

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

Meeting No : 73
Meeting Date : March 31st, 2017 – Time: 14.00
Meeting Place : Radisson Blu Hotel, Istanbul Asia
Floor:Ballroom at B2
Atatürk Mahallesi Yakut Caddesi No:10
Ataşehir/İSTANBUL
Chairman : OYTAŞ İç ve Dış Ticaret A.Ş.
(Representative:
Ömer Muzaffer BAKTIR)
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 : Mustafa ÇALIŞKAN

Ordinary meeting of 2016 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 Chairman of the Board and Managing Director OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: Ömer Muzaffer BAKTIR) and in trust of the Ministry Representative Mustafa ÇALIŞKAN who was assigned with the writings of Istanbul Governorship Provincial Directorate of Trade dated 30.03.2017 and with number 23840417, 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 09th March 2017 dated and 9280 numbered issue of the Turkish Commercial Registry Gazette, in the 09th March 2017 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 2.145.915 shares which represent the capital of 21.459,15 TL as principle, 237.642.835.506,80 shares which represent the capital of 2.376.428.355,068 TL as representative, totally 237.644.981.421,8 shares which represent 2.376.449.814,218 TL and 64.923.652.674,5 shares which represent the depositors of 649.236.526,745 TL as representative are present herein this meeting,
- Chairman of the Board and Managing Director OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: Ömer Muzaffer BAKTIR, Republic of Turkey ID No: 26573000520), Member of the Board OMSAN Lojistik A.Ş. (Representative: Ahmet Türker ANAYURT, Rep. of Turkey ID No: 11146088302) with the Company Auditor Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) representative Segah GÜNER with Rep. of Turkey ID No: 36674158662 were present in the meeting,

Also determined and confirmed by the Ministry Representative, the meeting was opened by the Chairman of the Board and Managing Director OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: Ömer Muzaffer BAKTIR).

- 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 OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: Ömer Muzaffer BAKTIR) 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 237.567.532.306,8 votes accepting against 77.449.115 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 2016 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 237.554.649.521,8 votes accepting against 90.331.900 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 2016 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 237.554.649.521,8 votes accepting against 90.331.900 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 2016**; since the Balance-Sheet and the Profit and Loss Accounts for the year 2016 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 237.552.504.706,8 votes accepting against 92.476.715 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 2016 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 237.552.504.706,8 votes accepting against 92.476.715 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 2016**; 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 237.542.517.106,8 votes accepting against 102.464.315 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 2016 and Dividend Payment Date**; following the reading of the Board's offer dated 31.03.2017 about dividing and distributing the profit of the year 2016, as result of voting of the offer, being in the direction of the decision of the Company's Board dated 09.03.2017 and with number 9461,

with 237.513.881.006,8 votes accepting against 131.100.415 votes rejecting, it was decided by majority of votes that;

It is understood that the company's activities for the year 2016 were concluded with a 1.393.558.217 TL net profit according to financial statements prepared in accordance with the provisions of the tax procedure law and 1.516.437.790 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 69.677.911 at a rate of 5% on net profit of the year originated in financial statements of the year 2016 issued in accordance with provisions of the Tax Procedure Law,
- to allocate cash shareholder dividend of TRY 1.331.145.345 from the distributable net profit of the year in financial statements of 2016 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 115.614.534 as a general legal reserve.
- After the separation of the second appropriation of legal reserves amounting to TRY 10.385.466 from the total TRY 114.240.121, which is obtained by using anticipated distribution of other resources which will be compensated from extraordinary reserves, TRY 103.854.655 additional cash dividend to be paid,
- 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,
- Due to the fact that, the sum of the allocated cash dividend of TRY 1.435.000.000 and general legal reserve fund of TRY 126.000.000 which is calculated from cash dividend cannot be covered by the distributable net profit calculated on the financial statements for the year 2016 which is prepared in accordance with provisions of the Tax Procedure Law; TRY 237.119.694 which is the sum of the cash dividend of TRY 215.563.358 and general legal reserve fund of TRY 21.556.336 which is calculated from cash dividend will be covered by the other distributable funds calculated in accordance with provisions of the Tax Procedure Law,
- To determine the dividend payment date, which will be as lump sum no later than December 15th 2017, 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. Emre ÖZYILDIZ and Representative of Privatization Administration of Turkey Müfit Koray AKIN 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;

- It was determined that Board of Directors will be consist of 9 members;
- To be elected to serve as a Board Member for 3 years;

- OYTAŞ İç ve Dış Ticaret A.Ş.'nin (Representative: Ömer Muzaffer BAKTIR, Rep. of Turkey ID No: 26573000520)
- OYKA Kâğıt Ambalaj Sanayii ve Ticaret A.Ş.'nin (Representative: Ertuğrul AYDIN, Rep. of Turkey ID No: 24296314450)
- T.C. Başbakanlık Özelleştirme İdaresi Başkanlığı'nın (Representative: Abdullah KAYA Rep. of Turkey ID No: 23842967102)
- OYAK Pazarlama Hizmet ve Turizm A.Ş.'nin (Representative: Fatma CANLI, Rep. of Turkey ID No: 49222658996)

- OYAK Denizcilik ve Liman Hizmetleri A.Ş.'nin (Representative: Güliz KAYA Rep. of Turkey ID No: 17585244804)
- OMSAN Lojistik A.Ş.'nin (Representative: Ahmet Türker ANAYURT Rep. of Turkey ID No: 11146088302)

- 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 230.351.890.181,7 votes accepting against 7.293.091.240,1 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. Emre ÖZYILDIZ 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 234.806.268.581,7 votes accepting against 2.838.712.840,1 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 3.000 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 6.600 TL net monthly (in the beginning of the relevant month, in advance) and the new wages to be put into practice from the date 01.04.2017.

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. Emre ÖZYILDIZ, 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 224.378.772.270,2 votes accepting against 13.266.209.151,6 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 2017 in Accordance with the Turkish Commercial Code and Capital Market Law; following the reading of the offer of the Board dated 31.03.2017 in the direction of the decision of the Board dated 09.03.2017 with number 9462, as result of the voting performed, it was decided by majority of votes with 235.716.535.606,8 votes accepting against 1.928.445.815 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 2017.

- 12-** In the twelfth article of the agenda about **Discussion, Submission to Voting and Resolving the Amendment of the Article 5 in the Articles of Association for Company's Registered and Announced Head Office Address and Amendment of the Article 7 for the Authorizing the Board of Directors for the Extension of the Period of Validity of the Registered Capital Ceiling of TRY 7,000,000,000 so as to Cover the Period of 2017-2021 (5 Years)**; since the text of the amendments to the Articles of Association 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 228.628.237.806,8 votes accepting against 9.016.743.615 votes rejecting.

Following the agenda topic and after the reading of the offer of the Board dated 31.03.2017 was submitted for the approval of the General Assembly and being in the direction of the offer it was decided to change the Article 5 and 7 as seen as on the Appendix:1 of this minute by majority of votes with 228.628.237.806,8 votes accepting against 9.016.743.615 votes rejecting.

- 13-** In the thirteenth 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 31.03.2017 in the direction of the decision of the Board dated 09.03.2017 with number 9463; related to the year 2016; Ereğli Demir ve Çelik Fabrikaları T.A.Ş. with 42.010.462 TL, İskenderun Demir ve Çelik A.Ş. with 63.541.694 TL, Erdemir Madencilik Sanayi ve Ticaret A.Ş. with 6.298.536 TL, Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. with 724.600 TL and Erdemir Mühendislik, Yönetim ve Danışmanlık Hizmetleri A.Ş. with 8.800 TL are companies which give warrants, deposits and hypothecs on behalf of their own legal entities and the warrant, deposit and hypothec balance of 112.584.092 TL in total has been reached,

Besides, because of becoming warrantor for some credits used by iSDEMiR which ERDEMiR included in the scope of exact consolidation as of the date of 31.12.2016, ERDEMiR has given warranty of 625.602.797 TL and in connection with the warranty given intended for iSDEMiR credits, the total warranty income obtained in 2016 is 3.586.092 TL,

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.

- 14-** In the fourteenth article of the agenda about **Informing the General Assembly Regarding the Donations and Contributions Made in 2016 and Submission to Voting and Resolving the Limit of Donations to be Made in 2017**; from the informing writing of the Board dated 31.03.2017 in the direction of the decision of the Board dated 13.03.2017 with number 9465;

	2016 TL	2015 TL
A-Training and Teaching Activities	84.392	95.625
B-Cooperation Activities Developed with Public Institutions and Foundations	528.444	292.480
C-Cultural and Artistic Activities	-	23.319
Ç-Voluntary Works and Cooperation Activities Realized Intended for Charities	232.375	228.181
D-Cooperation Activities Realized with Charitable Foundations, Associations, Chambers and Institutions	88.098	117.591
E-Sporting Activities	32.746	58.265
TOTAL	966.055	815.461

As it is shown, information has given to the General Assembly that within the year 2016, 966.055 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 2017, it was decided to accept the offer by majority of votes with 187.007.911.471,6 votes accepting against 50.637.069.950,2 votes rejecting and to bring an upper limit to the total of donations which the company shall make in 2017 and this upper limit shall be 0,04% (four per ten thousand) of the solo net sales revenue.

- 15-** In the fifteenth article of the agenda about **Closure**, the General Assembly meeting was closed with the thanks speech of the Chairman of the Meeting OYTAŞ İç ve Dış Ticaret A.Ş. (Representative: Ömer Muzaffer BAKTIR).

Chairman of the Meeting

Ministry Representative

OYTAŞ İç ve Dış Ticaret A.Ş.
(Representative: Ömer Muzaffer BAKTIR)

Mustafa ÇALIŞKAN

Vote Collector

Record Clerk

Ahmet Türker ANAYURT

Kemal Haluk ERUYGUR

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.

THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION

OLD TEXT	NEW TEXT
Head Office of the Company: Article 5- The head office of company is located in Istanbul. Its Address is Merdivenköy Yolu Caddesi No: 2 34750 Küçükbakkalköy Ataşehir/İSTANBUL. In case of address change, new address shall be registered in Trade Registry and promulgated in Turkey Trade Registry Gazette and furthermore notified to Ministry of Customs and Trade and Capital Market Board. Written notification served to the registered and promulgated address shall be considered as notification duly served to the company. Although it has moved from the registered and promulgated address into new address which is not registered within its legal period shall be deemed as a reason to terminate the company. Company may open branches or offices in such other suitable places upon the resolution of Board of Directors, provided that the same is notified to Capital Market Board as well as Ministry of Customs and Trade.	Head Office of the Company: Article 5- The head office of company is located in Istanbul. Its Address is Barbaros Mah. Ardiç Sok. No: 6 Ataşehir/İSTANBUL. In case of address change, new address shall be registered in Trade Registry and promulgated in Turkey Trade Registry Gazette and furthermore notified to Ministry of Customs and Trade and Capital Market Board. Written notification served to the registered and promulgated address shall be considered as notification duly served to the company. Although it has moved from the registered and promulgated address into new address which is not registered within its legal period shall be deemed as a reason to terminate the company. Company may open branches or offices in such other suitable places upon the resolution of Board of Directors, provided that the same is notified to Capital Market Board as well as Ministry of Customs and Trade.
SECTION II: Capital: Article 7 – Company accepted the registered capital system according to provisions of Law No 2499 amended by Law No 3794 and began to implement this system with permission No iDİD/150/2416 dated August 15, 1983 of Capital Market Board. The registered capital ceiling of the company is TRY 7,000,000,000.00 (seven billion Turkish Liras). When deems it necessary, Board of Directors may increase its capital by issuing share certificates each with a par value of 1 Kr (one Kuruş) and all issued to their bearers up to the amount of registered capital between 2012 and 2016, provided that the terms of this Article are complied with. The permission of registered capital ceiling given by Capital Market Board is valid for 5 years between the years 2012 and 2016. Even if permitted registered capital ceiling would have not been reached at the end of 2016, in order for a decision on capital increase to	SECTION II: Capital: Article 7 – Company accepted the registered capital system according to provisions of Capital Market Law and began to implement this system with permission No iDİD/150/2416 dated August 15, 1983 of Capital Market Board. The registered capital ceiling of the company is TRY 7,000,000,000.00 (seven billion Turkish Liras). When deems it necessary, Board of Directors may increase its capital by issuing share certificates each with a par value of 1 Kr (one Kuruş) and all issued to their bearers up to the amount of registered capital between 2017 and 2021, provided that the terms of this Article are complied with. The permission of registered capital ceiling given by Capital Market Board is valid for 5 years between the years 2017 and 2021. Even if permitted registered capital ceiling would have not been reached at the end of 2021, in order for a decision on capital increase to

be able to be taken by Board of Directors, Board of Directors must be empowered by General Assembly on a new period for the ceiling permitted before or a new ceiling after obtaining the permission of Capital Market Board. Should such an empowerment cannot be obtained, company shall be deemed to be removed from registered capital system. Board of Directors is authorized to limit rights of shareholder to acquire new share certificates and issue share certificates above their nominal values, provided that it is not contrary to the provisions of Turkish Commercial Code and Capital Market Law. Each share certificate has a 1 voting right. The issued capital of the company is TRY 3,500,000,000.00 (three billion five hundred million Turkish Liras) and all paid-in. This capital consists of 350,000,000,000 (three hundred fifty billion) share certificates, each with a par value of 1 Kr (one Kuruş). Shares representing the capital are monitored on records within the framework of registration principles. This capital is divided into shares Group A and Group B. 1 (one) share of certificate, issued to the bearer amounting to 1 Kr (one Kuruş) is A group and 349,999,999,999 (three hundred forty nine billion nine hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine) share of certificates amounting to 3,499,999,999.99 (three billion four hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine Turkish Liras, ninety nine Kuruş) is B Group. The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization. All voting rights on the shares of A Group shall be exercised by the holder of usufruct. ("usufruct")	be able to be taken by Board of Directors, Board of Directors must be empowered by General Assembly on a new period for the ceiling permitted before or a new ceiling after obtaining the permission of Capital Market Board. Should such an empowerment cannot be obtained, company shall be deemed to be removed from registered capital system. Board of Directors is authorized to limit rights of shareholder to acquire new share certificates and issue share certificates above their nominal values, provided that it is not contrary to the provisions of Turkish Commercial Code and Capital Market Law. Each share certificate has a 1 voting right. The issued capital of the company is TRY 3,500,000,000.00 (three billion five hundred million Turkish Liras) and all paid-in. This capital consists of 350,000,000,000 (three hundred fifty billion) share certificates, each with a par value of 1 Kr (one Kuruş). Shares representing the capital are monitored on records within the framework of registration principles. This capital is divided into shares Group A and Group B. 1 (one) share of certificate, issued to the bearer amounting to 1 Kr (one Kuruş) is A group and 349,999,999,999 (three hundred forty nine billion nine hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine) share of certificates amounting to 3,499,999,999.99 (three billion four hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine Turkish Liras, ninety nine Kuruş) is B Group. The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization. All voting rights on the shares of A Group shall be exercised by the holder of usufruct. ("usufruct")
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