

İskenderun Demir ve Çelik Anonim Şirketi
Internal Directive on Working Rules and Principles of General Assembly

First Part
Purpose, Scope, Basis and Definitions

Purpose and Scope

ARTICLE 1- (1) Purpose of this directive is to define Working Rules and Principles of General Assembly of İskenderun Demir ve Çelik Anonim Şirketi in accordance with provisions of laws, relevant legislation and Article of Association of the company. This internal directive covers all ordinary and extraordinary general assembly meetings of İskenderun Demir ve Çelik Anonim Şirketi.

Basis

ARTICLE 2- (1) This internal directive issued by the board of directors in accordance with the provisions of "Regulations on Rules and Principles of General Assembly Meetings of Joint Stock Companies and Representatives of Ministry of Customs and Trade who shall attend to these meetings".

Definitions

ARTICLE 3- (1) The terms existing in this internal directive have the following meanings.

- a) Session: one day meeting of general assembly
- b) Law: Turkish Commercial Code dated 13/1/2011 and no. 6102
- c) Sitting: each parts of each the session interrupted due to rest, meal break and similar reasons
- ç) Meeting: ordinary and extraordinary general assembly meetings
- d) Chair of meeting: In accordance with the first clause of 419th article of the law; the committee consisting of chairman of meeting who is elected by general assembly to chair the meeting, vice chairman of meeting to be elected by general assembly when necessary, minutes clerk to be assigned by chairman of the meeting and vote collector in case it is seen necessary by chairman of the meeting.

Second Part
Working Rules and Principles of General Assembly

Provisions to be obeyed

ARTICLE 4 – (1) Meeting is made in accordance with the provisions of law, relevant legislation and article of association on general assembly.

Entry to meeting place and preparations

ARTICLE 5 – (1) Shareholders registered to the list of attendance issued by board of directors or their proxies, members of board of directors, auditor if any, ministry representative if charged and the persons who are elected or charged for meeting chair can enter meeting hall. other managers of the company, its employees, guests, voice and video recording technicians may enter to the meeting venue if it is seen necessary.

(2) Showing identity card by real person shareholders and their representatives who are assigned from electronic general assembly system which is founded in accordance with 1527th article of the law, showing identity cards together with representation certificates by representatives of real person shareholders, submitting letter of authorization by representatives of legal entity shareholders when they enter into the meeting hall and thus signing the shown places for them in the list of attendance by the attendants are obligatory. The subject control formalities is carried out by board of directors or one or more members of board of directors who are charged by the board of directors or person or persons who are charged by the board of directors.

(3) The duties regarding the preparation of meeting hall as to have sufficient area for all shareholders and keeping stationery materials, documents, tools and equipment which will be needed during the meeting ready in meeting hall are carried out by the board of directors. It shall be stated in the internal directive if the meeting is to be recorded vocally and by video recording

Opening of the meeting

ARTICLE 6 – (1) The meeting is opened in the place where headquarters of the company is located (it shall be stated if there is any contrary decision is written in the article of association) on time which is announced before (provisions of meeting without invitation written in 416th article of the law are reserved) by chairman of board of directors or vice chairman of board of directors or any of member of board of directors upon determining that quorum written in 418th and 421st article of the law through minutes.

Formation of meeting chair

ARTICLE 7- (1) A chairman and if it is seen necessary a vice chairman who is not necessary to be shareholder that who shall be liable of management of the general assembly among the offered candidates is elected firstly under management of the person opening the meeting in accordance with the rule of 6th article of this internal directive.

(2) At least one minutes clerk and vote collector at sufficient numbers are assigned by the chairman if it is seen necessary. If the company is sole-shareholding; he can fulfill all duties foreseen for the meeting chair alone.

(3) Meeting chair is authorized to sign meeting minutes and other documents which are basis for the minutes.

(4) Chairman of the meeting acts in accordance with provisions of law, articles of association and this internal directive when he manages the general assembly meeting.

Duties and power of meeting chair

ARTICLE 8 – (1) Meeting chair fulfills the below mentioned duties under management of the chairman:

a) To check whether the meeting is made in the address specified in the announcement and whether meeting place is in compliance with the articles of association if it is stated in it.

b) To check whether general assembly is called for meeting in website of companies which are obliged to open website and through announcement published in Turkish Trade Registry Gazette in the way shown in articles of association; whether this call is made at least two weeks before meeting date provided that announcement and meeting days are excluded; whether the gazette where meeting day and agenda is put or to be put into announcement through registered mail to the shareholders who are written in share book and to shareholders who informed their addresses by submitting to the company their probative certificate for their share and shareholding beforehand and to write this situation to the minutes.

c) to check whether the persons having no power to enter meeting hall enters to meeting and whether the duties written in second clause of 5th article of this internal directive related to entrance to meeting hall are fulfilled by board of directors.

ç) to check whether all of shareholders or their representatives attend the meeting in case general assembly makes its meeting without call in accordance with 416th article of the law; whether there is any objection about making of the meeting in this way and whether quorum is maintained until the end of the meeting.

d) to determine existence of main articles containing the amendments if amendment is made, share book, annual activity report of board of directors, audit reports, financial statement, agenda, amendment draft issued by board of directors if there is amendment of articles of association in the agenda, letter of authorization received by the ministry in case amendment of articles of association is subject to permission of Ministry of Customs and Trade and amendment draft, list of attendance issued by board of directors, postponement minutes regarding the previous meeting if general assembly is called for meeting upon postponement and other documents regarding the meeting properly in the meeting hall and to state this situation in the meeting minutes.

e) To control identity card of attendants of the general assembly by principal and by proxy through signing list of attendants upon objection or upon necessity and to check truth of representation certificates.

f) To determine whether managing members and at least one member of board of directors and the auditor in companies subjecting to audit attend the meeting and to state this situation in the meeting minutes.

g) To manage general assembly studies within the framework of the agenda, to prevent to go beyond the agenda other than the exceptions written in the law, to ensure meeting order and to take necessary precautions for this.

ğ) To open and to close sessions and sittings and to close the meeting.

h) to read decision, draft, minutes, report, suggestion and similar certificates regarding the matters being discussed or to have them read to general assembly and to give speaking right to the persons wishing to speak about them.

ı) To make voting regarding the decisions to be made by general assembly and to inform their results.

i) To observe whether quorum for meeting is maintained at the beginning, continuation and end of the meeting and whether the decision are made in accordance with the quorum foreseen in the law and in the articles of association.

j) To declare to general assembly the notifications made by the representatives written in 428th article of the law.

k) In accordance with 436th article of the law, to prevent non-voting shares to vote in the decisions written in the aforementioned article and to observe every kind of limitation for voting right and preferential voting in accordance with the law and the articles of association.

l) To postpone negotiation of financial statements and discussion of relevant matters upon request of shareholders having one tenth of the capital in order to be discussed in the meeting to be made one month later without needing to make decision by general assembly about this matter.

m) to ensure issuance of minutes belonging to general assembly studies, to write objections in the minutes, to sign decision and minutes, to state the affirmative and negative votes regarding the decisions made in the meeting in meeting minutes in a way not causing to hesitation.

n) To deliver meeting minutes, annual activity report of board of directors, auditor reports and financial statement in companies subjecting to audit, list of attendants, agenda, proposals, vote papers and minutes of elections if any and the all documents related to the meeting to one of members of board of directors attending through a minute at the end of the meeting.

Transactions to be carried out before discussion of the agenda

ARTICLE 9 – (1) Chairman of the meeting reads or made read agenda of the meeting to the general assembly. It is asked by the chairman whether there is any suggestion on change regarding the order of the agenda during discussion of agenda articles; if there is a suggestion then this state is submitted to approval of the general assembly. Discussion order of the agenda articles may be amended by decision of majority of the votes attending the meeting.

Discussion of the agenda and articles of the agenda

ARTICLE 10 – (1) Existence of the following matters in ordinary general board agenda is obligatory.

- a) opening and further forming of the meeting chair
- b) Discussion of annual activity report of board of directors, auditor reports and financial,
- c) Acquittal of members of board of directors and auditors if any
- ç) Election of members of board of directors whose duty period expired and auditors,
- d) Determination of wages and rights such as attendance fees, bonus and premium of members of board of directors,
- e) Determination of use manner and distribution of profit and earnings rates.
- f) Discussion of amendments in articles of association if any
- g) Other matters seen necessary

(2) The reasons necessitating meeting form agenda of extraordinary general assembly meeting.

(3) The matters which are not in the agenda of the meeting cannot be discussed and no decision can be made for them other than the exceptions written herein below.

a) Further subject may be added to the agenda unanimously if all of the shareholders attend the meeting.

b) Decision is made by general assembly for special inspection request of any shareholder without considering whether it is in the agenda in accordance with 438th article of the law.

c) The matters such as dismissal and re-election of the members of board of directors is deemed that it is related to article of negotiation of yearend financial statements and it is discussed directly in case of request regardless of existence of article related to the matter in the agenda and decision is made.

ç) Dismissal and replacement of members of board of directors is brought to the agenda by majority of the votes attending in the general assembly meeting in case of existence of rightful reasons such as corruption, insufficiency, violation of dependence obligation, difficulty in fulfillment of the duty due to membership in many companies, conflicts, abuse of powers even if there is no article in the agenda.

(4) Article of the agenda discussed and for which a decision is made in the general assembly cannot be re-discussed and no decision can be re-made unless it is decided unanimously by the attendants.

(5) The matters which are required as result of the inspection or by the ministry with any reason to discuss in the general assembly meeting of the company is put into agenda.

(6) The agenda is determined by the one inviting the general assembly for meeting.

Speaking in the meeting

ARTICLE 11 – (1) Shareholders or other concerning persons wishing to speak about the article of the agenda which is being discussed inform the meeting chair about the situation. Chair declares to the general assembly the persons to speak and right of speaking is given to these persons by order of application. If the person to whom speaking order is came is not in the meeting hall then he loses his right of speaking. Speaking is made as address to general assembly from the place allocated for this. Persons may change their speaking orders between them. In case speaking time is limited, when speaking time of a person who is speaking upon his order ends, he can continue his speaking if the person who shall speak after him grants his right of speaking to him provided that he shall finish his speaking with speaking time of that person. Speaking time cannot be extended in another way.

(2) Speaking is given to members of board of directors and auditor who want to make explanation about the matters being discussed without considering the speaking order by chairman of the meeting.

(3) Duration of speaking is decided by the general assembly as per suggestion of chairman or shareholders, intensity of the agenda, abundance and importance of matters needed to be discussed and number of the persons wishing to speak. In such situations, general assembly makes such decision whether speaking time is limited firstly and then the duration of the speaking by separate voting.

(4) In accordance with 1527th article of the law; methods and principles specified in the aforementioned article and sub arrangements are applied related to transmission of thoughts and suggestions of shareholders or their representatives attending to the general assembly electronically.

Voting and method of the voting

ARTICLE 12 – (1) Before starting the voting, chairman of the meeting declares to the general assembly the matter to be voted. If a decision draft is voted, it is determined in written form and read then voting is made. After it is stated that it is passed to the voting, speaking can be demanded only about method. Meanwhile if there is a shareholder to whom speaking is not given although he requested, he uses speaking right provided that he reminds and chairman verifies. No speaking is given after it is passed to the voting.

(2) Votes regarding the matters being discussed in the meeting are given by raising hand or by standing up or by saying aye or nay separately. These votes are counted by meeting chair. Chair may assign persons at sufficient number in order to help counting of votes when it becomes necessary. Person not raising hand, not standing up or not declaring any way are deemed that they gave nay vote and these votes shall be considered as they are given against the relevant decision.

(3) In accordance with 1527th article of the law; methods and principles specified in the aforementioned article and sub arrangements are applied related to transmission of thoughts and suggestions of shareholders or their representatives attending to the general assembly electronically.

Issuance of meeting minutes

ARTICLE 13 – (1) List of attendance showing shareholders or their representatives, their shares, groups, numbers and nominal values is signed by chairman of the meeting and it is provided to issue the minutes in accordance with the bases written in the law and relevant legislation by showing questions asked in the general assembly and their answers briefly, numbers of the decision made and number of positive and negative votes given for each decision explicitly.

(2) General assembly meeting minute is issued by typewriter, computer or by hand provided that in a legible way by ink pen in meeting hall and during the meeting. Existence of a printer to enable print out in meeting hall to print the minute in the computer is stipulated.

(3) Minute is issued at least in two copies and each pages of the minutes is signed by meeting chair and, if attended, by ministry representative.

(4) It is obligatory to state trading title of the company, date and place of the meeting, total nominal value of shares of the company and number of the shares, total shares represented in the meeting by principal and by proxy, name and surname of the ministry representative (if assigned) and date and number of his letter of assignment, way of invitation if the meeting is made through announcement and it should be stated if it is made without announcement.

(5) Number of votes regarding the decisions made in the meeting is written in the minutes by figures and in words in order not to cause any hesitation.

(6) Name, surname and dissent reasons of the persons who give negative vote for the decisions made in the meeting and who wants to write his dissent in the minutes are written to the minutes.

(7) In case dissent reasons are given in written form, this letter is enclosed to the minutes. Name and surname of the shareholder or his representative is written to the minutes and then it is stated that the dissent letter is enclosed. Dissent letter enclosed to the minutes is signed by meeting chair and, if attended, by ministry representative.

Transactions to be made at the end of the meeting

ARTICLE 14- (1) Chairman of the meeting deliver one copy of minutes and other documents regarding the general assembly at the end of the meeting to a member of board of directors attending the meeting. This state is written in a separate minutes to be issued between the parties.

(2) Board of directors is liable to submit one notarized copy of the minutes to trade registry Office within fifteen days at the latest as of meeting date and to register and announce the matters written in the minutes which are subject to registration and announcement.

(3) Minute is put into website within five days at the latest as of date of general assembly by the companies which are obliged to open website.

(4) Chairman of the meeting further delivers one copy of list of attendants, agenda and general assembly meeting minutes to ministry representative in case attended.

Participation to the meeting electronically

ARTICLE 15- (1) In case participation to general assembly meeting in electronic media is enabled in accordance with 1527th article of the law, the transactions to be performed by board of directors and meeting chair are fulfilled by considering 1527th article of the law and relevant legislation.

Third Part
Miscellaneous provisions

Attendance of ministry representative and documents regarding the general assembly meeting

ARTICLE 16 – (1) Provisions of Rules and Principles of General Assembly Meetings of Joint Stock Companies and Regulations on Representatives of Ministry of Customs and Trade who shall attend to these meetings regarding the request of representative for meetings for which attendance of ministry representative is obligatory and duties and powers of this representative are reserved.

(2) It is obligatory to obey the rules of the regulations written in first clause in preparation of list of persons who can attend the general assembly and list of attendants and issuance of representation certificates to be used in general assembly and meeting minutes

Circumstances not envisaged in the internal directive

ARTICLE 17 – (1) In case the circumstances which are not envisaged in this internal directive are encountered in the meetings, then it shall be acted in line with the decision to be made by the general assembly.

Approval of the internal directive and amendments

ARTICLE 18 – (1) This internal directive is put into force, registered and announced by board of directors upon approval of general assembly of İskenderun Demir ve Çelik Anonim Şirketi. Amendments to be made in the internal directive are subject to the same procedure.

Entering of the internal directive into force

ARTICLE 19 – (1) This internal directive was accepted in general assembly meeting dated 25.03.2013 of İskenderun Demir ve Çelik Anonim Şirketi and enters into force upon announcement in Turkish Trade Registry Gazette.