

İSKENDERUN DEMİR VE ÇELİK ANONİM ŞİRKETİ
ORDINARY GENERAL ASSEMBLY MEETING

MEETING MINUTES

Meeting no	: 26
Date of the meeting	: 30 th March 2017 - 13:30
Place of the meeting	: Radisson Blu Hotel Ballroom in İstanbul Asia floor B2 Atatürk Mahallesi Yakut Caddesi No. 10 Ataşehir – İstanbul
Chairman of the meeting	: Ömer Muzaffer BAKTIR, representative of ATAER Holding A.Ş. Chairman of board of directors and Managing member
Minutes Clerk	: Kemal Haluk ERUYGUR Legal Advisor of OYAK
Vote collector	: Ahmet Türker ANAYURT Representative of Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. Member of board of directors
Ministry Representative	: Dilek CENGİZ

Ordinary general assembly meeting of İskenderun Demir ve Çelik A.Ş. for year 2016 is made at the abovementioned place and time pursuant to provisions of the relevant legislation on Articles of Association of the company under chair of Ömer Muzaffer BAKTIR who is representative of Chairman of board of directors and Managing member ATAER Holding A.Ş., under supervision of Ministry Representative Dilek CENGİZ who is assigned by letter dated 29/03/2017 and no. 23801278 of İstanbul Governorship Provincial Directorate of Commerce.

The meeting is opened by of Chairman of board of directors and Managing member Ömer Muzaffer BAKTIR, representative of ATAER Holding A.Ş. since it is determined and confirmed by the Ministry Representative;

- that the invitation for this ordinary general assembly meeting is announced in issue dated 8th March 2017 and no. 9279 of Turkish Trade Registry Gazette, corporate website of the company at www.isdemir.com.tr and at e-company portal of Merkezi Kayıt Kuruluşu A.Ş. (Central Registry Agency); place, time and agenda of the meeting and sample of power of attorney is existing in these announcements and all necessary legal transactions are completed in compliance with Turkish Commercial Code and Capital Market Law and Articles of Association of the company.
- that total 275.722.017.484 shares representing the total capital of TRY 2.757.220.174,84 are represented in the meeting upon check of list of attendants as 24.245.968 shares representing the capital of TRY 242.459,68 personally and 275.697.771.516 shares representing the capital of TRY 2.756.977.715,16 by proxy and thus minimum meeting quorum foreseen both in the law and Articles of Association of the Company is available;
- that Chairman of board of directors – Managing director ATAER Holding A.Ş. (Representative: Ömer Muzaffer BAKTIR whose TR identity number is 26573000520), Member of board of directors Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. (Representative: Ahmet Türker ANAYURT whose TR identity number is 11146088302) and Segah GÜNER (TR identity no. 36674158662)

who is representative of company auditor Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) attended the meeting.

It is passed to discuss articles of the agenda;

1- In first article of the agenda related to opening and constitution of the meeting chairmanship; since chairmanship of the meeting shall be executed by Ömer Muzaffer BAKTIR who is representative of chairman of board of directors ATAER Holding A.Ş. in accordance with provisions of 23rd article of Articles of Association of the company and 7th article of General Assembly Internal directive; Kemal Haluk ERUYGUR who is legal Advisor of OYAK has been charged by chairman of the meeting as minutes clerk and Ahmet Türker ANAYURT who is representative of member of board of directors Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. as vote collector.

2- In second article of the agenda related to authorizing the meeting chair for signing of the general assembly meeting minutes and other documents; it is unanimously decided to authorize meeting chair which is constituted for signing of the meeting minutes pertaining to this meeting and other documents on behalf of the attendants

3- In third article of the agenda related to reading and discussion of activity report of board of directors for 2016 accounting year; it is put to voting of general assembly whether it is required to re-read the activity report since it was made available to the shareholders for review and it was given to the applying shareholders and it is unanimously decided not to read it again in order not to cause to time loss.

Shareholder Selahattin KOVALIK taking the floor about activity report presented to general assembly the wishes and demands of İSDEMİR Employees and Retired Assistance and Solidarity Association. Since no one spoke; it is passed to the next agenda article.

4- In fourth article of the agenda related to reading and discussion of independent audit report for year 2016; it is put to voting of general assembly whether it is required to re-read the independent audit report since it was made available to the shareholders for review and it was given to the applying shareholders and it is unanimously decided not to read again in order not to cause to time loss and then it is passed to the next agenda article.

5- In fifth article of the agenda related to reading, discussion and approval of statement of financial position, profit and loss accounts for 2016 accounting year, submitting to voting and making decision about this matter; it is put to voting of general assembly whether it is required to re-read the statement of financial position, profit and loss accounts for year 2016 since it was made available to the shareholders for review and it was given to the applying shareholders and it is unanimously decided not to read again. Approval of statement of financial position, profit and loss accounts for 2016 accounting year is submitted to voting of general assembly and it is unanimously decided to approve statement of financial position, profit and loss accounts for year 2016 as a result of voting made.

6- In sixth article of the agenda related to discussion of acquittal of members of board of directors one by one for 2016 accounting year; submitting to voting and making decision about this matter; It is decided unanimously to acquit members of board of directors one by one as a result of voting made. Members of board of directors did not vote in their own acquittal.

7- In seventh article of the agenda related to discussion of proposal of board of directors regarding the distribution of profit for year 2016 and of profit distribution dates, submitting to voting and making decision about this matter; proposal dated 30/03/2017 related to distribution of profit for 2016 accounting year given

by the board of directors is read and submitted to the general assembly for approval; and it is unanimously decided

- to allocate legal reserve fund at amount of TRY 61.972.677 at a rate of 5% over net period profit written in financial statements of year 2016 prepared according to provisions of Tax Procedural Law in accordance with 519th article of Turkish Commercial Code and provisions of Capital Market Law;
- to allocate cash shareholder dividend at amount of TRY 812.000.000 at a rate of 92,1809% on net distributable period profit in financial statements for year 2016 prepared according to regulations of Capital Market Board;
- to allocate general legal reserve fund at amount of TRY 66.700.000 at a rate of 10% of the exceeding amount in the scope of (c) sub-clause of second clause of 519th article of Turkish Commercial Code since allocated cash dividend amount exceeds 5% of paid capital of the company;
- to allocate TRY 2.176.301 remained after deduction of general legal reserve fund and first dividends distributed to shareholders from net period profit as extraordinary reserve fund;
- to determine profit distribution date by board of directors after general assembly meeting by considering cash projection of the company in a manner to realize as lump sum payment until 15th December 2017 at the latest;

provided that it shall be in line with decision dated 07/03/2017 and no. 415 of board of directors of the company.

8- In eighth article of the agenda related to determination of numbers of members of board of directors and term of their office in accordance with provisions of the relevant legislation and discussion of election to be made for memberships of board of directors, submitting to voting and making decision about this matter; after reading of proposal given by Emre ÖZYILDIZ who is representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş and proposal given by Mine Songül BÜYÜKSARAÇ who is representative of Republic of Turkey Prime Ministry Privatization Administration; proposal given by Emre ÖZYILDIZ who is representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş and proposal given by Mine Songül BÜYÜKSARAÇ who is representative of Republic of Turkey Prime Ministry Privatization Administration were submitted to voting of general assembly; and it is unanimously decided

- to determine number of member of board of directors as 6 (six)
- to elect the following persons as members of board of directors for a period of 1 year according to 9th and 10th articles of Articles of Association of the company;
- ATAER Holding A.Ş. (real person representative: Ömer Muzaffer BAKTIR whose TR identity number is 26573000520)
- Erdemir Madencilik Sanayi ve Ticaret A.Ş. (real person representative: Fatma CANLI whose TR Identity number is 49222658996)
- Republic of Turkey Prime Ministry Privatization Administration (real person representative: Bekir Emre HAYKIR whose TR Identity number is 42301627296)
- OYAK Pazarlama Hizmet ve Turizm A.Ş. (real person representative: Ertuğrul AYDIN whose TR Identity number is 24296314450)
- Erdemir Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş. (real person representative: Güliz KAYA whose TR Identity number is 17585244804)

- Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. (real person representative: Ahmet Türker ANAYURT whose TR Identity number is 11146088302),

9- In ninth article of the agenda related to determination of wages of members of board of directors, submitting it to voting and making decision about this matter; the motion given by Emre ÖZYILDIZ who is representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş., is read and the motion is submitted to the general assembly for voting since there is no one expressing other opinion and in line with the motion; It is unanimously decided;

not to pay wage to members of board of directors who are elected as representative of B group shares; to determine the wage to be paid to members of board of directors who are elected as representative of A group shares as net TRY 3.000 per month (in advance at the beginning of the relevant month) and to enter the new wages into force as of 01.04.2017.

10- In tenth article of the agenda related to giving permission to members of board of directors of the company to make business which are specified in 395th and 396th articles of Turkish Commercial Code, submitting it to voting and making decision about this matter; after reading of the motion given by Emre ÖZYILDIZ, representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş.; as a result of voting made for giving of the permission to members of board of directors of the company to make business to their own name and for others, to make a transaction from business type falling to the field of activity of our company to their own name and for others and to be unlimited shareholder to a company dealing with a business identical to our company's business in accordance with 395th and 396th articles of Turkish Commercial Code; it is unanimously decided to give permissions which are specified in 395th and 396th articles of Turkish Commercial Code to members of board of directors.

11- In eleventh article of the agenda related to discussion of proposal of board of directors for selection of independent external audit corporation for audit of Account and Transactions of the company for year 2017 in accordance with Turkish Commercial Code and Capital Market Law, submitting it to voting and making decision about this matter; the proposal dated 30/03/2017 given by the board of directors in line with decision dated 07/03/2017 and 416 of board of directors is read; it is unanimously decided to accept the proposal as is and to select DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Deloitte Touche Tohmatsu) located at Eski Büyükdere Caddesi Maslak Mahallesi No:1 Maslak no1 Plaza Maslak 34398 Sarıyer/Istanbul registered at Boğaziçi Corporate Tax Office with tax ID no. 29'İ 001 0976, registered at Istanbul Trade Registry Directorate with trade register no. 304099 and whose Mersis number is 0291001097600016 as independent external audit Corporation for the purpose of audit of account and transactions of the company pursuant to Turkish Commercial Code, Capital Market Law and relevant legislation.

12- In twelfth article of the agenda related to submitting information to general assembly related to guarantee, pledge, mortgage and surety given in favor of third persons and incomes and interests acquired; it is informed to the general assembly that there is not guarantee, pledge, mortgage and surety given in favor of third persons and incomes and interests acquired for year of 2016 by informing letter dated 30/03/2017 of board of directors in line with its decision dated 07/03/2017 and no. 417.

13- In thirteenth article of the agenda related to giving information to general assembly related to donations made in 2016 and discussion of proposal of board of directors for determining the top limit of donation amount for 2017, submitting it to voting and making decision about this matter; general assembly is

informed through informing and proposal letter dated 30/03/2017 of board of directors in line with its decision dated 13/03/2017 and no. 421 that total TRY 2.362.752 of donation and aid are made by the company within year 2016 as mentioned below and realized as 0,037% (three point seven per ten thousand) remained below top limit determined as 0,04% (four per ten thousand) for year 2016. As a result of approval of the proposal given by the board of directors on donations and aid to be made in year 2017; it is unanimously decided to approve the proposal as is and to determine top limit for donations and aid to be made by the company in year 2017 at a rate of 0,04% (four per ten thousand) of net sales revenue.

	2016
	<u>TRY</u>
A- Cooperation activities developed with public institutions and enterprises	1.653.356
B- education and training activities	538.394
Ç- Cooperation activities realized for voluntary works and charities	130.901
D- Cooperation activities realized with foundations, associations, chambers	-
E- sportive activities	-
F- Cultural and art activities	36.585
G- support activities on health and financial matters	3.516
TOTAL	2.362.752

14- In fourteenth article of the agenda related to closing; general assembly meeting is closed with expressing of thanks by Ömer Muzaffer BAKTIR representative of chairman of the meeting ATAER Holding A.Ş.

(signed)
Chairman of the meeting
ATAER Holding A.Ş.
(Representative: Ömer Muzaffer BAKTIR)

(signed)
Ministry representative
Dilek CENGİZ

(signed)
Vote collector
Ahmet Türker ANAYURT

(signed)
Minutes Clerk
Kemal Haluk ERUYGUR