

**İSKENDERUN DEMİR VE ÇELİK ANONİM ŞİRKETİ**  
**ORDINARY GENERAL ASSEMBLY MEETING**

**MEETING MINUTES**

|                         |  |
|-------------------------|--|
| Meeting no              | : 28   |
| Date of the meeting     | : 29 <sup>th</sup> March 2018 - 13:30  |
| Place of the meeting    | : Radisson Blu Hotel Ballroom in İstanbul Asia floor B2<br>Atatürk Mahallesi Yakut Caddesi No. 10 Ataşehir – İstanbul                    |
| Chairman of the meeting | : Erdemir Madencilik Sanayi ve Ticaret A.Ş.<br>(Representative: Sedat ORHAN)<br>Deputy Chairman of Board of directors– Managing director |
| Minutes Clerk           | : Kemal Haluk ERUYGUR<br>Legal Advisor of OYAK   |
| Vote collector          | : Ahmet Türker ANAYURT<br>Representative of Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş.<br>Member of board of directors          |
| Ministry Representative | : Yılmaz AKBAŞ   |

Ordinary general assembly meeting of İskenderun Demir ve Çelik A.Ş. for year 2017 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 Sedat ORHAN who is representative of Deputy Chairman of Board of directors– Managing director Erdemir Madencilik Sanayi ve Ticaret A.Ş., under supervision of Ministry Representative Yılmaz AKBAŞ who is assigned by letter dated 28/03/2018 and no. 33170851 of İstanbul Governorship Provincial Directorate of Commerce.

The meeting is opened by Sedat ORHAN, representative of Deputy Chairman of board of directors and Managing member Erdemir Madencilik Sanayi ve Ticaret 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 06<sup>th</sup> March 2018 and no. 9530 of Turkish Trade Registry Gazette, corporate website of the company at [www.isdemir.com.tr](http://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 276.078.932.841 shares representing the total capital of 2.760.789.328,41 are represented in the meeting upon check of list of attendants as 276.081.925 shares representing the capital of TRY 2.760.819,25 personally and 275.802.850.916 shares representing the capital of TRY 2.758.028.509,16 by proxy, 105.079.400 shares at a value of TRY 1.050.794 included in the total shares is represented by the entrusted representatives and thus minimum meeting quorum foreseen both in the law and Articles of Association of the Company is available;
- that Deputy Chairman of Board of directors– Managing director Erdemir Madencilik Sanayi ve Ticaret A.Ş. (Representative: Sedat ORHAN whose TR identity number is 11609300606), 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 Ömer ARAM (TR identity no. 42037112134) who is representative of company auditor DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Deloitte Touche Tohmatsu) 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 and stand silent; since chairmanship of the meeting shall be executed by Sedat ORHAN who is representative of Deputy Chairman of Board of directors– Managing director Erdemir Madencilik Sanayi ve Ticaret A.Ş. in accordance with provisions of 23<sup>rd</sup> article of Articles of Association of the company and 7<sup>th</sup> 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 2017 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 decided not to read it again in order not to cause to time loss by a majority vote as a result of 276.073.965.941 affirmative votes against 4.966.900 nay votes.

Since no one spoke about activity report; 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 2017; independent audit report is read by minutes clerk Ahmet Türker ANAYURT and 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 2017 accounting year; 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 2017 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 2017 accounting year is submitted to voting of general assembly and it is decided to approve statement of financial position, profit and loss accounts for year 2017 by majority of vote as a result of voting made as a result of 276.073.965.941 affirmative votes against 4.966.900 nay vote.

6- In sixth article of the agenda related to discussion of acquittal of members of board of directors one by one for 2017 accounting year; submitting to voting and making decision about this matter; It is decided to acquit members of board of directors one by one as a result of voting made by a majority vote as a result of 276.073.965.941 affirmative votes against 4.966.900 nay votes. 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 2017 accounting year and of profit distribution dates, submitting to voting and making decision about this matter; proposal dated 29/03/2018 related to distribution of profit for 2017 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 135.351.044 at a rate of 5% over net period profit written in financial statements of year 2017 prepared according to provisions of Tax Procedural Law in accordance with 519<sup>th</sup> article of Turkish Commercial Code and provisions of Capital Market Law;
- to allocate cash shareholder dividend at amount of TRY 2.030.000.000 at a rate of 90,34 % on net distributable period profit in financial statements for year 2017 prepared according to regulations of Capital Market Board;
- to allocate general legal reserve fund at amount of TRY 188.500.000 at a rate of 10% of the exceeding amount in the scope of (c) sub-clause of second clause of 519<sup>th</sup> article of Turkish Commercial Code since allocated cash dividend amount exceeds 5% of paid capital of the company;
- to allocate TRY 28.460.179 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 15<sup>th</sup> December 2018 at the latest;

provided that it shall be in line with decision dated 02/03/2018 and no. 459 of board of directors of the company.

8- In eighth article of the agenda related to voting of determination of numbers of members of board of directors, election for members of board of directors and determination of term of their office and making decision about this matter; after reading of proposal given by Çiğdem KOKER ALPAYDIN who is representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş and proposal given by Nevin AKTÜRK who is representative of Republic of Turkey Prime Ministry Privatization Administration; proposal given by Çiğdem KOKER ALPAYDIN who is representative of Ereğli Demir ve Çelik Fabrikaları T.A.Ş and proposal given by Nevin AKTÜRK who is representative of Republic of Turkey Prime Ministry Privatization Administration were submitted to voting of general assembly; and it is decided by a majority vote as a result of 275.973.853.441 affirmative votes against 105.079.400 nay votes.

- 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 9<sup>th</sup> and 10<sup>th</sup> articles of Articles of Association of the company;
  - ATAER Holding A.Ş. (real person representative: Süleyman Savaş ERDEM), whose TR identity number is 59761270580)
  - Erdemir Madencilik Sanayi ve Ticaret A.Ş. (real person representative: Sedat ORHAN whose TR Identity number is 11609300606)
  - 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 Çiğdem KOKER ALPAYDIN 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 3.350 per month (in advance at the beginning of the relevant month) and to enter the new wages into force as of 01.04.2018.

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 395<sup>th</sup> and 396<sup>th</sup> articles of Turkish Commercial Code, submitting it to voting and making decision about this matter; after reading of the motion given by Çiğdem KOKER ALPAYDIN, 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 395<sup>th</sup> and 396<sup>th</sup> articles of Turkish Commercial Code; it is decided to give permissions which are specified in 395<sup>th</sup> and 396<sup>th</sup> articles of Turkish Commercial Code to members of board of directors by a majority vote as a result of 276.076.089.641 affirmative votes against 2.843.200 nay votes.

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 2018 in accordance with Turkish Commercial Code and Capital Market Law, submitting it to voting and making decision about this matter; the proposal dated 29/03/2018 given by the board of directors in line with decision dated 20/03/2018 and 460 of board of directors is read; it is 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'l 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 by a majority vote as a result of 276.055.630.441 affirmative votes against 23.302.400 nay votes.

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 the company gave guarantee at amount of TRY 82.500.000,00

because of becoming guarantor for credits used by İsdemir Linde Gaz Ortaklığı A.Ş. (İLGAZ) where the company has 50% of shareholding as of 31/12/2017; that total guarantee income obtained in year 2017 in connection with the guarantee given to İLGAZ credits is TRY 227.210,92 and that there is not guarantee, pledge, mortgage and surety given in favor of third persons and incomes and interests acquired for year of 2017 by informing letter dated 29/03/2018 of board of directors in line with its decision dated 20/03/2018 and no. 462.

13- In thirteenth article of the agenda related to giving information to general assembly related to donations and aid made in 2017 and discussion of proposal of board of directors for determining the top limit of donation amount for 2018, submitting it to voting and making decision about this matter; general assembly is informed through informing and proposal letter dated 29/03/2018 of board of directors in line with its decision dated 20/03/2018 and no. 461 that total TRY 1.371.956 of donations and aid are made by the company within year 2017 as mentioned below and top limit determined for year 2017 is not exceeded. As a result of approval of the proposal given by the board of directors on donations and aid to be made in year 2018; it is decided to approve the proposal as is and to determine top limit for donations and aid to be made by the company in year 2018 at a rate of 0,04% (four per ten thousand) of net sales revenue by a majority vote as a result of 275.976.696.641 affirmative votes against 102.236.100 nay votes.

|  | <b>2017</b>       |
|--|-------------------|
|  | <b><u>TRY</u></b> |
| A- Cooperation activities developed with public institutions and enterprises | 445.519           |
| B- education and training activities   | 733.510           |
| Ç- Cooperation activities realized for voluntary works and charities         | 170.340           |
| D- Cooperation activities realized with foundations, associations, chambers  | -                 |
| E- sportive activities   | 10.434            |
| F- Cultural and art activities   | 11.334            |
| G- support activities on health and financial matters                        | 819               |
| TOTAL  | 1.371.956         |

14- In fourteenth article of the agenda related to closing; general assembly meeting is closed with expressing of thanks by Sedat ORHAN who is representative of chairman of the meeting Erdemir Madencilik Sanayi ve Ticaret A.Ş.

(signed)  
Chairman of the meeting  
Erdemir Madencilik Sanayi ve Ticaret A.Ş.  
(Representative: Sedat ORHAN)

(signed)  
Ministry representative  
Yılmaz AKBAŞ

(signed)  
Vote collector  
Ahmet Türker ANAYURT

(signed)  
Minutes Clerk  
Kemal Haluk ERUYGUR