANATIONS REGARDING THE AGENDA OF
ORDINARY GENERAL ASSEMBLY MEETING DATED MAY 3, 2018**

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 our Company.

2. Reading and discussion of the Activity Report of the Board of Directors for 2017 accounting period.

Activity Report of the Board of Directors for 2017 accounting period, which was submitted to the public's information at 12/03/2018, shall be read at the General Assembly and be submitted for the negotiation of our shareholders.

3. Reading the Independent Auditor's Report for 2017 accounting period.

"The Independent Auditor Report" dated 12/03/2018 and signed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which was selected to audit the financial tables for 2017 accounting period and to conduct related activities according to regulations, shall be read.

4. Reading, discussion and approval of the Financial Statements for 2017 accounting period.

Financial Statements for 2017 accounting period, which was submitted to the public's information at 12/03/2018, will be read and submitted to the negotiation and approval of our shareholders.

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

The acquittals of our Board of Directors due to their activities and accounts of the year 2017 shall be submitted for the approval of our shareholders.

6. Accepting, accepting by amendment or rejecting the proposal of the Board of Directors about the utilization of the profit of 2017, the dividend payout ratio and the date of dividend distribution.

The following profit distribution proposal of the Board of Directors of Gübre Fabrikaları T.A.Ş. shall be presented to the approval of the General Assembly.

Profit Distribution Proposal of Gübre Fabrikaları T.A.Ş. for the year 2017

The Table of Dividend Distribution of Gübre Fabrikaları T.A.Ş. for the year 2017 (₺)			
1	Issued Capital		334.000.000,00
2	General Legal Reserves (According to Legal Records)		50.912.456,22
Information on Profit Distribution Privileges if any, According to Articles of Association			-
		According to CMB	According to Legal Records
3	Profit for the Period	11.554.750,00	30.872.583,43
4	Taxes Payable (-)	-14.267.918,00	
5	Net Profit for the Period (=) (Net Profit to Parent Company for CMB)	33.317.912,00	30.872.583,43
6	Accumulated Losses (-)		
7	Primary Legal Reserves (-)	1.543.629,17	1.543.629,17
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	31.774.282,83	29.328.954,26
9	Donations (+)	941.524,00	
10	Net Distributable Profit for the Period, with Donations (=)	32.715.806,83	
11	First Dividend to Shareholders		-
	<i>Cash</i>		
	<i>Non Paid-Up</i>		
	<i>Total</i>		
12	Dividends Distributed to Owners of Preferred Shares		-
13	Other Dividends Distributed		-
	<i>the Board of Directors</i>		
	<i>Personnel</i>		
	<i>Other People Except Stakeholders</i>		
14	Dividends Distributed to Owners of Jouissance Shares		-
15	Second Dividend to Shareholders		-
16	Secondary Legal Reserves (-)		-
17	Statutory Reserves		-
18	Special Reserves		-
19	EXTRAORDINARY RESERVES	31.774.282,83	29.328.954,26
20	Other Resources to be Distributed		-

In 2017, Gübre Fabrikaları T.A.Ş. generated 30.872.583,43-₺ net profit according to the legal records; 33.317.912-₺ net profit in the financial tables prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards. **Due to the increasing cash requirements for investments and the necessity to protect the financial structure;**

- a. Not distributing any dividends,
- b. Allocating primary legal reserves based on profit in the tables prepared in accordance with legal records,
- c. Transferring the remaining balance to extraordinary reserves.

Will be presented to the approval of the General Assembly.

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 Board of Directors, starting from the general assembly of 2017 until the Ordinary General Assembly Meeting in 2019 at which the year 2018 activities shall be discussed, will be determined.

8. Submitting the Board member selections to the General Assembly for approval, who were elected to replace the vacancies of the members of the Board of Directors within the year 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 the ones selected in the 2016 ordinary general assembly are as follows:

- After the resignation of Mr. Tahir Okutan, the member of the Board, on July 10, 2017, Mr. Ali Yekta Sunar was elected for the vacant position in the same date,
- After the resignation of Mr. Ayhan Karayama, the Chairman of the Board, on December 19, 2017, Mr. Fahrettin Poyraz was elected for the vacant position in the same date,
- After the resignation of Mr. Mesud Şenkardeşler, the member of the Board, on January 4, 2018, Mr. Fatih Zekeriya Yerlikaya was elected for the vacant position in the same date,
- After the resignation of Mr. Ali Rıza Özdemir, the independent member of the Board, on February 28, 2018, Mr. Seyfullah Arslantürk was elected for the vacant position in the same date,

The election of the aforementioned members of the Board of Directors shall be submitted for the General Assembly's approval.

9. Election of the members of the Board of Directors whose terms of duties have expired and the determination of their duty term.

An election shall be made by the General Assembly for the substitution of the Board of Directors members, Fahrettin POYRAZ, Mahmut GÜNGÖR, Ertekin ÇOLAK, Fatih Zekeriya YERLİKAYA, İbrahim YUMAKLI and Ali Yekta SUNAR, whose terms of duty have expired.

The proposal of the Nomination Committee regarding the Independent Board Members, which is approved by the Board, will also be submitted to the General Assembly for the approval, for the substitution of the Independent Board Members Murat YAŞA and Seyfullah ARSLANTÜRK, whose terms of duty have expired.

There has not been any Board member nominations sent to our company till now. Besides, the nomination 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 independent audit company and auditor, to audit our Company's financial statements for the year 2018 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 2017 accounting period.

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 2017 fiscal year. As of 31/12/2017, the total of warranty, pledge and mortgages given for guaranteeing the debts of other 3rd parties for the performance of ordinary business activities is 104.159.252 ₺.

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 2017 accounting period.

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 2017, the amount of donations granted to tax exempt foundations and associations is 941.524,00 ₺.

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, our company paid its members of the Board of Directors and top executive management a total of 2.034.271 ₺. 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.