



2017

ANNUAL REPORT



BİZİM TOPTAN AT A GLANCE

Turkey's **number one** Cash & Carry company
**in terms of the number of stores and
geographical coverage**

Nearly **1,063,000** ⁽¹⁾ active customers

3,000 different products per store

An approximate store size of **1,651 m²**⁽²⁾

2.9 billion Turkish lira sales revenue in 2017

(1) Data is valid as of December 31, 2017.

(2) Describes average indoor store area.

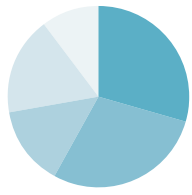
OPERATIONAL INDICATORS

By increasing countrywide store network and accessibility, Bizim Toptan maintains a strong position in the industry through its operational data.

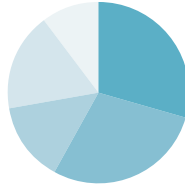
BİZİM TOPTAN STORES



*** SALES BREAKDOWN IN MAIN CATEGORIES**



December 31, 2016	
Tobacco Products	28%
Food	32%
Cleaning	12%
Non-alcoholic Beverages	18%
Other	10%



December 31, 2017	
Tobacco Products	30%
Food	35%
Cleaning	10%
Non-alcoholic Beverages	15%
Other	10%

* "The table refers to category ratios in net sales"

Total Net Sales Area (m²)

2017	177.421
2016	163.942

Total Indoor Area (m²)

2017	290.653
2016	274.987

SALES PER SQUARE METER (TL)

Main Categories

2017	11.486
2016	12.305

FINANCIAL INDICATORS

Bizim Toptan, which took new actions in 2017 for maintain its channel-oriented sales strategies aimed to develop its results in each quarter compared to the previous one.

Total Assets (TL)

2017	709.304.772
2016	579.208.528

Net Sales (TL)

2017	2.896.367.998
2016	2.793.159.503

Operating Profit (TL)

2017	(31.459.544)
2016	13.157.329

Net Profit for the Period (TL)

2017	(30.358.339)
2016	1.376.142

Consolidated Balance Sheet (TL)

	31.12.2017	31.12.2016
Current Assets	529.099.633	441.355.572
Non-Current Assets	180.205.139	137.852.956
Total Assets	709.304.772	579.208.528
Current Liabilities	574.875.510	414.229.612
Non-Current Liabilities	28.643.604	27.315.486
Equity	105.785.658	137.663.430
Total Assets	709.304.772	579.208.528

Consolidated Income Statement (TL)

	31.12.2017	31.12.2016
Net Sales	2.896.367.998	2.793.159.503
Gross Profit	244.527.895	240.548.366
Operating Profit	(31.459.544)	13.157.329
Net Profit for the Period	(30.358.339)	1.376.142

Financial Ratios

	31.12.2017	31.12.2016
Current Ratio	0,92	1,07
Current Liabilities/Total Assets	0,81	0,72
Equity/Total Assets	0,15	0,24
Gross Profit Margin (%)	8,4	8,6
EBITDA Profit Margin (%)	1,4	2,4
Net Profit Margin (%)	-1,0	0,0
Net Profit Per Share (TL)	-0,514	0,023

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BİZİM TOPTAN AT A GLANCE

With **176 stores in 69 cities**, Bizim Toptan is Turkey's **largest and most widespread Cash & Carry operator** in terms of store number and customer accessibility.

Bizim Toptan specializes in the wholesale of main product categories such as food, non-alcoholic beverages, tobacco products, household cleaning supplies, personal hygiene and paper products. Products are from well-known brands belonging to both domestic and international companies operating in Turkey.

Incorporated in 2001, Bizim Toptan began operations in 2002 and now operates 176 stores in 69 of Turkey's 81 provinces. It is Turkey's largest Cash & Carry operator ("Organized Wholesale Trade") in terms of store count and the most widespread in terms of accessibility.

The company opens its first 14 stores in 2002. By the end of 2017, Bizim Toptan operates 176 stores throughout Turkey.

The company specializes in the wholesale of main product categories such as food, non-alcoholic beverages, tobacco products, household cleaning supplies, personal hygiene and paper products. Products are from well-known brands belonging to both domestic and international companies operating in Turkey.

Bizim Toptan serves a customer base of wholesalers, merchants, grocers, markets, supermarkets, specialized retailers, hotels, restaurants, and cafes. The company sells only to commercial taxpayers who hold membership cards and individual customers .

By acquiring franchise operations and becoming a major supplier of the acquired member stores in July 2014, Bizim Toptan has become the industry leader and the only wholesale company that operates a franchise system.

Bizim Toptan meets the needs of the Cash & Carry market with approximately 4,700 product types available across the country and an average 3.000 stock items per store. The company's product portfolio can be grouped as branded products and private label products. Of the products on offer, 95 percent are branded and 5 percent are private label products.

Bizim Toptan enjoys a strong shareholder structure with the contributions of Yıldız Holding A.Ş. The company began trading on Borsa Istanbul following its IPO in 2011. Bizim Toptan has enjoyed impressive growth in recent years through a cash-generating growth strategy and ever-increasing nationwide penetration. In 2017 the Company continued to increase its store network in line with its strategy.

Bizim Toptan distributed a gross cash dividend of 14.15 million Turkish lira from 2011 profits, 12.48 million Turkish lira from 2012 profits, 12.69 million Turkish lira from 2013 profits, 2.07 million Turkish lira from 2014 profits, and 3.95 million Turkish lira from 2015 profits, fulfilling its shareholder obligations.

Within the scope of Company's growth plans, Bizim Toptan didn't distribute dividend from 2016 profits. However, in 2017 Bizim Toptan's Board of Directors decided to do capital increase through bonus issues by 50% and increased the paid in capital by 20 million Turkish Lira. With the approval of Capital Markets Board of Turkey dated 21.09.2017 and numbered 34/1133, Bizim Toptan's bonus issue application was approved. By 04.10.2017, capital increase through bonus issues by 50% was finalized and new shares were transferred into the shareholder's accounts.

SHAREHOLDER STRUCTURE

The largest cash&carry company in Turkey in terms of number of stores and geographic reach, Bizim Toptan went public in 2011 **with a powerful shareholding structure.**

Bizim Toptan's shares are traded on Borsa Istanbul since February 3, 2011.

Bizim Toptan's shareholder structure as of year-end 2017 was as follows:

Shareholder's Title	Share Amount as of December 31, 2017	%	Share Amount as of December 31, 2016	%
Yıldız Holding A.Ş.	33.111.291	55,19%	22.074.194	55,19%
Publicly Listed (other*)	21.271.790	35,45%	14.986.302	37,46%
EMAP Limited	5.616.920	9,36%	2.939.504	7,35%
Total Capital	60,000,000	100%	40,000,000	100%

(*)According to Central Registry Agency (CRA) data, dated December 31, 2017.

Other Developments related to the Company's Issued Capital in 2017:

Bizim Toptan's Board of Directors resolved on June 20, 2017, to increase the Company's issued capital by 50 percent from 40,000,000 Turkish lira to 60,000,000 Turkish lira through a bonus paid from the "Accumulated Earnings."

In this regard, Article 6 entitled "Capital" of the Articles of Association was amended and an application was made to the Capital Markets Board (CMB). The CMB approved the application in meeting no. 34/1133 of September 21, 2017. The exercise of rights commenced on October 2, 2017, and the transfer of new shares issued by the 50-percent capital increase through bonus shares to the accounts of shareholders was completed on October 4, 2017.

Bizim Toptan announced on the Public Disclosure Platform (PDP) on February 3, 2017, that the company's principal shareholder Yıldız Holding A.Ş. had provided a capital advance of 40,000,000 Turkish lira that can be used for share repurchase.

As stated on the PDP on March 9, 2017, the Company purchased, at various prices, its shares traded on the market, in accordance with the CMB's announcements on July 21, 2016, and July 25, 2016, in order to derive additional liquidity and protect its investors. After the said purchases, Bizim Toptan announced on the PDP on June 8, 2017, that its total share in the overall shareholding of the company reached 2.895 percent.



VISION

To be Turkey's number one wholesaler in the fast-moving consumer goods industry through its idespread, modern and trustworthy concept.

MISSION

To be a strategic business partner that provides competitive advantage to its customers and suppliers by reducing costs and risks.



ORGANIZED CASH&CARRY MARKET AND BİZİM TOPTAN

With **176 stores in 69 provinces**, the advantages it offers, and its accessibility, **Bizim Toptan** remains the top choice for all customer segments.

Taking into consideration the growth dynamics of supply and demand, the company transformed the wholesale business by establishing a broader network of stores, reaching more customers more effectively. Furthermore, it analyzes market dynamics to position its stores in wholesale concept in a way that enables them to fit in a multi-channel sales strategy, and continues to enrich its operations through a business partnership supply model.

The year 2017 was one of positive economic performance and accelerated growth in Turkey, despite the continued negative effects of global developments. The interest rate hike in the United States has been priced into the market for a long time and did affect the value of the US dollar against other currencies when the United States Federal Reserve (Fed) raised interest rates three times within a year. When the US dollar appreciated globally and the European Central Bank normalized its monetary policy, the Turkish lira depreciated several times within the year. International petroleum prices also rose steadily throughout the year. The depreciation of the Turkish lira and the increase in energy prices caused domestic prices to rise in general. While producer price index (PPI) was up by 15.47 percent, consumer price index (CPI) grew by 11.92 percent in 2017.

Even though growth followed a positive course, consumer confidence showed a weaker and downward trend in the second half of the year compared to the previous year. Indeed, the consumer confidence index fell to 65.1 at the end of the year.

Nevertheless, the high rate of economic growth in 2017 shows that Turkey has continuous growth potential in the fast-moving consumer goods (FMCG) wholesale industry, thanks to strong economic expansion, a young population, and increasing urbanization. It is not possible to precisely measure the Turkish FMCG wholesale industry; it is estimated that 94 percent of the industry is made up of traditional wholesalers and distributors. An estimated 7,000(1) traditional wholesalers and

distributors operate in Turkey, controlling 94 percent of the country's FMCG wholesale sector.

While three cash&carry companies including Bizim Toptan operate on a national scale, single-store local cash&carry markets are also considered part of the cash&carry industry and are growing in number.

Despite the unorganized structure and competition in the market in which it operates, Bizim Toptan has been increasing its store count since 2007 and maintaining its status as the most widespread cash&carry wholesaler geographically. Taking into consideration the growth dynamics of supply and demand, the company transformed the wholesale business by establishing a broader network of stores, reaching more customers more effectively. Furthermore, it analyzes market dynamics to position its stores in wholesale concept in a way that enables them to fit in a multi-channel sales strategy, and continues to enrich its operations through a business partnership supply model.

Furthermore, Bizim Toptan continued its recent initiative of investing in projects that are designed to meet the needs of HORECA (hotels, restaurants, and cafes), corporate customers, and other potential customer segments. The Company is constantly increasing its sales network and customer base and actively making efforts to attract new customers, retain its existing customers, and develop its customer segments. The company reviewed its strategy on this matter and made practical revisions in 2017. Bizim Toptan sets itself apart from the competition through price advantage, superior accessibility, and other conveniences. Bizim Toptan also adds value to the wholesale industry with innovative approaches. Smaller local stores offer customers the advantage of meeting all of their needs in one single convenient location. The company bases its operations on the principles of flexibility and scalability, while working as a pioneer of sector innovations and best practices. By augmenting the wholesale grocery business model with a supply chain, the company pioneered a business partner supply system a first in Turkish B2B sales.

(1) Estimates of Frost and Sullivan, and the company



The distribution of Bizim Toptan's annual sales between 2011 and 2017 are presented in the following table:

(thousand TL)	2011	2012	2013	2014	2015	2016	2017
Main Categories ⁽²⁾	1,271,770	1,469,930	1,697,308	1,742,849	1,877,791	2,017,353	2,037,870
Other Categories	461,202	503,924	549,534	536,548	685,985	775,806	858,498
Total	1,732,972	1,973,854	2,246,842	2,279,397	2,563,777	2,793,160	2,896,368

Bizim Toptan's annual EBITDA performance indicators between 2011 and 2017 are as follows:

	2011	2012	2013	2014	2015	2016	2017
EBITDA ⁽¹⁾ (million TL)	62,7	69,2	69,1	61,4	71,0	67,6	41,6
EBITDA Margin	3,6%	3,5%	3,1%	2,7%	2,8%	2,4%	1,4%

EBITDA (million TL)⁽¹⁾

2017	41,6
2016	67,6
2015	71,0
2014	61,4
2013	69,1
2012	69,2
2011	62,7

EBITDA Margin (%)⁽¹⁾

2017	1,4
2016	2,4
2015	2,8
2014	2,7
2013	3,1
2012	3,5
2011	3,6

⁽¹⁾ EBITDA is calculated by adding depreciation and amortization expenses to Operating Profit. (Other operating income and expenses are excluded.)

⁽²⁾ Unless stated otherwise, main category sales excludes tobacco products.

A First in B2B: A Franchising System with the Win-Win Principle

Bizim Toptan, which took strategic steps to improve and enhance its business model in 2014, bought all the franchising contracts, including non-current assets as well as all the rights in these contracts, of 196 stores operating as the partner of Şok Marketler A.Ş. in July 16, 2014 to accelerate its growth in the supermarket channel in line with its channel-oriented growth strategy.

The franchising system is based on a principle where Bizim Toptan provides the supermarkets in the system with goods and services at advantageous prices thanks to its broad range of products and purchasing power. The aim of this system, a first in the Turkish market, is to combine the purchasing power of Bizim Toptan with the franchisees' power in the field. With this system, which aims to gather franchisees under the same roof while preserving their entrepreneurial spirit, Bizim Toptan aims both to become the main supplier of all business partners in the franchising system and to boost their competitiveness with the benefits it offers.

Bizim Toptan's strategy in this regard is to grow collectively with its business partners with a win-win principle and its smooth B2B concept. Bizim Toptan's franchising system focuses, in the first stage, on the western parts of Turkey and on

companies with 150 - 400 square meter net sales area range among of the supermarket channel. By the last quarter of 2017, geographical coverage had been started to increase through Southern part of the country. In 2017, Company added new provinces both from south and north of Turkey for extending its nationwide coverage.

Bizim Toptan offers its franchisees a brand name "SEÇ Market" all the legal rights of which is owned by the Company.

Bizim Toptan provides its business partners in the franchising system:

- Delivery service,
- Discounted prices and additional bonuses on a wide range of branded and private label products,
- Easy terms of payment,
- Marketing and operational support.

The franchising system increased Bizim Toptan's sales revenues by 181,5 million Turkish lira by the end of 2017, with 381 business partners in the system.





MILESTONES

Bizim Toptan commences operations with 14 stores and rapidly becomes an industry leader through its number of stores and nationwide coverage.

2001

Bizim Toptan sets out for a journey of countless accomplishments as a pioneering company in the wholesale sector. Bizim Toptan Satış Mağazaları A.Ş. (Bizim Toptan) is founded and registered in Istanbul in accordance with the Turkish Commercial Code.

2002

Following incorporation, Bizim Toptan opens its first 14 stores, eight of which are franchised. The company quickly becomes the leader in the Turkish wholesale industry due to its corporate strategy and strong organizational structure.

2006

Continuing operations with 59 stores throughout Turkey, Bizim Toptan transitions from the franchising system in 2006 and begins operating its own stores.

2007

Bizim Toptan continues on its fast-growth path by opening 20 new stores. Strategic Investment Fund becomes a partner with the acquisition of 20 percent of the company's shares from Yıldız Holding.

2008

Bizim Toptan maintains its growth and brings new momentum to its sales figures with the launch of 11 more stores. These include new, larger "A-Type" stores. Golden Horn Investments B.V. acquired 20 percent of the company's shares from Yıldız Holding and became a partner.

2009

Bizim Toptan further expanded its extensive sales network with seven new stores. Bizim Toptan was listed as the 55th largest Turkish company in Capital Magazine's Top 500 Companies in terms of revenue. Despite difficult global economic conditions, Bizim Toptan achieved successful results by strengthening its purchasing power with key suppliers and improving product choice.

2010

Following the addition of 12 new stores, Bizim Toptan's number of active customers exceeded 194,000. The "Cash & Carry Market in Turkey" analysis by Frost & Sullivan in 2010 names Bizim Toptan as the largest Turkish Cash & Carry wholesaler in terms of store count.

2011

The number of active customers increases to 228,000 and the company opens 15 new stores, bringing the total number to 124. Following its initial public offering in January, the company begins trading on Borsa Istanbul on February 3. With its new channel sales strategy, the Bizim Toptan shifts focus to HORECA customer segment. Toward the end of the year, the company introduces Bizim Professional Card, which offers further advantages to its customers.

2012

Bizim Toptan's store network further expands across the country with the addition of 15 new stores, bringing the total number to 137. Customer numbers rise to 333,000 from 228,000, helped by the HORECA

framework and attractive promotions offered through the Bizim Professional Card.

2013

Bizim Toptan continues its strategy of relentless growth, providing services in 152 stores in all corners of the country. Operations in 64 provinces throughout Turkey offers price advantages and superior ease-of-payment terms. The company achieves an increase in the number of its active customers to 445,000 from 333,000.

2014

With 153 stores in 65 provinces, Bizim Toptan expanded its customer base to 650,000 from 445,000. By acquiring the franchise operations of 196 stores in July, the company became the only Cash & Carry wholesaler to operate a franchise system - a first in Turkish B2B market.

2015

Bizim Toptan, focusing on sustainable and profitable growth with a channel-oriented sales strategy, increases the number of its stores in 67 provinces to 156 with the addition of three new stores. The number of the company's active customers rose to 764,000 from 650,000. The number of business partners in the franchising system, which is a first in Turkish B2B area, reaches 262 by the end of the year.

2016

Bizim Toptan continued to focus on its channel-based sales strategy in 2017 and increased its nationwide coverage from 156 stores to 162 in 68 cities of Turkey. Within the year, the Company launched new brand of its franchising system, "Seç Market" and increased the number of franchisees to 332 as of the year. Simultaneously the Company more focused on its PL&exclusive product segment by increasing the number of products more than 200 and reaching 12.8% of its main category sales vs 8% of 2015.

2017

Bizim Toptan named 2017 as a period of "investing in the future" by rehabilitating and reviewing the sales strategy for reaching more profitable channels. The Company increased number of stores from 162 to 176. As a part of the execution of sales strategy, Bizim Toptan opened 7 exclusive stores for its big wholesaler customers whose basket size is the largest among customer groups. Thanks to this new strategy, existing stores performances were improved. Company continued to reach its customers by its qualified and well-priced products, and increased the sales of PL&exclusive product segment 15% of its main category sales. Bizim Toptan increased the number of its franchisees to 381 and increased the procurement ratio of the franchisees with the help of its well-priced range product portfolio. Bizim Toptan will continue working to provide its customers with quality branded and private label products, advantageous prices, and easy payment terms in 2018.



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BoD

Full Name	Duty	Date of Appointment	Term of Office
Cengiz Solakođlu	Chairman/Independent Board Member	24.04.2017	3 years
Mustafa Yařar Serdengeçti	Vice Chairman of the Board of Directors	24.04.2017	3 years
Murat Ülker	Board Member	24.04.2017	3 years
Ali Ülker	Board Member	24.04.2017	3 years
Mahmut Levent Ünlü ⁽¹⁾	Board Member	24.04.2017	3 years
Erman Kalkandelen	Board Member	24.04.2017	3 years
Fatma Füsün Akkal Bozok	Independent Board Member	24.04.2017	3 years
Bendevis Palandöken	Independent Board Member	24.04.2017	3 years

(1) Mahmut Levent Ünlü, represents EMAP Ltd.

Executive Management

Full Name	Duty	Tenure in the Company	Prof. Experience
Hüseyin Balcı	CEO	1 year	20 years
Ertan Kirez	Group CFO	2 years	19 years

Directors

Full Name	Duty	Tenure in the Company	Prof. Experience
Özden Erol Dünder	Director of Financial and Administrative Affairs	1 year	21 years
Tank Duvan	Sales and Operation Director	1 year	17 years
Recep Çalıřkan	Deputy General Manager Responsible For Trade	13 years	24 years
Adnan Adil	Planning and Supply Chan Director	10 years	19 years
Veysel Hasanhocaođlu	OperationDedicated Channels Sales Director	6 months	18 years
Tekin Akkuř	Regional 2 Sales Director	16 years	22 years
Biröl İpçi	IT Director	4 months	22 years

MESSAGE FROM THE CEO

Esteemed Stakeholders,

The year 2017 was one of new beginnings for me and our company Bizim Toptan. When I took office as CEO on February 2, 2017, not only did I undertake the responsibility of managing the largest wholesale market in Turkey in terms of store count and geographic reach, but I also undertook the strategic responsibility of the only wholesale market with global stakeholders, which is listed on Borsa Istanbul. Bearing these responsibilities, we have continued breaking taboos for Bizim Toptan, completing our analyses, and making decisions accordingly.

We are happy to see that our decisions have yielded stronger results every quarter. First, I would like to mention the decisions we have taken to ensure faster and healthier growth for Bizim Toptan.

When I took office, we first conducted an analysis of the current state. We found that Bizim Toptan's customer mix was becoming less aligned with the company's general profitability objectives and strategy as a result of the economic developments in 2016. Big wholesalers had a high share in the customer mix. This was both putting our operational performance under pressure and affecting stock balance and gross profitability. We decided that this matter should be addressed first in order to manage the customer experience in our stores and maintain our position as the Most Widespread and Most Economical Wholesaler. We thus removed our inventory items that appealed to large and fixed wholesalers and initiated a more effective inventory management.

We established our road map for a customer-oriented business culture. We started updating our sales prices based on our traditional channel customers. Then we focused on managing customer relations.

Esteemed Stakeholders,

Bizim Toptan's wide customer network is clearly one of its unrivaled features. We conducted analyses on Customer Relations Management (CRM) and classified our customers based on their shopping habits to make sure that we efficiently use this unrivaled feature of our company. In the light of the results of our field visits, we revised both our product portfolio and our pricing strategy based on the needs of our customers. Meanwhile, we enhanced our CRM team and intensified our marketing activities. We sought to encourage our customers to visit our stores more often and to offer them a product portfolio and prices that respond to their needs.

We thus distinguished ourselves from other players in the market with a strong product portfolio created in line with customers' demands on a regional basis and supported by exclusive products bearing our brand. The product launches we continued with our exclusive brands strengthened customer loyalty to our brands. Our exclusive product portfolio contained 216 SKUs as of the end of the year. The share of the turnover derived from our exclusive products in the main category sales rose from 13 percent in 2016 to 15 percent in 2017.

Meanwhile, during the year we designed some of our new stores in a format that appeals to big wholesaler customers so as to shift the focus of our stores to increasing the diversity and number of customers. These "supra-wholesale" stores serving exclusively our high-turnover wholesaler customers allowed us to expedite the process of optimizing the said customer segment with central pricing. We had expected that this would cause a loss in sales in the short term. However, we took this short-term risk for the sake of shifting our sales strategy to more profitable channels. Accordingly, the seven new stores intended exclusively for our big wholesaler customers helped our existing stores to attract new customers and improve the customer mix.

Thanks to the rapid recovery of these actions, the number of our active customers reached 1.063 million in 2017, representing a 24-percent increase compared to 2016. Bizim Toptan reached the highest number of active customers ever, setting a record already in our first year.

Our customer mix evolved to include more customers in highly profitable segments. For instance, our individual customer portfolio expanded by 53 percent, HORECA sales rose by 23 percent and SEÇ market sales increased by 32% year-on-year in 2017. While the share of the Wholesaler channel in total sales declined, the share of HORECA, individual customers, and the SEÇ market grew.

The improved customer mix had a pronounced effect on our gross profitability. The decline in the first quarter of the year in the main category gross profitability and total gross profitability caused by the optimizations mentioned above was rapidly relieved by consistent improvements each quarter. The main category gross profit margin of 13.5 percent in the final quarter of the year and 9.5 percent gross profit margin show that Bizim Toptan completed the entire optimization process in three quarters and achieved a total gross profit margin comparable to previous years and the highest-ever gross profitability in the main category.

Our next objective is to further improve our customer-oriented business culture, develop SEÇ Markets via our win-win strategy, and create value for all our stakeholders with a multi-channel, strong, and sustainable growth strategy focusing on profitable customer channels.

I would like to point out that Bizim Toptan is a powerful player in the market with its multi-channel sales policy, extensive store network, broad product portfolio, competitive prices, and corporate structure. It is also the top choice for all of our customer segments. The year 2017 was marked by Bizim Toptan's agile and courageous efforts to fulfill its potential. Our objective for 2018 is to continue to implement the decisions that we have taken to ensure that this major organization offers benefits to our all stakeholders without straying from our path. I hope that I will be able to present new, distinctive, and ambitious outcomes for our valuable stakeholders and the big family of Bizim Toptan. With my regards,

Hüseyin Balcı

2017 ACTIVITIES

Bizim Toptan aimed for profitable growth with its new management in 2017, focusing on organizing its customer mix to be in line with its objectives of general profitability and strategy.

The company started 2017 with the objective of gaining strength with new management, and took all the necessary steps to reach this objective. Having faced an increase in the share of big wholesaler customers in its sales as a result of the business cycle, the management of Bizim Toptan revised its sales strategies for customer channels in the beginning of 2017. The company made sacrifices in total sales growth and overall profitability for a short time for the sake of becoming the "Most Economical and Most Widespread Wholesale Market" for all customer channels.

Since Bizim Toptan differentiates itself from its rivals on the market thanks to its Customer Relations Management (CRM), the company revised its customer categorization to use its distinguished status more effectively. Inactive inventories were eliminated, the product portfolio was updated, and pricing revised to adapt to the demands of the redefined customer channel categories. Seven new stores were opened for the big wholesaler channel to improve the performance of the stores' primary task of attracting new customers and retaining current customers. Bizim Toptan expanded its geographic footprint to 69 provinces and its store count to 176. The company serves all customer segments through a network of stores, seven of which are dedicated solely to big wholesalers customers. In addition to opening new stores, the company focused on renovating its existing stores. It also intensified its marketing activities, which boosted the number of registered customers by 23.7% to 1.908 million. The number of active customers reached an all-time-high of 1.063 million. Bizim Toptan shifted its customer mixt towards more profitable and loyal customer channels and improved its multi-channel sales strategy in 2017.

In addition to store operations, the company's business partnership supply chain system continued to improve in 2017. The number of business partner markets rose from 332 at the end of 2016 to 381 at the end of 2017. The system contributed 181.5 million lira to sales revenue throughout the year.

With this business partnership supply chain system, a first in the B2B area in Turkey, Bizim Toptan also aims to expand its traditional channel penetration with a "win-win" principle and extend its geographic footprint in this field by becoming a supplier for the mid-sized (150-400 square meters) supermarket channel in 2016.

Even if Bizim Toptan's sales revenues were briefly affected by its efforts to develop its sales strategy and customer mixt in favor of more profitable channels, the company managed to keep improving its sales performance every quarter. Total sales reached 2.9 billion lira by year-end, representing a 3.7-percent increase.

Offering its customers its own private label and exclusive products in addition to national and local brand name products, Bizim Toptan held 216 SKU in its exclusive product portfolio in 2017, increasing the share of the exclusive products in main category sales from 12.8 percent in 2016 to 15 percent in 2017 thanks to strengthened loyalty to the brand and product quality.

The company sells fresh fruits, vegetables, and meat in 17 stores, and aims to increase the shares of the channels of HORECA, corporate, individual, and SEÇ Market in its efforts to become the top choice in the market for all customer segments. To this end, the company issues the "Bizim Kart" to HORECA, corporate customers, and supermarket customers in the business partnership supply chain system to reinforce its growth in these channels, but also plans to broaden the store network and customer base and continue to increase the shopping cart size, profitable of main category sales, and sales of exclusive products.



INVESTMENTS AND INVESTMENT POLICY

Strategic positioning, price leadership and a low-cost structure are the major drivers for the increased efficiency of Bizim Toptan's investments.

Bizim Toptan finances new store investments through its own shareholder equity and long-term financing (leasing).

Bizim Toptan maintained its position as the cash&carry player with the most extensive sales network by opening 14 new stores (in net) (15 new stores, 1 store close and 2 relocations) across Turkey, and increased the number of its stores in 69 cities to 176 in 2017. Bizim Toptan focused on provinces where the company had no stores and increased the number of its stores, also making a contribution to the regional economy. Bizim Toptan financed its new store investments through its own shareholder equity and long-term financing (leasing), which also helped the company to better manage its cash flow. The company uses its net operating capital as an effective mechanism to accelerate growth and strengthen its net cash flow.

Strategic positioning, price leadership, and a low-cost structure are among the top factors that boosted the efficiency of Bizim Toptan's investments. As in the previous years, in 2018 the company intends to continue new store openings through disciplined selection processes.

In 2018, the company will continue to implement a channel-oriented management strategy in line with its sustainable and profitable growth model, and HORECA, corporate customers, and individual customers will remain the area of focus for Bizim Toptan's investments. Furthermore, the company will continue to assist traditional channel players with an entrepreneurial spirit through its franchise system.

The company continues to contribute to regional development with its investments.

HUMAN RESOURCES

Bizim Toptan designs the development programs of Store Managers under the B-Raise Program.

Bizim Toptan, which supports regional employment with its extensive store network, has put an emphasis on the professional and personal development of all of its 1,855 employees. Bizim Toptan strives to foster an environment in which teamwork is encouraged and employee loyalty is promoted, helping to maximize the company's competitiveness.

With the support of its highly qualified, specialized and dedicated workforce, since 2002 Bizim Toptan has enjoyed continued growth and become one of Turkey's leading companies.

Bizim Toptan's Human Resources policy is based on:

- Contributing to the organization's strategies by understanding the corporate environment's opportunities and developments,
- Helping it accomplish its strategic targets by identifying the organization's current and future needs, designing an organizational structure most suitable to such needs, and putting processes in place to develop human resources,
- Growing Bizim Toptan into one of the most desired companies to work for by raising standards in all areas of activity (retail and Cash & Carry), focusing strategies on customer satisfaction, sustainable quality, respectability, and sector leadership,
- An understanding that it is individuals who make the difference in a competitive environment. Recognizing that improving employee satisfaction, motivation, and encouraging employee loyalty and collaboration are all key,
- Maintaining a belief in "Happy Employees, Happy Customers."

As of December 31, 2017, Bizim Toptan employed 1,855 people directly and supported regional employment with its extensive store network. The majority of the employees work full time.

As part of the B-Raise Manager Development Program the company supports both the recruitment of new graduates and the inclusion of current Deputy Managers in the program for future appointment as Managers. In addition, Bizim Toptan designs the development programs of Store Managers under the B-Raise Program.

The Human Resources department of the company invites well-known senior leaders in the Yıldız Holding Group to monthly seminars organized in the head office so that they can share their leadership experiences with employees and contribute to their individual development.

As part of a rapidly growing organization, all employees undergo Human Resource Planning (Skills Management) so that they may be considered for all suitable positions.

The company's compensation and benefits policy is based on an internally fair and externally competitive structure that supports high performance.

The company's business processes have been certified in accordance with the ISO 9001:2008 Quality Management System by the Turkish Standards Institution. The certificate and related documents are available in the "Quality Document Management System" (QDMS) via the intranet. Employees may access QDMS based on their authorization levels and responsibility areas.

CORPORATE SOCIAL RESPONSIBILITY

Bizim Toptan is an industry leader in corporate social responsibility, **supporting environmental, sports, education, and public health initiatives.**

As an industry leader in corporate social responsibility, Bizim Toptan adheres to environmental, health and safety laws in all its business and store operations. The social and environmental impacts of all the company's activities are taken into consideration.

Bizim Toptan leads the community by example with utmost care in the adoption of policies that respect and support the environment, education, and public health.

Company policy requires business strategies to be implemented according to principles of ethical and social responsibility.

For this purpose, social and environmental impact of the company's daily operations are considered. The company's executive management believes that the company's activities, transactions, and store operations comply with all applicable environmental, health, and safety laws.

Bizim Toptan supports the social responsibility initiatives in which its parent company Yıldız Holding A.Ş. participates. In this context, donations were made to Lösev and the Turkish Red Crescent as part of the "Make Happy, Be Happy" day celebrated in the attendance of all employees of Yıldız Holding around the world in November 2017.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

With a strengthened corporate and organizational structure, Bizim Toptan, looks to the future with confidence

SECTION I - DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Since its foundation, Bizim Toptan has always recognized the importance of embracing and applying the Corporate Governance Principles of the Capital Market Boards of Turkey (CMB). In recent years these efforts have been intensified, and thanks to the corporate identity it has built for itself the company has become a leader amongst its peers.

Based on Article 17 of the Capital Markets Board of Turkey (CMB) law number 6362, published on December 6, 2012, and the CMB's "II-17.1 Communiqué on Corporate Governance" published on January 3, 2014, the said communiqué and some of its corporate governance principles have become mandatory for companies that trade on the BIST.

Accordingly, our company has adopted the mandatory provisions as set forth by the CMB. Company worked on implementation of exceptional principles as well.

To ensure compliance with the Corporate Governance Principles, the company has:

- Created "Investor Relations Directorate,"
- Created its BoD by determining, declaring to the public, and sharing the resumes of independent Board Member nominees in a number specified in Communiqué on Corporate Governance Principles,
- Created the Corporate Governance Committee, Audit Committee, and Early Risk Detection Committee, all of which report to the BoD,
- Published the rules of procedures of the Committees on its website and Public Disclosure Platform (PDP),
- Appointed independent Board Members to chair the Committees and ensured that the number of independent members in these Committees was higher than other members,
- Submitted the disclosure documents, meeting agenda, annual report, resumes of Board Members and other required data and information for the investors' and shareholders' information three weeks before the General Assembly,
- Submitted the related party transactions for the Board's information (it has been resolved, with the approval from the independent audit committee members, that such transactions can be continued),

- Prepared for the E-General Assembly, created a related internal directive, and began to hold E-General Assemblies from 2012,
- Created a report on common and continuous transactions, which is then published at the PDP with the Board's resolution,
- Included the Investor Relations Manager in the Corporate Governance Committee to ensure the compliance of the Committee members with the Communiqué on Corporate Governance,
- The introduction of insider trading regulations,
- Elected a female member to the Board,
- Modified its website according to the legislation,
- Took the necessary steps to make sure its Articles of Association (AoA) comply with Corporate Governance Principles.

Although it is aimed to adopt corporate governance principles, difficulties while implementing some of the principles retained company fully implementation. However, the exceptional principles, which have not yet been implemented, have not caused any conflict of interest between the stakeholders, the company plans to implement them through a process.

The Reasons for not Implementing some of the Corporate Governance Principles:

- A model or mechanism concerning the participation of the stakeholders has not yet been created. However, the existence of independent members at the Board makes it possible that all stakeholders can be represented in management in addition to the Company and shareholders. The company always takes into consideration the opinions and insights of its employees, suppliers, non-profit organizations, and all other stakeholders.
- There is no indemnity policy concerning employees that should exist in accordance with Article 3.1.2 of the Corporate Governance Principles, and work is in progress.
- Some Board Members serve on multiple committees. In accordance with Article 4.6.5 of the Corporate Governance Policies, the salaries given and benefits offered to Board Members as well as the senior executives are declared to the public in the annual report. However, such a declaration is not based on individuals.
- The AoA do not contain any clause saying that the shareholders can individually request a special audit from the General Assembly. The TCC and CMB regulations concerning the appointment of

a special auditor are considered to be sufficient. In accordance with the conditions imposed by the Turkish Commercial Code (TCC) numbered 6102, which came into force on July 1, 2012, the stakeholders' right to request a special audit is protected.

Our Corporate Governance Principles Compliance Report below is available in the Investor Relations sections of our website at www.biziminvestorrelations.com.

SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

The Investor Relations Department operates under the Investor Relations Directorate, which reports directly to the Group's CFO Ertan Kirez. The department is managed by Işıl Bük, who holds both a Capital Market Activities Level 3 License and Corporate Governance Rating Specialist License. In addition to providing written, verbal, and online responses to enquiries from current and potential shareholders, the department regularly participates in investor conferences, meeting domestic and foreign corporate investors both at home and abroad. Our Investor Relations Directorate took part in three conferences, and held 109 meetings with current and potential shareholders in 2017.

Investor Relations Department contact information:

Ertan Kirez (Group's CFO)

Işıl Bük (Investor Relations Manager and Corporate Governance Committee Member) Tel: 0216 - 524 34 55

Email: ir@bizimtoplantı.com.tr

This department manages communications with the BIST, CMB, and CRA, and for announcements made in order to inform shareholders. In addition to the ordinary and extraordinary shareholders' meetings, various other meetings are held with the shareholders based on projects or on request.

2.2. Exercise of Shareholders' Rights to Information

All written and verbal information requests from shareholders during the period were answered, with the exception of those related to trade secrets or undisclosed information. All necessary information required for the exercise of shareholder rights is provided in the quarterly and annual reports, material disclosures and in responses to personal requests. This information is also available at www.bizimtoplantı.com.tr and www.biziminvestorrelations.com.

Whereas the company's audit principles and procedures have been provided in article 13 of the AoA, no requests were received for the appointment of a special auditor in 2014.

2.3. General Assemblies

Article 1527 of the Turkish Commercial Code (TCC) No. 6102 dated January 13, 2011, stipulates that participating, making a proposal, expression an opinion, or casting a vote in the electronic environment in the general assembly of a joint-stock company have all of the same legal consequences as physical participation and voting, and that establishing a system to allow participation and voting in the general assembly in the electronic environment is compulsory for companies that are traded on the stock market. According to the provisions of this article, an e-General Assembly is held along with the physical General Assembly on the same date.

The 2016 Ordinary General Assembly was held with the attendance of our shareholders representing approximately 72 percent of the 40 million lira paid capital. The Ordinary General Assembly was held at Kuşbaşı Cad. No:19 Altunizade, Üsküdar/Istanbul on April 24, 2017. While the holders of 211 shares corresponding to 211 Turkish lira of capital physically attended the meeting, the holders of 28,937,798 Turkish lira of shares were represented by proxy. The media did not participate in the meeting. The invitation to the meeting was published as stipulated by the Law and by the Articles of Association, and announced on the Turkish Commercial Registry Gazette No. 9269, dated March 31, 2017, and in the March 31, 2017, issue of the daily Dünya Newspaper, on the corporate website of the company at www.bizimtoplantı.com.tr, and on the Public Disclosure Platform with the inclusion of the date and agenda of the meeting.

As of the General Assembly invitation announcement date financial tables and reports, including the annual report, dividend proposal, biographies of candidate board members for election, draft amendments to the articles of incorporation, briefing document prepared for the required General Assembly agenda items, and other documents that form the basis of the agenda items were made available for review by shareholders at the company headquarters and also at the branches.

In addition, the meeting agenda, a sample proxy form, the briefing document, biographies of candidate board members for election, draft amendments to the articles of incorporation,

balance sheet, profit-loss statements; independent auditor's report and footnotes, auditor's report, board of directors resolution on dividend distribution, the annual report, related party transactions report, and the resolution on the selection of an independent audit company were made available prior to the general assembly and published on www.biziminvestorrelations.com.

At the General Assembly, the agenda items were expressed in an objective, detailed, clear, and understandable manner. Shareholders were provided with equal opportunity to express their opinions and ask questions to create a proper environment for discussion.

The shareholders who took the floor in the 2016 general assembly expressed wishes for a successful year 2017 and did not make any other suggestions than the items in the agenda. Minutes and agenda items from the General Assembly were published at www.biziminvestorrelations.com.

Information about the 2016 General Assembly:

- The matter of considering the 2016 Annual Report as read was accepted unanimously.

- Prepared by the DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the Capital Markets Board's Communiqué No. 14.1 on Principles Regarding Financial Reporting in Capital Markets, the Independent Auditor's Report, which contains the consolidated financial statements for the 2016 accounting period and the related operating results, was considered read unanimously. The Independent External Audit Report was discussed; no one requested to take the floor.

- The 2016 balance sheet and profit/loss statement, which accurately reflect the accounting principles and standards that are specified in the Capital Markets Board's Communiqué Series II - no. 14.1 on Principles Regarding Financial Reporting in Capital Markets, were accepted as read unanimously and were discussed. The balance sheet and profit/loss statements were accepted anonymously as a result of the voting.

- Members of the BoD did not exercise their voting rights during their individual discharges from liability for 2016, but they were rather discharged per the unanimous votes of other shareholders.

- The Board of Directors membership of Mahmut Levent Ünlü, who was appointed as the

representative of Emap Limited during the period, and Erman Kalkandelen and Fatma Füsün Akkal Bozok, were accepted unanimously by the attendees.

- It was resolved by a majority vote of 28,869,322.84 electronic and physical affirmative votes against 68,687 electronic dissenting votes of the attendees that Murat Ülker, Ali Ülker, Mustafa Yaşar Serdengeçti, Erman Kalkandelen, Mahmut Levent Ünlü as the representative of Emap Limited, and Cengiz Solakoğlu, Bendeve Palandöken and Fatma Füsün Akkal Bozok, who have declared in writing that they accept the duty, be elected members of the Board of Directors for three years, and the Independent Members of the Board of Directors,

Cengiz Solakoğlu be paid 4,000 Turkish lira, Bendeve Palandöken be paid 6,000 Turkish lira, Fatma Füsün Akkal Bozok be paid 4,000 Turkish lira net wages on a monthly basis.

- It was resolved by a majority vote of 28,937,809.84 electronic and physical affirmative votes against 200 physical dissenting votes that no dividend be distributed from the profit made in 2016 in accordance with the current growth policy of our Company as stipulated in the negotiations on the use of the profit made in 2016 pursuant to the resolution made by the Board of Directors on March 28, 2017.

- It was negotiated and resolved by a majority vote of 25,768,326.84 affirmative votes against 3,169,683 dissenting votes that Article 6 entitled "Capital" of the Articles of Association be amended in compliance with the letters No. 29833736-110.03.02-E.3534 dated March 17, 2017, of the CMB and No. 23607793 dated March 22, 2017, of the Ministry of Customs and Trade, Directorate General of Domestic Trade.

- It was unanimously resolved by the attendees that the appointment of Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the independent external audit of our company for 2017 pursuant to the resolution of the Board of Directors be approved.

- The General Assembly was provided with information regarding the Collaterals, Pledges, and Liens that the company gave in 2016.

- The General Assembly was informed that the company did not make any donation in 2016.

- The General Assembly was briefed about the transactions with the "Related Parties" that are stated in balance sheet footnote No. 23 of the independently audited financial statements, which were prepared pursuant to CMB's Corporate Governance Principles and other regulations.

- With the majority of 28,869,322.84 electronic and affirmative votes against 34,167 electronic dissenting votes, the members of the BoD were granted the authority for the activities they will carry out for the company as per Articles 395 and 396 of the TCC.

- The shareholders speaking at the wishes and requests section wished for a successful year for 2017.

2.4. Voting Rights and Minority Rights

Each share has one right to vote pursuant to our AoA.

Shareholders who are entitled to attend the company's General Assemblies may choose to do so by electronic means as stated in article 1527 of the Turkish Commercial Code. Pursuant to the "Regulation on the Ordinary General Assembly of Joint Stock Companies to be Held via Electronic Media," the company shall either implement an electronic participation and voting system, or procure a system developed for this purpose. This will be so that the shareholders are able to participate, recommend, express opinions and vote via electronic means. In accordance with this provision of the Company's AoA, all General Assemblies to be held, it is ensured that the shareholders and their proxies use their rights over the system that has been set up as per the said Regulation.

The AoA do not contain any provisions prohibiting proxy voting by those who are not shareholders of the company. There is no reciprocal shareholding between our company and any of its shareholders.

Share groups or shares do not have any privileges in our company's capital. Cumulative voting is not practiced in the company.

2.5. Dividend Rights

The company's Dividend Distribution Policy was formed as a result of the profit distribution decision made by the Board during their meeting on March 11, 2011. The AoA does not offer any privileges in dividend distribution among shares/shareholders. The company's "Dividend Distribution Policy" has been disclosed to the public through annual reports and the corporate website. The aforementioned policy is described below: "Subsequent to approval by the General Assembly, the company may distribute dividends in cash, bonus shares, or as both cash and bonus shares, in an amount determined by the BoD in accordance with the CMB communiqués and regulations within the scope of the long-term growth strategies, and in consideration of investment and financing plans as well as profitability. As long as the related legislation and investment needs allow, it has been defined as our company's dividend policy to distribute 50 percent of payable net profit to the shareholders as cash profit, and it was decided unanimously by the BoD that this policy will be submitted for the approval of the General Assembly. Any future changes to this policy will be publicly disclosed."

- Per the Board resolution on February 28, 2017, within the scope of the company's growth strategy, it was unanimously decided not to pay dividends from 2016 profits. It was approved by the majority of the votes in the Ordinary General Assembly Meeting of the Company dated 24.04.2017.

2.6. Transfer of Shares

Article 6 of the AoA addresses the subject of transfer of shares. Accordingly, there are no restrictions on transfer of shares without prejudice to the provisions of the TCC, the CMB and the AoA.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Content

Our corporate website is available both in Turkish and English at www.bizimtoptan.com.tr. Following information is provided on the corporate website for the shareholders;

- Information about Bizim Toptan
- Investor Relations
- Campaigns
- Products
- Customer applications
- Vision and Mission
- Advantages offered to our suppliers
- Areas of activity
- Our contribution to Turkey's economy
- Articles of Association
- Organizational structure
- Financial Reports
- Financial calendar
- Material event disclosures
- Minutes of the General Assembly
- Prospectus and circular for public offering
- List of corporate insiders
- Investor Presentations
- Analyst Information
- Shareholder Structure
- Disclosure and Dividend Distribution Policies
- Information about Executive Management
- Information Society Services

The corporate website address is provided on the company letterhead in accordance with the CMB Communiqué on Corporate Governance Principles.

3.2. Annual Report

The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities and in compliance with the principles set forth in the CMB's "II-17.1 Communiqué on Corporate Governance" and other legislation.

All necessary measures have been taken to prevent the use of insider information. Related institutions are provided information regarding the company executives and other persons/institutions with access to information that can affect the value of capital market instruments belonging to the company. In accordance with current legislation this information is also published on corporate website. Listed below are the company executives and other persons/institutions with access to information that can affect the value of capital market instruments, which are included in our annual report.

LIST OF INSIDER LEARNERS

FULL NAME	TITLE	FULL NAME	TITLE
MURAT ÜLKER	BOARD MEMBER	MUHSİN METİN	IT MANAGER
CENGİZ SOLAKOĞLU	CHAIRMAN OF THE BOARD OF DIRECTORS	KADİR KANLI	PROFIT PLANNING AND CONTROL EXECUTIVE
MUSTAFA YAŞAR SERDENGEÇTİ	VICE CHAIRMAN OF THE BOARD OF DIRECTORS	EMRE AKIN	PURCHASING MANAGER-PL
ALİ ÜLKER	BOARD MEMBER	FATİH YILDIZ	HR MANAGER
BENDEVİ PALANDÖKEN	INDEPENDENT BOARD MEMBER	HAKAN HANCIOĞLU	CHIEF ACCOUNTANT
FATMA FUSUN AKKAL BOZOK	INDEPENDENT BOARD MEMBER	YUNUS ÖZKAN	INTERNAL AUDIT MANAGER
ERMAN KALKANDELEN	BOARD MEMBER	ADNAN ADİL	SALES PLANNING AND SUPPLY CHAIN DIRECTOR
MAHMUT LEVENT ÜNLÜ	BOARD MEMBER	TEKİN AKKUŞ	AREA SALES DIRECTOR
HÜSEYİN BALCI	CEO	MUSTAFA TOPUZ	C.AND T.P.M.AND WORK SAFETY GROUP MAN.
ERTAN KİREZ	GROUP CFO	MUHAMMET MURAT YANIK	SUPPLY CHAIN SENIOR MANAGER
İŞİL BÜK	INVESTOR RELATIONS MANAGER	MURAT ŞENTÜRK	PURCHASING GROUP MANAGER
RECEP ÇALIŞKAN	DEPUTY GENERAL MANAGER	ADNAN DEMİRCİ	CRM AND LOYALTY SYSTEMS MANAGER
ÖZDEN EROL DÜNDAR	FIN. AND ADMINISTRATIVE AFFAIRS DIRECTOR	ŞİNA ÖZPOLAT	BÜTDEGT AND REPORTING EXECUTIVE
İŞA ÇELİK	FINANCE AND BUDGET GROUP MANAGER	ELİF KOCAOĞLU	BÜTDEGT AND REPORTING EXECUTIVE
GÜLCAN SİCİM	PURCHASING MANAGER	HÜSEYİN AVNİ METİNKALE	GENERAL MANAGER
ERDAL MALKOÇ	AREA MANAGER-DENİZLİ-REP.	YUSUF GÜMÜŞ	LEGAL DIRECTOR
YAKUP ÖZVATAN	AREA MANAGER-EDİRNE-REP.	BARİŞ ÖNER	LEGAL DIRECTOR
NURULLAH ŞENGÜL	SEÇ AREA MANAGER	AHMET ZİYAEDDİN ÖZTÜRK	LEGAL ADVISOR
İSMAİL SUCAKLI	CHIEF ACCOUNTANT	ÖZLEM ALTAY	LEGAL ADVISOR
ŞENOL YAŞA	AC. AND ADM. AFFAIRS GROUP MANAGER	İBRAHİM TAŞKIN	GLOBAL HEAD OF LEGAL AFFAIRS
BAYRAM ALİ ŞENKAL	AREA MANAGER-KONYA	MEHMET UÇAN	CORPORATE COMMUNICATION DIRECTOR
BURHAN PADAK	AREA MANAGER-KAYSERİ-REP.	YÜKSEL GÖÇMEZ	CORPORATE COMMUNICATION EXECUTIVE
SALİH ŞAHAN	PURCHASING MANAGER	ALPER YILMAZ	CORPORATE COMMUNICATION EXECUTIVE
SELMA ERGİN	BRAND MANAGER- EXC. PRODUCTS	ZUHAL ŞEKER	GLO. HEAD OF CORPORATE COMMUNICATION
ESER ALTIPARMAK	AREA MANAGER-İZMİR	SENEM ERDİL	CORPORATE COMMUNICATION MANAGER
MURAT ALP	STORE DEVELOPMENT MANAGER	HAFİZE NURTAÇ AFRİDİ	STRATEGY AND GROWTH GLOBAL HEAD
KUBİLAY KURŞAD ALTAŞ	PURCHASING MANAGER	NAGİHAN ŞENGÜL KARPUZ	FINANCIAL AFFAIRS GENERAL MANAGER
GÜRCAN ALTAY	CONSTRUCTION MANAGER	İLTER OKTAY	TAX DIRECTOR
ALİ ÜYÜK	HR GROUP DIRECTOR	BURCU ATEŞ SERTAKAN	TAX MANAGER
ABDULLAH ELBUĞA	AREA MANAGER-ADANA	ÇİHANGİR ÇİMENOĞLU	INTER. TAX AND TRANSFER PRICING MANAGER
LEVENT AYDIN	SEÇ AREA MANAGER	M. ALP ERDOĞAN SARIGÜN	TAX EXECUTIVE
HÜSEYİN TEKEŞ	AREA MANAGER-ANKARA	BAŞAK PALABIYIK	TAX SPECIALIST
ERHAN ŞENTÜRK	AREA MANAGER-GAZİANTEP	GÖZDE UZUN	TAX SPECIALIST
FEHMİ YILDIZ	AREA MANAGER-DİYARBAKIR	MUSTAFA TERCAN	FINANCIAL AFFAIRS PRESIDENT
BEYTULLAH ELMAŞ	AREA MANAGER-SAMSUN	EMİR ERÇEL	FIN. CONTROL AND CONSOLIDATION DIRECTOR
ÖMER FARUK KALKAN	AREA MANAGER-BURSA	EMRE ERTÜRK	INVESTOR RELATIONS DIRECTOR
MUHAMMED RAŞİT ÇEBİ	MARKETING AND CRM SENIOR MANAGER	MELİS EĞERYILMAZ	FINANCIAL CONTROL EXECUTIVE
HAMİDE GÜVEN ŞEN	HR SENIOR MANAGER	HÜSEYİN YİĞİT SOYLU	FINANCIAL CONTROL MANAGER
YILDIRAY ZENGİN	SALES MANAGER-WHOLESALER	MUHAMMET ERDOĞMUŞ	CONSOLIDATION SPECIALIST
MURAT ARAN	PURCHASING SENIOR MANAGER	AYŞE ERTÜRKÖĞLU	FINANCIAL CONTROL EXECUTIVE
FURKAN AKİNER	CHANNEL SALES MANAGER	EMRE HAŞGÜL	CONSOLIDATION SPECIALIST
TARİK DUVAN	SALES DIRECTOR	ESRA ÇEVİK YÜREKLİ	FINANCIAL CONTROL SPECIALIST
FATİH MEHMET ÇAKMAK	AREA MANAGER-İZMİT	GİZEM KİNOĞLU	CONSOLIDATION SPECIALIST
İBRAHİM ŞEKER	PURCHASING CATEGORY MANAGER	MERVE ULGUT	STRATEGIC FINANCE MANAGER
MEHMET ÜNÜVAR	AREA MANAGER-ERZURUM	EMRE ŞEHSUVAROĞLU	RISK MANAGEMENT PRESIDENT
VEYSEL HASANHOCAOĞLU	SALES DIRECTOR	DUYGU AKBAŞ	INTERNAL AUDIT DIRECTOR
BİROL İPÇİ	IT DIRECTOR	HATİCE TAŞKESEN	INTERNAL AUDIT DIRECTOR
FATİH GURBETOĞLU	PURCHASING CATEGORY MANAGER-PL	FATMA ASLAN	INTERNAL AUDIT MANAGER
ÖNDER ARIKAN	BUD. REP. AND PROFIT PLANNING MANAGER	PELİN BAKIRDAĞ	INTERNAL AUDITOR - IT
CÜNEYT ÇAYAN	SEÇ AREA MANAGER	BURCU ERTÜRK	SENIOR INTERNAL AUDITOR
GÜRHAN GÜNDOĞDU	E-TRADE SALES MANAGER	ERSİN EREN	SENIOR INTERNAL AUDITOR
AYGÜL ERKARA	BUDGET AND REPORTING EXECUTIVE	KONSTANTİN LOGONİUK	SENIOR INTERNAL AUDITOR
CANAN GÜRŞOY	PROFIT PLANNING SPECIALIST	ABDULLAH COŞGUN	INTERNAL AUDITOR
RAŞİM ALİ BATUR	CRM ASS. SPECIALIST	İPEK AKDAĞ	INTERNAL AUDIT MANAGER
MEHMET YAŞAR	AREA MANAGER-ANTALYA	BUĞRA AYDAR	INTERNAL AUDITOR
SAMİ GENECİ	SEÇ AREA MANAGER	LEVENT TAŞÇI	CORPORATE TRANSACTIONS MANAGER
ADNAN YILMAZ	PRO. AND SYSTEM DEVELOPMENT MANAGER	AYYÜCE BAŞTAN	CORPORATE TRANSACTIONS ASST. SPECIALIST
SERHAT ALTINKILIÇ	CUST. DEV. MANAGER-TRADITIONAL CHANNEL	ESRA İLTER	CORPORATE TRANSACTIONS ASST. SPECIALIST
CEM ÇAMLI	PROJECT SENIOR MANAGER	SADIK SADIKOĞLU	PROJECT MANAGER
ALİ KANDEMİR	CORP. SALES MANAGER	CÜNEYT BÜYÜKDENİZ	ASİSTANT
ÖZER ÖZSOY	SEÇ AREA MANAGER-EGE	YASEMİN TOKUŞ	PRINCIPLE CLERK
MEHMET BAĞRIÇAK	CORP. COM. AND MARKETING MANAGER	SELDA ŞENKUL	EXECUTIVE ASİSTANT
ÖMER LÜTFİ İNCE	AREA MANAGER- EUROPEAN SIDE	TUGÇE DEMİR	EXECUTIVE ASİSTANT
TACETTİN ENGİN	PURCHASING MANAGER	MUSTAFA DOĞA ÜNAY	CHIEF OF PROJECT MANAGEMENT
		CEREN ÖZEVİN	SECRETARY

SECTION IV - STAKEHOLDERS

4.1. Informing Stakeholders

The company's Disclosure Policy is carried out in accordance with the rules stipulated by legislative regulations, CMB legislations and the issued directives. The company prepared a written policy addressing public disclosure, which was announced to the shareholders and the public on the company website following the approval of the BoD.

The authority to constitute the disclosure policy and to amend it lies with the BoD. Upon the approval of the BoD, the Disclosure Policy and any amendments thereof, are published on the company website and presented to shareholders during the first General Assembly. The Investor Relations Department is responsible for the execution of the Disclosure Policy.

As a basic principle, in the event of a related request all publicly disclosed information shall be sent to the relevant person as soon as possible. In the event of an information request from shareholders, written or verbal information is provided. Throughout the year, the company issues material event disclosures promptly for any major development that may require public disclosure. The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities.

Material Event Disclosures

From January to December 2017, the company released 79 material event disclosures in accordance with CMB regulations. These disclosures are available at both the PDP and on the corporate website. There are no material disclosures that the Company have failed to announce in due time. The CMB has not requested any clarifications or additional information about the company's material event disclosures.

In the event the rights of the stakeholders are not regulated by legislation or a contract, the company protects their interests in good faith and within means available to the company, with due consideration given to the reputation of the company.

In addition, all employees have access to internal circulars and bulletins through the company's intranet, and receive certain important announcements immediately through email.

The company does not restrict stakeholders from contacting the Corporate Governance Committee or the Audit Committee about any company transaction that they deem either unethical or contrary to regulations. Stakeholders may contact these committees by any communication means they prefer.

4.2. Stakeholders' Participation in Management

Pursuant to the AoA the BoD consists of at least five members who are elected by the General Assembly upon nomination by shareholders of different share classes. The company's BoD is composed of eight members, three of whom are independent members. The company does not have any practices related to stakeholders' participation in management.

4.3. Human Resources Policy

The fundamental policy of human resources is to create a high performance team by building on previous achievements; improving and developing the human capital. The human resources policy adopted by the company is fundamentally that of Yildiz Holding's, and is available at www.bizimtoptan.com.tr.

The Human Resources Department is responsible for managing relations between the company and its employees. To this date, no discrimination complaints have been made regarding the company's human resources policy. The company believes that an emphasis on training and quality are key to achieving long-term success. Therefore, the company has embraced continuous development of its employees as one of its core principles. The Human Resources Department is responsible for communicating job descriptions and distribution of duties as well as performance and reward criteria to the employees.

Our Human Resources Policy is built on:

- Contributing to the organization's strategies by understanding the corporate environment's opportunities and developments,
- Helping it accomplish its strategic targets by identifying the organization's current and future needs, designing an organizational structure most suitable to such needs, and putting processes in place to develop human resources,
- Growing Bizim Toptan into one of the most desired companies to work for by raising standards in all areas of activity (retail and Cash & Carry), focusing strategies on customer satisfaction, sustainable quality, respectability, and sector leadership,
- An understanding that it is individuals who make the difference in a competitive environment. Recognizing that improving employee satisfaction, motivation, and encouraging employee loyalty and collaboration are all key,
- Maintaining a belief in "Happy Employees, Happy Customers."

14. Code of Conduct and Social Responsibility

The company's Code of Conduct is available on the corporate website. Since its foundation, Bizim Toptan has striven to develop the management principles it has gone on to embrace. We are respectful to our employees and we work to protect the rights of partners, shareholders, suppliers and customers alike. We are mindful of social values and social responsibilities, and we work to promote the utmost affinity, respect and collaboration between our managers, employees, suppliers and customers. We endeavor to ensure high performance in work and instill honesty, consistency, trust and responsibility in everything we do.

Furthermore, the company takes pains to implement policies to respect and support the environment, sports, education and public health.

SECTION V – BOARD OF DIRECTORS

5.1. Structure and Organization of the BoD

The company's BoD is composed of eight members, three of whom are independent members. Executive as well as non-executive members serve in the BoD. The BoD is made up of mostly non-executive members. Non-executive Board Members include independent members who possess all of the criteria stipulated by the CMB regulations, who are able to carry out their duties without prejudice, who can follow up on the company activities, and who can perform the requirements of the job properly.

The positions of the Chairman of the Board of Directors and the company CEO are always held by different people. Hüseyin Balcı is the company CEO. The three independent members of the board are Cengiz Solakoğlu, Fatma Füsün Akkal Bozok and Bendeve Palandöken.

Information about the BoD as of December 31, 2017, is as follows:

Full Name	Duty	Date of Appointment	Term of Office	Executive Function
Cengiz Solakoğlu	Chairman/Independent Board Member	24.04.2017	3 years	Non-Executive
Mustafa Yaşar Serdengeçti	Vice Chairman of the Board of Directors	24.04.2017	3 years	Executive
Murat Ülker	Board Member	24.04.2017	3 years	Non-Executive
Ali Ülker	Board Member	24.04.2017	3 years	Non-Executive
Mahmut Levent Ünlü ⁽¹⁾	Board Member	24.04.2017	3 years	Non-Executive
Erman Kalkandelen	Board Member	24.04.2017	3 years	Non-Executive
Fatma Füsün Akkal Bozok	Independent Board Member	24.04.2017	3 years	Non-Executive
Bendeve Palandöken	Independent Board Member	24.04.2017	3 years	Non-Executive

(1) Mahmut Levent Ünlü represents Emap Ltd.

Executive Management

Full Name	Duty	Tenure in the Company	Professional Experience
Hüseyin Balcı	CEO	1 year	20 years
Ertan Kirez	Group CFO	2 years	19 years

Short biographies of our Board Members are provided below.

Cengiz Solakođlu – Chairman of the Board of Directors/Independent Board Member

Cengiz olakođlu graduated from the Istanbul Academy of Economic and Commercial Sciences in 1964.

He began his career as a salesman at Beko Ticaret A.Ş. where he became the company's General Manager in 1977, holding the office until 1983. He was then appointed the General Manager of Atılım Company, another company of the Ko Group. During his eight-year tenure, he led the efforts to restructure and empower the Arelik Authorized Dealership System. In 1991, he was appointed the Vice Chairman of Ko Holding Consumer Group. In 1994, he was appointed Chairman of the Consumer Group.

Solakođlu also served as the Member of the Executive Board of the Holding from 1996 to 1998. He was appointed Chairman of the Ko Holding Consumer Durables Group before retiring from the Ko Group after 38 years of service due to a 60-year age limit.

He is a founding member of both the 1907 Fenerbahe Association and the Education Volunteers Foundation. In 2003, he was named Civil Society Leader by The Economist magazine when he was the Chairman of Turkish Education Volunteers Foundation Board of Directors. He still serves as TEGV Chairman of the Board.

Mustafa Yaşar Serdengeti - Vice Chairman of the Board of Directors

Mustafa Yaşar Serdengeti graduated from Istanbul University Faculty of Economics in 1982 and started to work as an auditor at Deva Holding the same year. He was recruited as an auditor by Yıldız Holding in 1985. He worked as the Deputy General Manager between 1992 and 1998 and General Manager between 1998 and 2004 at İstanbul Gıda Dış Ticaret A.Ş., playing a key role in foundation of the foreign trade company of Ülker Group and exporting goods to 106 countries in 12 years. He conducted unification and outsourcing of the transportation and storage operations of Ülker Group companies from 2004 to 2006.

He took charge of the restructuring of Bizim Toplan Satış Mağazaları A.Ş. between 2005 and 2010, and acted as the Deputy Chairman of the Board of Directors while the company was implementing a new vision and becoming one of the prominent organizations of the industry. He designed the new management and road map when Şok Market Chain was purchased from the Migros Group. He then took part in the acquisition of UCZ Markets

and development of its organization and creation of new formats.

Serving as the Head of the Retail Group since 2011, Mustafa Yaşar Serdengeti is specialized in sales and retail and improved the performance and reorganization of many companies.

While the sales and retail companies reported to the Head of the Retail Group until 2017, joint venture companies and some of the holding's subsidiaries making sales to the retail and non-domestic consumption channel (g2m, EKSPER) started to report to the Head of the Retail Group after the incorporation of Pladis.

Serdengeti holds a Master's degree in auditing from Istanbul University's Department of Business Administration. He is married and a father of four. He speaks English.

Murat Ülker - Board Member

Murat Ülker was born in 1959. He received his Bachelor's Degree from the Faculty of Business Management at Boğaziçi University.

He started his career in 1982 and traveled abroad to participate in various vocational training courses including American Institute of Baking (AIB) and Zentralfachschule der Deutschen Süßwarenwirtschaft (ZDS). He completed his internship at the US-based Continental Baking Company. He researched and investigated approximately 60 biscuit and chocolate producing factories and manufacturing facilities on-site in the US and Europe. In addition to this, he took part in various International Executive Service Corps (IESC) projects. Murat Ülker joined Yıldız Holding as control coordinator in 1984.

Over the subsequent years, he served as assistant general manager for enterprises, and later, as

general manager. While serving on the company's Executive Committee and as a board member for various Ülker companies, Murat Ülker successfully managed many new investments through vertical integration.

Murat Ülker, became the Chairman of the Executive Board of Yıldız Holding in 2000 and serves as the Chairman of the Board of Directors since 2008.

Murat Ülker introduced the motto of GOYA (stand up and move) to the industry, made the consumer an indispensable part of decision-making, and prefers to establish close relations with the people. He also cares about mentoring young people, contributing to social responsibility projects, and supporting women in business life.

His interests include traveling with his family, sailing, calligraphy, and modern art. Fluent in English and German, Murat Ülker is married with three children.

Ali Ülker - Board Member

Born in 1969, Ali Ülker attended the Faculty of Economics and Business Management at Boğaziçi University. He has attended a number of training programs at the IMD and Harvard universities. He was involved in the In-company Kaizen Studies (1992) as well as the IESC Sales System Development and In-company Organization Project (1997) at De Boccard & Yorke Consultancy Company. He began his career in 1985 as an intern in Ülker Foods A.Ş.'s Quality Control Department. Ali Ülker began his career as an intern in the Quality Control Department, then worked as a Trainee, Sales Manager, Sales Coordinator, Product Group Coordinator, and Product Group Director at the chocolate manufacturing plants and Atlas Gıda

Pazarlama A.Ş. from 1986 to 1998. He took on the role of General Manager of Atlas Gıda Pazarlama A.Ş. in 1998 and of Merkez Gıda Pazarlama A.Ş. in 2001. He was appointed Deputy Chairman of the Food Group in 2002 and Chairman of the Group in 2005. Having served as the Vice Chairman of the Yıldız Holding Board of Directors since 2011, Ali Ülker also holds office as the Chairman of the Global Innovation and Quality Group. He has also served as a member or founding member at many professional associations, and enjoys fishing, movies, and reading. He plays basketball and billiards. Fluent in English and German, he is married with three children.

Erman Kalkandelen - Board Member

Erman Kalkandelen is the CEO of Franklin Templeton Türkiye Danışmanlık A.Ş. for Turkey. He serves on the board of directors of Defacto Perakende Ticaret A.Ş., Şok Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. He graduated from Ankara University, Faculty of Political Sciences, Department of Labor Economics with high honors.

He then earned a Master's Degree (MBA) with high honors in Business Administration at Sabancı University. During his MBA studies, he specialized in strategic management at Florida University Warrington School of Business Administration.

Mahmut Levent Ünlü - Board Member (Representing Emap Ltd.)

Mahmut Ünlü is the Chairman and CEO of Turkey's leading investment banking and asset management group ÜNLÜ & Co.

In 1996, Ünlü founded Dundas Ünlü, which provided merger and acquisition consultancy services. While Mahmut Ünlü was a Managing Partner, Dundas Ünlü extended its range of services towards investment banking, and the Standard Bank of South Africa became a partner of the company by purchasing a majority share. Following this partnership, Dundas Ünlü was renamed Standard Ünlü, and Mahmut Ünlü became its Deputy Chairman and CEO. Ünlü was a member of the

Standard Bank International Executive Board from 2007 to 2012.

In 2012, he purchased the principal shares of Standard Bank in his company and several asset management companies of the group to found ÜNLÜ & Co. While Standard Bank was a minority shareholder of ÜNLÜ & Co, the company was partnered by Wellcome Trust, a leading social responsibility foundation in the United Kingdom, which purchased a minority share in the company. Mahmut Ünlü graduated from the Georgia Institute of Technology Department of Mechanical Engineering in 1989, then received an MBA degree from Rice University in 1991.

Fatma Füsün Akkal Bozok - Independent Board Member

Fatma Füsün Akkal Bozok completed her academic studies with a Master's degree at Boğaziçi University Faculty of Administrative Sciences and a PhD degree at Istanbul University Faculty of Business Administration.

She began her career at the Arthur Andersen Audit Company in 1980. She joined the Koç Group in 1983 where she served as an Audit Specialist and Deputy Coordinator at the Holding's Audit and Financial Group.

She was appointed Coordinator of the Audit and Financial Group in 1992 and held the office for 11 years.

Having acted as the Director of Financing Group between 2003 and 2006,

Akkal is a professor at Sabancı University, and has been serving as a Board Member of Yapı Kredi Bankası since 2005. Akkal is also an Independent Board Member at Akis GYO and Bizim Toptan Satış Mağazaları A.Ş., and a Board Member at Koç Financial Services

Bendevi Palandöken - Independent Board Member

He was born in Malatya in 1949. In 1965, he was elected a member of the Supervisory Board of the Ankara Union of Grocers and Vendors, where he served as

Vice President from 1978 to 1984. Since 1984, he has been the President of the Federation of Grocers and Vendors. Palandöken is also the President of the Ankara Grocers, Vendors, and Artisans Credit and Surety Cooperative, which he founded in 1978. In 1996, Palandöken was elected Member of the Board of Directors of the Confederation of Turkish Tradesmen and Craftsmen (TESK). Three years later, he was elected Vice Chairman. Since 2007, he has been TESK Chairman.

Meanwhile, Palandöken performs many other duties in different roles at other institutions.

He is the Vice President of the Euro-Mediterranean Partnership (EUROMED), a member of the Turkey and European Union Joint Consultative Committee (TR&EU JCC), a Board Member of the Foreign Economic Relations Board (DEİK), an Executive Committee Member at the Small and Medium Industry Development Organization (KOSGEB), a Board Member at the Social Security Institution (SGK), a Board Member at the Vocational Qualifications Authority (MYK), Term Chairman at the Brussels Office of Turkish Research and Business Organizations established by TESK, TOBB, TÜBİTAK and KOSGEB, and Chairman of the Craftsman's Association. He has also been running a grocery store on Telli Kaya Street in Cebeci, Ankara, continuously since 1962.

The joint "declaration of independence" of the Independent Members of the BoD is presented below:

BAĞIMSIZLIK BEYANI

Bizim Topdan Satış Mağazaları Anonim Şirketi ("Şirket") Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu'nun 3 Ocak 2014 tarihli ve 28871 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 24 Nisan 2017 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran ve şirkette önemli derecede etki sahibi olan ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında, son beş yıl içinde, önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisi bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5'inden fazlasına birlikte veya tek başına sahip olunmadığımı ya da önemli nitelikte ticari ilişkinin kurulmadığımı,

Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

Kamu kurum ve kuruluşlarında, tam zamanlı çalışmadığımı,

31.12.1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşmiş sayıldığımı,

Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi

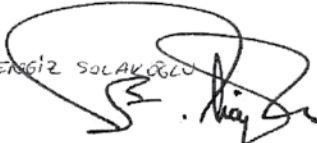
Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

Yönetim Kurulu Üyesi seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.

CENGİZ SOLAKOĞLU



BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi ("Şirket") Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu'nun 3 Ocak 2014 tarihli ve 28871 sayılı Resmî Gazete'de yayımlanarak yürürlüğe giren Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 24 Nisan 2017 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran ve şirkette önemli derecede etki sahibi olan ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında, son beş yıl içinde, önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisi bulunmadığımı, sermaye veya oy haklarının veya imtiyazlı payların %5'inden fazlasına birlikte veya tek başına sahip olunmadığımı ya da önemli nitelikte ticari ilişkinin kurulmadığımı,

Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

Kamu kurum ve kuruluşlarında, tam zamanlı çalışmadığımı,

31.12.1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu'na göre Türkiye'de yerleşmiş sayıldığımı,

Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

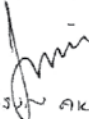
Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi

Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

Yönetim Kurulu Üyesi seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.


FATMA FÜZÜN AKKALK BÖZÖK

BAĞIMSIZLIK BEYANI

Bizim Toplan Satış Mağazaları Anonim Şirketi (“Şirket”) Yönetim Kurulu’nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu’nun 3 Ocak 2014 tarihli ve 28871 sayılı Resmi Gazete’de yayımlanarak yürürlüğe giren Kurumsal Yönetim Tebliği (II-17.1)’nde belirtilen Kurumsal Yönetim İlkeleri’nde belirlenen kriterler kapsamında, 24 Nisan 2017 tarihli Olağan Genel Kurul Toplantısı’nda “bağımsız üye” sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

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Son beş yıl içerisinde, başta Şirket’in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket’in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

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Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.


BENDEVİ PALANDÖKEN

5.2. Governance Principles of the BoD

The BoD made 47 decisions between January and December 2017. Due consideration is given when scheduling the meeting to ensure participation from all Board Members.

In accordance with company AoA, the BoD convene when necessitated by the company business. It is required to send written notices, along with the meeting Agenda, to all members at least three calendar days prior to the meeting. Any Board Member may ask the Chairman or Vice Chairman of the Board of Directors to call for a meeting. In this case, the Chairman of the Board of Directors shall be obligated to do so.

In accordance with Article 390/4 of the TCC, BoD' resolutions can be passed without the requirement of a meeting with one more vote than half of the total number of members, provided that the written proposal made by one of the members has been submitted to each Board Member, and that none of the members request a meeting for the proposal.

BoD meetings can take place at the company's administrative headquarters or at a suitable location in a city where the company's administrative headquarters are located. With the agreement of the BoD it may be held in another city. Members of the BoD determine the assignment of duties among themselves.

Board Members are required to attend the meetings in person. The opinions of members who do not attend a meeting, but who send their opinions in writing, are submitted for the information of other members.

It is mandatory for the BoD' discussions and resolutions to be recorded in the meeting minutes and signed by the participants. Board Members who vote no are required to state their reasons and sign the meeting minutes. The BoD meets with participation of at least one more member than half of the total number of members and decisions are made by the majority of the votes of the attending members. In case of equality of votes, the discussion of the topic shall be moved to the next meeting agenda. If the majority is not reached in the second meeting, then the topic shall be considered as rejected. Each member of the BoD holds a single vote regardless of his/her position or duty.

Powers and responsibilities of the executives and the members of the BoD are clearly specified in the AoA which is available on the company website at www.bizimtoplan.com.tr and on the PDP.

While carrying out their responsibilities, the members of the Board Directors are provided with all the information necessary for them to fully perform their duties and act prudently and in good faith. No objection has been raised against any resolution adopted by the BoD during the meetings of the 2017 operating period.

Important decisions concerning issues requiring public disclosure were announced immediately after meetings.

Board of Directors

Full Name	Title	Positions Held Outside the Company
Cengiz Solakođlu	Chairman	Board Member at Non-Group Companies
Mustafa Yaşar Serdengeçti	Vice Chairman	Board Member at Group Companies
Murat Ülker	Board Member	Chairman at Group Companies
Ali Ülker	Board Member	Board Member at Group Companies
Mahmut Levent Ünlü ⁽¹⁾	Board Member	Board Member at Group Companies
Erman Kalkandelen	Board Member	Board Member at Group Companies
Fatma Füsün Akkal Bozok	Independent Board Member	Board Member at Non-Group Companies
Bendevis Palandöken	Independent Board Member	President of the Confederation of Turkish Tradesmen and Craftsmen

(1) Mahmut Levent Ünlü represents Emap Ltd.

5.3. Number, Structure, and Independence of Committees Formed by the BoD

Under resolution number 24, the BoD adopted the below decisions unanimously on May 02, 2017. The resolution was reported to the PDP as a Material Event Disclosure on the same day. "The following decisions were passed upon review of our committees pursuant to the provisions of the Corporate Governance Communiqué No:II-14.1 ("Communiqué") of the Capital Markets Board ("CMB"):

- Cengiz Solakoğlu was elected unanimously as the Chairman of Audit Committee and Fatma Füsün Akkal Bozok was elected unanimously as the member of the Audit Committee.
- Cengiz Solakoğlu was elected unanimously as the Chairman of the Corporate Governance Committee, while Mahmut Levent Ünlü and Investor Relations Manager Işıl Bük were selected unanimously to serve in the Corporate Governance Committee.
- Fatma Füsün Akkal Bozok was elected unanimously as the Chairman of the Early Detection of Risks Committee. Erman Kalkandelen was also elected unanimously as the member of the Early Detection of Risks Committee

The Corporate Governance Committee was empowered to also perform the duties of both the Nomination Committee and the Compensation Committee. The Board also agreed to announce decisions to public.

The Audit Committee

The Audit Committee is responsible for ensuring that internal and independent audits are executed fully and transparently. It is responsible for carrying out the following duties:

- Conducting research on the selection of an independent auditing firm, and following its pre-approval, the presentation of the findings to the BoD.
- Auditing to ensure that the financial statements and their footnotes to be disclosed to the public are compliant with the legislation and international accounting standards; and approving them.
- Oversight of the operations and effectiveness of the company's accounting system, public disclosure of its financial information, independent audit and internal control systems.
- Reviewing and resolving complaints concerning the company's accounting, internal control system and independent auditing.
- The Audit Committee convenes at least every quarter upon the invitation by the Committee Chairman. The Committee may invite managers and internal or independent auditors to the meetings in order to obtain information. The chairman and members of the Audit Committee are elected from among independent board members.
- Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.
- The Audit Committee met four times in 2017.

The following table shows the Audit Committee members as of 2017

Audit Committee Members

Full Name	Duty	Eligibility
Cengiz Solakoğlu	Chairman of the Audit Committee	Independent Board Member, Non-Executive
Fatma Füsün Akkal Bozok	Audit Committee Member	Independent Board Member, Non-Executive

The Corporate Governance Committee

The Corporate Governance Committee is responsible for compliance with the corporate governance principles of the company. It is principally responsible for examining to what extent these principles are applied. If they are not, it is responsible for determining the reasons and, after understanding the negative impacts that arise due to lack of complete implementation, taking the necessary measures for improvement. It is also responsible for providing support to the BoD by carrying out work regarding wages, rewards and performance evaluations, career planning, investor relations and issues of public disclosure.

The Corporate Governance Committee is comprised of at least two (2) members. If necessary, a person who is not a Board Member, but is a specialist in his/her field, may be appointed as a Corporate Governance Committee member. At

least one member of the Corporate Governance Committee is elected from among independent non-executive Board members. The Corporate Governance Committee meets at least once every three months. The Committee met four times in 2017. The following table shows the Corporate Governance Committee members as of 2017

The Corporate Governance Committee also acts as and performs the duties of the Nomination Committee and the Compensation Committee per the BoD Resolution No. 27 on May 02, 2017.

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

Corporate Governance Committee Members

Full Name	Title	Eligibility
Cengiz Solakoğlu	Chairman of the Corporate Governance Committee	Independent Board Member, Non-Executive
Mahmut Levent Ünlü	Corporate Governance Committee Member	Board Member, Non-Executive
İşıl Bük	Corporate Governance Committee Member	Investor Relations Manager

Early Detection of Risks Committee

The Early Detection of Risks Committee holds responsibility for: the early detection of risks that may cause danger to the existence, growth, and continuation of the company; for taking the necessary measures against these risks; and for working to manage the risks. The Committee reviews the risk management systems at least once

a year. The Early Detection of Risks Committee met six times in 2017. The following table shows the Early Detection of Risks Committee members as of 2017

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

Members of the Early Detection of Risks Committee

Full Name	Title	Eligibility
F. Füsün Akkal Bozok	Chairman of the Early Detection of Risks Committee	Independent Board Member, Non-Executive
Erman Kalkandelen	Early Detection of Risks Committee Member	Board Member, Non-Executive

5.4. Risk Management and Internal Control Mechanism

The Early Detection of Risks Committee carries out the company's risk management operations. In addition, the Internal Audit Department was formed to serve in our company. Our company is periodically audited by both the audit departments of Yıldız Holding A.Ş., our main partner, and an independent auditor. Their findings are presented to other Board Members, together with the members of the Audit Committee. Work flows, procedures and the powers and responsibilities of the employees are managed within the scope of risk management. They are regularly audited.

5.5. Strategic Objectives of the Company

All companies affiliated with Yıldız Holding were founded with the belief that "no matter where in the world people live, they have the right to a happy childhood." Bizim Toptan's vision is to be Turkey's number one wholesaler in the fast-moving consumer goods industry, through its widespread, modern and trustworthy concept. Our mission is to be a strategic business partner that provides a competitive advantage to its customers and suppliers by reducing costs and risks. The vision and mission of Yıldız Holding and Bizim Toptan are disclosed to the public and are available on the company websites at www.Yildizholding.com.tr, www.bizimtoptan.com.tr and www.biziminvestorrelations.com.

In 2017, Board of Directors met when required and tracked Company's performance very closely. Board of Directors continues to track the Company as well.

5.6. Material Rights

The wages of the members of the BoD are determined separately by the General Assembly based on the company's financial status. In 2017, total financial benefits offered to the Board Members and senior executives amounted to 5,254,209 Turkish lira. No loan was extended to any Board Member or executive during the period, nor any personal loan, collateral or bill of guarantee was given on their behalf directly or through a third party. The following is the Remuneration Policy, which establishes the remuneration principles of the BoD and senior executives, as presented to the shareholders at the General Assembly on May 29, 2012. The Remuneration Policy was published on the corporate website and the PDP. The Remuneration Policy intends to manage and implement the rights of the members of the BoD and the senior executives by taking into consideration the long-term targets and performance of the Company in accordance with the regulations of the Capital Market Law and the Turkish Commercial Code. The wages of Board Members are determined as monthly gross wages according to the opinions of the related committee and submitted to the approval of General Assembly. Independent Board Member remuneration shall be kept at a level so as to maintain their independent statuses. Share options or payment plans based on company performance may not be used as part of Independent Board Member remuneration. The salaries and benefits of senior executives are determined according to their duties within the company, as well as their responsibilities, experience levels, and performance indicators, whilst considering equivalent business conditions and company strategies/policies. The salaries and other benefits are declared to the public with the annual report. Beside monthly wages determined according to related policies, senior executives and Board members may also be provided additional benefits and paid performance-based premiums which will help improve their long-term performance. The remuneration policy for the BoD and executives, and the changes to this policy, are first approved by the BoD and then submitted for the information of the General Assembly, as well as being published on the corporate website.

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