

# **FORD OTOMOTIV SANAYİ A.Ş. INFORMATION DOCUMENT FOR THE 23 MARCH 2017 ORDINARY GENERAL ASSEMBLY TO REVIEW FINANCIAL YEAR 2016**

## **1. INVITATION TO THE 23 MARCH 2017 ORDINARY GENERAL ASSEMBLY MEETING**

Ford Otomotiv Sanayi A.Ş.'s Ordinary General Assembly Meeting shall be convened on 23 March 2017 Thursday at 15:00 at the address of "Divan İstanbul Hotel - Asker Ocağı Caddesi No:1 34367 Şişli / İstanbul (Tel: +90 212 315 55 00, Faks: +90 212 315 55 15)". At the meeting, the activities of the Company for the fiscal year 2016 will be reviewed, the following agenda will be discussed, and a resolution regarding the agenda will be reached.

In accordance with the legal requirements, 2016 Financial Statements, the Independent Auditor's Report (prepared by our Independent Auditors, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirilik Anonim Şirketi, a member firm of Ernst & Young Global Limited), the Corporate Governance Compliance Report, and the Board of Directors' Annual Report, including the dividend distribution proposal of the Board of Directors, along with the following agenda and the Memorandum containing the information required by Capital Markets Board regulations shall be made available to the shareholders at Company Headquarters in Sancaktepe İstanbul, Kocaeli Gölcük Plant, on the Company's corporate website at [www.fordotosan.com.tr](http://www.fordotosan.com.tr), and in the Electronic General Meeting System of the Central Registry Agency (CRA) three weeks prior to the meeting.

Shareholders unable to attend the meeting in person, save for the rights and obligations of the ones participating electronically via the Electronic General Assembly System, shall prepare their proxy documents as per the attached sample forms, or shall obtain a proxy sample form from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent-İstanbul), our Company, or from the corporate website at [www.fordotosan.com.tr](http://www.fordotosan.com.tr) and shall submit to the Company the notarized proxy documents issued in accordance with the requirements of the Communiqué No. II-30.1, Use of Proxy Vote and Proxy Collection through Invitation, enacted on 24 December 2013 and published in Official Gazette No. 28861. A proxy document is not required from a proxy appointed electronically through the Electronic General Meeting System. The proxy documents which do not comply with the requirements of the aforementioned Communiqué, and the sample form attached hereto shall not be accepted, given our legal liability.

Shareholders intending to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our Company's website at [www.fordotosan.com.tr](http://www.fordotosan.com.tr) or from the Company Headquarters (Tel: 0 216 564 71 00) to ensure that they comply with the provisions of the by-laws for the Electronic Shareholders Meeting.

Pursuant to Paragraph 4 of Article 415 of Turkish Commercial Code No. 6102 and Paragraph 1 of Article 30 of the Capital Markets Law, the right to attend the General Assembly and voting rights shall not be conditional on depositing the share certificates. Accordingly, shareholders participating in the General Assembly do not need to block their shares.

At the Ordinary General Assembly Meeting, the voters shall use open voting system by raising hands, without prejudice to the provisions of electronic voting regarding the voting of each item on the agenda.

All right holders and stakeholders as well as the press are invited to the General Assembly Meeting.

Pursuant to the Capital Markets Law, shareholders holding registered shares that are traded on the stock exchange will not receive a separate registered invitation letter for the meeting.

It is submitted to the shareholders with due respect.

FORD OTOMOTİV SANAYİ A.Ş.

Board of Directors  
Company Address: Akpınar Mah. Hasan Basri Cad. No:2 34885 Sancaktepe /İstanbul  
Trade Registry and Number: İstanbul Ticaret Sicil Müdürlüğü / 73232  
Mersis ID Number : 0649002036300014

## 2. ADDITIONAL EXPLANATIONS IN VIEW OF CMB REGULATIONS

The additional explanations required pursuant to Capital Markets Board (CMB) Corporate Governance Communiqué No. II-17.1, enacted 3 January 2014, are made in the related articles of the agenda below. Other mandatory general explanations are provided in this section.

### 2.1. Capital Structure and Voting Rights:

There is no privilege in Company's Articles of Incorporation regarding voting rights.

The voting rights of our shareholders, are provided in the following table:

Shareholding Structure	Share Group	Amount of Share (TL)	Percentage of Share (%)	Vote	Percentage of Vote (%)
Koç Holding A.Ş.	B	134.953.357	38,46%	13.495.335.714	38,46%
Temel Ticaret ve Yatırım A.Ş.	B	2.355.885	0,67%	235.588.500	0,67%
Vehbi Koç Foundation	A	3.558.449	1,01%	355.844.870	1,01%
Koç Holding Pension and Assistance Foundation	A	3.259.202	0,93%	325.920.232	0,93%
Ford Motor Company	C	143.997.037	41,04%	14.399.703.676	41,04%
Publicly Held	A	62.786.070	17,89%	6.278.607.009	17,89%
<b>Total</b>		<b>350.910.000</b>	<b>100,00%</b>	<b>35.091.000.000</b>	<b>100,00%</b>

### 2.2. Managerial and Operational Changes in Our Company or our Subsidiaries' which may Significantly Affect the Activities of our Company:

There are no managerial or operational changes that has or that will substantially affect the Company's activities in the previous accounting period, or planned for the upcoming accounting periods.

### 2.3. Information regarding demands of shareholders for placing an article on the agenda:

No such request is made for the Ordinary General Assembly Meeting for 2016 activities.

## 3. ANNOUNCEMENTS PERTAINING TO THE AGENDA ARTICLES OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED 29 MARCH 2016

### 1. Opening and election of Chairmanship Panel,

Within the framework of the provisions of "Turkish Commercial Code (TCC) no. 6102" and "the Regulation of the Ministry of Customs and Commerce regarding Principles and Procedures of

General Assembly Meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Commerce to be Present in these Meetings” (“Regulation” or “General Assembly Regulation”), and General Assembly Principles Article 7, a Chairman shall be elected to chair the General Assembly meeting. Within the framework of the General Assembly Principles, at least one person will be appointed as Secretary. The Chairman may also appoint adequate number of vote-collectors.

**2. Reading, discussion and approval of the Annual Report of year 2016 prepared by the Board of Directors,**

Within the framework of the TCC, the Regulation and the Capital Markets Law and related regulations, information shall be given on the 2016 Annual Report that includes the Corporate Governance Compliance Report, which has been announced at the Headquarters of our Company, on the Electronic General Assembly portal of the Central Registry Agency and on the corporate website of the Company at [www.fordotosan.com.tr](http://www.fordotosan.com.tr) for review of our shareholders three weeks before the General Assembly meeting and it shall be presented for perusal and approval of our shareholders.

**3. Reading of the summary report of the Independent Audit Firm of 2016 Fiscal Period,**

Independent Audit Report created as per TCC, Regulation and Capital Markets Board legislation and made available at Company Headquarters, Electronic General Assembly Portal of the CRA and Company website [www.fordotosan.com.tr](http://www.fordotosan.com.tr), three weeks prior to the General Assembly meeting, will be submitted to the information and approval of our shareholders in General Assembly meeting.

**4. Reading, discussion and approval of the Financial Statements of 2016 Fiscal Period,**

Information about our financial statements and legal statutory accounts, which, pursuant to the TCC, bylaws and Capital Markets Law are posted three weeks prior to the General Assembly meeting at our Company Headquarters, on the Electronic General Assembly Portal of the CRA, and on the Company website [www.fordotosan.com.tr](http://www.fordotosan.com.tr) for review of our shareholders, shall be provided to our shareholders for their evaluation and approval.

**5. Release of the members of the Board of Directors separately for year 2016 activities,**

Pursuant to the TCC and Bylaws, the release of our Board of Directors members for the activities, transactions and accounts for the year 2016 shall be submitted to the General Assembly for its approval.

**6. Approval, or approval with amendments or refusal of the Board of Directors’ proposal for profit distribution for the year 2016 and the distribution date which prepared in accordance with the Company’s Profit Distribution Policy,**

According to our financial statements, prepared by our Company within the framework of the Turkish Commercial Code and Capital Markets Law and related regulations in compliance with Turkish Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst & Young Global Limited) covering the accounting period between 01.01.2016 – 31.12.2016; net profit amount of TL 955.307.659 has been obtained. The dividend payment proposal drawn up in accordance with the Dividend Distribution Table format provided in the Dividend Communiqué numbered II-19.1 and the

Dividend Manual announced in accordance with the said Communiqué, and taking into account the Company's Dividend Distribution Policy, long-term strategy, investment and financing policies, profitability and liquidity, is provided in **Appendix 1**.

7. **Approval, or approval with amendments or refusal of the Board of Directors' proposal for amendment of Article No. 6 of the Company's Articles of Incorporation with the heading "Share Capital" provided that the necessary approvals have been received from Capital Markets Board and the Ministry of Customs and Trade of Turkey;**

In case the required approvals have been received from Capital Markets Board and the Ministry of Customs and Trade of Turkey until the General Assembly meeting date; amendment of Company's Articles of Incorporation provided together with the related Board of Directors' Resolution in **Appendix 2**, will be submitted to the approval of General Assembly. Approval of Capital Markets Board has been received with the letter dated 21 February 2017, whereas approval process related with Ministry of Customs and Trade of Turkey is in progress.

8. **Determination of the number and the term of duty of the members of the Board of Directors and election of the members based on the determined number, election of the Independent Board Members,**

The number of members on the Board of Directors and their terms of office shall be designated in accordance with CMB regulations, TCC and Bylaws and the principles governing the selection of members of the Board of Directors in the Articles of Incorporation. New members will be elected to replace Board members whose terms of office have expired. In addition, Independent Members of the Board of Directors shall be elected in compliance with the CMB's Corporate Governance Communiqué No. II-17.1.

According to Article 10 of the Company's Articles of Incorporation, Company is managed by a Board of Directors with an even number of members and consisting of at least 8 members, elected by the General Assembly for a 3 year period in line with the TCC regulations. General Assembly may decide on the renewal of the Board of Directors even if their terms of office have not expired. 2 of the elected Board members are required to meet the independence criteria as defined in the CMB's mandatory Corporate Governance Principles.

The Board of Directors, upon receipt of the proposal of Corporate Governance Committee, has designated Mr. Leonard Martin Meany and Mr. Mehmet Barmanbek as the Independent Members of the Board of Directors by Board of Directors' resolution dated 19.01.2017 and has submitted to the approval of CMB on 07.02.2017. The CVs and Independence Declarations of Board of Directors candidates are provided in **Appendix 3**.

9. **As per the Corporate Governance Principles, informing the shareholders regarding the "Remuneration Policy" for members of the Board of Directors and the senior executives and payments made under this policy and approval of the "Remuneration Policy" and related payments,**

According to CMB's mandatory Corporate Governance Principle No. 4.6.2, the principles for the remuneration of Board of Directors' members and senior management shall be made available in writing and included as a separate article on the General Assembly Meeting agenda to enable the shareholders to share their opinions on the same. Remuneration Policy created for this purpose is attached as **Appendix 4**. As specified by footnote No. 26 of 2016 Financial Statements, TL 25.917.904 - of benefits were provided for senior management of Ford Otomotiv Sanayi A.Ş. in 2016.

**10. Determination of the annual gross fees to be paid to the members of the Board of Directors,**

The annual gross remuneration to be paid to the members of the Board of Directors in 2017 shall be determined by the shareholders as per our Remuneration Policy submitted for the approval the shareholders as per item 11 of the agenda.

**11. As per the regulations of the Turkish Commercial Code and Capital Markets Board, approval of the Board of Directors' election for the Independent Audit Firm,**

In accordance with the Turkish Commercial Code and Capital Markets Board regulations, and taking into consideration the opinion of the Audit Committee, the Board of Directors resolved at their 23 Eylül 2016 meeting to have PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of PricewaterhouseCoopers) (the previous commercial title Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) serve as the independent auditors of the Company's financial reports for the financial year 2017 and to let it conduct the other activities that fall within its purview within the context of the regulations. This decision shall be submitted to the General Assembly for ratification.

**12. Giving information to the shareholders regarding the donations made by the Company in 2016 and determination of a upper limit for donations to be made in 2017,**

Pursuant to Article 6 of the CMB's Communiqué on Dividends No. II-19.1, the limit of donations to be made must be determined by the General Assembly, in cases not specified in the Articles of Incorporation, and information concerning the donations and payments made must be provided to shareholders at the General Assembly. Donations totaling TL 22.131.962 were made to foundations and associations in 2016. The upper limit of donations to be made in 2017 shall be decided by the General Assembly.

**13. Under Articles 395 and 396 of the Turkish Commercial Code, authorizing: shareholders with management control, members of the Board of Directors, senior executives and their spouses and relatives related by blood or affinity up to the second degree; and also informing the shareholders regarding the transactions made in this extent in 2016 pursuant to the Capital Markets Board's Communiqué on Corporate Governance,**

The members of the Board of Directors can do business only with the approval of the General Assembly, as stipulated in the first subsection of Articles 395 and 396 of the TCC entitled Competition Ban and Ban on doing Business with the Company and Borrowing for the Company.

Pursuant to the Capital Markets Board Mandatory Corporate Governance Principles No. 1.3.6, the General Assembly shall be informed in the event that shareholders having managerial control, shareholder board members, senior management and relatives up to the second degree of blood or affinity engaged in a significant business transaction creating a conflict of interest with the Company or its subsidiaries, competed with the company in the same line of business on their own behalf or on the behalf of others, or was involved in the same business as that of the Company as unlimited partner in another company. Information about said transactions must be included as a separate article on the agenda and recorded into the minutes of the General Assembly. To fulfill the requirements of these regulations, permission shall be sought from the shareholders at the General Assembly and the shareholders shall be informed that no such transaction took place in 2016 in this respect.

**14. Wishes and opinions.**

## **APPENDICES:**

**Appendix 1** 2016 Dividend Distribution Proposal

**Appendix 2** Amendments to the Articles of Incorporation and related Board of Directors' Resolution

**Appendix 3** CVs of Board of Directors Candidates and Independence Declarations of Independent Board Member Candidates

**Appendix 4** Remuneration Policy for Board of Directors and Executive Management

## **Appendix 1**

### **2016 Dividend Distribution Proposal**

As per the attached Profit Distribution Proposal which prepared in accordance with the CMB's regulations, Article No.19 of the Articles of Incorporation of the Company and the investment and financing policies as stated in the Dividend Distribution Policy approved by the General Assembly held on March 25, 2014 and considering the cash flow position, it's resolved to present; (i) not to allocate 5% first rank legal reserve required by Article 519 of the Turkish Commercial Code for 2016 since the amount of first rank legal reserve has already reached 20% of share capital in tax books as of 31.12.2016; (ii) to cover TL 38.249.190 second rank legal reserve from net income of TL 955.307.659 which is in the financial statements prepared within the framework of CMB's regulations and pay % 114,0000 gross (%96,9000 net) in proportion and TL 400.037.400 total gross dividend in cash assuming each share with a nominal value of 1-TL pays Kr 114,0000 gross (Kr. 96,9000 net in accordance with the Dividend Distribution Proposal) and allocate the remaining TL 517.021.069 as extraordinary reserves; (iii) to cover TL 38.249.190 second rank legal reserve from 2016 net income of TL 748.112.213 which is formed in accordance with Tax Procedure Law records, pay TL 400.037.400 total gross cash dividend and allocate the remaining TL 309.825.623 as extraordinary reserves; (iv) and to determine dividend distribution date as April 03, 2017; to the General Assembly's approval.

## 2016 DIVIDEND DISTRIBUTION PROPOSAL

Ford Otomotiv Sanayi A.Ş. 2016 Dividend Distribution Proposal Table (TL)				
1. Paid-in / Issued Capital			350.910.000	
2. Total Legal Reserves (According to Tax Book)			284.206.864	
If there is dividend privilege in the Articles of Association, information regarding this privilege			-	
		According to CMB	According to Tax Book	
3.	Income for the Period	970.170.917	768.525.829	
4.	Taxes Payable	(14.863.258)	(20.413.616)	
5.	Net Income for the Period ( = )	955.307.659	748.112.213	
6.	Retained Losses ( - )	0	0	
7.	First Series of Legal Reserves ( - )	0	0	
8.	DISTRIBUTABLE NET INCOME FOR THE PERIOD ( = )	955.307.659	748.112.213	
9.	Donations within the year ( + )	22.131.962		
10.	Distributable Net Income for the Period including Donations to Calculate First Dividend	977.439.621		
11.	First Dividend to Shareholders	400.037.400		
	-Cash	400.037.400		
	-Bonus			
	-Total	400.037.400		
12.	Dividend Distribution to Shareholders with Privileged Shares	0		
13.	Dividend Distribution to Board of Directors, employees etc.	0		
14.	Dividend Distribution to Redeemed Shareholders	0		
15.	Second Dividend to Shareholders	0		
16.	Second Series of Legal Reserves	38.249.190		
17.	Statutory Reserves	0	0	
18.	Special Reserves	0	0	
19.	EXTRAORDINARY RESERVES	517.021.069	309.825.623	
20.	Other Reserves Distributable			
	- Extraordinary Reserves			
21	Legal Reserves appropriated from Other Reserves Distributable			
	- Extraordinary Reserves			
INFORMATION ABOUT RATE OF DISTRIBUTED DIVIDEND (per privileged - nonprivileged share)				
DIVIDEND PER SHARE				
		TOTAL DIVIDEND IN CASH (TL)	DIVIDEND CORRESPONDING TO SHARES WITH A NOMINAL VALUE OF 1 TL	
	GROUP		AMOUNT	RATE
			(TL)	(%)
GROSS	A	7.772.122	1,1400	114,00
	A	71.576.120	1,1400	114,00
	B	156.532.536	1,1400	114,00
	C	164.156.622	1,1400	114,00
	TOTAL	400.037.400		
NET	A	6.606.304	0,9690	96,90
	A	60.839.702	0,9690	96,90
	B	156.532.536	1,1400	114,00
	C	139.533.129	0,9690	96,90
	TOTAL	363.511.670		
FORD OTOMOTİV SANAYİ A.Ş. 2016 DIVIDEND RATE TABLE				
TOTAL DIVIDEND IN CASH DISTRIBUTED TO SHAREHOLDERS (TL)		RATIO OF TOTAL DISTRIBUTED DIVIDEND TO DISTRIBUTABLE NET INCOME FOR THE PERIOD (%)		
400.037.400		41,88		



## Appendix 2

### Amendments to the Articles of Incorporation Board of Directors' Resolution

#### **FORD OTOSAN FORD OTOMOTİV SANAYİ A.Ş.**

#### **BOARD OF DIRECTORS' RESOLUTION**

<b>Meeting Place</b>	:	Ford Otosan-İstanbul
<b>Meeting Date</b>	:	February 13, 2017
<b>Meeting No</b>	:	2017/05
<b>Trade Registry No.</b>	:	İstanbul – 73232
<b>Registered Address</b>	:	Akpınar Mah. Hasan Basri Cad. No:2 Sancaktepe, İstanbul
<b>Members Attended</b>	:	Yıldırım Ali Koç Mustafa Rahmi Koç Ali İhsan İlkbahar Osman Turgay Durak İsmail Cenk Çimen Mehmet Barmanbek Haydar Yenigün Lisa Katharine King
<b>Members Not in Attendance</b>	:	James Duncan Farley Jr Linda Ann Cash William Richard Periam Steven Robert Armstrong Roelant Christiaan de Waard Leonard Martin Meany
<b>AGENDA</b>	:	Amendment of Article No. 6 of the Company's Articles of Incorporation

Gathered under the chairmanship of Mr. Yıldırım Ali Koç, the Board has discussed the Agenda and unanimously concluded the following decisions.

- 1- It is decided to obtain necessary permissions from Capital Markets Board and Ministry of Customs and Commerce to amend Article No. 6 of the Company's Articles of Incorporation with the heading "Share Capital"; with an aim to extend the validity period of the registered share capital ceiling and to submit the following new text that includes the amendments to the approval of the shareholders at the first General Assembly of Shareholders.

#### **FORD OTOMOTİV SANAYİ ANONİM ŞİRKETİ AMENDMENT TO THE ARTICLES OF INCORPORATION**

#### **NEW TEXT**

#### **ARTICLE 6- SHARE CAPITAL:**

- 6.1. The Company has accepted the registered share capital system according to the provisions of the Capital Markets Law and adopted the registered share capital system under the permission nr. 16 issued by the Capital Markets Board on the date of 09.03.1982.

- 6.2. The registered share capital ceiling of the Company is TL 500,000,000 (Five hundred million Lira) and it is divided into 50,000,000,000 (fifty billion) shares each with a nominal value of 1 (One) Kuruş.
- 6.3. The permission granted by the Capital Markets Board for the upper limit of the registered share capital is valid for the years **2017-2021** (5 years). Even if the permitted registered share capital ceiling is not reached by the end of the year **2021**, in order for the Board of Directors to take a capital increase decision after **2021**, the necessary authorization shall be obtained from the general assembly of shareholders for a new term of up to 5 years pursuant to the permission of the Capital Markets Board for the same amount or for a new ceiling. If such authorization is not taken, capital increase can not be done with Board of Directors decision.
- 6.4. The issued share capital of the Company is TL 350,910,000 (Three hundred and fifty million nine hundred and ten thousand Lira) and it is divided into 35.091.000.000 (thirty five billion ninety one million) registered shares in total, consisting of three groups of Group A, Group B and Group C shares, each with a nominal value of 1 (one) Kuruş.
- 6.5. The issued share capital of the Company has been fully paid-in free of any collusion.
- 6.6. Distribution of the shares representing the issued share capital, among the groups of shares is as listed below.

<u>Shareholders</u>	<u>Share Group</u>	<u>Number of Shares</u>	<u>Nominal Value</u> <u>TL</u>	<u>Share Percentage</u> <u>(%)</u>
<b>Group A</b>				
Other Shareholders	<b>A</b>	<b>6.960.372.110</b>	<b>69.603.721,10</b>	<b>19,8352</b>
Koç Holding A.Ş.	<b>B</b>	13.495.335.714	134.953.357,14	38,4581
Temel Ticaret ve Yatırım A.Ş.	<b>B</b>	235.588.500	2.355.885,00	0,6714
<b>Group B Total</b>		<b>13.730.924.214</b>	<b>137.309.242,14</b>	<b>39,1295</b>
<b>Group C</b>				
Ford Motor Company	<b>C</b>	<b>14.399.703.676</b>	<b>143.997.036,76</b>	<b>41,0353</b>
<b>Total</b>		<b>35.091.000.000</b>	<b>350.910.000,00</b>	<b>100,0000</b>

- 6.7. Ford Motor Company, holding Group C shares of the Company, is entitled to the provisions of the Code on Direct Foreign Investments and the relevant positive law by virtue of the Decree of the Council of Ministers, ref. 6/9910, dated 02.05.1968.
- 6.8. The Company's share capital can be increased or decreased according to the relevant provisions of the Turkish Commercial Code and Capital Markets regulations, as deemed necessary. The Board of Directors, starting from **2017** to the end of **2021**, is authorized to resolve to increase the issued share capital of the Company by issuing new shares up to the registered share capital ceiling, if and when deemed necessary, in accordance with the related provisions of the Capital Markets Law, and to restrict the rights of the holders of preference shares, to restrict the pre-emptive rights of the existing shareholders, and to issue preference shares or shares at a premium or shares below its nominal value. Provided, however, the power to restrict the pre-emptive rights on newly issued shares cannot be used in such manner to cause inequality among the shareholders.
- 6.9. All of the shares of the Company are registered shares. The Company shares shall be registered and monitored according to the principles of dematerialization.

Meeting adjourned.

### **Appendix 3**

#### **CVs of Board of Directors Candidates and Independence Declarations of Independent Board Member Candidates**

##### **Rahmi M. Koç**

Honorary Chairman

Honorary Chairman of Koç Holding A.Ş.

Mr. Rahmi M. Koç is a graduate of the Industrial Management and Business Administration Faculty of Johns Hopkins University (USA). He stepped into his career at Otokoç A.S. of the Koç Group in 1958. He held a number of senior positions within Koç Holding. After becoming Chairman of the Management Committee in 1980, he was Chairman of the Board of Koç Holding from 1984 to 2003, and is currently Honorary Chairman of Koç Holding. Koç, who has been a Member of the Ford Otosan Board of Directors since 1961 and Chairman of the Board since 1972, is currently Honorary Chairman of the Ford Otosan Board of Directors since 10 December 2012. He was President of the International Chamber of Commerce between 1995 and 1996, and presently acts as Vice Chairman of the Board of Trustees of the Vehbi Koç Foundation, Chairman of the Board of Trustees at Koç University, Founder and Chairman of Rahmi M. Koç Museum and Cultural Foundation, Chairman of Vehbi Koç Foundation American Hospital, Founding Member and Honorary Chairman of TURMEPA (Turkish Marine and Environment Protection Association), Honorary President of the High Advisory Council of TÜSİAD (Turkish Industry and Business Association), Member of the Advisory Board of TİSK (Turkish Confederation of Employers Associations), Honorary Member of the Foreign Policy Association, Honorary Member of the New York Metropolitan Art Museum's Board of Trustees and Founding President of the Global Relations Forum. Mr. Rahmi M. Koç received Honorary PhDs from; Johns Hopkins University, Eskisehir Anadolu University, İzmir Ege University, Ankara Bilkent University, Constanta Ovidius University and Aydın Adnan Menderes University. Rahmi M. Koç was honored with the "State Medal of Distinguished Service" by the President of Turkey, "Grosses Verdienst Kreuz" (Great Cross of Merit of Germany) by the German government, "Order of Merit of the Italian Republic" by Italy. The Presidency of the Republic of Austria honored him with the Order of Merit and Mr. Rahmi M. Koç was appointed to the rank of (Honorary) Commander of the Most Excellent Order of the British Empire (CBE) and Mr. Rahmi M. Koç was honoured with the most prestigious order of French government "Officier dans L'Ordre National de la Legion D'Honneur".

##### **Ali Y. Koç**

Chairman

Vice Chairman - Board of Directors of Koç Holding A.Ş.

Mr. Ali Y. Koç capped his undergraduate studies at the Management Faculty of Rice University (USA) with an MBA from Harvard Business School. He started his career at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank. Mr. Ali Y. Koç joined Koç Holding in 1997 and held senior-level positions until 2010 including new business development and information technologies. He was the President of Corporate Communications and IT Group. He has been serving as a Board Member at Koç Holding since 2008 and was elected as Vice Chairman in February 2016. Ali Y. Koç has been serving on the Board of Directors at Ford Otosan since 1997 and was elected as Chairman on 10 December 2012. Currently, Ali Y. Koç is the Chairman of Ark İnşaat, Bilkom, Digital Panorama, Koç Information and Defence Technologies, Koç Financial Services, Koç Sistem, Koçtaş, Otokar, Otokoç, Setur and Yapı Kredi Bank. Ali Y. Koç also contributes to the country's social and economic development at URAK –

National Competition Research Association as President, 1907 Fenerbahçe Association as Chairman, Endeavor Association and DEİK, Foreign Economic Relations Board as Board Member. He is also the Vice Chairman of TÜSİAD – Turkish Industry and Business Association and member of the Global Advisory Council of Bank of America, Harvard University and CFR.

**James D. Farley, Jr.**

Vice Chairman

Executive Vice President and President, Europe, Middle East and Africa

Farley attended Georgetown University in Washington, D.C., where he earned a bachelor's degree in economics and computer science, and the University of California, Los Angeles (UCLA), where he completed his MBA with a focus in finance. Farley joined Toyota in 1990 in the strategic planning department and served in several product and marketing positions in the United States and Europe. Farley serviced as group vice president of Toyota Division marketing. Prior to joining Ford, Farley was group vice president and general manager of Lexus. He joined Ford in November 2007 as Global Marketing Group Vice President. In September 2009 he also became responsible for Ford's operations in Canada, Mexico and South America. He was appointed to lead the Global Marketing, Sales and Services in August 2010. In addition to this role, he became the senior Global Leader for Lincoln in August 2014. Jim Farley was assigned as the Executive Vice President and President of Europe, Middle East and Africa at Ford effective January 1, 2015. He was appointed as a Ford Otosan Board member and Vice Chairman of the Board of Directors effective January 9, 2015. Mr. Farley is also a Member of the Remuneration Committee at Ford Otosan since March 27, 2015.

**Steven Armstrong**

Member - Board of Directors

Ford of Europe – Vice President & COO

Member - Board of Directors FordSollers

Steven Artmstrong has a bachelor's degree in Business Administration from the University of East London. During his 25-year-plus career, Armstrong has served in a variety of senior management and purchasing positions for Jaguar, Volvo, Ford of Europe and served as chief operating officer of Getrag-Ford Transmissions. Armstrong has served as president, Ford Brazil, starting in June 1, 2012, leading all aspects of Ford's largest business unit in South America. Armstrong was president Ford South America responsible for all Ford South American operations since January 2014. He was appointed as the Vice President and Chief Operating Officer of Ford of Europe as of September 1, 2016. He is also a member of Ford Otosan Board of Directors since October 1, 2016.

**O. Turgay Durak**

Member - Board of Directors

Mr. Durak is a graduate of the Mechanical Engineering Department of Northwestern University (USA) where he also completed his Master's degree in mechanical engineering. His career commenced at Ford Otosan in 1976 as Applications Engineer. In the same year, he assumed the position of Product Development and Design Engineer, and by 1979 he became the İnönü Engine Plant Project Leader. In 1982 and 1984, he was assigned as Project Coordination Manager and Project Coordination Department Head, respectively. In 1986 and 1987, he was designated as Assistant General Manager of Marketing and Assistant General Manager of Purchasing, respectively. He became the Deputy General Manager of Ford Otosan in 2000. He started to serve as the General Manager in 2002 when he also joined the Board of Directors. From 2007 to 2009, he was the Automotive Group President at Koç Holding. He served as Deputy CEO of Koç Holding from May 2009 until April 2010. Following his term as CEO and Member of the Board of Directors of Koç

Holding from April 2010 to March 31, 2015, Mr. Durak retired. He was Chairman of the Board of the Automotive Manufacturers Association for 6 years between 2004 and 2010. He served as a member of the Istanbul Chamber of Industry (ISO) from January 2008 to May 2010 and was a board member between February 2009 and May 2010. Mr. Durak also was a National Board Member of International Chamber Of Commerce from February 2014 to March 2015.

**Linda Ann Cash**

Member - Board of Directors

Vice President of Manufacturing, Ford of Europe

Ms. Cash holds a Bachelor's degree in Industrial Engineering from Georgia Institute of Technology (USA) and a Master's in business administration from the University of Phoenix (USA). Ms. Cash joined Ford in 1984 and has spent her entire career with the company in manufacturing. With extensive experience in lean manufacturing at Ford, Cash played key roles in North America serving as plant manager of the Michigan Truck assembly facility, chief engineer for final assembly for Vehicle Operations in Manufacturing Engineering, and director of Manufacturing Engineering. Prior to the European assignments, she has held a series of leadership position within Ford's manufacturing operations including executive director of Global Vehicle Operations in Manufacturing Engineering and executive director of Global Manufacturing Business Office. She was the director of Vehicle Operations for Ford of Europe, a position she has held since March 2015. Linda Cash is the Vice President of Manufacturing, Ford of Europe since January 1, 2016. At the same time, she also is a Ford Motor Company senior officer representing the company. She was appointed as Ford Otosan Board member as of January 8, 2016.

**Roelant Christiaan de Waard**

Member - Board of Directors

Vice President, Marketing, Sales and Service, Ford of Europe

Mr. de Waard holds a Master's degree in Economics & Business from Erasmus University Rotterdam. He joined Ford Netherlands in 1990. He was appointed as the Sales Manager in 1993 and Marketing Manager in 1995. Roelant de Waard moved to Dearborn in 1996 where he became Marketing Strategy Manager and, in 1998, Marketing Plans Manager at the Large Vehicle Centre. He returned to Europe in 1999 as the Director of Operations for Ford Netherlands and served as Managing Director Ford Netherlands starting from April 2000. In January 2001, he was appointed as Director, Ford of Europe Retail Management, a position he held until March 2002. He was the Vice President FCSD – Europe (Ford Customer Service Division), from April 2002. From February 2006 until the end of 2008, de Waard was Chairman and Managing Director of Ford of Britain. From January 2009, he was Vice President of Sales, Ford of Europe, responsible for 49 markets, including the UK, France, Italy, Spain and Russia. Roelant de Waard is Vice President of Marketing, Sales and Service, Ford of Europe, effective January 1, 2011. Mr. de Waard was appointed as Ford Otosan Board Member on December 9, 2015.

**Ali İhsan İlkbahar**

Member - Board of Directors

Mr. İlkbahar graduated from Istanbul Technical University Mechanical Engineering (MSc.) and started working as a Manufacturing Engineer at Otosan in 1964. He spent his entire professional life at Ford Otosan where he served as the General Manager during the last 14 years and retired at the beginning of 2000. He was also the Koç Holding Ford Group President between 1996-2000. He was involved in the construction project of the Otosan Engine Plant in Eskişehir İnönü in 1980. He led

the Gölçük Plant project and Connect vehicle project between 1997 and 2000. He was the Chairman of Board of Directors at Automotive Manufacturers Association for 15 years, from 1989 until February 2004. He served as a member of Ford Otosan Board of Directors from 1991 to 2012 and he was elected again on 25 March 2014. He has also been serving as the member of the Corporate Governance Committee since April 21, 2014.

**Lisa K. King**

Member - Board of Directors

Deputy General Manager

Mrs. King earned a bachelor's degree in Management Sciences and Statistics from Loughborough University (UK). Prior to Ford, she worked at Hewlett Packard as an internal consultant in process improvement, and then at Ernst & Young Consulting as a business consultant. She joined Ford in 1996 into the Process Leadership team and held a number of positions including starting up a joint venture call center business supporting all Ford call centers globally, and a variety of buying and purchasing strategy roles. She was appointed Global Purchasing Director, Stamping and Raw Materials in 2008. In 2011, she assumed the role of Purchasing Director, Manufacturing and Transportation. She became the Vice President, Purchasing Ford Sollers in Russia and held this role from 2013 until her move to Chassis in 2015. Following her tenure as Global Purchasing Director, Chassis, she was appointed Ford Otosan Deputy General Manager and member of Board of Directors on September 1, 2016.

**İ. Cenk Çimen**

Member - Board of Directors

Automotive Group President - Koç Holding A.Ş.

Mr. Çimen has an Industrial Engineering degree from Istanbul Technical University. 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 from 1993 to 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 as the General Manager of the companies merged under Otokoç. In 2005 his responsibility was extended to include the General Manager role for Birmot A.Ş., also assuming responsibility for Avis car rental business. He has been serving as the Automotive Group President at Koç Holding since June 2009. He was elected as a member of Ford Otosan Board of Directors on March 25, 2014. He has been serving as the member of the Early Determination and Management of Risk Committee since April 21, 2014 and a member of Remuneration Committee since March 27, 2015.

**Haydar Yenigün**

Member - Board of Directors

General Manager

Haydar Yenigün graduated from Yıldız Technical University in Mechanical Engineering and joined Ford Otosan in 1987, serving as Method Engineer until 1990. He worked as Project engineer between 1992 and 1996. He served in a variety of positions during the establishment of the Kocaeli Plant after the shares of Ford Motor Company and Otosan A.S. were equalized in 1997. He became Project Leader in 1998. He participated in the production process of the Ford Transit, and the design and production processes of the Ford Transit Connect. He worked as Welding Area Manager in the

Kocaeli Plant between 1999 and 2007, and served as Kocaeli Plant Manager and Assistant General Manager from 2007 to 2012. He was appointed as Ford Otosan General Manager and became a Member of the Board of Directors on 15 February 2012. He is currently a member of the Automotive Manufacturers Association (OSD) Board of Directors, member of Kocaeli Chamber of Industry Board of Directors, member of Turkish Industry and Business Association, Vice Chairman of the Turkish-American Business Council Executive Committee and a member of the International Investors Association (YASED).

**William R. Periam**

Member - Board of Directors  
Ford of Europe – CFO

Mr. Periam earned a bachelor's degree in Management Sciences from Manchester University (UK). He joined Ford as an Investment Analyst in the United Kingdom in 1989. He has held multiple senior management positions at Ford in the Finance, Credit, Business Development and Business Strategy departments in the USA, Germany, Brazil and China. He was appointed Deputy General Manager and a Member of the Board of Directors of Ford Otosan from September 2013 until August 2016. Mr. Periam was appointed as the Chief Financial Officer of Ford of Europe as of August 1, 2016 and remains a member of the Board Directors at Ford Otosan. He also serves as Member of the Corporate Governance and Early Determination and Management of Risk Committees since August 1, 2016.

**Mehmet Barmanbek**

Independent Member - Board of Directors

Mr. Barmanbek graduated from the Finance and Economics Department of the Political Science Faculty of Ankara University in 1963. From December 1963 to January 1977, he was employed at the Ministry of Finance as Assistant Accountant, Accountant and Chief Accountant. In February 1977, he started working at Otosan A.Ş. (Currently Ford Otomotiv Sanayi A.Ş.) as the Finance and Accounting Manager. He became the Assistant General Manager (Administrative -Financial Affairs) in 1986 and Deputy General Manager in 2000. On June 30, 2002, he retired from Ford Otosan, ending his professional career. From February 2006 to February 2010, he provided honorary services as a member of the Board of Directors and treasurer in Koç Executives Association (KOÇYÖNDER) for 4 years and he served as the legal auditor of KOÇYÖNDER from 2010 to 2013. Mr. Barmanbek was appointed to Arçelik and Ford Otosan Boards of Directors as an independent member in 2012. Mr. Barmanbek has been serving on the Board of Directors of Ford Otosan as an Audit Committee member since March 2012. At the same time, he is currently Chairman of the Early Determination and Management of Risk, and Remunerations Committees of Ford Otosan established on July 10, 2012.

**Leonard Martin Meany**

Independent Member - Board of Directors

Mr. Meany started his career as a Graduate trainee in Finance, Ford of Europe, in November 1973 and worked in a number of Plant and Central Staffs Financial Analyst positions. He was promoted to Management level in April 1978, in a Product and Pricing Specialist position followed by assignments in Export Operations, Business Development and Ford of Europe, Capacity Planning

and Special Studies. He was appointed Controller, Commercial Vehicle Product Development in April 1988 covering Transit replacement, a Fiesta –based light commercial vehicle and an SUV JV with Nissan Barcelona. Mr. Meany worked as Eastern European Business Strategy Manager from May 1991 to June 1995, including leading negotiations with the Polish Government for a KD Manufacturing facility in Plonsk. In July 1995, he was appointed Business Strategy Manager for New Markets which was a Global Ford activity led by the Vice Chairman of Ford Motor Company based in Dearborn. He worked on Government negotiations and Manufacturing plans in the Czech Republic, Hungary and led the Government negotiations and manufacturing/product plans for Belarus and Russia. He was appointed as Ford Russia CFO/Board Member in August 1999. In April 2003, he was assigned as Operations Controller Genk, Belgium Manufacturing Operations during major restructuring actions completed in 2004 including transfer of Transit Manufacturing Operations to Turkey. He was appointed as Ford of Europe Business Development Director in July 2006 joining the Ford team negotiating the purchase of former Daewoo Manufacturing facilities from the Romanian Government. Mr. Meany was assigned as Ford Romania CFO in April 2008, responsible for implementing a detailed restructuring plan with the Ford Romania Team and Ford of Europe including people, products and manufacturing facilities. He also served as Board member and Deputy Chairman of Ford Romania from 2008 to 2010. Mr. Meany retired in April 2010. He was elected as Independent Member of Ford Otosan Board of Directors on March 29, 2016. He has been serving as Audit Committee member since April 6, 2016 and Corporate Governance Committee member since April 21, 2016.



January 11, 2017

### DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of **Ford Otomotiv Sanayi A.Ş.** ("Company") under related regulations, Articles of Association of the Company and the criteria stated in Capital Markets Board's Communiqué on Corporate Governance. In that regard I also confirm that;

- a) In the last five years, there has not been any recruitment relationship between the Company, the partnerships (which possess the Company's managerial control or have substantial influence therein), the partners (who possess the Company's managerial control or have substantial influence therein), the legal entities (managerial control of which is possessed by the aforesaid partners), and me, my spouse, and my relatives by blood/marriage descending down to second degree for managerial positions, having been established so to assume significant duties and responsibilities, that no more than 5% of the capital, or voting rights, or preferential rights has been possessed collectively, or individually, that no other commercial relationship with similar features has also been established,
- b) I have not become the partner of (by 5% and above), worked in a managerial position (to assume significant duties and responsibilities) within, or become the board member of the companies (from which the Company purchases/sells substantial goods or services under respective agreements), particularly for corporate auditing (tax, legal, internal audits included), rating, and consultation during the periods, when the aforementioned goods or services are purchased/sold,
- c) I have skills, knowledge and expertise to fulfill my duties as an independent board member of the Company,
- ç) I am not going to work full-time in public institutions and corporations (except academic membership), as being stipulated in the respective regulations, after I will be elected as member,
- d) I am not a resident in Turkey under the Revenue Tax Law No.193 ("RTL") dated December 31, 1960.
- e) I have strong ethic standards, professional reputation and expertise to make effective contributions to the business of the Company, make objective business decisions in case of conflict of interest between the shareholders of the Company and protect the rights of the stakeholders of the Company.
- f) I am going to devote my time to fulfill my duties in full extent and keep track of the activities of the Company.
- g) In the last 10 years, I have not served as the Independent Board Member of Ford Otomotiv Sanayi A.Ş. more than 6 years.
- ğ) I do not serve as an independent board member in more than three companies (managerial control of which is held by the Company, or by the partners who hold the managerial control of the Company), and as a whole in five companies being traded in the stock exchange,
- h) I have not been registered, and announced in the name of the legal entity, which is elected as the board member.

**Mehmet BARMANBEK**

January 11, 2017

### DECLARATION FOR INDEPENDENCY

I hereby declare that I am a candidate for independent board membership at the Board of Directors of **Ford Otomotiv Sanayi A.Ş.** ("Company") under related regulations, Articles of Association of the Company and the criteria stated in Capital Markets Board's Communiqué on Corporate Governance. In that regard I also confirm that;

- c) In the last five years, there has not been any recruitment relationship between the Company, the partnerships (which possess the Company's managerial control or have substantial influence therein), the partners (who possess the Company's managerial control or have substantial influence therein), the legal entities (managerial control of which is possessed by the aforesaid partners), and me, my spouse, and my relatives by blood/marriage descending down to second degree for managerial positions, having been established so to assume significant duties and responsibilities, that no more than 5% of the capital, or voting rights, or preferential rights has been possessed collectively, or individually, that no other commercial relationship with similar features has also been established,
- d) I have not become the partner of (by 5% and above), worked in a managerial position (to assume significant duties and responsibilities) within, or become the board member of the companies (from which the Company purchases/sells substantial goods or services under respective agreements), particularly for corporate auditing (tax, legal, internal audits included), rating, and consultation during the periods, when the aforementioned goods or services are purchased/sold,
- c) I have skills, knowledge and expertise to fulfill my duties as an independent board member of the Company,
- ç) I am not going to work full-time in public institutions and corporations (except academic membership), as being stipulated in the respective regulations, after I will be elected as member,
- d) I am not a resident in Turkey under the Revenue Tax Law No.193 ("RTL") dated December 31, 1960.
- e) I have strong ethic standards, professional reputation and expertise to make effective contributions to the business of the Company, make objective business decisions in case of conflict of interest between the shareholders of the Company and protect the rights of the stakeholders of the Company.
- f) I am going to devote my time to fulfill my duties in full extent and keep track of the activities of the Company.
- g) In the last 10 years, I have not served as the Independent Board Member of Ford Otomotiv Sanayi A.Ş. more than 6 years.
- ğ) I do not serve as an independent board member in more than three companies (managerial control of which is held by the Company, or by the partners who hold the managerial control of the Company), and as a whole in five companies being traded in the stock exchange,
- h) I have not been registered, and announced in the name of the legal entity, which is elected as the board member.

**Leonard Martin Meany**

## Appendix 4

### Remuneration Policy for the Board of Directors and Senior Executives

This policy document describes the remuneration system and applications of the Board of Directors and the Senior Executives who have administrative responsibilities, pursuant to the Capital Markets Board (CMB) regulations.

The fixed salaries to be valid for all the Members of the Board of Directors are determined every year at the Ordinary General Assembly Meeting of the Company.

Executive Board Members are compensated as per the Remuneration Policy for Senior Executives, detailed below. Performance - based compensation or stock option plans cannot be used to determine the remuneration of independent Board Members.

Members of the Board of Directors are paid according to the principle of per diem deduction taking into consideration their term of service. Costs borne by the members of the Board of Directors due to their contributions to the company (transportation, telephone, insurance etc. expenditures) can be met by the Company.

Remuneration of Senior Executives consist of two components: Base salary and performance based bonus.

Base salaries of Senior Executives are determined in accordance with international standards and legal responsibilities, taking into consideration macro-economic data within the market, the remuneration policies in the market, size and long-term goals of the company, and positions and efficiency levels of the individuals.

Performance - Based Bonus of Senior Executives are calculated according to company performance and individual performance. Relevant criteria is summarized below:

- **Bonus Base:** Bonus bases are updated at the beginning of each year and vary according to the workload of the executives' positions. When updating bonus bases, senior management bonus policies within the market are taken into consideration.
- **Company Performance:** Company performance is obtained through the calculation at period ends of the financial and operational goals (market share, exports, foreign activities, efficiency etc.) given to the company at the beginning of each year. When determining company goals, sustainability and improvements with respect to the previous years are taken into consideration as important principles.
- **Individual Performance:** For the determination of individual performance, employee, customer, process, technology and long-term strategy-related goals are taken into consideration, together with the company goals. For the calculation of individual performance, the long-term sustainability improvement principle is observed also, outside the financial spheres, as is the case for company performance.

The total remuneration amount determined according to these principles, and paid to the Senior Executives and the Members of the Board of Directors during the year, is submitted for the information of the partners in the subsequent General Assembly Meeting, in accordance with the regulations.