

**THE MINUTES OF THE MEETING OF THE ORDINARY GENERAL ASSEMBLY OF  
ANADOLU ISUZU OTOMOTIVE INDUSTRY AND TRADE A.S. HELD ON 15<sup>TH</sup> APRIL 2016  
FRIDAY AT 14:00 HOURS**

The Ordinary General Assembly Meeting of the year 2015 of the Anadolu Isuzu Otomotiv Industry and Trade Anonymous Comapnt has been held on 15<sup>th</sup> April 2016 Friday, at 14:00 hours at the address of "Esenkent Mahallesi, Deniz Feneri Sokak, No: 4 Ümraniye, 34776 ISTANBUL under the supervision of Devrim DEMİRCAN the representative of the Ministry charged with the duty by the letter of Istanbul Provincial Trade Directorate dated 15<sup>th</sup> April 2015 and numbered 90726394-431.03.

The call for the meeting has been made by announcing it in the copy of the Turkish Trade Registry Gazette dated 22nd March 2016 and numbered 9037 and the Dünya newspaper dated 22nd March 2016 that is published in Turkey, as envisaged in the Turkish Commercial Code and the Main Articles of Association in a manner to include the agenda too. Furthermore, on the same date the notices related to the invitation for the General Assembly have been made in the Public Disclosure Platform, Electronic General Assembly System and our Internet site within the time limits.

Upon the examination of the attendees list; it has been observed that, of the Company's total capital of 25.419.706,54 TL represented by 2.541.970.654 shares with Nominal value of 1 kr. each, 59.351.450 each shares equivalent to the capital of 593.514,50 TL have been represented as principal and 2.164.119.374,30 each shares equivalent to 21.641.193,743 TL capital have been represented by proxy and the total of 2.223.470.824,30 each shares (the details are provided in the following table) have been represented in the meeting and thus the minimum meeting quorum as envisaged in both the Turkish Commercial Code and also in the Main Articles of Association has been obtained .

	<b>GROUP A ISSUED TO NAME</b>	<b>GROUP B ISSUED TO NAME</b>	<b>GROUP C ISSUED TO BEARER</b>	<b>GRAND TOTAL</b>
<b>Physical Attendance</b>	13.570.725,637	7.559.955,000	1.104.027,606	22.234.708,243
<b>Attendance in Electronic Medium</b>	0,000	0,000	0,000	0,000
<b>Total Attendance</b>	13.570.725,637	7.559.955,000	1.104.027,606	22.234.708,243
<b>Total Number of Shares</b>	13.664.044,020	7.559.955,000	4.195.707,520	25.419.706,540
<b>Percentage of Attendance</b>	99,32%	100,00 %	26,31 %	87,47 %

Following the announcement by Mehmet Kamil ESER the Chairman of the Board of Directors, of the presence of the members of the board of directors Salih Metin ECEVİT, Takuya KAWAI and Ryutaro MASHIKO, Adnan AKAN representing the independent auditing entity in the meeting, the session has started both in the physical and electronic medium simultaneously.

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1- The proposal letter submitted to the General Assembly for the Meeting Chair has been read by Bora ÖNER.

The proposal seconded for the election of Salih Metin ECEVİT for the meeting chair has been accepted unanimously. Salih Metin ECEVİT comprised the meeting chair by determining Yusuf Tuğrul ARIKAN as the poll collector and Bora ÖNER as the minutes secretary. The Central Registration Authority has appointed Murat ORHAN holder of Electronic General Assembly System Certificate in order to monitor the Electronic General Assembly System.

2- The proposal of Meeting Chairman Salih Metin ECEVİT to count the Annual Activity Report prepared by the Board of Directors pertaining to the 2015 activity year as having been read, due to fact that it has been acknowledged by everyone that "The Report has been announced to the public through Public Disclosure Platform", has been unanimously accepted.

The Annual Activity Report prepared by the Board of Directors pertaining to the 2015 activity year has been debated. The General Manager Yusuf Tuğrul ARIKAN has made explanations regarding the activities of the year 2015.

3- The summary of the Independent Auditing Report About the Consolidated Financial Tables pertaining to the 1<sup>st</sup> January-31<sup>st</sup> December 2015 period has been read by independent auditing company representative Adnan AKAN and has been debated. This item of the agenda being not subject to voting has been presented only for information.

4- The proposal by the Meeting Chairman Salih Metin ECEVİT to count that the Financial Tables dated 31<sup>st</sup> December 2015 and prepared in accordance with the arrangements of the Capital Markets Board and that have passed the independent auditing, and, as having been read due to the fact that it has been acknowledged by everyone that it has been announced to the public through Public Disclosure Platform, has been unanimously accepted.

The following questions that were asked by our shareholder Jak Esim regarding the financial tables, have been answered.

Question: The year 2015 has been a record year in the automotive sector, although our company has been the most growing in whole of the sector with a turn over increase of 29%, its Net profit Margin has dropped to 1.9%. The while other companies in the automotive sector on the other hand generated net profit margin of, for instance Ford 5%, Otokar 6%, Tofaş 8%, what are the sources of this adverse situation in our case.

Answer: A large portion of our foreign currency debts within the Commercial liabilities is in Japanese Yens while our export revenues are in Euro. In the year 2015 the TL has gained 24,5% against Japanese Yen. (The value gain in Euro is on the other hand 12,7%.) This aspect has caused the currency difference regarding our commercial receivables and liabilities to be realized 22,5 Million TL more than the previous year. Besides, the net profit margin has been different because the product portfolio is not the same as the indicated companies.

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Question: The Company has an open position of 301 million in the year 2015. One half of this amount is in Japanese Yen and the other half is in Euro. Why not hedging is being made as a protective measure in an environment where the markets are so volatile.

Answer: Although somewhat limited, the fixed term transactions are being utilized. The option prices regarding our Japanese Yen debts are continuously obtained, however the option premiums obtained are very usually high. The prices could go up to the levels of the currency differences that one can probably encounter. The matter is closely followed up and the benefit-cost analysis is being made, and the works are conducted too in the direction to reduce the assortment of the foreign currency.

Question: While the ratio of the stocks to the actives has been 36 in 2012, 22 in 2013, 32 in 2014, it increased to 36 in 2015 and a substantial portion of this has been in final product stock as never has been in any period. The high ratio of stock is causing the burden of operating capital for the Company. What is the reason for this policy change.

Answer: As of the beginning of the year 2016, in the commercial vehicles produced in Turkey and to be imported, transition to the Euro 6 engine has started. (In Euro it has been realized in the year before the last.) It is expected that this situation will increase the production costs and the sale prices in a considerable rate. On the other hand, we shall be able to continue the sale of the vehicles with Euro 5 engines that are in our stocks as the date of 31.12.2015. Therefore, we have increased our production quantities in the last quarter of the year 2015.

Question: We observe from the income table that the cost of production has extraordinarily increased in the last year. The ratio of the direct raw material to the Net sales has been 59.95 in 2012, 51,63 in 2013, 64,46 in 2014 and 83,06 in 2015. In this case when calculated in accordance with the last year's ratio, a loss of 171.000.000 is arrived at. When both the currency difference of the commercial debts-receivables and the expenses for the currency difference of 48 million in the financial expenditures item is deducted, 123.000.000 profit is generated. If this ratio continued as it has been in the past year, together with our net profit of 17 million, our total net profit would be 140.000.000. Share with us the detailed information about the reasons for this loss; the reason for such a high profit loss is the transfer of the forward costs to the pre-costs. What is the main reason for the work model change that has created such deterioration of the ratios in 2015.

Answer: The financial tables of our company dated 31.December 2015 have been prepared in compliance with the TMS and have passed independent auditing. The situation such as the transfer of the costs to the pre-costs is out of question. Due to the reason of regulation change at the end of the year a product stock has been made in order to execute the sales in the first half of the year 2106. It is indicated that the direct first matter material structure may show difference in accordance with the change in the product portfolio.

Question: What is the main reason for the fast increase in the ratios of the deductions from the sales item. The ratio was 6.94 in 2012, 7.85 in 2013, 8.09 in 2014, 8.79 in 2015. This item also is an important element in cutting down the profitability, why these ratios are

continuously increasing instead of decreasing.

Answer: The amount of deductions from the sales may be changing due to the impact of the new products and the competition in the market.

Question: What is the main reason for the high amount of the credit increase observed in the last quarter of the 2015. It is understood from the fund flow table that the share of the credit ratio in providing resources has increased, and from here the stocks have been funded by 40%, the receivables by 22%, the investments by 12%. What are the reasons for the serious decrease in the operating capital of the Company, what is your resolution plan, if any.

Answer: Entering the year 2016 with high stock amounts due to the regulation change has increased the credit utilization.

Question: As can be deduced from the cash flow table, despite the EBITDA profitability in especially the last quarter of this year, a considerable ratio of cash flow deficit in the amount of 58.814.390 has been generated. In my opinion this is the main reason for us to incur high credit liabilities in the last period. What resolution plan are you envisaging to implement in this matter.

Answer: The levels of the stocks are envisaged to come down to normal levels in the year 2016.

As a result of the debates conducted the Financial Tables dated 21st December 2015, have been accepted by the majority votes with the 21. 641.202,743 TL votes in favor and 593.505,50 TL votes in against.

5-The matter of acquittal of the members of the board of directors individually for their activities of the year 2015 has been debated. The members of the board of directors have been acquitted for their activities of the year 2015 with the 593.505,50 TL votes against and 21.641.202,743 TL votes in favor.

6- The proposal made by our Board of Directors regarding the payment of the cash profit as of the date of 31<sup>st</sup> may 2016, in the amount of 12.709.853,27 TL after deducting the legal reserves that must be allocated as per the terms of the Turkish Commercial Code from the Net Period Profit for the year 2015 of 17.743.897,- TL indicated in the consolidated financial tables that have been prepared in conformity with the Financial Reporting standards that have been accepted by the Capital Markets Board and independently audited and as the sum of the remaining amount of 12.099.553,05 TL and the 610.300,22 TL of the extraordinary reserves as to provide a gross profit share distribution in the rate of 50,00 % over the issued capital in a manner to equate gross 0,5000 TL per 1 TL nominal valued share (net 0,4250 TL), has been submitted for the approval of the General Assembly and unanimously accepted.

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7- It has been unanimously decided that the total of 14 candidates whose candidacy declarations have been obtained to serve until the ordinary general assembly meeting that will convene to discuss the results of the year 2016, the members seconded by the Group A Share holders, Mehmet Kamil ESER, İbrahim YAZICI, Tuncay ÖZİLHAN, Salih Metin ECEVİT, Süleyman Vehbi YAZICI, Tülay AKSOY, Hülya ELMALIOĞLU and Nilgün YAZICI ; the members seconded by the Group B Share holders, Yasuyuki NIIJIMA, Hiroko YAGUCHI, Takuya KAWAI and Ryotaro MASHIKO and the Ahmet Cemal DÖRDÜNCÜ and Kamil Ömer BOZER seconded by Board of Directors for the Independent Board Member upon the consideration of the Corporate Management Committee, to be elected as the member of the Board of Directors and to pay each of the Independent members of the board of directors monthly net 5.500 TL and annually a total of 66.000 TL and not make any payment for the other members of the board directors by majority votes with 593.505,50 TL against votes and 21.641.202,73 TL in favor votes.

8-The matter of approving the selection of Independent External Auditing Entity as per the Turkish Commercial Code and the arrangements of the Capital Markets Board has been debated. The approval of the selection of Başaran Nas Independent Auditing and Free Lance Accounting Financial Consultation A.Ş. as the independent external auditing entity for the year 2016 by the Board of Directors upon the proposal of the Committee of the Company Responsible for the Auditing in order to carry out the auditing for the of the accounts of the activities of the year 2016 in accordance with the article 14 of the Regulation About the Independent External Auditing in the Capital Markets of the Capital Markets Board, has been voted on. The selection of the Başaran Nas Independent Auditing and Free Lance Accounting Financial Consultancy A.Ş. as the independent external auditing entity for the 2016 activity year has been accepted by the majority votes with 593.505,50 TL opposing votes and 21.641.202,743 TL favoring votes.

9- The partners have been informed about the non existence of warranty, lien and mortgage issued for the favor of third persons during the 2015 activity year or there has been no income or benefits obtained in relation to these, as per the legislation of the Capital Markets Board.

10- The aspect of our company donating a total of 122.395 TL to the tax exempted association and foundations comprising of 80.000 TL to the Anadolu Education and Social Assistance Foundation , 42.395 TL to the other foundation and associations during the year 2015, has been presented for the information of the Partners.

11- The payment of a total of 5.818.790 TL to he Upper Level Managers by the Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. during the year 2015 as indicated in the foot note number 28 of our financial reports pertaining to the 2015 activity year for the Members of the Board of Directors and Upper Level Managers in accordance with the Corporate Management Principles, has been presented for the information of the Partners.

12- In accordance with the term of the CMB's communication numbered II-17.1 compulsory Corporate Management Principle of 1.3.6 that " in the case the shareholders possessing the Management power, board of directors members, the managers with administrative responsibilities and the spouses and up to second degree blood relation (initial) (initial) (initial) (initial) (initial)

and relationship by marriage, execute an important transaction that might create conflict of interest with the partnership or affiliations and/or conducting a transaction of the commercial kind falling within the subject of operation of the partnership or affiliated partners for himself or for the account of somebody else or entering into another partnership engaged in the similar kind of commercial works with the title of unlimited responsibility; the mentioned transactions are to be adapted in the Agenda of the General Assembly as a separate agenda item to be given detailed information in the General Assembly and recorded in the minutes of the General Assembly”, the information that there has been no important transaction within this context during the year 2015, has been presented to the Partners.

13- The aspect that the permission be given to the members of our Board of Directors to execute transaction within the framework of the articles 395 first paragraph titled “Conducting Transaction with the Company, prohibition of being indebted to the Company” and 396 titled “Prohibition of Competitor”, have been unanimously accepted by the General Assembly.

<u>Representative of the Ministry</u>	<u>Meeting Chairman</u>	<u>Poll Collection Officer</u>	<u>Minutes Secretary</u>
Devrim DEMİRCAN	Salih Metin ECEVİT	Yusuf Tuğrul ARIKAN	Bora ÖNDER
(signed)	(signed)	(signed)	(signed)

Shareholder  
Jak ESİM

(signed)