

INFORMATIVE DOCUMENT
İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
ORDINARY GENERAL ASSEMBLY MEETING FOR 2017

The Ordinary Meeting of our Company's General Assembly of Shareholders for the accounting period 2017 will be held at the address of İş Sanat Kültür Merkezi İş Kuleleri Levent-Beşiktaş/Istanbul at 10:00 on Wednesday, 21 March 2018 for discussing and deciding the following agenda items.

Ordinary General Assembly Meeting will be conducted in accordance with the provisions of the "Internal Regulation on the Operation Principles and Procedures of the General Assembly Meeting of İş Gayrimenkul Yatırım Ortaklığı A.Ş." (Internal Regulation) and explanations on the agenda items have been given below.

1. Opening, establishment of the Chairmanship Council.

After the opening speech to be delivered by the Chairman of the Board of Directors, the Chairman and the Chairmanship Council who will chair the general assembly will be elected pursuant to the provisions of the Turkish Commercial Law, the "Regulation on the Method and Principles of General Assembly Meetings of Joint-Stock Companies and on the Representatives of the Ministry of Customs and Trade Who Will be Present in These Meetings" (Regulation) of the Ministry of Customs and Trade and the Internal Regulation.

The Chairmanship Council is authorized to sign the minutes of the General Assembly meeting and other documents referencing and supporting such minutes in accordance with the Internal Regulation.

2. The reading and discussion of the Annual Report of the Board of Directors on the Company's activities in 2017 and the reading of the Auditor's Report.

Pursuant to the provisions of the Turkish Commercial Law and the Regulation, and within the framework of the Corporate Governance Principles (CGP) of the Capital Markets Board of Turkey (CMB), the Annual Report of the Board of Directors that was submitted to the examination of our shareholders at the Company's Headquarters, at the address of www.kap.gov.tr, at e-GEM (Electronic General Meeting System), and at the Company's website www.isgyo.com.tr, will be read at the general assembly meeting and submitted to our shareholders' consideration.

The Auditor's Report prepared by the independent auditing firm Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member firm of Ernst&Young Global Limited) will also be read at the general assembly meeting.

3. The reading, discussion and approval of the financial statements of the year 2017.

Pursuant to the provisions of the Turkish Commercial Law and the Regulation, the financial statements for 2017 will be read and submitted to our shareholders' consideration and approval.

4. Submitting the new appointment as Member of the Board of Directors to the approval of the General Assembly.

Mr. Levent Korba who was elected as Board Member at the previous General Assembly meeting, resigned from his position and Mr. Ömer Karakuş has been elected to act in his position until the next General Assembly meeting.

Under this agenda item, the appointment to the board membership during the year will be submitted to the approval of our shareholders.

5. Discharge of the Board Members for their activities in 2017.

The discharge of our Board Members for their activities in 2017 will be submitted to the approval of the General Assembly in accordance with the provisions of the Turkish Commercial Law and the Regulation.

6. Discussion and decision of the Board of Directors' proposal on the distribution of the operating profit in 2017.

Our Company's net profit in the period is TL 179,956,837 in the financial statements dated 31 December 2017 prepared in accordance with the Capital Markets Board's Communiqué No II-14.1 on the "Principles Regarding the Financial Reports in Capital Markets" and TL 221,768,688.61 in legal records kept according to the Tax Procedure Law.

The profit distribution proposal, prepared by our Board of Directors in accordance with the Capital Markets Laws and Regulations, our Company's Profit Distribution Policy and Article 28 headed "Distribution of the Profit and Legal Reserves" of our Company's Articles of Association, will be submitted to the approval of our shareholders at the General Assembly meeting; the proposal suggests that TL 45,000,000 be distributed as bonus share and TL 68,531,250 be distributed as cash dividend from 2017 period income. (*Enclosure regarding the Board of Director's proposal on the distribution*)

Also, in accordance with the Board of Directors' proposal regarding profit distribution; date of 27.03.2018 will be submitted to the approval of General Assembly as the commencement date of cash dividend distribution.

7. Election of the Board Members and determining the term of their service.

Election will be held for our Board Members in accordance with the provisions of the Turkish Commercial Law and the Regulation, and the relevant clauses of our Company's Articles of Association.

Pursuant to Principle No 4.3.4 of the Corporate Governance Principles, the number of independent board members cannot be less than one third of the total number of board of directors.

8. Determining the remuneration of the Board Members.

Monthly salaries of the Board of Directors will be decided in the General Assembly meeting in accordance with the provisions of the Turkish Commercial Law and the Regulation and the pertinent principles of our Company's Articles of Association.

Accordingly, the proposal of the Corporate Governance Committee regarding the remuneration of our Board Members will be submitted to the opinion and approval of the shareholders in the General Assembly meeting.

9. Election of the Auditor.

As per the Article 399 of Turkish Commercial Code and the Regulation, the independent audit company will be submitted to the approval of the General Assembly.

In the Board of Directors' meeting dated 24.02.2017, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member firm of Ernst&Young Global Limited), which was proposed by the Audit Committee, was chosen as the auditor for 3 year period as of 31.03.2017.

10. Authorization of the Board Members to conduct the transactions provided under the Articles 395 and 396 of the Turkish Commercial Law.

Accordingly, Board Members are required to get the approval of the General Assembly in order to conduct the transactions referred in Articles 395 and 396 of the Turkish Commercial Law.

11. Informing the shareholders on the Company's donations in 2017 and setting the limit for the donations to be made in 2018.

Under the Principle No. 1.3.10 of the Corporate Governance Principles and Article 6 of the Capital Markets Board's Communiqué No. II-19.1, the General Assembly should be informed about the donations made during the year. The Company has not made any donations in 2017.

The limit of the donations to be made by companies is required to be determined in the General Assembly according to Article 19 of the Capital Markets Board. The budget allocated for the planned donations of our Company in 2018 is TL 125,000 and this amount will be submitted to the approval of our General Assembly.

12. Informing the General Assembly under the principle 1.3.6. of the Corporate Governance Principles.

The General Assembly will be informed in accordance with the principle 1.3.6. of the Corporate Governance Principles.

13. Informing the General Assembly within the frame of Article 37 of the Capital Markets Board Communiqué III-48.1.

The General Assembly will be informed in accordance with the Article 37 of CMB Communiqué III-48.1.

Additional Announcements as per the Capital Markets Board’s regulations

Please find below information on subjects which are not related with our agenda items but are required to be submitted under the Capital Markets Board’s “Corporate Governance Communiqué” No. II-17.1.

1. Shareholders’ Structure and Voting Rights:

Our Company’s issued capital is TL 913,750,000, which is fully paid.

Issued capital is consisted of 91,375,000,000 shares, each with a nominal value of 1 Kuruş and all of these shares are registered shares.

The portion with a value of TL 1,305,357.11 is Group A shares and the remaining with a value of TL 912,444,642.89 is Group B shares. Group A shares have the privilege of nominating a candidate during the election of the Board Members. One of the Board Members is elected from among the candidates nominated by Group B shareholders, and the rest from among the candidates nominated by Group A shareholders.

The Articles of Association of our Company provides no privilege regarding the voting.

The partnership structure of our Company as of 31.12.2017 is as follows:

Trade name of the shareholders	Share Group	Value of share, TL	Ratio (%)
Türkiye İş Bankası A.Ş.	A	1.305.357	0,14%
Türkiye İş Bankası A.Ş.	B	401.776.395	43,97%
Anadolu Hayat Emeklilik A.Ş.	B	64.952.938	7,11%
Other	B	445.715.310	48,78%
Total		913.750.000	100%

2. Information on the changes in the administration and operations of the Company and its affiliates that could have major impact on the activities of the Company:

Our Company and its subsidiaries have had no changes in its administration and operation in the previous accounting period that could influence the Company’s activities seriously, nor has it any such scheduled change for 2018 accounting period.

3. In case the General Assembly Meeting agenda includes dismissal, change or election of board of directors members, the grounds for their dismissal and change and information about the board member candidates:

Board member candidates who will be selected instead of board members who completed their term of service will be submitted to the approval of the General Assembly.

One of the Board Members is elected from among the candidates proposed by the Group B shareholders and the remaining Board Members are elected from among the candidates proposed by Group A shareholders who have the privilege to nominate candidates for the Board Members. Nomination and election of the independent board members is based on the regulations of the Capital Markets Board regarding the independent board members.

The candidates list for board members has not been finalized yet. When the list is finalized, it will be disclosed to the public.

4. Information on the requests of the shareholders to include an agenda item:

During the preparation of our agenda items for 2017 Ordinary General Shareholders' Meeting, Investor Relations Department received a written request from shareholder Mr. Ayhan Duran, who submitted the necessary documents to confirm shareholding.

The requests for including additional items to the agenda;

Request No. 1: *“To remove general manager since the unsuccessful management of merger process damaged the Company's image and created negative pressure over the stock performance.”*

Request No. 2: *“To take a decision about adding the undistributed period income to Company's capital.”*

Request No. 3: *“To authorize the Board of Directors for share buyback since the shares of the Company are trading with almost 65% discount to NAV.”*

Under the principles and procedures of the Turkish Commercial Code no 6102, the right of including an item to the agenda is given to shareholders who represent 1/20 of the capital. Since the shareholder who requested to include items to the agenda does not represent 1/20 of the capital, his request about including the agenda items mentioned above, has not been put into process.

5. Information about the amendment of the articles of association:

There is no amendment to the Articles of Association.

Enclosure: Board of Directors' Proposal For Profit Distribution for 2017

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. Profit Distribution Table For the Year 2017 (TL)

1.	Paid in/Issued Capital			913.750.000
2.	General Legal Reserve (Based on Legal Records)			50.984.830,73
Information regarding privileges in profit distribution according to the Articles of Association, if any, information on such privileges:				There are no privileges in profit distribution.
		Based on CMB		Based on Legal Records
3.	Profit for the Period	179.956.837,00		221.768.688,61
4.	Taxes	0,00		0,00
5.	Net Profit for the Period	179.956.837,00		221.768.688,61
6.	Prior Period Losses	0,00		0,00
7.	General Legal Reserve	11.088.434,43		11.088.434,43
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD	168.868.402,57		210.680.254,18
9.	Donations Given within the Year	0,00		
10.	Net Distributable Profit for the Period Including Donations	168.868.402,57		
11.	First Shareholders Dividend	90.687.500,00		
	- Cash	45.687.500,00		
	- Bonus	45.000.000,00		
	- Total	90.687.500,00		
12.	Dividends For Preferred Shareholders	0,00		
13.	Dividends For Others	0,00		
	- Board Members	0,00		
	- Employees	0,00		
	- Others than Shareholders	0,00		
14.	Dividends For Usufruct Shares	0,00		
15.	Second Dividend For Shareholders	22.843.750,00		
16.	General Legal Reserve	2.284.375,00		
17.	Statuary Reserves	0,00		
18.	Special Reserves	0,00		
19.	EXTRAORDINARY RESERVES	53.052.777,57		94.864.629,18
20.	Other Sources Planned For Distribution			0,00
	- Prior Period Profit			0,00
	- Extraordinary Reserves			0,00
	- Other Distributable Reserves As Per Law and Articles of Association			0,00

İş Gayrimenkul Yatırım Ortaklığı A.Ş. Dividend Ratio Table For the Year 2017

	GROUP	TOTAL DIVIDENDS		TOTAL DISTRIBUTED PROFIT/ NET DISTRIBUTABLE PROFIT FOR THE PERIOD	OF TL 1 NOMINAL VALUE DISTRIBUTED PROFIT	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
NET	A	97.901.783	64.285.713	0,10%	0,124	12,4%
	B	68.433.348,217	44.935.714,287	67,13%	0,124	12,4%
	TOTAL	68.531.250,00	45.000.000,00	67,23%	0,124	12,4%