



**PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ**  
**INFORMATION DOCUMENT FOR THE 2014 GENERAL ASSEMBLY MEETING**  
**DATED MARCH 31, 2015**

***MARCH 4, 2015***

## PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ

### INFORMATION DOCUMENT FOR THE 2014 GENERAL ASSEMBLY MEETING DATED MARCH 31, 2015

#### 1. Invitation to the General Assembly Meeting dated March 31, 2015

The Annual Shareholders' Meeting of our Company for the year 2014 will be held on Tuesday, March 31, 2015 at Pendik Green Park Hotel, Kaynarca Mahallesi, Erol Kaya Caddesi No: 204 Pendik, Istanbul and will convene to discuss the following agenda items.

The Financial Statements of the Company and the Independent Auditor's Report for the year 2014, the proposal of the Board of Directors regarding the use of the Company profit for the year 2014, the Company's Corporate Governance Compliance Report and the Information Document relating to the other agenda items are made available for the review of our shareholders, starting from three weeks prior to the meeting, at our Company headquarters, at our corporate website <http://www.pegasusinvestorrelations.com> and the Electronic General Assembly Portal of the Central Registry Agency.

In accordance with Article 415 paragraph 4 of the Turkish Commercial Code No. 6102 and Article 30 paragraph 1 of the Capital Markets Law No. 6362, attendance and voting at the General Assembly is not conditional upon the deposit of Company shares at the Central Registry Agency. Therefore, our shareholders do not have to block their Pegasus shares in the event they would like to attend the General Assembly Meeting.

Our shareholders who will vote through the Electronic General Assembly System may refer to the Central Registry Agency (<https://egk.mkk.com.tr/egkweb/en/> or 444 0 655) for more information on their obligations stipulated in the Regulations and Communiqués regarding Electronic General Assembly participation.

In accordance with the provisions of the Capital Markets Board Communiqué No. II-30.1 regarding Proxy Voting and Call for Proxies, published in the Official Gazette dated December 24, 2013 and numbered 28862, our shareholders who will have themselves represented at the meeting through proxy must produce their proxy form in line with the attached proxy form and are required to present the signed proxy, certified by a Turkish notary public or the signed proxy alongside a signature circular certified by a Turkish notary public. Proxies appointed electronically through the Electronic General Assembly System do not have to present any written proxy statement. Voting at the General Assembly will be made by show of hands, with provisions relating to electronic voting being reserved.

Information on the Annual (Ordinary) General Assembly Meeting is available on our website: <http://www.pegasusyatirimciiliskileri.com>. Our shareholders may seek any additional information regarding the General Assembly procedures from Pegasus Investor Relations.

Pursuant to Article 17, paragraph 1, sub-paragraph (e) of our Articles of Association, the Annual (Ordinary) General Assembly Meeting will be open for the attendance of all stakeholders and the press as observers.

We request the attendance of our shareholders.

**PEGASUS HAVA TAŞIMACILIĞI A.Ş.**

## 2. Additional Information provided in accordance with the Corporate Governance Principles of the Capital Markets Board

### 2.1. Pegasus Shareholding Structure and Information on Shares and Voting Rights

As of the date of this Information Document, the issued capital of our Company is TL 102,272,000, within the authorized capital ceiling of TL 500,000,000, and the capital and shareholding structure as of the same date is as follows:

Shareholder	As of March 4, 2014	
	Number of Shares	Shareholding Ratio
Esas Holding A.Ş.	64,353,570	62.92%
Publicly Traded Shares	35,294,000	34.51%
Emine Kamışlı	874,810	0.86%
Ali İsmail Sabancı	874,810	0.86%
Kazım Köseoğlu	437,405	0.43%
Can Köseoğlu	437,405	0.43%
<b>Total</b>	<b>102,272,000</b>	<b>100%</b>

Our Company has not issued any privileged shares and each Pegasus share gives its titular one vote.

### 2.2. Information on Material Changes in the Management and Operations of Pegasus and its Subsidiaries

Information on management and operations of Pegasus and its consolidated subsidiaries have been disclosed in the relevant sections of the Annual Activity Report for the year 2014. In this respect, on December 26, 2014, the Company sold shares with a nominal value of TL 2,499,995 in İzmirli Otelcilik Yatırım Turizm ve Ticaret A.Ş., corresponding to 59.45% stake in the said entity to Cemil DİREKÇİ and Kürşat PEHLİVANLI for a consideration of USD 750,000 (TL 1,738,275). Detailed information on the transaction has been published on the Public Disclosure Platform on December 29 and 30, 2014.

Elsewhere, as part of the Company's strategy to grow in the targeted geography and pursuant to the resolution of the Board of Directors dated December 18, 2014, the Company concluded an agreement with JSC Stock Investment Fund of Venture Investments Green Invest, a Kazakh based investment fund to cooperate until June 30, 2015 for the development of a joint venture structure for implementing domestic and international low-cost scheduled air transportation based in the Republic of Kazakhstan

Aside from the above matters, there have been no changes in the management and operations of our Company and our subsidiaries in 2014 that would materially affect the Company's business.

### 2.3. Information on Requests by our Shareholders with respect to the General Assembly Meeting Agenda

In 2014, we have not received any agenda-related requests from our shareholders with respect to the Annual General Assembly Meeting for the year 2014.

### **3. Information on the Agenda Items for the Annual General Assembly Meeting dated March 31, 2014**

#### **3.1. Commencement and establishment of the Chairing Committee**

The meeting will commence and the election of the Chairman for the meeting, and the deputy-chairman, if necessary, will be conducted in accordance with the provisions of the Turkish Commercial Code No. 6102 ("**TCC**"), Regulation on the Procedures and Principles Relating to General Assembly Meetings of Joint Stock Companies and Representatives from the Ministry of Customs and Trade to Attend Such Meetings ("**Regulation**") and Articles 6 and 7 of our Company Bylaws Regarding the Working Principles and Procedures of the Shareholders General Assembly ("**Bylaws**").

The Chairman will appoint at least one secretary who will be responsible for keeping the meeting minutes. The Chairman may also appoint the requisite number of voting officers as well as experts and advisers to help implement technical matters with respect to attendees participating in the meeting *via* electronic means.

#### **3.2. Authorizing the Chairing Committee with respect to the execution of the Meeting Minutes**

The said authority is foreseen in Article 7 of the Bylaws.

#### **3.3. Review, discussion and approval of the Annual Activity Report, Independent Auditor's Report and the Financial Statements relating to the year 2014**

The Annual Activity Report of the Board of Directors and Financial Statements of the Company and the Independent Auditor's Report for the period January 1 – December 31, 2014, and the Company's Corporate Governance Compliance Report annexed to the Annual Activity Report that have been made available for the review of our shareholders, starting from three weeks prior to the meeting, at our Company headquarters, at our corporate website <http://www.pegasusinvestorrelations.com> and the Electronic General Assembly Portal of the Central Registry Agency ("**CRA**") will be submitted for the review, discussion and approval of our shareholders.

#### **3.4. Submission of the appointment made for the replacement of the resigning member of the Board of Directors in accordance with Article 363 of the Turkish Commercial Code, to the approval of the General Assembly**

Raymond Douglas WEBSTER, British citizen, who was appointed as a member of the Board of Directors for a term of one year at the Annual General Assembly Meeting held on March 31, 2014 resigned from his duty on April 25, 2014. In his place, and in accordance with the provisions of Article 363 of the TCC, the Board of Directors, through its resolution dated April 25, 2014 and numbered 440, appointed Saad Hassan HAMMAD, British citizen, to serve for the remainder of the term of office of the resigning director subject to approval by the shareholders at the first General Assembly Meeting. The appointment will therefore be submitted for the shareholders' approval at the first General Assembly Meeting to take place subsequent to the appointment, on March 31, 2015.

Information on the duties undertaken by Saad Hassa HAMMAD in the past ten years is provided as part of **Annex-4** hereto.

### **3.5. Release of each member of the Board of Directors with respect to the Company's transactions in 2014**

In accordance with the provisions of the TCC and the Regulation, the release of each member of our Board of Directors for the Company's business, transactions and accounts for 2014 will be submitted for the approval of our shareholders.

### **3.6. Review and approval of the Board of Directors' proposal for the utilization of the 2014 profit**

"Pegasus Dividend Policy", adopted by our Board of Directors through its resolution dated November 20, 2013 and numbered 403, entered into force upon unanimous approval by the shareholders attending the Annual General Assembly Meeting dated March 31, 2014 and published on our Investor Relations website is provided as **Annex-1** hereto.

Pursuant to the profit distribution chart adopted by our Board of Directors through its resolution dated March 4, 2013 and numbered 483, provided as **Annex-2** hereto, our statutory accounts record a total accumulated loss of TL 198,610,068 as of December 31, 2014 and a profit of TL 212,617,671 for the period January 1 - December 31, 2014. After the profit for the period is used to pay-off the accumulated loss and from the balance remaining following this deduction statutory reserves in the amount of TL 502,448 are allocated, in line with the provisions of the TCC and the provisions of Article 21 of our Articles of Association, a distributable net profit of TL 9,546,511 is maintained. Pursuant to the aforementioned resolution, with the purpose of creating long-term shareholder value, our Board of Directors will propose to our shareholders at the Annual General Assembly Meeting dated March 31, 2015, that the profit for the year 2014 is allocated in its entirety as extraordinary reserves in consideration of the fact that the Company operated with accumulated loss between 2005 and 2014 due to the growth in operations, especially with respect to the fleet and flight network; and further considering the ongoing investments in the fleet and in the domestic and international expansion of operations, as well as the need for strengthening the Company's liquidity.

### **3.7. Appointment of the members of the Board of Directors and determination of their term of office**

Among our current Directors, Ali İsmail SABANCI, Hüseyin Çağatay ÖZDOĞRU, Sertaç HAYBAT, Mehmet SAĞIROĞLU, Mehmet Cem KOZLU, Şükrü Emre BERKİN and Conor John McCARTHY were appointed as Directors at our Annual General Assembly Meeting dated March 31, 2014 for a term of one year and their term of office expires as of the Annual General Assembly Meeting dated March 31, 2015. Furthermore, Saad Hassan HAMMAD was appointed as Director on April 25, 2014, in replacement of Raymond Douglas WEBSTER, also appointed for a one year term at the said General Assembly Meeting, pursuant to the terms of Article 363 of the TCC and his term of duty, subject to the approval of the General Assembly, also expires as of the Annual General Assembly Meeting dated March 31, 2015.

In this respect, the election for our Board of Directors, which must constitute of at least five and a maximum of eight members, will take place at the Annual General Assembly Meeting dated March 31, 2015, based on nominations by our shareholders as per the relevant provisions of the TCC and Article 10 of our Articles of Association. Save for exceptions that

may be allowed by the Capital Markets Board, one third of the total number of Directors must fulfill the requisite independency criteria set out in the Corporate Governance Principles.

In addition to the above, as per Article 4.5.11 of the Corporate Governance Principles and the Committee Charter, our Corporate Governance Committee is responsible for the establishment of a transparent system for the determination, evaluation and training of appropriate candidates for the Board of Directors and developing policies and strategies in this regard. In line with this responsibility, the Corporate Governance Committee determined a set of principles and criteria for 2014 Director Nomination, provided as **Annex-3** hereto for the attention of our shareholders.

In consideration of the above and also the classification of our Company by the Capital Markets Board among "1st Tier Companies" in terms of implementation of Corporate Governance Principles, announced in the Capital Markets Board Bulletin No. 2015/1 dated January 13, 2014, our Corporate Governance Committee has recommended, in its report evaluating the fulfillment of the requisite independency criteria by nominees for independent Director seats, that Mehmet Cem KOZLU, Mehmet SAĞIROĞLU and Saad Hassan HAMMAD are proposed to our shareholders at the Annual General Assembly Meeting as nominees for independent director seats. Our Board of Directors, having accepted the recommendations of the Committee, filed the necessary applications with the Capital Markets Board on January 30, 2015.

The resumé for and duties undertaken in the past year by each of our current Directors who are eligible for re-appointment are provided as **Annex-4** hereto for the attention of our shareholders.

### **3.8. Determination of the salary, honorarium, bonus and similar financial rights of the members of the Board of Directors**

As per the relevant provisions of the TCC and Article 10 of our Articles of Association, our Directors are paid a monthly or annual salary or a per meeting payment to be determined by our shareholders at the General Assembly.

In this respect, the Company must comply with the mandatory rules determined by the Capital Markets Board. Consequently, payments to be made to our Directors during their term of office will be determined in accordance with the decision of our shareholders.

In As per Article 4.5.13 of the Corporate Governance Principles and the Committee Charter, our Corporate Governance Committee is responsible for determining the principles and criteria that apply to the compensation of Directors, review such principles and criteria and taking into consideration the fulfillment of these criteria propose payments to be made to the Directors to the Board of Directors. In line with this responsibility, the Corporate Governance Committee determined a set of principles and criteria for 2015 Director Remuneration, provided as **Annex-3** hereto for the attention of our shareholders.

### **3.9. Authorization of the members of the Board of Directors to enter into transactions within the scope of Articles 395 and 396 of the TCC**

Members of our Board of Directors can only enter into transactions with the Company as per Article 395 of the TCC and undertake business in competition with our Company as per Article 396 of the TCC, subject to the authorization by our shareholders at the General Assembly Meeting. In this respect, authorization of our Directors for the said matters will be submitted for the review and approval of our shareholders.

**3.10. Submission of information to the shareholders with respect to transactions in 2013 falling within the scope of Article 1.3.6 of the Corporate Governance Principles**

As per Article 1.3.6 of the Corporate Governance Principles determined by the Capital Markets Board Communiqué No. II-17.1 on Corporate Governance our shareholders will be informed of material transactions between Pegasus or its subsidiaries on one hand and our controlling shareholders, Directors, members of the senior management with administrative responsibility or their spouses or relatives up to and including the second degree on the other hand, that may create conflict of interest, as well as any other instances where any of the foregoing persons engage in competing business on their own account or on the account of others.

The relevant information in this respect is provided in Section (1/G) of the Annual Activity Report of our Board of Directors for the period January 1 – December 31, 2014.

**3.11. Appointment of the Independent Auditor**

The proposal, in line with the recommendation of our Audit Committee, to appoint DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Deloitte Touche Tohmatsu) for procuring the necessary services to fulfill our Company's internal audit requirements arising from the TCC and the Communiqué Series: X, No: 22 regarding "Independent Audit Standards in Capital Markets" of the Capital Markets Board for the year 2015, will be submitted for the review and approval of our shareholders.

**3.12. Submission on information to the shareholders on donations and charitable contributions made in 2014, discussion and approval of the transactions taking place in 2014 above the donations and charitable contributions limit set by the General Assembly for the said timeframe and determination by the shareholders of a maximum ceiling for donations and charitable contributions to be made in 2015**

"Pegasus Donations and Charitable Contributions Policy", adopted by our Board of Directors through its resolution dated November 20, 2013 and numbered 403, entered into force upon approval by the majority of the shareholders attending the Annual General Assembly Meeting dated March 31, 2014 and published in our Investor Relations website is provided as **Annex-5** hereto.

Pursuant to Article 19 of the Capital Markets Law No. 6362 ("**Capital Markets Law**") and Article 11 of the Company Articles of Association, the ceiling for donations and charitable contributions to be made by Pegasus in 2014 was determined as TL 250,000 at the Annual General Assembly Meeting held on March 31, 2014. However; the total donations and charitable contributions made by the Company in 2014 total TL 408,295. The Board of Directors resolved on submitting the donations made in excess of the prescribed limit due to donations made to Darüşşafaka Schools and Turkish Education Foundation (TEV), each in the amount of TL 127,647.50 and together in the amount of TL 255,295 with the aim of

supporting education needs of the children who lost their parents at the mine accident that took place in Soma, Manisa in May 2014, to the attention and the approval of the shareholders .

Furthermore, the shareholders will be submitted with information on donations and charitable contributions made by Pegasus in 2014 and the upper ceiling for donations and charitable contributions to be made in 2015 will also be determined by our shareholders in line with Article 19 of the Capital Markets Law and Article 11 of the Company Articles of Association.

**3.13. Submission of information on the security, pledge, mortgage and surety provided by the Company for the benefit of third parties and income and benefits derived therefrom to the attention of the shareholders**

Our shareholders will be informed of the security, pledge and mortgage information stated in Note 26 (*Commitments – Collaterals, Pledges, Mortgages*)to our Consolidated Financial Statements for the Period January 1 – December 31, 2014, as per the requirements of Article 12 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board.

**3.14. Requests and recommendations and close of meeting**



**PEGASUS HAVA TAŞIMACILIĞI A.Ş.  
DIVIDEND POLICY**

The main principles relating to the distribution of profit are laid out in Article 21 of our Articles of Association.

In this framework, in the event there remains distributable profit following the deduction of previous years' losses from the net annual profit relating to a fiscal year, our shareholders have the authority to resolve on the distribution of profit, by taking into consideration our Company's goals and its financing requirements, in cash, in shares or a by using a combination of the two and the completion of distribution within the timeframe foreseen in the applicable law.

The proposal for distribution of profit by our Board of Directors will be prepared in consideration of the above needs and will be submitted to the attention of our shareholders for discussion at the General Assembly. The Board of Directors must inform our shareholders at the General Assembly on how the profit will be used in the event there is no dividend distribution.

Our Articles of Association do not include any provisions granting privileges in respect of the distribution or payment of the Company profit.

Pegasus complies with the provisions of the Turkish Commercial Code No. 6102, the Capital Markets Law No. 6362 and the Corporate Governance Principles determined by the Capital Markets Board relating to the right to receive dividends and distribution of profit.

This Dividend Policy has been adopted by the resolution of the Board of Directors dated 20 November 2013 and numbered 403 and will be submitted to our shareholders for their approval at the first ordinary General Assembly meeting to be held. After becoming effective through the approval of our shareholders this policy will be published in our investor relations web-site. The same procedure will apply to any amendments hereto.

ANNEX-2 PEGASUS 2014 PROFIT DISTRIBUTION CHART

<b>PEGASUS HAVA TAŞIMACILIĞI A.Ş. 2014 PROFIT DISTRIBUTION CHART (TL)</b>			
1. Paid-in / Issued Capital		102,272,000	102,272,000
2. Legal Reserves (According to Statutory Records)		-	-
<b>Information on privileges on profits, if any</b>			
		<b>CMB RESULTS</b>	<b>STATUTORY ACCOUNTS</b>
3.	Profit for the Period	131,426,627	212,617,671
4.	Tax ( - )	8,507,112	(3,958,644)
5.	Net Profit for the Period (= )	139,968,977	208,659,027
6.	Previous Years' Losses ( \ )	-	(198,610,068)
7.	General Legal Reserves ( - )	(502,448)	(502,448)
8.	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD</b>	139,466,529	9,546,511
9.	Donations for the Period ( + )	408,295	-
10.	Net Distributable Profit for the Period Including Donations		-
11.	First Dividend	-	-
- Cash			
- Non-Cash			
- Total			
12.	Dividend Distributed to Privileged Shareholders	-	-
13.	Other Dividend Distribution - to Directors, - to Employees, - to non-Shareholders	-	-
14.	Dividend Distributed to Usufruct Certificate Holders	-	-
15.	Second Dividend for Shareholders	-	-
16.	General Legal reserves	-	-
17.	Status Reserves	-	-
18.	Special Reserves	-	-
19.	<b>EXTRAORDINARY RESERVES</b>	139,874,819	139,874,819
20.	Other Resources for Distribution	-	-

---

**NOMINATION AND REMUNERATION PRINCIPLES AND CRITERIA  
FOR PEGASUS BOARD OF DIRECTORS 2015**

**1. Pegasus Board of Directors Nomination Criteria**

- 1.1. The Board of Directors is composed of at least five and a maximum of eight members (*Principle 4.3.1, Pegasus Article 10 of the AoA*).
- 1.2. Members of the Board of Directors (including those representing a legal entity Director nominee) must have full legal capacity (*TCC 359/2-3*).
- 1.3. Majority of the members of the Board of Directors are non-executive Directors (*Principle 4.3.2*).
- 1.4. Save where permitted by the Capital Markets Board, one-third of the total number of Directors must fulfill the independence criteria set out in the Corporate Governance Principles (*Principles 4.3.3 - 4.3.6*).
- 1.5. The Directors must be able to allocate the necessary time to fulfill duties and to attend to a minimum of four meetings and the necessary number of committee meetings throughout the year and to prepare for the meetings (*Principle 4.4.1, Article 12 of the AoA*).
- 1.6. At least one independent director must have five years' of experience in audit, accounting and finance to serve as a member of the Audit Committee (*Principle 4.3.10*).
- 1.7. Members of the Board of Directors must have the requisite qualities to ensure that the Board of Directors:
  - provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
  - sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance; and
  - sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met (*Note for RW: Wording taken from Board appointment letters*)
- 1.8. Non-executive members of the Board of Directors must further have the qualities to meet the following key elements:
  - **Strategy:** Non-Executive Directors should constructively challenge and contribute to the development of strategy;
  - **Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - **Risk:** Non-Executive Directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
  - **People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning. (*Note for RW: Wording taken from Board appointment letters*)
- 1.9. As a principle, it is expected that the members of the Board of Directors are not engaged in other duties that would prevent them from performing as Directors at the Company and that creates a conflict of interest. (*Note for RW: Wording taken from Board appointment letters*)
- 1.10. The aforesaid principles and criteria may be re-evaluated by the Board of Directors in case of changes in the applicable law.

## **2. Pegasus Board of Directors Remuneration Criteria**

- 2.1.** Members of the Board of Directors receive a monthly or an annual salary or a specific payment for each meeting, in either case to be determined by the General Assembly (*TCC 394, Article 10/4 of Pegasus AoA*).
- 2.2.** Independent Directors do not participate in share options or performance-based payment schemes (*Principle 4.6.3, Pegasus Compensation Policy*)
- 2.3.** The payments to be made to Independent Directors must be at a level to protect their independence (*Principle 4.6.3, Pegasus Compensation Policy*)
- 2.4.** In line with the above evaluations and the principles set out in the Pegasus Compensation and Indemnification Policy, the Committee proposes the following principles for compensation of Directors in 2015:
  - Payment of an honorarium of maximum €15,000 gross to the non-executive Directors for each board meeting attended;
  - Payment of an annual fee of gross €10,000 and €5,000 gross to the non-executive Directors for each board committee where they undertake the chairman and member role, respectively;
  - No payment to be made to executive Directors for their participation at the Board or any board committees;
  - Payment of costs and expenses incurred by the directors in connection with their duties in accordance with the Company regulations.

#### ANNEX-4 RESUMÉ AND PAST DUTIES FOR CURRENT DIRECTORS

##### **Ali İsmail SABANCI - Chairman of the Board of Directors**

Ali İsmail SABANCI has served as the Chairman of our Board of Directors since January 2005. He previously held several positions at Morgan Stanley & Co. Incorporated and Akbank T.A.Ş. between 1991 and 1997. He also served as the head of projects of Hacı Ömer Sabancı Holding A.Ş. between 1987 and 2001 and as the executive assistant general manager for strategy and business development between 2001 and 2004. Ali SABANCI serves as a member of the board of directors of Esas Holding and several other Esas Holding Group Companies since 2004. He has a master's degree in Economics and Politics granted by Tufts University and bachelor's degree in International Finance obtained from Columbia University Business Administration Faculty. He is the Chairman of Young Entrepreneurs Board within the Union of Chambers and Commodities of Turkey and also member to Istanbul Chamber of Industry (ISO) and Turkish-American Business Council (TAIK).

##### **Duties Assumed Outside of the Company in 2014**

1.	Esas Holding A.Ş.	Esas Group	Board Member
2.	Mars Entertainment Group A.Ş.	Esas Group	Chairman of the Board
3.	Mars Sinema Turizm ve Sportif Tesisler İşletmeciliği A.Ş.	Esas Group	Chairman of the Board
4.	Mars Sportif Tesisler İşletmeciliği A.Ş.	Esas Group	Board Member
5.	Air Berlin plc		Board Member
6.	Callpex Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.		Board Member
7.	RM Arşiv Yönetim Hizmetleri A.Ş.		Board Member
8.	Saray Bahçe Alışveriş Merkezi Ticaret A.Ş.		Board Member
9.	U.N. RO-RO İşletmeleri A.Ş.	Esas Group	Board Member
10.	Ayakkabı Dünyası Kunda Sanayi ve Ticaret A.Ş.	Esas Group	Vice-Chairman of the Board
11.	Ayakkabı Dünyası Mağazacılık ve İnşaat A.Ş.	Esas Group	Vice-Chairman of the Board

##### **Hüseyin Çağatay ÖZDOĞRU - Vice-Chairman of the Board of Directors**

Hüseyin Çağatay ÖZDOĞRU has served as a member of our Board of Directors since February 2007 and since March 2010 he is serving as the Vice-Chairman of the Board. Between 1991 and 2002 he served in a wide range of IT firms in Turkey and in the United States, including Koç Unisys, IBM Turk and Global One Corporation and held various engineering and sales positions. During his tenure as the head of IT & telecommunications industry for Hacı Ömer Sabancı Holding A.Ş. between 2002 and 2005, he served as general manager, assistant general manager and executive member of the board of directors for group companies such as Turk.Net, Akinternet, I-BimSA and Sabancı Telekom. Çağatay ÖZDOĞRU joined Esas Holding in June 2005 as a member of the executive committee. Currently, he also serves as a member of the board of directors of Esas Holding and several other Esas Holding Group Companies, besides his duty as the Esas Holding CEO. Çağatay ÖZDOĞRU holds a Bachelor's Degree in Electronic and Telecommunication from Istanbul Technical University and a Master's Degree in Telecommunication granted by George Washington University.

##### **Duties Assumed Outside of the Company in 2014**

1.	Esas Holding A.Ş.	Esas Group	Board Member and CEO
2.	Mars Entertainment Group A.Ş.	Esas Group	Board Member
3.	Mars Sinema Turizm ve Sportif Tesisler İşletmeciliği A.Ş.	Esas Group	Chairman of the Board
4.	Mars Sportif Tesisler İşletmeciliği A.Ş.	Esas Group	Board Member
5.	Esaslıgrup Gıda San. ve Tic. A.Ş.	Esas Group	Board Member
6.	Esas Hava Taşımacılık Turizm ve Ticaret A.Ş.	Esas Group	Chairman of the Board
7.	Acil Yardım Akademisi A.Ş.	Esas Group	Board Member

8.	Odea İnşaat Turizm Yatırımları ve Dış Ticaret A.Ş.	Esas Group	<i>Chairman of the Board</i>
9.	Kiraz 1 Gayrimenkul ve Yatırım Danışmanlığı A.Ş.	Esas Group	<i>Board Member</i>
10	Kiraz 2 Gayrimenkul ve Yatırım Danışmanlığı A.Ş.	Esas Group	<i>Board Member</i>
11	Peyman Kuruyemiş Gıda Ak. Kimyevi Madde Tarım Ürünleri Sanayi Ticaret A.Ş.	Esas Group	<i>Chairman of the Board</i>
12	Esbon Süt Ürünleri San. Tic. A.Ş.	Esas Group	<i>Board Member</i>
13	Esom Mağazacılık Ticaret A.Ş.	Esas Group	<i>Board Member</i>
14	Kiraz 4 LLC A.B.D.	Esas Group	<i>Board Member</i>
15	Kauçuk Yiyecek İçecek Hizmetleri Tic. A.Ş.	Esas Group	<i>Board Member</i>
16	Kron Telekomünikasyon A.Ş.		<i>Board Member</i>
17	U.N. RO-RO İşletmeleri A.Ş.	Esas Group	<i>Board Member</i>
18	Denkar Denizcilik A.Ş.	Esas Group	<i>Board Member</i>
19	Ayakkabı Dünyası Kundura Sanayi ve Ticaret A.Ş.	Esas Group	<i>Board Member</i>
20	Ayakkabı Dünyası Mağazacılık ve İnşaat A.Ş.	Esas Group	<i>Board Member</i>
21	Muti Marka A.Ş.	Esas Group	<i>Chairman of the Board</i>

**Mehmet Cem KOZLU** - **Independent Director**

Mehmet Cem KOZLU has served as an independent member of our Board of Directors since April 2013. Cem KOZLU served as the chairman of the board of directors and CEO at Türk Hava Yolları A.O. between 1988 and 1991 and in this timeframe he also served as the chairman of the Association of European Airlines in 1990. After having served as a member of the Turkish Parliament between 1991 and 1995, he took a second term as the chairman of Turkish Airlines between 1997 and 2003. Cem KOZLU held several positions at The Coca-Cola Company between 1996 and 2006 where his last position was the president of the company's Central Europe, Eurasia and Middle East operations. Since 2006, he has continued to serve as consultant to Coca-Cola Eurasia and Africa Group. Cem KOZLU served as the chairman of the International Airline Training Fund between 2008 and 2010 and continues to serve as member of board of directors or advisor in various companies. Cem KOZLU holds a bachelor's degree from Denison University and an MBA degree from Stanford University. He also holds a Ph.D. in administrative sciences from Boğaziçi University.

**Duties Assumed Outside of the Company in 2014**

1.	Anadolu Endüstri Holding A.Ş.	<i>Board Member</i>
2.	Evyap Holding A.Ş.	<i>Board Member</i>
3.	Evyap Asya	<i>Chairman of the Board</i>
4.	Coca-Cola Satış ve Dağıtım A.Ş.	<i>Board Member</i>
5.	Noktacom Medya İnternet Hizmetleri San. ve Tic. A.Ş.	<i>Chairman of the Board</i>
6.	Kamil Yazıcı Yönetim ve Danışma A.Ş.	<i>Board Member</i>
7.	Anadolu Kafkasya Enerji Yatırımları A.Ş.	<i>Board Member</i>
8.	Yazıcılar Holding A.Ş.	<i>Advisor</i>
9.	Anadolu Termik Santralleri Elektrik Üretim A.Ş.	<i>Board Member</i>
10.	Anadolu Efes Biracılık Malt Sanayii A.Ş.	<i>Board Member</i>
11.	Coca-Cola Avrasya & Afrika	<i>Advisor</i>
12.	The Marmara Hotels & Residences	<i>Board Member</i>

**Mehmet SAĞIROĞLU** - **Independent Director**

Mehmet SAĞIROĞLU has served as an independent member of our Board of Directors since April 2013. Mehmet SAĞIROĞLU held several positions at Türkiye Demirdöküm Fabrikaları A.Ş. between 1976 and 1980 and at Türkiye Sınai Kalkınma Bankası between 1980 and 1999 where his last position was head of corporate finance. Mehmet SAĞIROĞLU later served as an executive manager and later as the member of the board of directors at Global Yatırım Holding A.Ş. between 2001 and 2006. In 2005 he also served as a member of the board of directors at TÜPRAŞ Türkiye Petrol Rafinerileri A.Ş. Between 2011 and 2012 Mehmet SAĞIROĞLU was the CEO of IEG Global Kurumsal Finansman A.Ş. and also served as the chairman of the Association of Listed Companies' Executives (Koteder) between May 2012 and October 2013. Mehmet SAĞIROĞLU currently serves as independent director at Alarko GYO A.Ş. Mehmet SAĞIROĞLU holds a bachelor's degree in business administration from Boğaziçi University.

**Duties Assumed Outside of the Company in 2013**

1.	Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	<i>Board Member</i>
----	---	---------------------

**Saad Hassan HAMMAD** - **Non-Executive Director**

Saad Hassan HAMMAD joined Pegasus as a non-executive member of the Board of Directors on April 25, 2014. Saad HAMMAD is currently the CEO of Flybe Group plc and has considerable executive and non-executive experience in the aviation sector. From 2005 to 2009 Saad HAMMAD served as the Chief Commercial Officer at easyJet plc and in 2011 and 2012 he served as a non-executive directors at Air Berlin plc and a member of the Finance Committee. Outside of aviation, Saad HAMMAD was from 2009 to 2013 the Managing Director at the Gores Group, an operations-focused private equity firm with approximately US\$ 4 billion under management. Previously, Saad HAMMAD held a number of leadership positions in brand management, sales and marketing and retailing at Procter & Gamble, Thorn-EMI, Vision Express and the Minit Group. He was also Managing Director – Europe at Tibbett & Britten and CEO & Co-founder of Autocascade, a pan-European web-based yield management start-up focused on the automotive sector. Saad HAMMAD also served as a non-executive director of Optos plc, provider of medical retinal-imaging technology, where he was a member of the Audit and Remuneration Committees. Saad HAMMAD holds a BA (Hons) in Politics, Philosophy and Economics from Oxford University and an MBA from INSEAD.

**Duties Assumed Outside of the Company in 2014**

1.	Flybe Group Plc	<i>Board Member and CEO</i>
----	-----------------	-----------------------------

**Other Duties Assumed in the Last 10 Years**

1.	easyJet plc	2005-2009	<i>Chief Commercial Officer</i>
2.	The Gores Group	2009-2013	<i>Executive Director</i>
3.	Flybe Group Plc	2013	<i>Board Member and CEO</i>

**Conor John McCARTHY** - **Non-Executive Director**

Conor John McCARTHY has served as a member of our board of directors since February 2012. Conor McCARTHY started working for Aer Lingus in 1978 and spent a total of 18 years with the company in engineering, operations, maintenance, commercial planning, marketing, route economics, finance, strategic management, fleet planning and general management. After leaving Aer Lingus in 1996 as the chief executive officer of Aer Lingus Commuter, Conor McCARTHY joined Ryanair and served as its director of group operations until 2000. Conor McCARTHY is currently the executive chairman at Dublin Aerospace Ltd. and he previously

also served as a member of the board of directors in Air Asia, which he also helped to co-found. He is also the managing director of PlaneConsult.com. Conor McCARTHY holds a bachelor's degree in engineering from Trinity College Dublin.

---

**Duties Assumed Outside of the Company in 2013**

1.	Wordison Limited Trading (PlaneConsult) Ireland	<i>Founder and CEO</i>
2.	Dublin Aerospace Ltd. Ireland	<i>Chairman of the Board</i>

---

**Şükrü Emre BERKİN - Independent Director**

Şükrü Emre BERKİN, has served as a member of Board of Directors since March 2010. Emre Berkin started working for Digital Equipment Corporation in 1983 and served in sales, consultancy, support and service positions in United States and in Turkey. Between 1993 and 2006, Emre BERKİN worked for Microsoft Corporation holding various positions, including Vice President of Europe, Middle East and Africa Regions and as Head of Middle East and Africa operations. He was also the first general manager of Microsoft Turkey. Emre BERKİN currently runs an independent consulting practice focused on international business development, mergers and acquisitions, funding and investments, and he also serves as a member of the boards of directors of various companies in and outside of Turkey. Emre BERKİN has a Master's Degree in Computer Engineering granted by DePaul University and a Bachelor's Degree in Electronic and Telecommunication from Middle East Technical University.

---

**Duties Assumed Outside of the Company in 2013**

1.	Anadolu Bilişim Hizmetleri A.Ş.	<i>Board Member</i>
2.	Garanti Bilişim Teknoloji ve Ticaret Türk A.Ş.	<i>Board Member</i>
3.	BASE Gayrimenkul Turizm ve Ticaret A.Ş.	<i>Board Member</i>
4.	Thomas Cook Group plc U.K.	<i>Board Member</i>

---

**Sertaç HAYBAT - Member of the Board and CEO**

Sertaç HAYBAT, has served as our General Manager (CEO) and a member of our Board of Directors since 2005. He started working in the airline industry as the maintenance manager for Bursa Airlines in 1979. he worked for Turkish Airlines in three different occasions, first between 1982 and 1987 as a member of the engineering team, later between 1989 and 1993 as strategic planning and investments manager, marketing director and as sales director for Singapore, Malaysia and Indonesia, and between 1997 and 2003, as a member of the executive management team responsible for finance and corporate planning. Sertaç HAYBAT also served as a member of the board of directors of SunExpress until 2003. Sertaç HAYBAT holds a Bachelor's Degree in aviation engineering granted by Manchester University in 1976. He was elected as the Chairman of Turkish Private Aviation Enterprises Association (TOSHID) in December 2012 and still holds this position.

---

**Duties Assumed Outside of the Company in 2013**

1.	IHY İzmir Havayolları A.Ş.	Subsidiary	<i>Chairman of the Board</i>
2.	Pegasus Uçuş Eğitim Merkezi A.Ş.	Joint Venture	<i>Chairman of the Board</i>

---



**PEGASUS HAVA TAŞIMACILIĞI A.Ş.**  
**DONATIONS AND CHARITABLE CONTRIBUTIONS POLICY**

As per Article 11/2 of our Articles of Association, our Board of Directors is authorized to make donations on behalf of Pegasus within the upper limit to be determined by our shareholders at the General Assembly. In this respect, our Board of Directors acts in accordance with the principles laid out in this Policy and the applicable regulations of the Capital Markets Board.

**Principles Relating to Donations and Charitable Contributions:**

- Pegasus may make donations or charitable contributions to persons, associations, foundations, non-governmental organizations and public institutions that operate in the fields of education and health or in connection with the scope and purpose of Pegasus.
- The upper limit applicable to donations and charitable contributions to be made in any fiscal year is determined by our shareholders upon proposal by the Board of Directors at the General Assembly meeting to be convened with respect to the results of the preceding year.
- Donations and charitable contributions by Pegasus can only be made based on a resolution of the Board of Directors. The Board of Directors has the authority to make such donations and contributions within the applicable limit determined by our shareholders.
- In principle, donations and charitable contributions by Pegasus should serve to contribute to social development and conform with our strategy and key corporate values of safety, reliability, innovation, agility, accessibility, creativity and entrepreneurship and our corporate ethical standards.
- Information relating to all donations and charitable contributions made in any given fiscal year as well as those benefiting from such donations and contributions are provided to our shareholders at the relevant General Assembly meeting as a separate agenda item.
- Any amendments to this Policy proposed by our Board of Directors are proposed to our shareholders and become effective upon approval at the General Assembly.
- As per the provisions of Article 21 of our Articles of Association donations by Pegasus in any given year will be added to the distributable profits during calculations for the relevant fiscal year.
- Sponsorship activities and activities pursued by Pegasus under the Corporate Social Responsibility Policy that may be pursued for commercial reasons will be performed independent of this Donation Policy and within the authority granted by our Board of Directors.

This Donations and Charitable Contributions Policy has been adopted by the resolution of the Board of Directors dated 20 November 2013 and numbered 403 and will be submitted to our shareholders for their approval at the first ordinary General Assembly meeting to be held. After becoming effective through the approval of our shareholders this policy will be published in our investor relations web-site. The same procedure will apply to any amendments hereto.