

**MINUTES OF THE ORDINARY GENERAL MEETING OF ANADOLU ISUZU OTOMOTİV
SANAYİİ VE TİCARET A.Ş. HELD ON APRIL 18, 2019, THURSDAY, AT 14.00**

The Ordinary General Meeting of Anadolu Isuzu Otomotiv Sanayii ve Ticaret Anonim Şirketi for **2018** was held on **April 18, 2019**, Thursday, at **14.00** in "Esenkent Mahallesi, Deniz Feneri Sokak, No: 4, Ümraniye, 34776 Istanbul" under the surveillance of a Ministerial Representative **İsmail ASLANLAR** appointed by the letter number **43619830** of **April 17, 2019**, issued by the Istanbul Trade Registry Office.

The call for this meeting was made by means of an announcement thereof on the Turkish Trade Registry Gazette, issue number **9797** on **March 28, 2019** and the newspaper Dünya published in Turkey on **March 27, 2019** in a manner as to include the agenda of the meeting as provided by the pertinent provisions of the Turkish Commercial Code and the Articles of Association. Further, the announcements concerning the invitation for the General Meeting were made in due time on the same date at the Public Disclosure Platform, the Electronic General Meeting System and our website.

An examination carried out on the list of attendants revealed that out of **8,400,000,000** shares each with a nominal value of **Kr 1** corresponding to the total capital of the Company in the amount of **TL 84,000,000, 90,619,688.30** shares corresponding to the capital of **TL 906,196,883** were represented in person at the meeting and, **7,173,866,876.14** shares corresponding to the capital of **TL 71,738,668.761** shares were represented by proxy at the meeting so that **7,264,486,564.438** shares in total were represented at the meeting (the details are at the table below) and, so that it was understood that the minimum meeting quorum has been established as provided both in the Turkish Commercial Code and the Articles of Association.

	GROUP "A" REGISTERED SHARES	GROUP "B" REGISTERED SHARES	GROUP "C" BEARER SHARES	TOTAL
Capital	45,153,145.11	24,982,043.73	13,864,811.16	84,000,000.00

	GROUP "A" REGISTERED SHARES	GROUP "B" REGISTERED SHARES	GROUP "C" BEARER SHARES	GRAND TOTAL
Attendance in Person	44,844,772.389	24,982,043.735	2,591,927.723	72,418,743.847
Attendance Electronically	0.000	0.000	4,898.000	4,898.000
Attendance Total	44,844,772.389	24,982,043.735	2,596,825.723	72,423,641.847
Total Number of Shares	45,153,145.107	24,982,043.735	13,864,811.158	84,000,000.000
Attendance Percentage (%)	99.32%	100.00%	18.73%	86.22%

After it has been indicated that **Takuya KAWAI** and **Orhan ÖZER**, each a member of the Board of Directors, and **Batuhan ÖZCAN** representing the independent audit company, have attended the meeting in person, the meeting has started physically and electronically at the same time.

1- The offer letter submitted by **Fatma Aksoy ÖZEK** to the General Meeting concerning the election of the Meeting Chairman has been read.

The offer concerning the election of **Volkan HARMANDAR** as the Meeting Chairman has been unanimously accepted. Thereupon, **Volkan HARMANDAR** has appointed **Fatma Aksoy ÖZEK** as the Vote Collector and, **Zafer DEMİREL** as the Clerk, and all of whom together has constituted the Meeting Chairmanship Council. **Murat ORHAN** with a Central Registry Agency Electronic General Meeting System Certificate has been appointed to operate the Electronic General Meeting System.

The Articles of Association, the Annual Report, the Independent Auditor's Report, the Financial Statements, the Candidateship Declarations submitted by the non-attending candidates to the

position of Member of Board of Directors and other relevant documents have been made available at the meeting place.

2- With respect to the Annual Report prepared by the Board of Directors pertaining to the activity year of **2018**, the proposal submitted by the Meeting Chairman **Volkan HARMANDAR** "the Report should be deemed to have been read since it has been disclosed at the Public Disclosure Platform" **has been unanimously accepted by the attendants.**

The Annual Report prepared by the Board of Directors concerning the activity year of **2018** has been deliberated upon. Statements have been made by the General Manager **Yusuf Tuğrul Arıkan** concerning the activities carried out in **2018**.

3- A summary of the Independent Audit Report on the Consolidated Financial Statements pertaining to the Accountancy Period of January 1 to December 31, 2018 has been read by **Batuhan ÖZCAN** representing the independent audit company and, has been deliberated upon. Since this item of the agenda is not subject to voting, only information thereon has been provided.

4- With respect to the Financial Statements of **December 31, 2018** as prepared and independently audited in accordance with the pertinent regulations of the Capital Market Board, the proposal submitted by the Meeting Chairman **Volkan HARMANDAR** "the Financial Report should be deemed to have been read since it has been disclosed at the Public Disclosure Platform" has been unanimously accepted by the attendants.

The Annual Report prepared by the Board of Directors concerning the activity year of **2018** has been deliberated upon. Statements have been made by the General Manager **Yusuf Tuğrul ARIKAN** concerning the activities carried out in **2018**.

Orçun ÖZÜÇER, a shareholder of the Company, took the floor concerning the agenda item and, addressed the following questions.

Question 1- General Manager Yusuf Tuğrul Arıkan mentioned during the General Meeting of 2016 that the hedge transactions were costly. He said that we aimed to get protected from exchange rate shocks with a natural hedge by means of increasing the share of export in the turnover by 25% at first and, then more in the subsequent years. Considering 2018, the total turnover is about TL 1,188,000,000. And the share of export in the turnover is about ± 47%, but the Company made a loss at the end of 2018 again, so that it has equalized its own record. I am afraid that the way things are has been created a perception that there will be no profit even if all the sales are made abroad. How will you explain this?

Tuğrul Arıkan: Theoretically speaking, it is possible that we may make a loss even if we make all the sales abroad; we need to manage the gross profitability; we have no problem in that aspect. This is our best year in respect of operating profit, but we need to take into account the imported items concerning the export. It may become hard to manage the exchange rate increases while managing the share of 47%. At the same time, a shock increase occurred in the domestic interests during July to December 2018; the export has protected it to some extent. In brief, we should consider this a "record operating profit" but a "record loss". In the subsequent periods, the export share will increase from 47% to 60% and, we will maintain a balance with an efficient operating capital management.

Question 2- It has been mentioned that there were efforts to establish a joint manufacturing or assembly line was in different geographies. It there any constructive development in this subject?

Tuğrul Arıkan: Protectionism has started to increase throughout the world; this concept of protectionism is increasing in particular in such countries exporting energy and, even in Europe. If we enter a market, it is not possible for us to do it only by means of export; we have some 3-4 different studies carried out in this respect.

Question 3 & 4- A global launch for the electric truck NPR 10 EV has been made during the IAA Hannover 2018 Commercial Vehicle Fair. We observe that design patents are being obtained for electric buses. When will we see electric buses at the market? When will we start to sell electric trucks and electric buses?

Do we develop the batteries of our electric vehicles? It has been informed that an electric truck could be driven for 110 km at a single charge. What will be the range at a single charge for electric buses? Could you please talk about the R&D activities of our Company in respect of battery technologies?

Tuğrul Arıkan: We have exhibited the busses in Hannover; we may start the market activities starting from the second half of 2019; it would not be realist to expect a fast development since an infrastructure needs to be established in the respective cities, which has a cost.

We may progress faster in respect of trucks. Considering the buses, we will start offering the electric buses in October, and we intend to sell them in the second half of the following year, both locally and internationally. Range should not be thought about too much, the range of a bus is about 300 to 400 km, it is different in respect of a truck since there are too many variables.

We carry out the battery management system together with our business partners; but we want to manufacture our own batteries in the periods to come; we will establish the system accordingly, but currently we are working with our business partners in this respect.

Question 5- During the interview of General Manager Yusuf Tuğrul Arıkan published in various media organs on 08.04.2019, he made a statement that "We have got our first business in respect of Defense Industry. We will deliver 29 vehicles". Is the reason why the earnings to get for 29 vehicles that our company will deliver under an agreement of USD 57,133,245 entered into with the main contractor are not disclosed at the public disclosure platform the confidentiality of defense industry operations? Or is it because this amount is below the disclosure criteria for the Public Disclosure Platform?

During the same interview, it was mentioned that the Turkish Armed Forces needs 500 trucks. As is disclosed at the Public Disclosure Platform, our Company submitted to the Republic of Turkey Presidency Undersecretariat for Defense Industries the bidding dossier concerning the project "8x8,10x10,12x12 Wheeled Tank Carriers, Container Carriers and Rescue Vehicles". Are 500 trucks mentioned in this interview an additional need of the Turkish Armed Forces in addition to the tender for which have submitted a bid?

Tuğrul Arıkan: The reason why 29 vehicles are not mentioned at the Public Disclosure Platform is because of the respective limits. There are two truck projects; we have announced one of them at the Public Disclosure Platform; it has not been concluded yet. What I have talked about during the interview is relating to a different need.

The defense industry needs modernization; we are getting prepared for these needs accordingly, however these projects may become implemented in the subsequent years, maybe within the next 5 to 6 years. We see that they need change and, we are closely monitoring the process.

Question 6- Considering that such companies, which manufacture and sell vehicles for the defense industry in addition to their main business operations like our company, indicate their sales to the defense industry on their respective balance sheets, why does Anadolu Isuzu not share this information? There is an information indicating an amount of TL 9,996,220 on the item "other revenues" in the footnote 17 to the balance sheet. Does this figure show the sales turnover of our company concerning the defense industry? If not, what is the proportion of the sales to the defense industry to the turnover of 2018?

Tuğrul Arıkan: We have sold armored midi-buses, armored pick-ups for the defense industry in a limited percentage until 2018. However, according to the arising needs, it may become necessary to consider it a different segment starting from 2019. The share in 2018 is about 5%.

Question 7- Do you consider adding the word "defense" to the corporate name?

Tuğrul Arıkan: We do not consider it since we have a separate brand called Anadolu Defense.

Question 8- According to my own research, the company held a meeting of analysts in 2016 for one time only. Why do you not consider holding a meeting of analysts every year to introduce the company to more investors, in particular, foreign investors?

Tuğrul Arıkan: There has been an organization change in 2018, we plan to hold this meeting in 2019.

Question 9- Tuncay Özilhan, Chairman of the Board of Directors and, Hürşit Zorlu, Chief Executive Officer, mentioned the transparent structure of Anadolu Group during their interview published on the magazine Fortune Turkey in October, 2018. We would like to see that all the companies within the Anadolu Group meet the investors during their ordinary general meetings held once a year so that this concept of "transparency" would be a reality, not only a word.

This has been recorded as a wish.

Uğur YILDIRIM, a shareholder of the Company, took the floor concerning the agenda item and, addressed the following questions.

Question 1- It was planned that the trademark patent application "ANADOLU SAVUNMA" submitted by Anadolu Isuzu Otomotiv Sanayii ve Ticaret Anonim Şirketi, of which I am a shareholder, to the Turkish Patent and Trademark Office under application number 2018/56813 on 12.06.2018, was to be registered in the name of our company, but it was transferred to AG Anadolu Grubu Holding Anonim Şirketi by means of a Full Transfer Request on 23.10.2018. I

kindly request you explain the reason why our company has transferred the trademark "ANADOLU SAVUNMA", which had been accepted, to the holding.

- For such vehicles to be manufactured under this trademark, will there be any trademark royalty just like the trademark 'Isuzu'?
- If there will be a trademark royalty, will it be paid to AG Anadolu Grubu Holding Anonim Şirketi?
- What do the Japanese Shareholders think about this transfer? I would like to know about it.

Tuğrul Arıkan: Since the word "Anadolu" is included in the trademark, this needs to be protected within the Group. Therefore, it will be monitored within the Group. Holding has left us the right to use this trademark. This is not an obstacle that may prevent us from spreading, selling our vehicles and, growing in the Defense Industry; Mr. Tuncay Özilhan supports this process.

There is no money that needs to be paid currently; we have agreed with our Japanese shareholders in this respect. No royalty will be paid to Anadolu Holding. It is not possible for us to proceed in a way contrary to the transfer pricing; there is no decision about the payment; we have Japanese shareholders; it is not possible to establish an unsuitable structure.

At this point, Jak Esim took the floor saying that "We are paying money to Itochu, Japanese shareholders. And now money will be paid to Anadolu Group?; we want that the fact that we will not pay any royalty in the subsequent periods to be recorded on the minutes and annotated accordingly".

Question 2- Our Japanese shareholders see the success of Anadolu Isuzu in respect of the manufacturing and exporting of buses. Considering that the Global Isuzu does not have such a big factory for buses, why are these buses not being marketed by other distributors in the Asian market?

Tuğrul Arıkan: We have already expanded our business through Isuzu distributors; we want to expand our business to Sub-Saharan Africa, Middle East and South America. For this expansion, the sales network is not sufficient by itself, the service network should also be expanded and, each market has different needs; we are planning an efficient expansion policy with the support of our Japanese shareholders.

Jak ESİM, a shareholder of the Company, took the floor concerning the agenda item and, addressed the following questions.

Question 1- In 2013, 75 percent of the income from the sales of the land in Kartal was transferred to a special fund account in the liabilities section as per the article 5/e of the Corporate Tax Law No. 5520. The period to keep this amount in the fund has expired as of 2019. As per the financial structure, a general meeting resolution is required to add this amount to the capital instead of being distributed as dividend since our company is registered with the registered capital system. However, the agenda of this general meeting does not include an item concerning the addition of 75 percent of the said amount kept in the special fund to the capital. We as the shareholders would like to state our prior warning and, we kindly request you express your opinion in this respect.

Tuğrul Arıkan: There is no resolution adopted by the Board of Directors in this respect. And we are not able to distribute it as per the pertinent legislations.

Jak Esim: I understand the reason as per the legislation, but I would like to exercise my legal right to call out to get informed about if this amount is to be distributed when the company moves into profit and, I will be aggrieved if it is not distributed.

Tuğrul Arıkan: A resolution of the Board of Directors needs to be adopted in this respect at their own discretion.

Question 2- It is being observed that there are some conflicts in the balance sheet items concerning the financial statement for 2018. As if a hidden hand has made efforts to show that there is a serious amount of loss in the net profitability of the company. However, the respective ratios indicate the best-ever achievements. If a financial analyst intended to estimate the profit considering these ratios, they would estimate a profit instead of the loss as shown. Namely: BKM ratio is 16.30, which is the best-ever ratio; this was 13 in the previous year. EBITDA ratio is 6.90, which is also the best-ever ratio. This was 3 in the previous year and, 2 in the preceding year. Revenue is TL 1,187,862 thousand, which is the all-time record. Foreign exchange gap position decreased from 385.610 to 235.726 in TL in spite of devaluation and, a natural hedge occurred due to the increase in the export and, foreign exchange is no longer a fearing factor for the company to some extent. In spite of all these facts, how is it possible to explain this all-time record net loss of TL 67,225 thousand? Increase in the inventories by 43 percent compared

to the previous year, which increased the rate of the inventories to the assets to 30 percent, which is close to the critical threshold of 40 percent posing a significant risk. Have the inventories been deliberately stacked onto the year-end balance sheet to hide the profit under the inventories? It is possible that the doubt about transfer pricing we have mentioned in the previous general meetings has caused this record loss in the net profit item?

I do not release the management due to the failure to create an agenda item concerning the addition of the income from the sales of assets as mentioned in the first item and due to the significant conflicts in the financial statements and, I hereby request my dissenting opinion be recorded on the minutes of the general meeting.

Tuğrul Arıkan: During July to August 2018, we have experienced a serious increase in both the exchange rates and interest rates and, concurrently a demand contraction. This is valid for all the players in the sector; materials ordered have been kept at the inventories due to demands and, also there is an increase due to exchange rates. Exchange rate and interest expenses have diminished the positive figures seen in the operating profit. Since the demand in that time has been contacted by 60-70% in an instant, inventories have been accumulated. So we should consider this not transfer pricing/hidden hand, but an impact of the economic conditions on the operating results.

This year, the export share is increasing more and, we facilitate the collections thereof through resources from Eximbank. We expect an improvement in both the operation capital management and, the EBITDA/Financing ratios this year.

As a result of deliberations thereon, it has been unanimously resolved to agree on the Financial Statements of December **31, 2018** with **affirmative votes of TL 71,525,840.08** against the **dissenting votes of TL 897,801.15**.

5- Deliberation have been carried out on the release of each of the members of the Board of Directors due to their activities in **2018**. It has been unanimously resolved to agree on the release of each member of the Board of Directors with **affirmative votes of TL 71,525,840.08** against the **dissenting votes of TL 897,801.15**.

(A member of the Board of Directors has not cast vote for their own release.)

6- In line with the resolution of March 25, 2019 adopted by the Board of Directors and, within the framework of the principles contained in the Capital Market Board (CMB) Communiqué on Dividends (II-19.1) and the pertinent provisions of the Articles of Association of our Company and, the dividend policy publicly disclosed by our Company, the offer indicating that there will be no dividend distribution for the activity period of 2018 since our Company has a net period loss as shown in the consolidated financial statements for 2018 as prepared in accordance with the pertinent provisions of the Turkish Commercial Code and, the CMB regulations has been submitted to the General Meeting for approval and, it has been unanimously resolved to agree thereon with **affirmative votes of TL 71,525,840.08** against the **dissenting votes of TL 897,801.15**.

7- It has been **unanimously resolved by the attendants** to appoint 14 candidates in total for a term of office until the ordinary general meeting to be held for deliberations on the results from the activity year of **2019: Tuncay ÖZİLHAN, Kamilhan Süleyman YAZICI, Talip Altuğ AKSOY, Efe YAZICI, Ahmet BOYACIOĞLU, Kamil Ömer BOZER, and Recep Yılmaz ARGÜDEN**, from whom their nomination declarations have been received, and, **Salih Metin ECEVİT**, whose nomination declaration has been received verbally during the meeting, as nominated by the Group "A" shareholders; and **Yasuyuki NIIJIMA, Kozo YAMAGUCHI** and **Toshiyuki ABE**, from whom their nomination declarations have been received and, **Takuya KAWAI**, whose nomination declaration has been received verbally during the meeting, as nominated by the Group "B" shareholders and, **Ahmet Murat SELEK** and **Orhan ÖZER**, from whom their nomination declarations have been received as nominated by the Board of Directors with the positive opinion of the Corporate Governance Committee as an Independent Member of the Board of Directors and; that each of the Member of the Board of Directors shall be given a net fee of **TL 127,500** per year – TL 10,625 per month – and, that no fee shall be paid to other Members of the Board of Directors for their position as a Member of the Board of Directors.

8- Approval of the appointment by the Board of Directors of the Independent External Audit Company as per the pertinent provisions of the Turkish Commercial Code and the Capital Market Board's Regulations has been deliberated upon. As per the article 14 of the Capital Market Board's Regulations on Independent External Audit on Capital Market, approval of the

appointment of "**DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.**" appointed by the Board of Directors upon the offer from the Company's Audit Committee as the independent external audit company for the activity year of **2019** in order to carry out audits on the accounts pertaining to the activity year of **2019** as per the Capital Market Law and communiques has been put to vote. It has been unanimously resolved by the attendants to agree on the appointment of **DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.** as the independent external audit company for the activity year of **2019**.

9- The shareholders have been informed as per the Capital Market Board's regulations that there is no security, lien and mortgage granted in favor of third parties or there is no income or benefit therefrom during the activity year of **2018**.

10- The **shareholders have been informed** that the Company has granted donations to associations and foundations in the amount of TL 34,250 within the year of 2018: TL 34,250 to other associations and foundations.

11-The shareholders **have been informed** that there is no transaction performed, which fall into the scope of the CMB's Corporate Governance Communique Serial No. II-17.1, "Corporate Governance Principle", item no. 1.3.6, which reads as follows: "In case the shareholders holding the management control, the board members, the executives with administrative responsibilities and, the spouses and relatives by blood and marriage up to the second degree, have made a transaction that may cause a conflict of interest with the company or its affiliates and/or carry out a transaction that fall into the scope of business of the company or its affiliates on their own behalf or on behalf of others or, participated in a company engaging in such commercial activities the same as those of the company or its affiliates in the capacity of a general partner, then the said transactions are included as a separate agenda item into the agenda of the general meeting and recorded in the minutes of the general meeting in order to provide detailed information thereon during the general meeting".

12- It has been **unanimously accepted by the attendants** at the General Meeting that the members of the Board of Directors are allowed to perform and carry out such procedures and transactions within the framework of the first paragraph of the article 395 "Prohibition on Transactions with Company and, Borrowing from Company" of the Turkish Commercial Code and, of the article 396 "Non-Competition" thereof.

There being no further business to discuss, the meeting chairman declared the meeting to be closed.

**Ministerial
Representative**

İsmail ASLANLAR
[signed]

Chairman of the Meeting

Volkan HARMANDAR
[signed]

Vote Collector

Fatma Aksoy ÖZEK
[signed]

Clerk

Zafer DEMİREL
[signed]

Attending Board Member

Takuya KAWAI
[signed]

Shareholders Asking Questions

Jak ESİM
[signed]

Uğur YILDIRIM
[signed]

Orçun ÖZÜÇER
[signed]

[notary public seal and signature/
5th Notary Public of Kartal/
Berrin Güneş/
Log No. 12310/ April 22, 2019]

Republic of Turkey

Date: 22.04.2019
Log Number: 12310 (A)

<p>Republic of Turkey 5th Notary Public of Kartal</p>	<p>COPY</p>
<p>5th Notary Public of Kartal Berrin Güneş</p>	<p>I hereby certify that this is the exact copy of the resolution of 18.04.2019 on the page no. 65, 66, 67, 68, 69, 70 and 71 attached to the Resolution Book of ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET ANONİM ŞİRKETİ notarized by the 5th Notary Public of Kartal under log number 25914 on 03.12.2012. (Twenty-Second Day of April, Two Thousand and Nineteen) Monday. 22.04.2019</p>
<p>Üsküdar Cad. Ayyıldız İşhanı No. 1 81410 Kartal, İstanbul Tel: +902163539545 Fax: +902163064847</p>	<p>5th Notary Public of Kartal Berrin GÜNEŞ p.p. Yusuf OKUYAR Chief Clerk, Authorized Signatory</p>