

TOFAŞ
TÜRK OTOMOBİL FABRİKASI A.Ş.
51ST ORDINARY GENERAL ASSEMBLY MEETING
13.03.2019

MINUTES OF THE MEETING

Ordinary General Assembly Meeting of TOFAŞ Türk Otomobil Fabrikası A.Ş. for the year **2018** was held on **March 13, 2019** Wednesday at **10.00** at the Company Headquarters at Büyükdere Caddesi Tofaş Han No:145 Zincirlikuyu 34394 Şişli - İstanbul with the supervision of **Mr. Emrah GÖZELLER**, the Representative of the Ministry of Customs and Trade appointed by the letter of İstanbul Provincial Directorate of Trade numbered 42505315 and dated March 12, 2019.

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 9770 and dated 19.02.2019 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, 57,600 shares representing a capital of TL 576 were present and 44,062,191,438 shares representing a capital of TL 440,621,914.38 were represented by proxy thereat and therefore 44,062,249,038 shares representing a capital of TL 440,622,490.38 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 62,256,541 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 440,622,490.38 positive votes.

The Chairman appointed **Mr. Cengiz Eroldu** and **Mr. Fabrizio Renzi** as Vote Collectors and **Mr. Doğu 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 Bağımsız 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, 2018 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 2018 activities of the Company was read by the Meeting Minutes Recorder. 2018 Activity Report was opened for discussion and no one requested to take the floor.

2018 Activity Report was voted and approved with TL 367,300 negative votes and TL 440,255,190.38 positive votes.

- 3) As per the 3rd article of the Agenda, the Chairman requested that the summary of the Independent Audit report on 2018 activities by Güney Bağımsız 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, 2018 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. Doğu 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, 2018 Financial Tables and financial accounts prepared in accordance with the Tax Procedure Law were approved with TL 367,300 negative votes and TL 440,255,190.38 positive votes.

- 5) As per Article 363 of the Turkish Commercial Code No.6102, appointment of Mr. Pietro Gorlier as the Board Member and Vice Chairman with the Board Decision dated 02.11.2018 and numbered 2018/20 to replace Mr. Sergio Marchionne who was appointed as the Board Member at the General Assembly Meeting dated 15.03.2018 and who has passed away, for the remaining term and also appointment of Mr. Davide Mele as the Board Member with the Board Decision dated 02.11.2018 and numbered 2018/20 to replace Mr. Alfredo Altavilla who was appointed as the Board Member at the General Assembly Meeting dated 15.03.2018

and who has resigned of his own accord, for the remaining term were voted and approved with TL 43,446,935 negative votes and TL 397,175,555.38 positive votes. The shareholders were informed about the resumes of Mr. Pietro Gorlier and Mr. Davide Mele.

- 6) The Chairman has presented the release of the Members of the Board of Directors for the activities in 2018 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 3,068,438 negative votes and TL 437,554,052.38 positive votes.

- 7) As per the Agenda, the meeting proceeded with the discussion of 2018 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 01.01.2018 to 31.12.2018 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 Accounting/Financial Reporting Standards (TMS/IFRS) 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 1,330,423,000 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 1,337,168,242 as calculated by adding the donations of TL 6,745,242 to the period net profit of TL 1,330,423,000 as per the financial tables created in accordance with TMS/IFRS; and the net distributable profit is TL 845,756,198 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 880,000,000 dividends for shareholders,
TL 85,500,000 legal reserves,
allocation will be as above,

TL 880,000,000 of dividends payable to shareholders will be fully paid in cash;

Based on VUK records, TL 771,141,998.18 of TL 880,000,000 of dividends payable to shareholders will be covered by the current year profits, TL 96,347,316 of it will be covered by the legal reserves and TL 12,510,686 of it will be covered by the extraordinary reserves; and TL 74,614,200 of TL 85,500,000 legal reserves will be covered by the current year profits, TL 9,634,732 of it will be covered by the legal reserves and TL 1,251,068 of it will be covered by the 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 1.7600 and at a rate of 176 % will be payable for each share with a nominal value of TL 1.00 and for other shareholders; a gross dividend amounting to TL 1.7600 and at a rate of 176%; a net dividend amounting to TL 1.4960 and at a rate of 149.60% will be payable for each share with a nominal value of TL 1.00;

Dividends will be paid on 19.03.2019;

The above proposal was unanimously approved with TL 440,622,490.38 positive votes.

- 8) 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, 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 44,749,174 negative votes and TL 395,873,316.38 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).

- 9) 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 15.03.2018 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 33,737,000 in 2018. Remuneration Policy and the payments made within the frame of the policy were approved with TL 2,916,745 negative votes and TL 437,705,745.38 positive votes.
- 10) Regarding item 10 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 474,000 in equal installments beginning with the month following the General Assembly meeting with TL 45,180,489 negative votes and TL 395,442,001.38 positive votes.

- 11) 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 14.02.2019, 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 2019 for auditing the financial reports of the Company and performing other activities required as per such regulations with TL 2,014,158 negative votes and TL 438,608,332.38 positive votes.
- 12) As per the Capital Markets Board regulations, the General Assembly was informed that the Company has made donations of TL 6,745,242 in 2018 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 2019 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 58,347,481 negative votes and TL 382,275,009.38 positive votes.
- 13) 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 2018 is required as per the Capital Markets Board regulations and this information was provided in footnote 15 of the Financial Tables dated 31.12.2018.

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

- 14) 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 16,151,359 negative votes and TL 424,471,131.38 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 2018.

- 15) 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.

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. **13.03.2019**

**İSMAİL CENK ÇİMEN
MEETING CHAIRMAN**

**MINISTRY REPRESENTATIVE
EMRAH GÖZELLER**

**CENGİZ EROLDU
VOTE COLLECTOR**

**FABRIZIO RENZI
VOTE COLLECTOR**

**DOĞU ÖZDEN
MEETING MINUTES RECORDER**

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2018 Dividends Distribution Table (TL)			
1. Paid Up/Issued Capital		500,000,000	
2. Legal Reserves (According to Legal Records)		387,265,506	
Information on privileges related to the distribution of profit pursuant to the Articles of Association, if any			
		According to CMB	According to Legal Records (LR)
3.	Term Profit	1,290,894,000	855,080,498
4.	Taxes (-)	-39,529,000	9,324,301
5.	Net Term Profit (=)	1,330,423,000	845,756,198
6.	Losses Pertaining to Previous Years (-)		
7.	Legal Reserves (-)		
8.	NET DISTRIBUTABLE TERM PROFIT (=)	1,330,423,000	845,756,198
9.	Donations Within the Year (+)	6,745,242	
10.	Net Distributable Term Profit with Donations	1,337,168,242	
11.	Primary Dividends for Shareholders		
	- Cash	880,000,000	25,000,000
	- Non-Paid		
	- Total	880,000,000	25,000,000
12.	Dividends Distributed to Preferred Shareholders		
13.	Other Dividends Distributed		
	- To Members of the Board of Directors,		
	- To Employees		
	- To Persons Other Than Shareholders		
14.	Dividends Distributed to Redeemed Shareholders		
15.	Secondary Dividends for Shareholders		746,141,998
16.	Legal Reserves	74,614,200	74,614,200
17.	Status Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	450,423,000	0
20.	Other Resources Planned for Distribution	0	108,858,002
	- Gains Pertaining to Previous Years		0
	- Extraordinary Reserves		12,510,686
	- Other reserves can be distributed in Accordance with the Law and the Articles of Association		96,347,316
21.	Reserves Appropriated from Other Sources Envisaged to be Distributed	0	10,885,800
	- Gains Pertaining to Previous Years		0
	- Extraordinary Reserves		1,251,068
	- Other reserves can be distributed in Accordance with the Law and the Articles of Association		9,634,732

TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş. 2018 Dividends Distribution Table						
	GROUP	TOTAL DIVIDENDS DISTRIBUTED		TOTAL DIVIDENDS DISTRIBUTED / NET DISTRIBUTABLE TERM PROFIT	DIVIDENDS CORRESPONDING TO SHARES WITH A NOMINAL VALUE OF TL 1	
		CASH (TL)	NON-PAID (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	A (Real person)	1,744,399		0.13	1.4960	149.60
	A (Legal person)	331,080,314		24.89	1.7600	176.00
	D	283,162,666		21.28	1.4960	149.60
	E	181,674,668		13.66	1.4960	149.60
	TOTAL	797,662,047	0	59.96		

(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.