

**EREĞLİ DEMİR VE ÇELİK FABRİKALARI  
TÜRK ANONİM ŞİRKETİ  
SHAREHOLDERS ORDINARY GENERAL ASSEMBLY MEETING**

**MEETING MINUTES**

<b>Meeting No</b>	<b>: 74</b>
<b>Meeting Date</b>	<b>: March 21, 2019 – Time: 15.00</b>
<b>Meeting Place</b>	<b>: Sheraton Grand İstanbul Ataşehir Hotel Balo Salonu Barbaros Mahallesi Mor Sümbül Sokağı No: 1 Ataşehir/İSTANBUL</b>
<b>Chairman</b>	<b>: OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN) Deputy Chairman of the Board and Managing Director</b>
<b>Record Clerk</b>	<b>: Kemal Haluk ERUYGUR OYAK Legal Advisor</b>
<b>Vote Collector</b>	<b>: Cemile Gülşen GÜNEŞ DİNLENMİŞ ERDEMİR Group Head of Legal</b>
<b>Ministry Representative</b>	<b>: İsmail ASLANLAR</b>

Ordinary meeting of 2017 of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. Shareholders General Assembly; within the frame of the relevant regulations and the provisions of the articles of association, at the place and time shown above, under the presidency of the Company's Deputy Chairman of the Board and Managing Director OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN) and in trust of the Ministry Representative İsmail ASLANLAR who was assigned with the writings of Istanbul Governorship Provincial Directorate of Trade dated 20.03.2019 and with number 00042753778, was performed.

- About the announcement of hereby the ordinary meeting of the Shareholders General Assembly; in line with the Turkish Trade Law and the Capital Market Law and the Articles of Association, announced in the 27 February 2019 dated and 9776 numbered issue of the Turkish Commercial Registry Gazette, in the 27 February 2019 dated issues of the newspapers Hürriyet and Dünya, on company's corporate web site ([www.erdemir.com.tr](http://www.erdemir.com.tr)), on the e-Company portal and e-GEM of Central Registry Agency and the place, time and the agenda of the meeting and the sample of the procuration are written in these announcements and all legal procedures are completed,
- According to the arranged List of Attendants; on the point of 54.942.939,8 shares which represent the capital of TRY 549.429,398 as principle, 229.387.875.761,2 shares which represent the capital of TRY 2.293.878.757,612 as representative, totally 229.442.818.701 shares which represent TRY 2.294.428.187,01 and 56.668.692.928,9 shares which represent the depositors of TRY 566.686.929,289 as representative are present herein this meeting,
- Deputy Chairman of the Board and Managing Director OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN, Republic of Turkey ID No: 30758457818), Board Member of OMSAN Lojistik A.Ş. (Representative: Aslıhan DÖĞER, Rep. of Turkey ID No: 51091413576) with the Company Auditor DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Deloitte Touche Tohmatsu) representative Volkan BECERİK with Rep. of Turkey ID No: 22363345604 were present in the meeting,

**Also determined and confirmed by the Ministry Representative, the meeting was opened by the Deputy Chairman of the Board and Managing Director OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN).**

1- In the first article of the agenda about **Opening, Formation of the General Assembly Meeting Chairmanship**; as required by the 25<sup>th</sup> article of the Articles of Association with the 7<sup>th</sup> article of the Internal Directive of the General Assembly of the Company, the duty of the Chairman of the Meeting was assumed by the Chairman of OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN) and by the Chairman of the Meeting, OYAK Legal Advisor Kemal Haluk ERUYGUR for Record Clerk, Erdemir Group Head of Legal Cemile Gülşen GÜNEŞ DİNLENMİŞ for the Vote Collector, were assigned.

2- In the second article of the agenda about **The Authorization of Meeting Chairmanship for Signing of the Meeting Minutes and Other Documents**; it was with 229.239.450.701 votes accepting against 203.368.000 votes rejecting, decided by majority of votes to authorize the constituted Presidency of the Meeting for signing the meeting minutes herein of this meeting and other documents on behalf of those who are present.

3- In the third article of the agenda about **Reading and Discussion of the 2018 Board of Directors' Annual Activity Report**; since the activity report was presented to the shareholders before the meeting and given to the shareholders who requested for, the subject that there was no need to read it again was submitted for the General Assembly's approval and decided by majority of votes with 227.955.108.401 votes accepting against 1.487.710.300 votes rejecting.

Shareholder Oktay YÜCEL was promised by the Chairman of the Meeting on the Annual Report; Oktay Yücel proposed a summary statement regarding the Board of Directors' Annual Report, and the Chairman of the Meeting stated that the activity report was submitted to the information of all shareholders before the meeting and that the proposal for the next general assembly meetings would be evaluated and the following agenda article was discussed.

4- In the fourth article of the agenda about **Reading of the 2018 Independent Audit Report**; since Independent Audit Report was presented to the shareholders before the meeting and given to the shareholders who requested for, the subject that there was no need to read it again was submitted for the General Assembly's approval and decided by majority of votes with 227.955.065.701 votes accepting against 1.487.753.000 votes rejecting.

5- In the fifth article of the agenda about **Reading, Discussion, Submission to Voting and Resolving the Balance Sheet and Profit & Loss Accounts Separately for the Financial Year of 2018**; since the Balance-Sheet and the Profit and Loss Accounts for the year 2018 was presented to the shareholders before the meeting and given to the shareholders who requested for, the subject that there was no need to read it again was submitted for the General Assembly's approval and decided by majority of votes with 228.158.390.698,3 votes accepting against 1.284.428.002,7 votes rejecting. Since there was nobody who asked to speak about the subject, the confirmation of the Balance-Sheet and the Profit and Loss Accounts of the year 2018 were submitted to the vote of the General Assembly and as result of the voting, it was decided by majority of votes to accept the Balance-Sheet and the Profit and Loss accounts with 228.158.476.401 votes accepting against 1.284.342.300 votes rejecting.

6- In the sixth article of the agenda about **Discussion, Submission to Voting and Resolving the Acquittal of Members of the Board of Directors Separately for the Financial Year of 2018**; the quittances of the Members of the Board were submitted for the approval of the General Assembly and as result of the voting performed, they were unanimously approved with 228.390.590.901 votes accepting against 1.052.227.800 votes rejecting. The Members of the Board did not vote for their own quittances.

Shareholder Oktay YÜCEL, by requesting the Chairman of the Meeting, in the discussion of the Acquittal of Members of the Board of Directors, proposed that the names of the Members

of the Board of Directors are read and voted separately; and the following agenda article was discussed.

**7-** In the seventh article of the agenda about **Discussion, Submission to Voting and Resolving the Proposal of Board of Directors for the Distribution of Profit for the Year 2018 and Dividend Payment Date**; following the reading of the Board's offer dated 21.03.2019 about dividing and distributing the profit of the year 2018, as result of voting of the offer, being in the direction of the decision of the Company's Board dated 25.02.2019 and with number 9613, with 229.442.818.701 votes unanimously accepting, it was decided by majority of votes that;

It is understood that the company's activities for the year 2018 were concluded with a TRY 5.656.420.668 net profit according to financial statements prepared in accordance with the provisions of the tax procedure law and TRY 5.597.990.227 net profit according to financial statements prepared in accordance with the provisions of the capital market board communiqué numbered II.14.1:

- As a result of reaching the 20% limit of the paid-in capital, in accordance with 519th article of the Turkish Trade Law and provisions of Capital Markets Board, to allocate general legal reserve fund of TRY 140.835.350 at a rate of 5% on net profit of the year originated in financial statements of the year 2018 issued in accordance with provisions of the Tax Procedure Law,
- to allocate TRY 4.830.000.000 (TRY 1.712.892.466 of the withholding pursuant to the Temporary Article 61 of the Income Tax Law) cash shareholder dividend at a rate of 88.507658% on the net distributable net profit of the year in financial statements of 2018 which were prepared according to legislations of Capital Markets Board,
- Due to the allocated cash dividend is more than 5% of the company's paid-in capital, in accordance with the second paragraph clause (c) of article 519th of the Turkish Trade Law, to allocate the 10% of this excess amount of TRY 465.500.000 as a general legal reserve.
- TRY 161.654.877, which is left after the separation of the first appropriation of legal reserves and first dividend to shareholders, will be put aside as an extraordinary reserves,
- To determine the dividend payment date, which will be as lump sum no later than 15 December 2019, to be determined by the Board of Directors after the General Assembly considering the cash projection of the Company.

Shareholder Oktay YÜCEL, by requesting the Chairman of the Meeting, Oktay YÜCEL suggested that the date of distribution of the dividend be announced and the distribution date should be determined as soon as possible. The Meeting Chairman stated that the date of dividend distribution will be determined by the Board of Directors at the best time in favor of shareholders considering the cash flow of the Company.

**8-** In the eighth article of the agenda about **Discussion, Submission to Voting and Resolving the Determination of the Number of the Board Members, Their Term of Office and Election of the Board Members in Accordance with the Legislation Provisions**; following the reading of the offer which was given by the Representative of ATAER Holding A.Ş. Işıl Güneş EFE offer submitted for the approval of the General Assembly and as result of the voting performed and according to the provisions of the 10th and the 11th articles of the Articles of Association;

- To be elected to serve as an Independent Board Member for 1 year;
  - Yunus ARINCI Rep. of Turkey ID No: 20744477364
  - Ali FİDAN Rep. of Turkey ID No: 17377659106
  - Kurtuluş Bedri VAROĞLU Rep. of Turkey ID No: 22564352098

It was decided by a majority of votes with 224.429.908.934 votes accepting against 5.012.909.767 votes rejecting. After the vote, Shareholder Seyit Ali AKYILDIZ took the floor

and stated that he did not find it appropriate not to have the Independent Board Members to be present at the meeting.

- 9-** In the ninth article of the agenda about **Discussion, Submission to Voting and Resolving the Remuneration of the Members of Board of Directors**; the offer which was given by the Representative of ATAER Holding A.Ş. Işıl Güneş EFE was read and since there was no other offer, offer was submitted for the approval of the General Assembly and being in the direction of the offer it was decided by majority of votes with 182.789.681.372,1 votes accepting against 46.653.137.328,9 votes rejected that;

Not to pay wages to the General Assembly Members representing B Group shares, to determine the wage to be paid to the General Assembly Members representing A Group shares as TRY 4.000 net monthly (in the beginning of the relevant month, in advance), and to determine the wage to be paid to the Independent Members of the Board to be TRY 8.800 net monthly (in the beginning of the relevant month, in advance) and the new wages to be put into practice from the date 01.04.2019.

- 10-** In the tenth article of the agenda about **Submission to Voting and Resolving for Granting Authority to the Members of the Board of Directors in Accordance with Article 395 and Article 396 of the Turkish Commercial Code**; following the offer given by the representative of ATAER Holding A.Ş. Işıl Güneş EFE, within the frame of the 395<sup>th</sup> and the 396<sup>th</sup> articles of the Turkish Trade Law and the arrangements of the Capital Market Board; as result of the voting performed, it was decided by majority of votes with 221.143.684.601 votes accepting against 8.299.134.100 votes rejecting to give permissions which are mentioned in the 395<sup>th</sup> and 396<sup>th</sup> articles of the Turkish Commercial Law for the Board Members that the company and the board members can do business both on behalf of themselves and others, take action for a kind of commercial affair which falls into the subject of operation of the company on their own or other's account and become a partner of which the responsibility is unlimited of a company which deals with the same kind of business as of the company.

- 11-** In the eleventh article of the agenda about **Discussion, Submission to Voting and Resolving the Proposal of Board of Directors for the Election of an Independent External Auditor for Auditing of Company's Accounts and Transactions for 2019 in Accordance with the Turkish Commercial Code and Capital Market Law**; following the reading of the offer of the Board dated 21.03.2019 in the direction of the decision of the Board dated 18.03.2019 with number 9617, as result of the voting performed, it was decided by majority of votes with 182.049.368.172,1 votes accepting against 47.393.450.528,9 votes rejecting to totally accept the offer and within the frame of the relevant provisions of the Turkish Commercial Code and the Capital Market Law, Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its subsidiary companies to select DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A Member of Deloitte Touche Tohmatsu) (Mersis No: 0291001097600016, Trade Registry Number: 304099, Tax Identification Number: 291 001 0976) whose office is at Eski Büyükdere Caddesi Maslak Mahallesi No:1 maslakno1 Plaza Maslak 34398 Sarıyer/İstanbul for the independent external audit services for the year 2019.

- 12-** In the twelfth article of the agenda about **Informing the General Assembly on Guarantee, Pledge and Mortgages Granted in Favor of the Third Parties and of Any Benefits or Income thereof**; information about the subjects below was received from the informing writing of the Board dated 21.03.2019 in the direction of the decision of the Board dated 18.03.2019 with number 9618; related to the year 2018; Ereğli Demir ve Çelik Fabrikaları T.A.Ş. with TRY 48.343.391, İskenderun Demir ve Çelik A.Ş. with TRY 34.342.975, Erdemir Madencilik Sanayi ve Ticaret A.Ş. with TRY 21.129.152 and Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. with TRY 54.600 companies which give warrants, deposits and hypothecs on behalf of their own legal entities and the warrant, deposit and hypothec balance of TRY 103.870.118 in total has been reached,

Because of becoming warrantor for some credits used by ISDEMiR which ERDEMiR included in the scope of exact consolidation as of the date of 31.12.2018, ERDEMİR has given warranty of TRY 37.135.799 and in connection with the warranty given intended for ISDEMiR credits, the total warranty income obtained in 2018 is TRY 314.588,

General Assembly is informed about that there are no warranty, deposit and hypothecs given with the aim to carry on ordinary commercial activities and with the aim to provide the depth of third persons and there are no other warranty, deposit and hypothecs

**13-** In the thirteenth article of the agenda about **Informing the General Assembly Regarding the Donations and Contributions Made in 2018 and Submission to Voting and Resolving the Limit of Donations to be Made between 01.01.2019-31.12.2019**; from the informing writing of the Board dated 21.03.2019 in the direction of the decision of the Board dated 18.03.2019 with number 9619;

	<b>2018 TRY</b>	<b>2017 TRY</b>
A-Training and Teaching Activities	240.949	79.974
B-Cooperation Activities Developed with Public Institutions and Foundations	540.393	688.102
C-Cultural and Artistic Activities	-	-
Ç-Voluntary Works and Cooperation Activities Realized Intended for Charities	339.937	273.345
D-CooperationActivities Realized with Charitable Foundations, Associations, Chambers andInstitutions	167.803	81.501
E-Sporting Activities	52.008	24.349
<b>TOTAL</b>	<b>1.341.090</b>	<b>1.147.271</b>

As it is shown, information has given to the General Assembly that within the year 2018, TRY 1.341.090 donation and aid has been made totally and the determined upper limit has not been exceeded. As result of the voting about the donations and aids which will be made between 01.01.2019-31.12.2019, it was decided to accept the offer by majority of votes with 175.105.582.172,1 votes accepting against 54.337.236.528,9 votes rejecting and to bring an upper limit to the total of donations which the company shall make between 01.01.2019-31.12.2019 and this upper limit shall be 0,04% (four per ten thousand) of the solo net sales revenue.

Shareholders Besim TAŞDEMİR, who participated in the General Assembly Meeting via electronic voting, has read the written proposal attached to the present article in the annex of this report regarding the 13th article of the agenda sent to the General Assembly by Vote Collector Cemile Gülşen GÜNEŞ DİNLENMİŞ.

**14-** In the fourteenth article of the agenda about **Closure**, the General Assembly meeting was closed with the thanks speech of the Chairman of the OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN).

**Appendix:** - Shareholder Seyit Ali AKYILDIZ's petition

- Shareholder Besim TAŞDEMİR's proposal on article 13 of the agenda.

Chairman of the Meeting

Ministry Representative

OYAK Pazarlama Hizmet ve Turizm A.Ş.  
(Representative: Toker ÖZCAN)

İsmail ASLANLAR

Vote Collector

Record Clerk

Cemile GÜNEŞ DİNLENMİŞ

Kemal Haluk ERUYGUR