

ORDINARY GENERAL ASSEMBLY MEETING MINUTES OF ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş. HELD ON 14 APRIL 2017 FRIDAY AT 14:00 O'CLOCK

Anadolu Isuzu Otomotiv Sanayii ve Ticaret Anonim Şirketi Ordinary General Assembly Meeting for the year **2016** has been held on **14 April 2017** Friday, at **14:00**, at the address "Esenkent Mahallesi, Deniz Feneri Sokak, No: 4, Ümraniye, 34776 ISTANBUL", under supervision of Ministry Representative **Hatice ÖNDER** appointed by the Istanbul Ticaret Provincial Office's letter dated **13 April 2017** number 24207853.

Meeting call has been published on Turkish Trade Registry Journal dated **22 March 2017** number **9289** and on Dünya newspaper dated **21 March 2017** circulated in Turkey, so as to include the agenda, as required under Turkish Code of Commerce and the Articles of Association. In addition, General assembly invitation has been published on the same date on Public Disclosure Platform, Electronic General Assembly System and our website.

In review of the list of attendees; it is seen that, of the **2,541,970,654** shares of **1 Kr** nominal value each, representing total **25,419,706.54** TL capital of the Company, **49,386,850** shares corresponding to **493,868.50** TL capital have been represented in person, and **2,216,066,522.20** shares corresponding to **22,160,665.222** TL capital have been represented by proxy, being a total of **2,265,453,372.20** shares (as detailed in the table below) represented at the meeting, thus the minimum meeting quorum required under Turkish Code of Commerce and the Articles of Association have been met.

	GROUP A NOMINATIVE	GROUP B NOMINATIVE	C GROUP BEARER	GRAND TOTAL
Physical Attendance	13,570,725.637	7,559,955.000	1,523,853.085	22,654,533.722
Electronic Attendance	0.000	0.000	0.000	0.000
Total Attendance	13,570,725.637	7,559,955.000	1,523,853.085	22,654,533.722
Total Number of Shares	13,664,044.020	7,559,955.000	4,195,707.520	25,419,706.540
Attendance rate (%)	99.32%	100.00%	36.32%	89.12%

It was seen that the directors **Salih Metin ECEVİT**, **Takuya KAWAI** and **Ryutaro MASHIKO**, and **Barış DOĞAN** who represent the independent audit firm, were present at the meeting, and the session has been commenced at the same time in physical and electronic environment.

1- Bora ÖNER has read the letter of proposal to the General Assembly for election for the Presidency of Meeting.

Proposal on election of **Salih Metin ECEVİT** as President of the Meeting has been accepted with unanimous decision. **Salih Metin ECEVİT** constituted the presidency of meeting, by designating **Yusuf Tuğrul ARIKAN** as collector of votes and **Bora ÖNER** as clerk. **Murat ORHAN** who holds Central Registrar's Electronic General Assembly System Certificate, was appointed for using the Electronic General Assembly System.

2- Meeting Chair Salih Metin ECEVİT's proposal for having the Annual Report for the year **2016**, prepared by the Board of Directors, "considered read, as the everybody knows that the Report was disclosed to public via the Public Disclosure Platform" has been accepted with unanimous decision.

Annual Report for the year **2016**, prepared by the Board of Directors was negotiated. General manager Yusuf Tuğrul Arıkan has made statements on the activities in the year 2016.

Our Company's shareholder Orçun Özüçer has asked a question as to how we can appeal individual customers with our D-max model pick-ups, and what we can do to increase its sales, and provided information on advertisement activities.

3- Summary of Independent Audit Report on the Consolidated Financial Statements for the account period 1 January–31 December 2016 has been read by the independent audit firm's representative Barış DOĞAN, and negotiated. Only information was given as this item of the agenda was not subject to voting.

4- Financial Statements dated **31 December 2016**, prepared and independently audited in accordance with the regulations of Capital Markets Board, which is "considered read, as the everybody knows that the Report was disclosed to public via the Public Disclosure Platform" upon proposal of Meeting Chair **Salih Metin ECEVİT**, has been accepted unanimous decision.

Our Company's shareholder Jak Esim took the floor on an agenda item, and made the statement below.

Jak Esim: "We see that our Company has had a negative outlook in terms of financials of 2016, having concluded the year with 46.336 million net loss. At the previous general assembly meetings, I had mentioned in detail that, in 2015, despite the sector having the best performance of recent years, our Company's financial items had deteriorated, which was entered on the assembly minutes. I had tried to explain in detail that, while the entire sector was ramping, with specific examples, our net profit margin has fallen from previous year's (2014) 4.7 % to (2015) 1.9 %, despite the all-time high sales, and our 301 million of short position could not be hedged, and all financial ratios were generating signals of further deterioration.

Currently, we have all-time high net loss in 2016. Although revenue has approached the last year, Company's liabilities have increased, and short position has climbed from 301 to 335 million, and financial expenses have doubled from 36,437 to 77,501, which is predominantly comprised of 51 million of exchange rate difference expense. In automotive sector, net profit margins were 5-6% on average in 2016, while we had a negative figure (5.6%).

Although sales did not fall significantly, production has fallen by half, compared to last year. While exports have started to recover, it's not sufficient yet, and fails to relieve the burden of short position.

In 2011, our Company was able to get 13,352 million net profit as a result of 474 million net revenue, this year we had 46 million net loss despite 885 million net revenue. As a result, revenue had grown one hundred percent in five years, the share of general expenses in the balance sheet total should have been reduced and the profitability should have increased in direct proportion with the revenue. However, we have just the opposite, with all-time high loss, which is impossible to comprehend.

As a result of this negative outlook, we, the shareholders, incur losses, and we need to have this matter specially audited and questioned.

In conclusion section "11-17.1" of the Report on Transactions with Affiliates Proposed in 2017, as disclosed on Public Disclosure Platform on 20 March 2017, Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş has given the opinion that "Anadolu Isuzu's transactions and terms of procurement of engines, moving parts and other parts for production purposes, and finished vehicle purchases from affiliated companies and subsidiaries in 2017 were in market conditions and consistent with prior years".

As this report can be reviewed and inspected, it should have been reporting the company's profitability and the actual and potential effects of the transactions on the financial results, but the report published on the Public Disclosure Platform contains general and abstract expressions and statements without any number, which are not based on any justification, and are not measurable or debatable. Consequently, it is worthless.

In addition, general financial results are not consistent with the sector averages, as I mentioned above.

Consequently, as a result of the negativities in the financial items, neither I nor the shareholders I represent at the general assembly do release the financial statements. Pursuant to article 438 of Turkish Code of Commerce number 6102, we hereby exercise our legal rights to appoint special auditor, with the right granted by the total shares held by me and other shareholders I represent by proxy. I hereby request the appointment of a special auditor to review the company records and find the reasons of current loss for the period, including but not limited to transactions with the group and affiliated companies; and creation and voting of a sub-item on the agenda pursuant to the relevant provision of the law."

A sub-item has been opened in the agenda for Jak Esim's special audit request, and special audit request has been rejected with 21,645,316.722 TL of votes for rejection, versus 1.009.217 TL votes of acceptance.

As a result of negotiations, Financial Statements dated **31 December 2016** have been accepted with majority of votes, being 21,645,316.722 TL of votes for acceptance, versus 1,009,217 TL of votes for rejection.

5- According to article 363 of Turkish Code of Commerce, changes in the membership of the Board of Directors have been disclosed and submitted to the approval to shareholders, and accepted with unanimous decision.

6- Individual release of the Directors for the activities in **2016 was** negotiated. Directors were released for the activities in **2016**, with majority of votes, being 1,003,817 TL of votes for rejection, versus 21,650,716.722 TL votes of acceptance. (Directors have not voted on their own)

7- In line with the Board of Directors' resolution dated 15 March 2017, and within the framework of the Principles in the Capital Markets Board's (CMB) Dividend Communiqué (II-19.1) and our Company's Articles of association, and our Company's publicly disclosed profit distribution policy; our Company's proposal for not distributing profit for the operating year 2016 has been submitted to approval of the General assembly, as the consolidated financial statements for the 2016 year as prepared in accordance with Turkish Code of Commerce and CMB regulations contains net loss for the period, and the proposal was accepted with majority of votes, being 1,012,242.50 TL of votes for rejection, versus 21,642,291.222 TL of votes for acceptance.

8- It is resolved with unanimous decision, to appoint a total of 14 nominees to the Board of Directors, being Tuncay ÖZILHAN, Talip Altuğ AKSOY, Kamilhan Süleyman YAZICI, Efe YAZICI, Salih Metin ECEVİT, Rasih Engin AKÇAKOCA, Recep Yılmaz ARGÜDEN and Ahmet BOYACIOĞLU nominated by Group A Shareholders; and Yasuyuki NIIJIMA, Hiroko YAGUCHI nominated by Group B Shareholders, whose nomination statements were received, and Takuya KAWAI and Ryutaro MASHIKO who have been present at the meeting and verbally given nomination statements, and Ahmet Cemal DÖRDÜNCÜ and Kamil Ömer BOZER who are nominated as Independent Director by the Board of Directors according to the opinion of the Corporate Management Committee, to serve for 1 year until the ordinary general assembly meeting to be held to discuss the operating results of the year 2017, and to pay monthly net

6,250 TL (annual total net 75,000 TL) to each of the Independent directors, and not to pay any remuneration to other directors.

9- Pursuant to Turkish Code of Commerce and Capital Markets Board's regulations, approval of the designation of Independent External Audit Firm by the Board of Directors was negotiated. Pursuant to article 14 of the Capital Markets Board's Regulation on Independent External Audit in Capital Markets, designation of "**DRT Bağımsız Denetim ve Serbest Muhasebe Mali Müşavirlik A.Ş.**" as the independent external audit firm for the operating year **2017** by the Board of Directors upon recommendation of the Company's Audit Committee, to audit the accounts for the operating year **2017** according to the Capital Markets Law and communiqués, was voted. Designation of DRT Bağımsız Denetim ve Serbest Muhasebe Mali Müşavirlik A.Ş. as the Company's independent external audit firm for the operating year **2017** was accepted with unanimous decision.

10- Shareholders are informed in accordance with the Capital Markets Board's legislation, that there was no guarantee, pledge or mortgage given in favor of third parties, nor any proceed or benefit was earned thereon, in the **2016** operating year.

11- Shareholders are informed that our Company has donated a total of 58,016.16 TL to associations and foundations in 2016, being 3,000 TL to Anadolu Eğitim ve Sosyal Yardım Vakfı, and 55,016.16 TL to other foundations and associations.

12- Pursuant to the mandatory Corporate Governance Principle 1.3.6. as required by the CMB's Communiqué II-17.1 stating that "If the controlling shareholders, directors, executives and their spouses and affinities by blood or marriage, up to second degree, enter into a material transactions that may cause conflict of interest with the company or its subsidiaries and/or engages in a commercial business on their own behalf or on behalf of others, in the fields of activity of the company or its subsidiaries, or become general partner of another company engaged in the same type of business; then such activities shall be taken to the General assembly agenda as a separate agenda item to inform the General assembly in detail, and entered on the General assembly minutes.", Shareholders were informed on that there was no significant transaction in this context in 2016.

13- It was resolved with unanimous decision by the General Assembly, to permit our Directors to enter into transactions under the first paragraph of article 396 "Prohibition of Transaction with the Company and of Borrowing from the Company" and article 395 "Prohibition of Competition" of Turkish Code of Commerce.

14- Board of Directors' proposals for amendment of the Articles of association, article 7 "Capital", to increase the Company's share capital of 25,419,706.54 TL, by 230.45228% through bonus shares, to 84,000,000 TL, and article 5 "Headquarters" for the change of Company's headquarters address, which were approved with the Capital Markets Board's letter dated 01.02.2017 number 29833736-110.03.02-E.1310 and Ministry of Customs and Trade's letter dated 14.02.2017 number 50035491-431.02-E-00022636760, were negotiated, and the draft of Articles of association for the relevant articles, as given below, have been accepted with unanimous decision.

AMANDED TEXT ARTICLES OF ASSOCIATION

NEW TEXT

Article 5 – Registered Office:

The Company's head office is situated in Istanbul, Ümraniye and its address is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58 Buyaka E Blok 34771 Tepeüstü. In case of a

change to the address, the new address shall be registered with the trade registry office and published in Turkish Trade Registry Journal, and shall be further notified to the Capital Markets Board and the Ministry of Customs and Trade. Notices served on the registered and published address shall be deemed to have been served on the Company. Where the Company fails to have its new address registered on a timely basis although it leaves its former registered and published address, this shall be a just cause for its termination.

The Company may, if deemed necessary, open branches and establish agencies and representation offices in Turkey and abroad with the resolution of the Board of Directors and in accordance with the provisions of the Law.

NEW TEXT

Article 7 – Paid-in Capital:

The Company paid-in capital amounts to 84.000.000 (Eighty Four Million Turkish Lira). The capital is divided into 4.515.314.511 (Four Billion Five Hundred Fifteen Million Three Hundred Fourteen Thousand Five Hundred and Eleven) Class (A) registered, 2.498.204.373 (Two Billion Four Hundred Ninety Eight Million Two Hundred and Four Thousand Three Hundred Seventy Three) Class (B) registered, and 1.386.481.116 (One Billion Three Hundred Eighty Six Million Four Hundred Eighty One Thousand One Hundred Sixteen) Group (C) bearer shares, totaling up to 8.400.000.000 (Eight Billion and Four Hundred Million) shares, each with nominal value of 1 (One) Kr;

<u>Partners</u>	<u>Amount of Shares(TL)</u>
<u>Group A Partners:</u>	
Domestic Partners	45.153.145,11
<u>Group B Partners:</u>	
Isuzu Motors Limited	14.275.508,79
Itochu Corporation	10.706.534,94
<u>Group C Partners:</u>	
Public	12.596.378,31
Other	<u>1.268.432,85</u>
TOTAL	<u>84.000.000,00</u>

The Company's previous paid-in capital of TL 25.419.706,54 (Twenty Five Million Four Hundred Nineteen Thousand Seven Hundred and Six Turkish Lira and Fifty Four Kurus) has been paid completely and free of collusion.

Of 58.580.293,46 TL (fifty eight million five hundred eighty thousand two hundred ninety three Turkish liras forty-six kurush), the currently increased portion of the capital which shall be fully covered by the company's own funds:

- a sum of 56.752.572,70 TL (fifty six million seven hundred fifty-two thousand five hundred seventy two Turkish lira seventy kurush) was covered by adding positive differences from capital adjustment as a result of inflation adjustment at the company pursuant to the provisions of Tax Procedure Code no 213;

- a sum of 708,41 TL'lik (seven hundred eight Turkish lira forty-one kurush) was covered by adding profits from cancellation of stocks and positive difference from inflation adjustment for stock cancellation profits to the capital;

- a sum of 119.735,03 TL (one hundred nineteen thousand seven hundred thirty-five Turkish lira zero three kurush) by adding extraordinary reserves to the capital;

- a sum of 1.707.277,32 TL (one million seven hundred seven thousand two hundred seventy seven Turkish lira thirty two kurush) by adding profit reserves from sales of affiliates stocks and positive difference from the inflation adjustment thereon to the capital.

The shares representing the capital shall be monitored through the Central Registry Agency records, within the context of the principles of dematerialization

**Ministry
Representative**
Hatice ÖNDER
signed

Meeting Chair
Salih Metin ECEVİT
signed

Collector of Votes
Yusuf Tuğrul
ARIKAN
signed

Clerk
Bora ÖNER
signed

Shareholder
Jak ESİM
signed

Shareholder
Orçun ÖZÜÇER
signed