TAV AIRPORTS HOLDING Co.

DISCLOSURE POLICY

Objective

TAV AIRPORTS HOLDINGS INC (TAV)’s main disclosure policy is to share information on the performance and expectations of TAV within the scope of generally accepted accounting principles and Capital Market Legislation (CML), in a fair, complete, accurate and comprehensible way with shareholders, investors and analysts (capital market participants) equally and to always keep an active and open dialogue available. Except trade secrets, TAV believes that to share information about activities and related strategies, critical subjects, risks and growth opportunities with public will create a more efficient market for Company’s capital markets instruments.

TAV complies with the Turkish Commercial Code, the Capital Markets Legislation and Capital Markets Board (CMB) and Borsa Istanbul (BIST) Regulations with respect to public disclosure and also complies with CMB Corporate Governance Principles.

TAV Disclosure Policy is prepared within the framework of the relevant regulations of the Turkish Commercial Code, Capital Markets Legislation, the regulations of the Capital Markets Board and Borsa Istanbul to comply with the CMB Corporate Governance Principles and has been accepted by the Board of Directors and announced to the all stakeholders via TAV Website (http://www.tavyatirimciiliskileri.com and http://ir.tav.aero).

Scope

Disclosure Policy applies to TAV and all of its subsidiaries and related entities, employees and advisers and it regulates the written and oral communication between TAV and the capital market participants.

Responsibility

The Board of Directors is responsible from enforcing, supervising and developing the Disclosure Policy. Investor Relations Department is charged with observing and controlling all issues concerning the Public Disclosure Policy.

4. Methods and Means of Public Disclosure

TAV’s methods and tools of public disclosure, without prejudice to the CML, Borsa Istanbul Regulations and Turkish Commercial Code (TCC) are as follows;

1. Material Event Disclosures submitted to PDP (Public Disclosure Platform) with English translations made electronically available to local and foreign investors and analysts.
2. Financial statements and footnotes, independent audit reports, declarations, quarterly announcements and annual reports that are sent to BIST and PDP periodically which are also made available in Turkish and English versions on our Website
3. Announcements and disclosures made via the Turkish Trade Registry Newspaper and daily newspapers (prospectus, circulars, announcement for general assembly etc.)
4. Press releases via printed and visual media tools
5. Declarations to data vendors
6. Analyst meetings and interviews made face to face or via tele-conferences with capital market participants
8. Communication mediums like phone, cell phone e-mail, fax etc.
9. Promotional presentations including financial and operational data
10. Annual and quarterly annual reports

Company Officials Authorized to Make Public Announcements

In addition to the disclosures outlined above, written or oral requests for information from capital market participants, according to their content, are processed as authorized by the Head of TAV Investor Relations within approval and knowledge of his/her superior officer. Press statements for written and visual media and to data distributors can only be made by the Chief Executive Officer or Chief Financial Officer. Without being expressly authorized, TAV employees cannot answer questions coming from capital market participants. Such requests for information are delegated to the Investor Relations Department.

Public Disclosure of Material Events

Public disclosures of material events comprising continuous and privileged information except trade secrets are made on time upon the advice of the related departments under the coordination of the Investor Relations Department in accordance with the “Material Events Communique”. Material event disclosures are prepared with regard to punctuality, accuracy, comprehensibility, comprehensiveness and avoidance of misleading statements so that they will be instrumental to the persons and organizations referring to the disclosure for their decisions.

Public disclosures of material circumstances and Financial Statements are sent by authorized electronic signature to the PDP within the framework of the related regulations of the BIST and CMB and published on the website on the following day at the latest. The public disclosure of material circumstances can be delayed in the event that the conditions set forth by the relevant legislation are present in the said disclosures.

Public Disclosure of Financial Statements

The Financial Statements and footnotes of TAV are prepared quarterly as per the Capital Market Legislation and comply with the International Financial Reporting Standards (IFRS); audited independently (semi-annually and year-end) and submitted to the approval of the Board of Directors. They are disclosed to public by submission to BIST with a Statement of Responsibility as affirmed by the authorized persons. English versions of the Quarterly Announcements are also published on the TAV website. Financial statements and footnotes, are submitted to the approval by the Board of Directors by the Audit Committee which provides its opinion on the statements as per the Capital Market Legislations. Upon approval, the statements are signed by the officers responsible from financial reporting and submitted to the BIST on PDP.

Financial Statements and footnotes of previous periods are available on the Internet (http://www.tavyatirimciiliskileri.com and http://ir.tav.aero).

The Annual Report

The Annual and Interim Reports comprising the required information and declarations as per the Turkish Commercial Code, Capital Market Legislations and CMB Corporate Governance Principals are
prepared to international standards. The Annual Report is submitted for the approval of the Board of Directors after it is prepared and upon getting approval, it is presented to the scrutiny of shareholders before the Ordinary General Assembly. The Annual Report is published on the company's website in Turkish and in English.

5. Determination of the Persons with Administrative Responsibility and Disclosure of the Insiders

List of insiders comprises; members of the managing and auditing units and others who while not a part of these units still have direct or indirect access to Insider Information regularly and those having the right to take managerial decisions affecting the future development and commercial targets of the Company (the persons with administrative responsibility) and the persons who are closely related with them and who are acting on behalf and account of the Company and who can have access to insider information directly or indirectly, regularly or irregularly. The insiders list is maintained on the Central Record System of Central Registry Board and published on our website. The general managers of the affiliate companies who have a major role in getting the financial and operational outcomes of the company are also accepted as persons with administrative responsibility.

Transactions surpassing the maximum threshold allocated to a calendar year of Equity shares of the equity share or securities based on these shares and those transactions resulting in the surpassing or falling below of the shareholding and or voting rights above or below disclosure limits, are disclosed by the parties undertaking the transaction to BIST.

6. Deferring Public Disclosure of Inside Information

Inside information is information not yet revealed to the public, which may impact the value of the capital markets instrument and influence investors’ investment decisions.

Pursuant to the 6th Clause of the Material Events Communiqué:

1) Our Company, bearing the responsibilities of such action, may defer the disclosure of inside information under the condition that investors are not misled and the said piece of information remains confidential.

2) When the conditions for deferring disclosure of inside information disappear, our Company discloses the said information according to the framework laid out in the Communiqué. The disclosure also includes the decision to defer and its reasons. If the event related to the deferred disclosure does not take place, a disclosure may not be made.

3) Our Company has the responsibility to keep deferred inside information confidential and restrict access to this information.

Our Company in this framework:

a) Takes necessary measures to make sure inside information is only accessible to persons in the insider list.

b) Takes necessary measures to make sure all insiders are aware of the legal responsibilities and penalties related to unauthorized dissemination and abuse of inside information.

c) Is obliged to disclose inside information if its confidentiality is compromised.
4) The effect of deferral to our Company’s valid interests, the absence of the risk of misleading investors and measures to ensure confidentiality are resolved by the Board of Directors or written approval is taken from persons delegated by the Board of Directors on this matter.

5) Persons mentioned in the second clause of the fifth article of the Communique can also exercise the right to defer. As these persons notify our Company, the fourth clause of this article is executed.

7. Precautions to Protect the Integrity of Inside Information until Public Announcement

As a general principle, TAV Airports Holding Inc. and the persons working for and on behalf of the Holding cannot share information subject to material event disclosure that has not yet been revealed to public. In case it is found that the insider information is revealed to third persons unintentionally and it is deemed that the information cannot be kept confidential then a material event disclosure is made instantly.

In the event of deferring the disclosure of the information, then the persons who have information regarding the deferral are listed and “TAV Airports Holding Inc.List of Insiders” is updated accordingly. Necessary actions are taken to notify both these persons and other informed parties and reasonable measures to that effect are taken. The persons on the “insiders list” are notified by the Investor Relations Department that they are included in the list to enable compliance to confidentiality principles on inside information and keep the material event, financial and operational results information confidential until public disclosure. The Company signs confidentiality agreements with service providers that render services like consultancy, translation, etc. that need and utilize inside information while performing their tasks for and on behalf of the Company and thereby enforces them to keep the information confidential.

8. Communication with Capital Markets Participants

TAV does not comment on expectations about quarterly and annual results. Instead of this, TAV communicates on critical subjects affecting activity results, strategic methods and subjects that make the sector and the activities more understandable and thus informs the capital market participants. Unless explicitly otherwise stated in the disclosure policy, only authorized officers can communicate with capital markets participants about TAV. No material event can be disclosed during non-public interviews with capital markets participants. TAV Investor Relations Department participates in all meetings with capital markets participants.

One on One Interviews or Calls

Calls and face to face interviews with capital market investors are part of the development of the investor relations program. However TAV will not reveal new information, will not update current information and will not announce important and priviledged information which has not been publicly disclosed before.

Quiet Period

TAV Airports’ spokespersons observe a “Quiet Period” for two weeks prior to the quarterly announcements of financial results. This “Quiet Period” ends with the disclosure of the quarterly financial results to the Borsa Istanbul Public Disclosure Platform (PDP).
During the “Quiet Period” TAV Airports will not provide any comments on the financial status of the company except for already disclosed information. People within the Company who have access to insider information will abstain from sharing such information with the public. The questions of capital market attendees such as analysts and investors regarding the financial status of the Company are not answered during that period. Observation of a “quiet period” does not preclude TAV Airports’ authorized spokespersons from attending conferences, forums, panels and making speeches and announcements provided these actions comply with the relevant capital markets legislation.

Presentations and/or Speeches

Whenever possible, the Company will publicly announce presentations, teleconferences or speeches in advance. TAV makes an effort not to participate in meetings which have not properly been announced to the public. Memos and/or slide presentations are made available on TAV’s website upon completion of the speech or teleconference (http://www.tavyatirimciiliskileri.com and http://ir.tav.aero). TAV makes an effort to guide the relevant parties, if possible, on simultaneous dissemination on the Internet of scheduled presentations.

9. Procedures Regarding the News in Media

Tracking Mechanism

TAV Airports Holding Inc. monitors the news regarding the Holding in national media with a contracted media agency. Accordingly each morning the related news published in media are submitted to TAV Airports Holding Executives, Investor Relations Department and Corporate Communications Department. Besides, relevant news on data vendors is also monitored.

Market Rumors

1) In the event of the existence of news and rumors that could have an effect on investor decisions regarding our company different than previously made disclosure, our company makes a public disclosure regarding the validity and sufficiency of these rumors. This disclosure is mandatory as per the relevant communique.

2) If such news and rumors are regarding information subject to deferred disclosure, then the reasons for deferral are invalidated and our Company makes a public disclosure.

3) Analysis, comments, projections, evaluations and the like based on already disclosed information are outside the scope of this framework.

4) Including forward guidance, if material events are to be disclosed through the media or other outlets, simultaneously or before this disclosure, a public disclosure through the PDP is made. This also includes disclosures made unwittingly in public platforms.

10. Public disclosure of forward guidance

TAV Airports Holding may, from time to time, make forward-looking statements in compliance with the Material Events Communique. A forward-looking statement made in the Company’s written documents will be identified and accompanied with disclaimers that risks, uncertainties and other factors could cause actual results to differ materially from the expectations expressed in the forward-looking statement. The statements will only be made by authorized representatives by clearly expressing the disclaimers referred to above and by referring to a ready and written document as (press releases, information memorandum, disclosure within the CML). Forward looking statements
are based on reasonable assumptions and estimates and can be revised upon deviation due to unforeseeable risks and developments.

**Forward guidance is made according to the following principles:**

a) Forward guidance requires the approval of the Board of Directors, or written approval of a company official designated with this authority by the Board of Directors.

b) Forward guidance is made a maximum of four times during the year. This disclosure may be made through the PDP or through Annual or Interim Reports prepared according to the relevant regulation. In case of new developments changing the guidance, there is no limit to the number of disclosures that can be made regarding the change.

c) If there are material differences between forward guidance and its disclosure, the differences are disclosed through the PDP.

**11. Analyst Reports**

TAV regards analyst reports as proprietary information belonging to the analyst’s firm and will not provide such reports on the Company’s website. The Company will not confirm, endorse, adopt or disseminate analysts’ reports. However, in certain limited circumstances, upon request, the Company may review specific factual assertions that an analyst intends to include in a report for the factual accuracy of historical information that is publicly available. The Company discloses the names and firms of analysts who cover the Company, on its website.

**12. TAV Web Site**

(http://www.tavyatirimciiliskileri.com and http://ir.tav.aero) web page is actively used for disclosure, as per CMB’s Corporate Governance Principals. All disclosures of TAV (past and current) can be accessed through the webpage easily and in a cost effective manner. The webpage prepared and designed in Turkish and English is accessible to all.

The information available on company’s webpage does not replace the required regular and material event disclosures as per Capital Market Legislations. All disclosure of TAV can be accessed through the webpage. The website is structured and segmented accordingly. All precautions are taken for the security of the webpage. The webpage is prepared and designed in Turkish and in English in compliance with CMB Corporate Governance Principles. The announcements for general assemblies, the agenda and information memorandums pertaining to the general assembly, instructions on participation and other documents and reports on general assembly agenda are also made available on the webpage in a clear manner.
**Dividend Policy**

In accordance with the Communique numbered II-19.1 of the Capital Markets Board, our Company’s “Dividend Policy” to be determined as follows; Our Company determines the resolutions for distribution of profit by considering the Turkish Commercial Code, Capital Market Legislation, Capital Markets Board Regulations and Decisions, Tax Laws, the provisions of the other relevant legislations and articles of incorporation of our Company. Accordingly, 50% of the “consolidated net profit for the relevant period” calculated by considering the period financial statements that have been prepared under the Capital Market legislation and in conformity with the International Financial Reporting Standards (IFRS), will be distributed in cash or as gratis shares which will be issued by means of adding such amount to the share capital subject to the resolution to be rendered by the general assembly of shareholders of our company.

Sustainability of this dividend policy is one of the basic purposes of our Company, except for such special cases necessitated by investments and any other fund requirements that may be required for the long term development of the Company, its subsidiaries and affiliates and any extraordinary developments in economic conditions.
Policy for Female Participation in Board of Directors

Policy for Female Participation in Board of Directors while selecting a board member from a pool of nominees who are equal in terms of know-how, experience and competency, female nominees shall be given priority. Our company achieved the goal of increasing the participation of women to at least 25 percent on the board raising to three much prior to the next five years target (by end of 2022) by the election of new Independent Board Members in Ordinary General Assembly Meeting which was held in March 2018.

On annual basis, the Board shall monitor and evaluate the performance of fulfilling the aforementioned target.
Remuneration Policy

TAV Airports Holding strives to develop and implement its Remuneration Policy as a fair, consistent, competitive program of financial compensation for all employees of the company to be balanced with the responsibilities that have been undertaken.

Scope

This Policy includes all managers and employees at all levels within TAV Airports Holding and its affiliated companies.

Definitions

Policy: refers to the Remuneration Policy.

Remuneration Committee: the committee in charge of following up, auditing and assessing the company's remuneration practices on behalf of the Board of Directors while submitting recommendations to it. The Corporate Governance Committee carries out the duties of this committee.

Senior Manager: refers to General Managers and Directors.

Policy

The salaries that are to be paid to managers and employees at all levels of the company shall be compatible with internal balances, strategic targets and market conditions.

A general increase in salaries is to be implemented once a year. A two stage process is followed in the determination of the rate of yearly wage increase: first, the general corporate wage increase rate shall be determined, and then personal wage increase rates shall be specified.

Determination of wages in duty changes and recruitments and yearly general wage increases are arranged through Remuneration Management Procedures and announced to all employees.

Remuneration Structure

The Company’s main policy is to offer competitive remuneration packages to its employees. Market research is conducted by international consulting companies in order to enable the practices to be parallel in quality and value with the general conditions present in the market.

The Remuneration Policy and related practices are determined with regard to common interests of partners, employees and customers.

TAV Holding’s Remuneration Policy consists of base salary as well as performance-based and structured cash bonuses.

Remuneration Principles for Executive Board Members and Senior Managers

The Corporate Management Committee is appointed to follow up on, audit and assess the Remuneration practices of TAV Holding in the name of the Board of Directors and to submit recommendations.
Remuneration Committee;

a) Determines the recommendations regarding remuneration principles for Board members and senior managers with regard to the long term objectives of the company,
b) Determines the criteria to be used in Remuneration in connection with the company’s and member’s performances,
c) Submits its suggestions on the wages to be paid to board members and senior managers with regard to the degree to which the criteria have been achieved.

Members other than Independent Executive Board members are not paid. For the remuneration of Independent Board Members, payment plans based on 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.

Performance-based Incentives

Performance-based incentive payments are determined in order to have a positive effect on employee work results according to objective work conditions, taking into account the company's performance without a predetermined, guaranteed amount.

Incentives are correlated with the duties employees perform as well as high performance. The performance factors for yearly premiums are designed in order to harmonize the interests and benefits of employees and shareholders and to promote high performance.

The upper limit of premiums and the total yearly premium budget is determined by the Board of Directors in line with the company’s financial performance and budget.

Stock Option Plan

A stock option plan for senior managers and other employees at every level is not available.

Pension Rights

The pension rights of senior managers and employees are consistent with that specified by law.

Fringe Benefits

TAV Holding provides various fringe benefits to its employees with regard to the amount of work performed by the employees, representational requirements and functional needs.

The Corporate Governance Committee assesses the details of the fringe benefits policies and the limits which apply throughout TAV Holding, submitting recommendations to the Board of Directors.

Employment Contracts, Compensation Rights and Law

Every employee has an employment contract. Employees in Turkey are subject to Labor Law Number 4857; employees working abroad are subject to the laws of the country in which they work. In case the majority of the Company’s shares are taken over by another person/corporation and in case the new shareholders do not wish to work with the present senior manager(s) and decides to discharge
them, the senior manager that has been discharged is paid in the amount of one year’s net earnings and the amount of his/her health insurance as compensation.

To be employed by competing firms for 12 months in the geographical area defined in the employment contract is prohibited for all employees.

**Duties and Responsibilities**

The final authority and responsibility for conducting the company’s Remuneration Policy in accordance with this policy and the relevant legislation rests with the company’s Board of Directors. The Board of Directors ensures the effectiveness of this Policy through reviews conducted once per year at the very least.

The company’s senior management is responsible to the Board of Directors to ensure effective remuneration at the company within the framework of the concerned regulations and this Policy.

The duties and activities related to preparing, issuing, updating, effective implementation and follow-up of the related procedures for the company’s Remuneration Policy are conducted, managed and coordinated by the TAV Holding Human Resources Directorate.

Company personnel at every level performs his/her share of the duties regarding conforming to and the effective implementation of this Policy and related regulations and procedures completely, accurately and continuously.

The remuneration practices and activities of the company are regularly subjected to audit and assessment as part of internal auditing processes to check their conformity and effectiveness in terms of related regulations and this policy’s provisions.
COMPENSATION POLICY

Termination of Employment Contracts with Indefinite Periods

Termination on Valid Ground

The company may terminate the employment contracts provided that the termination notices are issued in writing, and that the reason for termination is specified clearly and definitely due to a valid reason stemming from the qualification or attitudes of the Employee or the requirements of the company, workplace or work and as per the dismissal notices set forth in Article 17. The employee may terminate the employment contract of indefinite duration in written within the notice periods set forth in Article 17.

Notice periods are as follows:

- **2 weeks** for those whose employment contracts are continuing for less than six months;
- **4 weeks** for those whose employment contracts are continuing for a period between six months and one and a half years;
- **6 weeks** for those whose employment contracts are continuing for a period between one and a half years and three years;
- **8 weeks** for those whose employment contracts are continuing for a period of more than three years.

The Company or the employee may terminate the employment contracts of indefinite periods by paying the salaries up front for the notice period. The dismissal notice period cannot be combined with the yearly paid leave periods or with the periods that the employee has not worked due to a medical report, and may not be included in the notice period.

The contracts of employees whose Airport Apron – Terminal Entrance cards which are issued by DHMI, and which must be worn by employees at the airports are confiscated, shall be terminated on valid grounds as per Article 18 of the Labor Law No. 4857, as the airports are special areas from a security perspective, and as no work is possible at the airport without such cards.

Termination for Justified Reasons

The Company or the employee may terminate employment contracts for justified reasons stipulated in Articles 24 and 25 of the Labor Law No. 4857. Severance and notice pay could not be paid for the Employee whose employment contract is terminated for the reasons stated in the article no 25/II of the Labor Law.
Procedures Related with Leaving Work

Procedures related with the employee who is no longer with the Company are carried out in full as per the Labor Law and the concerned legislation. The amounts owed to the personnel by law are paid and the procedures related to the notice of acquittance and the dismissal/resignation are completed. In any and all cases of dismissal/resignation, the employee who is no longer with the Company shall sign the relevant acquittal form depending on how s/he has left the Company. The relevant “Discharge Certificate and Custody Delivery Form” is filled out for the employee who is no longer with the Company, and the relevant departments shall complete the procedures as required by this form.

Severance Pay

In case the Employment Contract is terminated due to the following reasons, severance pay is given pursuant to Article 14 of the Labor Law No. 1475:

- By the Employer, for reasons other than the “behaviors of the worker which are not compliant with the rules of morals and good faith” as set forth in paragraph II of Article 25 of the Law 4857,
- By the Employee, pursuant to Article 24 of the Law, in case the employment contract is terminated by the worker without a notice period, and by demanding the right of senior pay,
- By the Employee, due to the employee’s military service as a commissioned officer,
- In case the employee resigns of his/her own will because of old age, retirement, or for the purpose of receiving disability payment,
- Fulfilling the conditions stipulated in subparagraphs (a) and (b) of paragraph (A) of the first CHAPTER of Article 60 of the Social Security and General Health Insurance Law No. 5510, with the exception of the age requirement, or by completing the insurance period and the number of premium days required for the payment of old age salary as per the Provisional Article 81 of the same law, by the employee of his/her own will,
- In case female employees resign of their own will within one year as of the date they have married,
- Due to the death of the employee.

Provided that the legal ceiling contemplated for the seniority pay is not exceeded, severance pay of 30 days is paid to the employee for each complete seniority year. As for the periods that are the remainders of the full year, a pro-rata payment is made.
DONATION AND AID POLICY

TAV Airports Holding A.Ş. can give donations and aids with a sense of corporate social responsibility and within the frame of respect to human beings, environment, laws and ethics, in line with its corporate values and on the condition of complying with the regulations of the Capital Markets Board.

TAV Airports Holding A.Ş. prepares its “Donation and Aid Policy” and submits it to the information of the General Assembly. The shareholders are informed about the amounts and beneficiaries of all the donations and aids made throughout the year, which are in line with the policy approved by the General Assembly, and about the changes in the policy as a separate item on the agenda in the General Shareholders’ Meeting.

The company can give donations and provide aid for the foundations and associations which execute social responsibility projects, non-governmental organizations, social solidarity institutions and organizations, sports clubs and educational institutions. Any donation or aid above 10,000 (ten thousand) TL can only be made or provided with signature of the Chief Executive Officer.
Anti-Bribery Policy

Introduction:

TAV Havalimanları Holding A.Ş and its subsidiaries (the "Company") are committed to ensuring that their departments and/or operations meet their legal obligations and prevent, detects and eliminates corrupt practices, and cooperates to reduce opportunities for bribery.

The Company requires all employees at all times to act honestly and with integrity and to safeguard the resources, assets and interests of the Company for which they are responsible. Bribery is an ever present threat to the resources, assets and interests and therefore must be a concern to all employees.

The Company does not tolerate any form of corruption or bribery as per its Anti-Corruption and Anti-Bribery Policies.

The company takes the most serious view of any attempt to commit corrupt practices and engagement in bribery by employees, board members, contractors, consultants, agents and business partners. Cases of suspected bribery will be properly investigated and appropriate action taken, vis a vis the company regulations, Turkish Labor Code, all other relevant legislations and reporting to the appropriate authorities as per the Turkish Penal Code.

All employees are actively encouraged to report all cases of suspected bribery in line with the existing policy.

This policy, adopted and endorsed by the Company’s Board of Directors, is published on our website to ensure that all real and legal person having business relation with the Company act in accordance with it. Our Company attaches the utmost importance to this policy and as stated above will apply a "zero tolerance" approach to acts of bribery by any of our employees or by business partners working on our behalf, including advisors, agents or contractors.

The Company also expects that all third parties dealing with it applies the highest ethical standards in their business relationships and that they have an appropriate anti-bribery compliance program in place.

What is Bribery?

For the purpose of this document by "bribery" we mean as follows:

Bribery:

includes, but is not limited to, the promising or granting or the requesting or receiving of benefits in money or money's worth to a person with the aim of influencing that person in order to obtain business improperly or to gain an improper advantage. It is the offer, promise, giving, demanding or
acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

**Application of the Policy:**

The Company carries out the necessary training and education regarding the anti-bribery policy.

This policy is not intended to prohibit hospitality practices which are proportionate, properly recorded and lawful in the jurisdiction where they are carried out. Practices that are aimed at establishing/strengthening relationships with suppliers and customers and promoting the Company products and services, must be carried out in moderation, be transparent and not place any expectation on the recipient to reciprocate either by performing, or failing to perform, any other task in return.

The Company makes no distinction between facilitation payments and bribes. Both are expressly prohibited, even if the payment is small or totally acceptable according to local custom and tradition.

**Employee Responsibility:**

Each employee within our organisation has a duty to speak out against suspected acts of bribery practices. Everyone has a responsibility to help prevent, detect and report instances of suspected bribery.

TAV Holding believes that it is essential to create an environment in which everyone feels that they can in good faith raise any matters of genuine concern without fear of disciplinary action being taken against them or fear of reprisal. We will ensure that all cases of suspected bribery are dealt with consistency and whether or not investigation shows bribery exists, the reporting person will not be revealed and there will be no retaliation against or adverse consequences for the person reporting the possible case of bribery.

Further, no employee will suffer any retaliation or adverse consequences for refusing to pay and/or receive a bribe.

We have a number of channels that employees can go through in order to speak to someone about any concerns in confidence:

- the line managers
- the Human Resources managers
Background

The corporate fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against TAV Havalimanları Holding A.Ş. and its subsidiaries where TAV Havalimanları Holding holds management control (hereinafter called the “Company”). It is the intent of the Company to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy

This policy applies to any fraud, or suspected fraud, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies and/or any other parties with a business relationship with the Company.

Any investigative activity required will be conducted without regard to the suspected wrongdoer’s length of service, position/title, or relationship to the Company.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to Audit Director, who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

Audit Director has the authority to hire independent fraud professionals or ask for professional help to conduct fraud investigations where he believes that such expertise does not exist within the Audit Directorate.

Actions Constituting Fraud

The terms defalsification, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Company
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
Other Inappropriate Conduct

Suspected improprieties concerning an employee’s moral, ethical, or behavioral conduct, should be resolved by departmental management and Human Resources rather than Audit Directorate. If there is any question as to whether an action constitutes fraud, contact Audit Director for guidance.

Investigation Responsibilities

The Audit Directorate has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, Audit Director will issue reports to appropriate management and, if appropriate, to the Board of Directors through the Audit Committee. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the appropriate management, as will final decisions on disposition of the case.

Confidentially

The Audit Director and the investigatory team (defined herein below) will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Audit Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURES in the section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

Authorization for Investigating Suspected Fraud

Members of the investigatory team assigned by the Audit Director to investigate the matter will have (hereinafter called the “Investigatory Team”):

- Free and unrestricted access to all Company records and premises, whether owned or rented; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact Audit Director immediately. The employee or any other complainant will remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other
inquirer should be directed to the Investigatory Team or the Legal Department. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

**Reporting Procedures**

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Legal Department or the Investigatory Team.
- All fraud activity pertaining to company internal controls are reported to the Board of Directors without regard to its severity.

**Termination**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Legal Department and, if necessary, by outside counsel, before any such action is taken. The Audit Director or the Investigatory Team does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee’s management. Should the Audit Director believe the management decision inappropriate for the facts presented, the facts will be presented to appropriate management for a decision.

**Administration**

The Audit Director is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.
COMPANY SHARES BUY-BACK PROGRAM

a) The Purpose of Buy-Back

Considering that the price of our Company’s shares at the Borsa Istanbul Stock Exchange (“BIST”) may not reflect its true performance and in order to decrease price volatility, the Company shall monitor price fluctuations and be able to buy back its own shares on the BIST, if deemed necessary, as warranted per the authority granted by the General Assembly.

b) Term of Buy-Back Program and Operation Procedure

Our Company’s Board of Directors is authorized for 36 months.

Our Company’s Board of Directors is authorized to buy back and divest of company shares that have been bought and to carry out the necessary transactions according to regulations during the 36 months that follow the date of authorization by the General Assembly. Our Board of Directors can carry out one or more buy-back programs with shorter duration during this authorization period.

Our Board of Directors can decide to carry out another buyback program again after a finished buyback program during the 36-month authorization. In this case, the procedure mentioned above shall be repeated.

Board of Directors is authorized not to start buyback transactions or to end the program at any time based on the capital market conditions or the Company’s financial position.

Our Board of Directors is authorized to end the sales before all shares that have been bought are all divested and to start a new buy back program in accordance with the Capital Markets regulations.

c) Maximum Number of Shares that May Be Bought Back

The maximum number of company shares to be acquired is planned to be buy-backed. Nominal value of shares of corporations buy-backed cannot exceed 10% of issued capital, including the previous acquisitions.

As of the date of this document; 10% of our issued capital (TRY 363,281,250) is equivalent to 36,328,125 shares as per the legal regulations.

In case of a change in the legislation or increase in the paid-in capital, the transactions shall be made in line with the changes.

The buy-backed shares which are disposed of during the program are not taken into account as an item of discount in calculation of this rate. Total acquisition value of buy-backed shares cannot exceed total amount of sources which may be subject to profit distribution.

d) The program will be terminated when the maximum number of shares to be acquired is reached.

d) Lower and Upper Price Limits on Buy-Backed Shares

Lower price limit on buy-backed shares is (0) zero, and upper price limit is 30 Turkish Liras.

In the event the market prices of our shares are adjusted, the same adjustment applies to the lower and upper limits for buy-back. Adjusted lower and upper limits shall be announced on PDP (Public Disclosure Platform).
e) Sales Conditions for Buy-Backed Shares

Capital Markets Board Communiqué provisions shall be executed.

f) The Total Amount and the Source of Funds Allocated for Buy-back

The funds in the amount of maximum TRY 100,000,000 that has been allocated from company’s resources and operating income can be used for buy backs.

Nominal value of shares cannot exceed 10% issued capital, including the previous acquisitions. The buy-backed shares which are disposed of during the program are not taken into account as an item of discount in calculation of this rate.

Total acquisition value of buy-backed shares cannot exceed total amount of sources which may be subject to profit distribution.

g) Number, and ratio to capital, of the buy-backed shares and not disposed of yet, and if any, results of the previous program

There is no Buy-Backed share not divested of yet.

gh) Explanations on probable effects of buy-back program on the corporation’s financial situation and on the results of its activities:

Total fund set aside for buyback is TRY 100,000,000 (one hundred million Turkish Lira) which corresponds to 0.95% of the total assets in the consolidated financial statements, as of the end of December 31, 2015. In this regard, we do not expect any material impact on the Company’s financial position and operational results of its activities as a result of this buyback program.

h) Information on subsidiaries, if any, which may acquire shares under the program

None.

i) Information on the highest, lowest and weighted average share prices of the last year

In 2015, the lowest share price was TRY 17.21 and the highest was TRY 24.50. Weighted average share price was TRY 21.14.

Information on the highest, lowest and weighted average share prices of the last quarter

For the three months ended February 12, 2016, the lowest share price was TRY 14.50 and the highest was TRY 23.50. Weighted average share price was TRY 19.00.

i) Benefits to be obtained by related parties, if any, from this transaction

None

Authorization for the buy-back Transactions

Nursel İlgen, Head of Investor Relations, is authorized for the Buyback Transactions.

The Annual General Meeting Date for Buy-Back Program Approval

Buy-Back Program will be submitted to the approval of the Ordinary General Assembly on March 21, 2016 (Monday) at 14 o’clock.
Public Disclosure

The buy-back program prepared by the board of directors is announced by a public disclosure to be published by the corporation no later than three weeks prior to the date of the general assembly meeting, except for publishing and meeting days, and is concurrently published in www.tavyatirimciiliskileri.com, the corporation’s internet website.

If and when the general assembly makes a change or revision in a buy-back program submitted for approval, the revised program is announced by a public disclosure to be published by the corporation in the first business day following the date of the general assembly meeting, and is concurrently published in the corporation’s internet website.

Two business days prior to commencement of acquisition transactions pursuant to and under the program, the corporation makes a public disclosure containing such information as starting and ending dates of scheduled period of buy-back, and nominal value and ratio to capital of the to-be-acquired shares.

For each buy-back transaction and before start of session in the first business day following the date of transaction, the corporation and/or its subsidiary makes a public disclosure containing such information as nominal value and ratio to capital of buy-backed shares, and transaction price, nominal value of shares previously buy-backed within the frame of the program, and privileges, if any, associated with these shares, and transaction date.

In the case of disposal of the buy-backed shares, also including the previous acquisitions, and before start of session in the first business day following the date of transaction, the corporation makes a public disclosure containing such information as nominal value of disposed shares, transaction price, its ratio to capital, ratio of remaining shares to capital, amount of actual earnings/losses, and privileges, if any, associated with these shares, and transaction date.

Within three business days following the end of the term declared pursuant to the termination of the program and completion of acquisitions scheduled under the program, the corporation discloses to public the maximum and average prices paid for the buy-backed shares, and cost of acquisition and sources used therein for, and total number of buy-backed shares, and ratio of these shares to capital. If and when the shares buy-backed by the corporation and/or its subsidiary are disposed of during the program, then and in this case, in addition, likewise, such information as total nominal value of disposed shares, and total amount of earnings/losses and average sale price, and privileges, if any, associated with traded shares, and transaction dates are disclosed. Such information as a summary of transactions executed within the frame of buy-back program is also presented to the knowledge of shareholders in the next meeting of the general assembly.

Other Information Relating to Buy-Back Program

Reserve funds are set aside up to the acquisition value of the buy-backed shares, and are classified as restricted reserves under the shareholders’ equity. Reserves set aside as per this subparagraph are released up to an amount sufficient to meet the acquisition value, if the buy-backed shares are disposed or redeemed.

Buy-backed shares are not taken into consideration in calculation of meeting quorum in general assembly meetings of corporations.
Our policy on encouragement of stakeholders for participation
In the management of Our Company

1. Objective

The objective of the procedure is to define the rules, which form a basis to the efforts exerted by the company to support the implementations that encourage entrepreneurship, creativity and participation of the stakeholders in the management of the company in line with the goals and strategies of the company, at TAV Airports Holding and its affiliated companies.

2. Scope

The Procedure applies to all stakeholders of and personnel employed by TAV Airports Holding and its affiliated companies. These companies shall be hereinafter referred to as "Affiliated Companies".

This Procedure serves as a guideline for companies affiliated to TAV Airports Holding, which are not included as part of the scope.

3. Reference and Relevant Documents

TAVHOL-IK-YN-010 – Reward Management Regulation
TAVHOL-IK-YG-003 – Directive on Suggestion System
TAVHOL-IK-YN-012 – Personnel Regulation
TAVIST-MBY-PR-001 – Customer Notifications Management Procedure

4. Definitions

The following definitions shall apply under this Procedure;

**Stakeholders:** Persons, organizations or interest groups such as employees, creditors, customers, suppliers, unions, various nongovernmental organizations, etc. which have a particular interest in the achievement of the goals related to or activities of the company.

**Employee:** Employee of the company who is subject to the provisions of this Procedure.

**Customer:** Organizations, institutions, real or legal persons which/who are directly or indirectly procuring products through the services provided at the terminals operated by TAV Airports Holding and its affiliated companies.

**Reward:** Moral or material gifts and presents given to the Employee defined in this regulation herein as a result of their services to the Company through the suggestions provided and successes achieved.

**Suggestion Management Platform:** A system and information sharing platform where all users can submit their suggestions, make evaluations, get reports on the evaluation results online.

**Suggestion:** An idea that may create an added value to the company and submitted as part of certain rules.
**Suggestion Evaluation Members:** Members who are selected by a manager’s suggestion or voluntarily to evaluate the suggestions of the Employees.

**Suggestion Function:** Units defined or grouped pursuant to their subjects related to the suggestion, which will be submitted to the in-house evaluation commissions.

**Complaint:** A statement of dissatisfaction regarding the products or the processes carried out to handle complaints.

Company Management: TAV Airports Holding CEO and deputies

### 4. General Principles

Models to encourage the participation of stakeholders, particularly employees, in the management of the company, are developed without obstructing the operations of the company. The aforementioned models adopted by the company are referred in the company’s regulations, although not included in the articles of association. These models are designed to support the main objective, vision and strategic goals of the company, as well as corporate value and competences.

Any discrimination based on race, gender, religion, language, marital status, sexual orientation, gender identity, political view, health status, responsibilities related to the family, union activities or memberships, physical disabilities or age cannot be accepted throughout the process in which these models are developed. All employees and stakeholders are treated based on basic principle of equality and are offered equal opportunities.

### 5. Models Encouraging the Participation of Stakeholders

#### 5.1 Suggestion and Reward System

At TAV Airports Holding and its affiliated companies, employees are encouraged to participate in the decision making mechanisms as part of their authorities and responsibilities. Accordingly, the Suggestion and Reward System is one of the models designed by the company.

The purpose of the Reward System is to increase the motivation and awareness of the Employees; appreciate the trust, loyalty and sense of belonging of the Employees towards the Company; encourage the desires of the Employees regarding being useful, making themselves heard and exhibit their skills.

The Platform was also designed to encourage the innovative ideas of the Employees to enable any development and improvement related to the Company and create added value to the Company, to facilitate them to the contribute to the development of the Company performance by submitting these ideas as an suggestion and to organize the rewarding process for appropriate suggestions.

The suggestion shall define an existing problem or an area, in where productivity and efficiency shall be improved and developed, and suggest an appropriate solution or be an idea/project that may create added value to the Company.

The suggestions to be submitted shall bear the following criteria;
Based on improvement in employee satisfaction,
Rehabilitate and improve the satisfaction of the customers,
Increase or enable saving or protect the Company from any possible financial damage,
Facilitate saving time during the processes,
Positively contribute to the prestige, recognition and image,
Improve service quality,
Enable workforce efficiency.

The suggestions in compliance with the aforementioned criteria shall be evaluated as a whole by taking into account creativity, the added value, impact area and applicability during the evaluation phase.

It is essential that the suggestion is valid at the date it is submitted during the suggestion process. Suggestions can be submitted individually as well as in groups consisting of more than one employee. Employees shall submit their suggestions via the suggestion Management Platform. Employees, who are not computer users, can apply by placing the printed forms to the suggestion boxes. Printed version of the Suggestion Form shall be filled out completely and in whole; signed and then put into the suggestion boxes in an envelope. The applications made by printed forms shall be entered to the system by the administrators of the Suggestion Management Platform of the Company and evaluations and the resulting possible rewarding expenses are carried out through the electronic platform.

All Suggestions submitted via the Suggestion Management Platform www.tavideaport.com are e-mailed to the administrators of the related Company. The administrators logging in to the Suggestion Management Platform check the compliance of the suggestion, and if considered appropriate, the suggestions are published on the Main Page of the Management Platform.

3 Evaluation Members who may vary according to the functions of the suggestions submitted are assessed. For an objective evaluation, Suggestion Evaluation Members cannot see the applicant’s details.

All Suggestions are evaluated in terms of cost, time, brand value, service quality, workforce efficiency, impact area, applicability, creativity, contributions to the employee and customer satisfaction in the Suggestion Evaluation Form. Arithmetic mean of the points received from Suggestion Evaluation members are considered for the average point of the Suggestion and these points are converted into rewards at the electronic shopping site designed for the system.

One of the main goals of the system is to conceptualize and put into practice all suggestions evaluated as applicable. The suggestions evaluated as applicable and favorable are sent to the attention of the related Department and their feedbacks are requested and if the related Department also finds the suggestion applicable, then it is submitted to the attention of the Company Management.
Further details related to the process to be followed regarding the Reward and Suggestion System can be found Holding's Reward Management Regulation and Directive on Reward Management.

5.2. Employee Satisfaction Survey Implementation

The comments and suggestions of the employees working at TAV Airports Holding and its affiliated companies are evaluated through Employee Satisfaction Survey.

The management believes it is of great importance and valuable to sustain the loyalty and increase the motivation of the employees to reach the goals of the company. Therefore, the survey is conducted at TAV Airports Holding and its affiliated companies to measure the satisfaction levels of the employees regarding their professional lives and prepare action plans for improvement.

Questions regarding the company management included in the Employee Satisfaction Surveys facilitate the employees to directly contact with the senior management. Furthermore, the surveys enable the employees to submit their comments and suggestions on the social, environmental and economic issues.

All researches and implementation process is carried out by an independent research company. At the end of the implementation, the independent company submits an evaluation report to the senior management. As a result, professional life is evaluated from the perspectives of the employees, areas to be improved are defined and issues to be prioritized can be clearly highlighted by the employees.

At TAV Airports Holding, Employee Satisfaction Surveys are conducted once in every two years and the results are compared with the previous implementation. On the other hand, the Affiliated Companies can also conduct interim evaluations if deemed required without waiting the evaluation of the Holding.

5.3. Customer Notifications Management

TAV Airports Holding and its affiliated companies review, evaluate all customer notifications received and specify the non-conformances in order to facilitate thorough implementation of the Customer Satisfaction policy and increase service quality. The purpose is to resolve the expectations of the customers as soon as possible and define a standard.

Customer Notifications are managed by the units established under Customer relations. The customers can submit their comments, suggestions and complaints through the following channels:

- Directly from the Customer (info@tav.aero / cr.tav.aero / ir@tav.aero - 444 9 828 – Satisfaction/Complaint Registry Forms/surveys)
- Official institutions (Security / Governorate / State Airports Authority / Airlines and companies / organizations)
- Press Releases (newspapers / Internet / Social network sites)
The Customer Notifications received are evaluated by the Customer Relations Department and the customer is informed following the investigations carried out on the related issues. Each customer notification is registered to the system.

TAV Airports Holding adopts a customer-oriented approach, in which continuous audits are carried out regarding customer dissatisfactions or conditions that may result in possible dissatisfactions, continuous improvements and controls required to avoid any repeating dissatisfactions are conducted regarding any demands and dissatisfactions of the customers, customer dissatisfactions are resolved and customers are informed as soon as possible.

Corporate and Individual Customer Satisfaction Surveys are conducted at least twice a year as part of measurement of Customer Notifications. Issues that result in dissatisfaction are evaluated according to the survey results; necessary actions are taken and customers are informed accordingly. Survey results are reported to the attention of the TAV Department Managers and senior management.

5.4. Contacting the Board of Directors

Another model which encourages the participation of the stakeholders of TAV Airports Holding to the company’s management is a communication channel where comments and suggestions can be submitted online to the Board of Directors.

Individual or corporate investors can state any details regarding the issues to be considered by the senior management through the website [http://www.tavyatirimciiliskileri.com/tr-TR/Pages/Contactform.aspx].

The notifications submitted through the website are sent to the Investor Relations Department, the extent and significance of the issues submitted are evaluated and classified and then submitted to the attention of the senior management.