



# Notice of 2017 Annual Meeting and Proxy Statement

April 1, 2018

Annual Meeting Location

Lokman Hekim Akay Hastanesi  
Kucukesat, Ankara



# Lokman Hekim

Dear Stockholder:

We cordially invite you to attend Lokman Hekim's 2017 Annual Stockholders' Meeting. The Annual Meeting will be held on Sunday, April 1, 2018, at 11:00 a.m. in the Conference Hall at Lokman Hekim Akay Hospital in Ankara, Turkey. Directions to the Annual Meeting location are provided in the Proxy Statement.

At the Annual Meeting, stockholders will vote on a number of important matters. Please take the time to carefully read each of the proposals described in the Proxy Statement. Thank you for your support of Lokman Hekim.

Sincerely,

  
Mustafa Sarioglu  
Chairman of the Board  
Lokman Hekim



# Letter from the Board of Directors

**Comments on 2017 performance.** In 2017, our management's hard work and our investors' patience and commitment were rewarded. The contribution of our 2016 projects, Akay in particular, started boosting our presence in the industry and our financials. We now rank no.1 in Ankara, no.1 in Van, and no.7 in the nation by bed-capacity. The EBITDA margin continued its trend up and reached 14.4% on 27% revenue growth.

**Near-term outlook and investments.** The margin should widen further as we complete room upgrades at Akay and benefit from operating leverage across the Group. After Akay and Demet, we turn our attention to Etlik and University projects. The construction work to add a second hospital building in Etlik commenced last year. The new capacity should become operational in 2019.

**Lokman Hekim University.** As for the University, Sevgi Foundation is now set to establish Lokman Hekim Medical School following the parliamentary sign-off. We are excited about the prospects there. The University will help us rebrand Lokman as a premier research hospital. We will keep shareholders posted of progress on both.

**Longer term.** Lokman Hekim will remain a comprehensive provider of medical services with extensive footprint in maternity and cardiology across Turkey, a massive and underserved market in healthcare. We will continue executing on strategic priorities to become the healthcare provider of choice to millions.



# Notice of Annual Meeting

Lokman Hekim's 2017 Annual Stockholders' Meeting will take place on Sunday, April 1, 2018, at 11:00 a.m. in the Conference Hall at Lokman Hekim Akay Hospital in Ankara.

Lokman Hekim Akay Hospital is located in the Central Ankara district of Kucukesat opposite the Turkish Parliament building.



# Agenda – Sunday, 1 April 2018

1. INTRODUCTORY STATEMENTS AND ELECTION AND APPOINTMENT OF MEETING CHAIR, THE CHAIR'S RECOGNITION OF AGM MINUTES,
2. PRESENTATION AND APPROVAL OF BOARD OF DIRECTORS' ANNUAL REPORT FOR 2017.
3. PRESENTATION AND APPROVAL OF THE COMPANY'S 2017 BALANCE SHEET AND PROFIT & LOSS ACCOUNT.
4. SUBMISSION AND SUBSEQUENT APPROVAL OF THE INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING YEAR 2017.
5. RECOGNITION OF EACH MEMBER OF THE BOARD OF DIRECTORS WITH RESPECT TO THE COMPANY'S TRANSACTIONS IN 2017.
- 6 REVIEW AND APPROVAL OF THE BOARD OF DIRECTORS' RECOMMENDATION FOR THE DISTRIBUTION OF 2017 PROFIT.
7. APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THEIR TENURES IN THE BOARD.
8. RECOMMENDATION AND APPROVAL OF COMPENSATION SCHEMES FOR BOARD MEMBERS INCLUDING ANY WAGES, BONUS, AND OTHER FINANCIAL CONSIDERATIONS.





# Agenda – continued

9. RECOMMENDATION AND APPROVAL OF ANY CHARITABLE DONATIONS MADE DURING THE ACCOUNTING YEAR OF 2017 AND RECOMMENDATION AND APPROVAL OF 2018 CAPS AND CEILINGS TO GOVERN DONATIONS AND CHARITABLE CONTRIBUTIONS FOR 2018.
10. APPOINTMENT OF THE INDEPENDENT AUDITOR FOR 2018.
11. STATEMENT OF EXECUTIVE COMPENSATION POLICY AND OF ANY CHANGES TO THE POLICY INCLUDING SPECIFIC 2017 EXECUTIVE REMUNERATION IN LINE WITH TURKEY'S CAPITAL MARKET BOARD'S RULES AND REGULATIONS.
12. UPDATING SHAREHOLDERS ON THE EXISTING SHARE BUY-BACK PROGRAM.
13. AUTHORIZATION OF THE BOARD OF DIRECTORS, THEIR RELATED PARTIES, THE TOP EXECUTIVES FOR WRITTEN TRANSACTIONS AS STIPULATED BY THE ARTICLES 395 AND 396 OF THE TURKISH COMMERCIAL CODE.
14. INFORMING SHAREHOLDERS ABOUT TRANSACTIONS WITH RELATED PARTIES IN 2017.
15. SUBMISSION OF INFORMATION TO THE GENERAL ASSEMBLY WITH RESPECT TO SECURITY, PLEDGE, MORTGAGE AND SURETY PROVIDED BY THE COMPANY FOR THE BENEFIT OF THIRD PARTIES IN 2017 AND ANY INCOME AND BENEFITS DERIVED THEREFROM.
16. GIVING THE AUTHORITY TO THE BOARD TO CONTINUE WITH THE BUY-BACK PROGRAM.
17. CLOSING STATEMENT, COMMENTS AND QUESTIONS.

## Disclaimer

This document contains "prospective statements". Except for retroactive information, all statements including but not limited to the statements about group's operations, financial position and business strategies may contain prospective statements. In addition, prospective statements may be specified with prospective terms like "possibly", "inevitable", "expecting", "aim", "plan", "foresee", "estimate", "believe" ve "continue" in general.

Though the company believes that the expectations specified in prospective statements are reasonable as of today's expectations, it does not guarantee that these expectations will be realized. Due to this uncertainty, our readers should not take action based on the prospective statements in question. These cautionary explanations will be applied as a whole for all written or oral statements that may be stated by us from now on.

Lokman Hekim Group Consolidated Financial Statements can be reached from the following website <https://lokmanhekim.com.tr/page/general-assembly>