

TOFAŞ
TÜRK OTOMOBİL FABRİKASI A.Ş.
52ND ORDINARY GENERAL ASSEMBLY MEETING
18.03.2020

MINUTES OF THE MEETING

Ordinary General Assembly Meeting of TOFAŞ Türk Otomobil Fabrikası A.Ş. for the year **2019** was held on **March 18, 2020** Wednesday at **10.30** at the Company Headquarters at Büyükdere Caddesi Tofaş Han No:145 Zincirlikuyu 34394 Şişli - Istanbul with the supervision of **Ms. Güner Kaki**, the Representative of the Ministry of Trade appointed by the letter of Istanbul Provincial Directorate of Trade numbered 53301614 and dated March 17, 2020.

The meeting invitation has been made by inclusion of the agenda in a timely manner which is minimum 21 days prior to the date of the General Assembly Meeting as required by the Law and Articles of Association, on Turkish Trade Registry Gazette numbered 10023 and dated 25.02.2020 and on the Company's web site (www.tofas.com.tr), Merkezi Kayıt Kuruluşu A.Ş.'s Company Portal, EGKS (Electronic General Assembly System) and KAP (Public Information Platform).

As a result of examination of the List of Attendants, it has been understood that, of the 50,000,000,000 shares representing the Company's issued capital of TL 500,000,000 each with a nominal value of 1 Kuruş, 96,133 shares representing a capital of TL 961.33 were present and 44,289,478,474 shares representing a capital of TL 442,894,784.74 were represented by proxy thereat and therefore 44,289,574,607 shares representing a capital of TL 442,895,746.07 and the minimum quorum for the meeting required by both the Law and the provisions of the Articles of Association was thus present. It has been announced that shares representing an amount of TL 64,333,071 were represented by entrusted representatives.

It is understood that the Company has taken the necessary measures regarding Electronic General Assembly as per Paragraphs 5 and 6 of Article 1527 of the Turkish Commercial Code. Board Member **Mr. İsmail Cenk Çimen** has appointed **Mr. Chakan Bekiroglou**, who has "Central Registry Agency Electronic General Assembly Certificate Expertise" to use the Electronic General Assembly System and the meeting has been opened both physically and electronically.

Board Member **Mr. İsmail Cenk Çimen** has provided information on the method of voting. As required by the Law and the Articles of Association, with the regulations on counting of electronic votes reserved, Shareholders present at the meeting were requested to vote by raising hand and vote negatively by expressing in word.

The following resolutions were made following the discussions on agenda items.

- 1) The Meeting Chairman was elected as per Agenda Article 1. **Mr. Chakan Bekiroglou** representing Company Shareholder Temel Ticaret ve Yatırım A.Ş. has submitted his proposal for Meeting Chairmanship. The proposal was voted and **Mr. İsmail Cenk Çimen** was unanimously elected as General Assembly Meeting Chairman with TL 442,895,295.07 positive votes against TL 451 negative votes.

The Chairman appointed **Mr. Cengiz Eroldu** and **Mr. Fabrizio Renzi** as Vote Collectors and **Mr. Dođu Özden** as Meeting Minutes Recorder as per Article 7 of the General Assembly Internal Regulation.

Meeting Chairman notified that the documents relevant to the agenda items to be discussed at the General Assembly meeting were available. Meeting Chairman also notified that Board Member **Mr. Cengiz Eroldu**, and **Mr. Ethem Kutucular** representing Güney Bađımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) were present at the meeting. It was notified that other Board Members were not available at the meeting due to their excuses.

The Chairman thanked those present and the meeting proceeded to the 2nd article of Agenda.

- 2) The Chairman informed at the General Assembly Meeting that, as per the 2nd article of the Agenda, 2019 Activity Report of the Company was publicly announced 21 days prior to the General Assembly Meeting (at Public Disclosure Platform, corporate web site www.tofas.com.tr, Merkezi Kayıt Kuruluşu A.Ş. Electronic General Assembly System and the Activity Report booklet in printed form). Board of Directors Report section of Activity Report on 2019 activities of the Company was read by the Meeting Minutes Recorder. 2019 Activity Report was opened for discussion. The queries of the shareholder attending the meeting electronically were responded by the Company's CEO Mr. Cengiz Eroldu.

2019 Activity Report was voted and approved with TL 202,863 negative votes and TL 442,692,883.07 positive votes.

- 3) As per the 3rd article of the Agenda, the Chairman requested that the summary of the Independent Audit report on 2019 activities by Güney Bađımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) was read. The summary report by the Independent Audit Company was read by **Mr. Ethem Kutucular**.

This item of the Agenda is not subject to voting and only for information purposes.

- 4) The Chairman informed at the General Assembly Meeting that, as per the 4th article of the Agenda, 2019 Financial Tables of the Company were publicly announced minimum 21 days prior to the General Assembly Meeting (at Public Disclosure Platform, corporate web site www.tofas.com.tr, Merkezi Kayıt Kuruluşu A.Ş. Electronic General Assembly System and the Activity Report booklet in printed form). Meeting Minutes Recorder **Mr. Dođu Özden** read the summary of the balance sheet and income statement. Financial Tables were opened for discussion and no one requested to take the floor.

At the end of the discussions held, 2019 Financial Tables and financial accounts prepared in accordance with the Tax Procedure Law were approved with TL 202,862 negative votes and TL 442,692,884.07 positive votes.

- 5) The Chairman has presented the release of the Members of the Board of Directors for the activities in 2019 to the approval of the General Assembly.

Each member of the Board of Directors has not exercised their voting rights arising from their shares and has been released individually with the resolution of other shareholders

present at the meeting, with TL 329,279 negative votes and TL 442,372,126.71 positive votes.

- 6) As per the Agenda, the meeting proceeded with the discussion of 2019 profit distribution proposal prepared by the Board of Directors on profit distribution and date of distribution in line with the Company's profit distribution policy and announced to the public minimum 21 days prior to the General Assembly Meeting (via Public Information Platform, Company web site (www.tofas.com.tr), Merkezi Kayıt Kuruluşu A.Ş. Electronic General Assembly System and the printed Activity Report booklet).

As per the consolidated financial statements for the period from 01.01.2019 to 31.12.2019 prepared by the Company Management in accordance with "Communique on Financial Reporting in Capital Market" numbered II - 14.1 and "Communique on Dividends" numbered II-19.1 by the Capital Markets Board and Turkish Financial Reporting Standards (TFRS) and audited by Independent Audit Company Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited), consolidated net term profit of the main partnership is TL 1,481,639,000 and as per the profit distribution offer prepared in accordance with the Capital Markets Board regulations and the Company's profit distribution policy and the attached profit distribution table:

The dividend basis is TL 1,488,346,127 as calculated by adding the donations of TL 6,707,127 to the period net profit of TL 1,481,639,000 as per the financial tables created in accordance with TFRS; and the net distributable profit is TL 1,202,445,125 as per the financial tables created in accordance with VUK records; and in this respect;

In accordance with the Capital Markets legislation and Article 18 of the Company's Articles of Association and the Company Profit Distribution Policy approved by the shareholders at the General Assembly dated 28.03.2014;

TL 1,200,000,000 dividends for shareholders,
TL 117,500,000 legal reserves,
allocation will be as above,

TL 1,200,000,000 of dividends payable to shareholders will be fully paid in cash;

Based on our VUK records, TL 1,095,404,659 of TL 1,200,000,000 of dividends payable to shareholders will be covered by the current year profits, and TL 104,595,341 will be covered by the reserves; and TL 107,040,466 of TL 117,500,000 secondary legal reserves will be covered by the current year profits, and TL 10,459,534 will be covered by the reserves;

TL 164,139,000 remaining from the current year profit as per the financial tables created in accordance with TFRS after setting aside the dividends for shareholders and secondary legal reserves will be set aside as extraordinary reserves;

And therefore,

For fully-responsible taxpayer enterprise shareholders, and limited taxpayer enterprise shareholders receiving dividend through an office and permanent representative in Turkey; a gross=net dividend amounting to TL 2.40 and at a rate of 240% will be payable for each share with a nominal value of TL 1.00 and for other

shareholders; a gross dividend amounting to TL 2.40 and at a rate of 240%; a net dividend amounting to TL 2.04 and at a rate of 204% will be payable for each share with a nominal value of TL 1.00;

Dividends will be paid on 25.03.2020;

The above proposal was unanimously approved with TL 450 negative votes and TL 442,895,296.07 positive votes.

- 7) The Chairman notified that the discussion on the number of Board Members, term of assignment and election as per the decided number and election of the Independent Board Members was started.

Mr. Chakan Bekiroglou, representing Company Shareholder Temel Ticaret ve Yatırım A.Ş., read his proposal regarding the number of members of the Board of Directors and Board memberships. It was decided that in accordance with the Articles of Association, the Board of Directors will consist of 10 (ten) members, 2 (two) of which will be independent as per the Capital Markets Board regulations, and their term will be 1 (one) year until the General Assembly Meeting to be held to discuss 2020 activities, and the selected members of the Board of Directors are Mr. Mehmet Ömer KOÇ, Mr. Levent ÇAKIROĞLU, Mr. Temel Kamil ATAY, Mr. İsmail Cenk ÇİMEN representing Group A shareholders, and Mr. Pietro GORLIER, Mr. Davide MELE, Mr. Giorgio FOSSATI, Mr. Cengiz EROLDU representing Group D shareholders, and independent members Ms. Neslihan TONBUL and Mr. Sergio DUCA with TL 40,392,628 negative votes and TL 402,503,118.07 positive votes.

It was notified that the resumes were publicly announced minimum 21 days prior to the General Assembly Meeting (at Public Disclosure Platform, corporate web site (www.tofas.com.tr) Merkezi Kayıt Kuruluşu A.Ş. Electronic General Assembly System and the Activity Report booklet in printed form) and with the letter of the Capital Markets Board dated 31.01.2020, "it is decided not to express any adverse opinion" regarding the independent Board Members.

- 8) Within the scope of "Remuneration Policy for the Members of the Board of Directors and Top Level Managers" notified to and submitted to the approval of the shareholders at the General Assembly dated 13.03.2019 and as per the Corporate Governance principles, Shareholders were informed that, as specified in footnote 27 of the financial tables, Board Members and Top Level Managers were provided with total benefits of TL 43,588,000 in 2019. Remuneration Policy and the payments made within the frame of the policy were approved with TL 484,096 negative votes and TL 442,411,850.07 positive votes.
- 9) Regarding item 9 of the agenda, **Mr. Chakan Bekiroglou**, representing the company shareholder Temel Ticaret ve Yatırım A.Ş., declared his offer regarding remuneration of Board Members as per the Remuneration Policy for Board Members and Top-Level Managers. The proposal was put to vote and it was decided that each Board Member will be paid an annual gross amount of TL 540,000 in equal installments beginning with the month following the General Assembly meeting with TL 42,826,928 negative votes and TL 400,068,818.07 positive votes.
- 10) As per the Turkish Commercial Code, Capital Markets Law and the Capital Markets Board regulations and in accordance with the proposal by the Committee Responsible for Auditing and with the Board Decision 21.02.2020, Güney Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited) located at Maslak Mah. Eski Büyükdere Cad. No.27 D.54-57-59 Kat 2-3-4 Sarıyer İstanbul and registered at İstanbul Trade Registry with the registration number 479920 was assigned as the independent auditing organization for 2020 for auditing the financial reports of the Company and performing other activities required as per such regulations and it was decided to conclude an agreement with the same with TL 1,526,731 negative votes and TL 441,369,015.07 positive votes.

11) As per the Capital Markets Board regulations, the General Assembly was informed that the Company has made donations of TL 6,707,127 in 2019 and of the primary institutions to which the Company made donations in accordance with the related paragraphs of Company's Articles Association and the Company's Donation Policy for social responsibility purposes. Furthermore, **Mr. Chakan Bekiroglou**, representative of Company Shareholder Temel Ticaret ve Yatırım A.Ş. read his proposal to set the upper limit for donations in 2020 to 0.2% of the previous year revenue and submitted the proposal to the approval of the General Assembly. The proposal was approved with TL 58,891,807 negative votes and TL 384,003,939.07 positive votes.

12) Informing the Shareholders on assurances, pledges, securities and indemnities supplied by the Company and its affiliates in favor of third parties and the profits and benefits gained in 2019 is required as per the Capital Markets Board regulations and this information was provided in footnote 15 of the Financial Tables dated 31.12.2019.

This item of the Agenda is not subject to voting and only for information purposes.

13) Authorization of the majority shareholders, members of the Board of Directors, top level managers and their spouses and up-to-second-degree relatives within the frame of Turkish Commercial Code Articles 395 and 396 was approved with TL 16,342,448 negative votes and TL 426,553,298.07 positive votes.

As per the Capital Markets Board's Corporate Governance Communique, the General Assembly was informed that certain majority shareholders, members of the Board of Directors, administrative managers and their spouses and up-to-second-degree relatives are assigned as board members or executives at other Fiat Group and Koç Group companies including those operating in the similar business with the Company and that there is no significant transaction which requires notification as per principle 1.3.6 of the Corporate Governance Communique in 2019.

14) Participants presented their wishes about the activities, operations and continued success of the Company in accordance with this item of the agenda regarding the wishes and opinions. The queries of the shareholders attending the meeting physically were responded by the Company's CEO Mr. Cengiz Eroldu.

As there was no further item to discuss, the Chairman closed the meeting.

These minutes were issued and signed after the meeting at the place thereof. **18.03.2020**

İSMAİL CENK ÇİMEN
MEETING CHAIRMAN

GÜNER KAKI
MINISTRY REPRESENTATIVE

**CENGİZ EROLDU
VOTE COLLECTOR**

**FABRIZIO RENZI
VOTE COLLECTOR**

**DOĞU ÖZDEN
MEETING MINUTES RECORDER**

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2019 Dividend Distribution Proposal Table (TL)			
1. Paid-in/Issued Capital		500.000.000	
2. Total Legal Reserves (According to Tax Book)		366.783.458	
If there is dividend privilege in the Articles of Association, information regarding this			
		According to CMB	According to Tax Book
3.	Current Period Profit	1.456.555.000	1.214.622.956
4.	Taxes Payable (-)	-25.084.000	12.177.831
5.	Net Current Period Profit (=)	1.481.639.000	1.202.445.125
6.	Losses in Previous Years (-)		
7.	Primary Legal Reserves (-)		
8.	NET DISTRIBUTABLE CURRENT PERIOD (=)	1.481.639.000	1.202.445.125
9.	Donations Made during the Year (+)	6.707.127	
10.	Donation-Added Net Distributable Current Period Profit on which First Dividend is Calculated	1.488.346.127	
11.	First Dividend for Shareholders		
	- Cash	1.200.000.000	25.000.000
	- Stock		
	- Total	1.200.000.000	25.000.000
12.	Dividend Distributed to Owners of Privileged Shares		
13.	Other Dividend Distributed		
	- To the Members of the Board of Directors,		
	- To the Employees		
	- To None Shareholders		
14.	Dividend to Owners of Redeemed Shares		
15.	Second Dividend for Shareholders		1.070.404.659
16.	Secondary Legal Reserves	117.500.000	107.040.466
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	164.139.000	
20.	Other Distributable Resources	0	104.595.341
	- Retained Earnings		
	- Extraordinary Reserves		
	- Other distributable reserves in accordance with the Law and the Articles of Association		104.595.341
21.	Legal Reserves From Other Distributable Resources	0	10.459.534
	- Retained Earnings		
	- Extraordinary Reserves		
	- Other distributable reserves in accordance with the Law and the Articles of Association		10.459.534

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2019 Dividend Rates Table						
	SHARE GROUP	DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT (TL)/ NET DISTRIBUTABLE	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF 1 TL	
		CASH (TL)	STOCK (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET *	A (real person)	2.378.726		0,16	2,0400	204,00
	A (legal entity)	451.473.155		30,47	2,4000	240,00
	D	386.130.908		26,06	2,0400	204,00
	E	247.738.184		16,72	2,0400	204,00
	TOTAL	1.087.720.973	0	73,41	0	0

(1) There is no privileged share group in profits

(2) Dividend amounts to be distributed to A, D and E groups are shown as consolidated.

(3) No withholding tax will be applied as Group A shares which correspond to 37.62% of the capital belong to full-fledged legal persons. And as Group A shares which correspond to 0.23% of the capital belong to full-fledged real persons, 15% withholding tax will be applied,

(4) 15% withholding tax is applied by taking into account that all Group D shares belong to limited liability real persons.

(5) 15% withholding tax is applied accepting that all Group E public shares belong to real persons.