

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

MEETING MINUTES

Meeting No	: 74
Meeting Date	: March 30, 2018 – Time: 14.00
Meeting Place	: Radisson Blu Hotel, Istanbul Asia Floor:Ballroom at B2 Atatürk Mahallesi Yakut Caddesi No:10 Ataşehir/ISTANBUL
Chairman	: OYAK Pazarlama Hizmet ve Turizm A.Ş. (Representative: Toker ÖZCAN) Deputy Chairman of the Board and Managing Director
Record Clerk	: Kemal Haluk ERUYGUR OYAK Legal Advisor
Vote Collector	: OMSAN Lojistik A.Ş. Representative Ahmet Türker ANAYURT Board Member
Ministry Representative	: Hatice ÖNDER

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 Hatice ÖNDER who was assigned with the writings of Istanbul Governorship Provincial Directorate of Trade dated 29.03.2018 and with number 33199620, 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 07 March 2018 dated and 9531 numbered issue of the Turkish Commercial Registry Gazette, in the 07 March 2018 dated issues of the newspapers Hürriyet and Dünya, on company's corporate web site (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 9.080.199 shares which represent the capital of 90.801,99 TL as principle, 237.424.383.775,1 shares which represent the capital of 2.374.243.837,751 TL as representative, totally 237.433.463.974,1 shares which represent 237.433.463.974,1 TL and 64.705.200.942,8 shares which represent the depositors of 647.052.009,428 TL 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), Member of the Board OMSAN Lojistik A.Ş. (Representative: Ahmet Türker ANAYURT, Rep. of Turkey ID No: 11146088302) 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 25th article of the Articles of Association with the 7th 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, OMSAN Lojistik A.Ş. representative Ahmet Türker ANAYURT 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 237.324.123.674,1 votes accepting against 109.340.300 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 2017 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 235.976.468.974,1 votes accepting against 1.456.995.000 votes rejecting.

Since nobody asked to speak about the Report, the next agenda article was discussed.

- 4- In the fourth article of the agenda about **Reading of the 2017 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 235.976.468.974,1 votes accepting against 1.456.995.000 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 2017**; since the Balance-Sheet and the Profit and Loss Accounts for the year 2017 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 235.976.468.974,1 votes accepting against 1.456.995.000 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 2017 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 235.976.468.974,1 votes accepting against 1.456.995.000 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 2017**; 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 236.635.669.074,1 votes accepting against 797.794.900 votes rejecting. The Members of the Board did not vote for their own quittances.

- 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 2017 and Dividend Payment Date**; following the reading of the Board's offer dated 30.03.2018 about dividing and distributing the profit of the year 2017, as result of voting of the offer, being in the

direction of the decision of the Company's Board dated 05.03.2018 and with number 9530, with 237.324.091.171,4 votes accepting against 109.372.802,7 votes rejecting, it was decided by majority of votes that;

It is understood that the company's activities for the year 2017 were concluded with a 3.212.876.603 TL net profit according to financial statements prepared in accordance with the provisions of the tax procedure law and 3.753.754.952 TL net profit according to financial statements prepared in accordance with the provisions of the capital market board communiqué numbered II.14.1:

- In accordance with 519th article of the Turkish Trade Law and provisions of Capital Markets Board, to allocate general legal reserve fund of TRY 160.643.830 at a rate of 5% on net profit of the year originated in financial statements of the year 2017 issued in accordance with provisions of the Tax Procedure Law,
- to allocate cash shareholder dividend of TRY 2.790.666.157 from the distributable net profit of the year in financial statements of 2017 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 261.566.616 as a general legal reserve.
- TRY 540.878.349 ,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 distribute the dividend of TRY 1.435.000.000 which is the %99,1872 of the net distributable profit to the shareholders from the first dividend of TRY 1.331.145.345 and from the second dividend of TRY 103.854.655 obtained from other resources anticipated to be distributed,
- By using the other distributable funds, TRY 14.933.284 will be allocated from TRY 164.267.227, which is the total of TRY 138.512.704 from extraordinary reserves, TRY 25.754.523 from other reserves, the remaining amount of TRY 149.333.843 will be distributed as additional dividend,
- To distribute the dividend to the shareholders amounting to TRY 2.949.000.000 in total from the first dividend of TRY 2.790.666.157; from the second dividend of TRY 149.333.843 obtained from other resources anticipated to be paid additionally,
- To determine the dividend payment date, which will be as lump sum no later than December 15th 2018, to be determined by the Board of Directors after the General Assembly considering the cash projection 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 231.015.467.433,9 votes accepting against 6.417.996.540,2 votes rejecting.

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 185.124.637.231,3 votes accepting against 52.308.826.742,8 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 3.350 TL 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 7.400 TL net monthly (in the beginning of the relevant month, in advance) and the new wages to be put into practice from the date 01.04.2018.

- 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 395th and the 396th 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 227.608.461.774,1 votes accepting against 185.124.637.231,3 votes rejecting to give permissions which are mentioned in the 395th and 396th 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 2018 in Accordance with the Turkish Commercial Code and Capital Market Law**; following the reading of the offer of the Board dated 30.03.2018 in the direction of the decision of the Board dated 20.03.2018 with number 9533, as result of the voting performed, it was decided by majority of votes with 217.350.666.774,1 votes accepting against 20.082.797.200 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 2018.
- 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 30.03.2018 in the direction of the decision of the Board dated 20.03.2018 with number 9534; related to the year 2017; Ereğli Demir ve Çelik Fabrikaları T.A.Ş. with 45.035.890 TL, İskenderun Demir ve Çelik A.Ş. with 64.349.270 TL, Erdemir Madencilik Sanayi ve Ticaret A.Ş. with 6.822.825 TL and Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. with 54.600 TL companies which give warrants, deposits and hypothecs on behalf of their own legal entities and the warrant, deposit and hypothec balance of 116.262.585 TL 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 31.12.2017, ERDEMİR has given warranty of 93.835.423 TL and in connection with the warranty given intended for ISDEMiR credits, the total warranty income obtained in 2017 is 1.783.644 TL,

227.087 TL is earned in 2017 because of becoming warrantor of 82.500.00 TL credit used by ISDEMİR's joint venture İsdemir Linde Gaz Ortaklığı A.Ş.

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 2017 and Submission to Voting and Resolving the Limit of Donations to be Made in 2018**; from the informing writing of the Board dated 30.03.2018 in the direction of the decision of the Board dated 20.03.2018 with number 9535;

	2017 TL	2016 TL
A-Training and Teaching Activities	79.974	84.392
B-Cooperation Activities Developed with Public Institutions and Foundations	688.102	528.444
C-Cultural and Artistic Activities	-	-
Ç-Voluntary Works and Cooperation Activities Realized Intended for Charities	273.345	232.375
D-Cooperation Activities Realized with Charitable Foundations, Associations, Chambers and Institutions	81.501	88.098
E-Sporting Activities	24.349	32.746
TOTAL	1.147.271	966.055

As it is shown, information has given to the General Assembly that within the year 2017, 1.147.271 TL 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 at 2018, it was decided to accept the offer by majority of votes with 185.119.288.931,3 votes accepting against 52.314.175.042,8 votes rejecting and to bring an upper limit to the total of donations which the company shall make in 2018 and this upper limit shall be 0,04% (four per ten thousand) of the solo net sales revenue.

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).

Chairman of the Meeting

Ministry Representative

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

Hatice ÖNDER

Vote Collector

Record Clerk

Ahmet Türker ANAYURT

Kemal Haluk ERUYGUR