

BATICIM BATI ANADOLU CIMENTO SANAYII A.S.
ORDINARY GENERAL ASSEMBLY MEETING MINUTES
HELD ON 26/04/2016

The Ordinary General Assembly Meeting of Baticim Bati Anadolu Çimento Sanayii Anonim Şirketi for the year 2015 was held on 26/04/2016 at 15:00 at the company's registered office address of Ankara Cad. 335 Bornova, IZMIR in the meeting hall with the supervision of the representatives of the Ministry of Customs and Ministry, H. Alper MARASALI and Omer YILMAZ on behalf of the Ministry through the assignment letter of İzmir Provincial Directorate of Commerce dated 25.04.2016 and numbered 15555253.

Invitations for the meeting were called in accordance with the law and as provided in the Articles of Association including also the agenda and announced with the 05 April 2016 dated and 9047 numbered copy of the Trade Registry Gazette, on the website of the company at www.baticim.com.tr, on the Public Disclosure Platform (KAP) and on the Electronic General Assembly System of the Central Registry Agency (EGKS) within the due of time.

In the examination of the list of attendees it was understood that from the 8.000,000,000 shares corresponding to the total capital of the Company's shares amounting to TL 80,000,000, 6.170.683.591,04 shares with a nominal value of TL 61.273.986,747 were attended in the meeting and 3.016.271.338,80 shares with a nominal value of TL 30.039.679,78 were represented by proxy and 3.154.412.252,24 shares with a nominal value of TL 31.234.306,97 were represented personally and thus the minimum meeting quorum stipulated in the law and the Articles of Association was existing and it was determined that the electronic general assembly preparations of the company were carried out within the framework of the Turkish Trade Law, Capital Market Board legislation and Central Registry Agency regulations and so the meeting was opened by Mehmet Feyyaz Nurullah IZMIROGLU.

Article 1 of the Agenda:

In accordance with Article 15 of the Company's Articles of Association, Chairman of the Board of Directors Feyyaz Nurullah IZMIROGLU assumed the post of Chairman of the Ordinary General Assembly for the formation of the Ordinary General Assembly Meeting. The Chairman of the Meeting appointed Feyyaz ÜNAL as the Vote Collector and Tunc LOKMANHEKİM as the Minutes Clerk. Authorization of the Meeting Presidency to sign the minutes and all other documents of the meeting on behalf of the General Assembly was accepted with 6.169.217.218,54 affirmative votes against 1.466.372,50 negative votes.

Article 2 of the Agenda:

It was informed that the annual report of the year 2014 was announced to the public (on the Public Disclosure Platform, the Electronic General Assembly System of the Central Registry Agency, at the website of the company www.baticim.com.tr and on the printed annual report booklet) before the General Assembly Meeting. Therefore only the motion regarding that there was no need to read the annual report, but the independent external audit report, balance sheet, profit and loss accounts of the year 2015 should be read, was submitted to the general assembly for approval. The motion was accepted with 6.169.217.218,54 affirmative votes against 1.466.372,50 negative votes.

Balance Sheet, balance sheet, profit and loss accounts of the year 2015 and independent external audit report were read separately. During the negotiation Ersan Güney took the floor and requested special audit. Subsequently, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KAdioglu, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA requested special audit. Minutes Clerk Tunc LOKMANHEKİM who took the floor against the request gave the general assembly information that the special request might be obtained provided that the information or investigation rights should be used. The special audit request added to agenda was voted and did not accepted with 5.969.230.606,59 negative votes against 201.452.984,45 affirmative votes.

After the voting the Annual Report of the Board of Directors, Balance Sheet, Profit and Loss Accounts and Independent External Audit Report were accepted with 6.161.376.532,39 affirmative votes against 9.307.058,65 negative votes.

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Article 3 of the Agenda;

The Chairman of the meeting informed the general assembly about the donations and supports made in 2015, which amounted to TL 325.922,37, from which TL 209.272,37 was in kind and TL 116.650,00 in cash.

Article 4 of the Agenda;

The Company deposited its shares with a nominal value of 63.975.000 TL of its subsidiary as a pledge within the scope of the loan agreement of USD 40 million concluded by Batıçim Enerji Elektrik Üretim A.Ş. with Akbank. The Company did not granted other collaterals, pledges and mortgages in favor of third parties and therefore did not have any income and benefits.

Ersan Güney took the floor. He asked whether this is a new credit or continuing credit. Tufan UNAL gave the information that this is a continuing credit.

Article 5 of the Agenda:

The acquaintance of the Board of Directors was submitted to the approval of the General Assembly. The members of the Board of Directors without exercising their voting rights were acquitted with 6.122.917.268,88 affirmative votes against 4.481.405,80 negative votes of the other shareholders attended the meeting.

Ersan Güney, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KADIOGLU, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA, who participated the meeting in physical environment gave negative votes.

Ersan Güney and Zafer KAYA proxy Ersan Güney, who gave negative votes, requested special audit. The request did not accepted with 5.970.245.606,59 negative votes against 200.437.984,45 affirmative votes.

Ersan Güney, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KADIOGLU, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA, who participated the meeting in physical environment gave affirmative votes for special audit request.

Article 6 of the Agenda:

The proposal of the board of directors on the remuneration to be paid to independent board members was read. The monthly gross salary of TL 9.250 to each of the independent board members for the accounting period of 2016 was accepted with 10.867.658,65 affirmative votes against 6.159.815.932,39 negative votes.

Ersan Güney, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KADIOGLU, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA, who participated the meeting in physical environment gave negative votes.

Article 7 of the Agenda:

The proposal made by the Board of Directors to determine the upper limit of donations to be made in 2016 as TL 500.000 was read. The upper limit of the donations for the accounting period of 2016 was determined as TL 500.000 and was accepted with 5.978.587.220,24 affirmative votes against 192.086,370,80 negative votes.

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Article 8 of the Agenda:

Ersan Güney took the floor and said:

“It would be fair adding the same dividend distribution to each group of shares and the termination of the dividend distribution method provided in Article 24 of the Articles of Association. It is not fair that even the 1% of us, even the B group, is barely able to get 1% dividends each year while the A group shareholders, namely the persons who are managing the company, firstly 10% + 5% because of the memberships of the board of directors, thus are getting 15% dividend each year. We don't talk about 5% to be distributed to employees. Of course they should take a share if the company makes profit. To give an example, we do not find it right to be rewarded with a 15% dividend at the same time as a member of the Committee for Early Detection of Risk while managing the company as A group shareholder and also with all the foreign exchange losses of the company. Such an order does not exist in any of the world's financial systems. We do not accept the defense of this article by saying that there is a clause in the articles of association. Let me go further; while Group A shareholders receive their annual dividends by making a living and particularly earn money based on benchmark bonds we are writing each year minus in real terms and the dividend we got did not cover the travel expenses for the participation of the general assembly. Last year there was an extraordinary general assembly and it caused an extra cost for us. With this dividend policy, the investor writes minus 10% in real terms each year. This is unacceptable. Regarding this issue, we will make the necessary initiatives in the CMB, the Prime Ministry, the Public Audit Institution and the Presidency and will seek our rights to the fullest.

What do our new partners think of Article 24 of this Articles of Association? I wonder whether they think that this unfair practice will continue. We, as investors, are very curious. Is it possible that they may have any other opinions or thoughts on this issue? “

Sanko Holding A.Ş. representative Mustafa Gunbulut said that he did not want to give an opinion on this issue, because he was not authorized.

The profit distribution policy prepared by the Board of Directors of our Company was read and submitted to the approval of the General Assembly. The dividend distribution policy presented below was accepted with 6.030.060.732.39 affirmative votes against 140.622.858.65 negative votes.

Ersan Güney, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KADIOGLU, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA, who participated the meeting in physical environment gave negative votes.

Profit distribution policy;

Our company's policy on profit distribution; according to the provisions of the Turkish Commercial Code, Capital Market Legislation and Articles of Association, unless there are extraordinary economic adversities in national and international markets, cash needs are required due to a large investment, and the financial position and profitability and cash position of our company are taken into consideration, they may be distributed within the framework of capital market regulations and other relevant legislation provided that the profit is reviewed every year and the profit is distributed to the shareholders in cash and / or bonus shares shall be not less than 5%.

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Dividends shall be paid at the date determined by the general assembly within the legal periods after the approval of the general assembly.

Dividend may be paid in equal or different installments provided that it is decided at the general assembly meeting, where the distribution of the profit is determined. The number of installments shall be determined by the general assembly or by the board of directors provided that it is expressly authorized by the general assembly.

There is no application regarding dividend advance in our company.

Article 9 of the Agenda:

The proposal of the board of directors regarding the distribution of the profit of 2015 was read. Accordingly, the net profit for the year 2015 calculated according to the Capital Market Legislation and the net distributable profit for the period added the donations calculated for the period in which the 1. dividend will be calculated is TL 64.342.093,37.

As proposed by the Board of Directors within the framework of the Capital Markets Legislation and the Company's Articles of Association;

- a) To distribute a total gross TL 6.800.000,00 cash profit as the first dividend, Accordingly, a gross dividend of TL 0.085 (8,50%) and a net dividend of TL 0.07225 (7.225%) will be distributed to all shares with a nominal value of TL 1,
- b) To distribute cash gross dividend amounting to TL 6.401.617,10 to Group A privileged shares, Accordingly, gross dividend distribution amounting to TL 133,45202 (13.345,20229%) and net TL 113,43422 (11.343,42195%) were distributed to Group A preferred shares with a nominal value of TL 1,
- c) To distribute a total gross TL 3.200.808,55 cash dividend to the members of the Board of Directors,
- d) 1.240.242,57 TL as the second legal reserve,
- e) Allocating the remaining balance to extraordinary reserves,
- f) Distribution of cash profit dividend on 06 June 2016,

Were submitted to the approval of the General Assembly. The Board of Directors' proposal for dividend distribution was accepted with 6.144.476.380,89 affirmative votes against 26.207.210,15 negative votes.

Ersan Güney, Erdal KARAGOZ, Aytac KOSER, Huseyin Hakan KADIOGLU, Bulent GUVENEN, Zafer KAYA proxy Ersan Güney, Ismail Hakki KARACA, who participated the meeting in physical environment gave negative votes.

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Article 10 of the Agenda:

The Board of Directors proposed DRT Bagimsiz Denetim ve Servest Muhasebeci Mali Müsavirlik A.Ş. as the independent audit company for the year 2016 and it was accepted in the general assembly with 6.167.656.618,54 affirmative votes against 3.026.972,50 negative votes.

Article 11 of the Agenda:

Giving permission to the members of Board of Directors in accordance with Turkish Trade Law Articles 395 and 306 was accepted 6.165.929.318,54 affirmative votes against 4.754.272,50 negative votes.

Article 12 of the Agenda:

The chairman of the meeting took the floor and thanked everyone who contributed to the operations of 2015 on behalf of himself, the board and the partners.

Ahmet Bayrak deputy of Zekeriya Bayrak, who took the floor, asked his questions that were added to the minutes (ANNEX-1).

Tufan UNAL, who took the floor in response to Ahmet Bayrak's questions, said that it was about fifteen years ago about the facility which was planned to be built in Aliaga Horozgedigi. He said that the turnover and rental income generated in connection with the warehouse investment is an important source of income. He said that we do not have an agenda such as offering the concrete company to the public and that it is not a suitable environment cyclically. He said; "there are no sales ideas in our agenda regarding Batiliman, but we can evaluate if the offers will come. He said that the size of the factory land of Baticim is about seven hundred acres and they have no idea of moving. He said; "Group B shareholders would be given a higher dividend if the opportunities are better".

Ahmet Bayrak deputy of Zekeriya Bayrak asked Feyyaz Unal the seventh article of the text of the speech annexed to the minutes.

Fayyaz Unal said that these words belong to him and there is no such purchase in their agenda.

Ahmet Bayrak deputy of Zekeriya Bayrak asked the phrase from the the same interview "Baticim Batisöke are public companies. We have partners. The reputation is very important to us". He asked what was meant in his declaration that reputation is very important to us.

Feyyaz Unal said that reputation is the best interests of all stakeholders and operating in compliance with the legislation.

Tufan Unal, who spoke about market shares, said that Baticim has currently 4% of the market share of the country and its share decreased from 40% to 38% in the Aegean Region.

Erdal Karagöz took the floor and presented his seven questions and thoughts to the Council. He said that his questions were asked and answered by other shareholders and he would not ask again in order not to take time. ANNEX -2.

Hakkı Karaca asked how Sanko Holding acquired 23% of the company's shares and why the company could not repurchase them. He asked why they cannot evaluate the land.

Tufan Unal said that they listened to tehir suggestions. He said that this sale was an off-exchange transaction.

Kemal Cansız said that he is one of your first partners when this factory was established. Over the years, the margin of profit has always been given low. Tufan Unal stated that 3% of the capital was paid in cash and the rest of the capital was covered from the company's own resources.

Ersan Güney said that to make capital increase from the reserves free of charge the up to the capital ceiling will add value to the shares.

Ahmet Bayrak deputy of Zekeriya Bayrak asked whether they have a plan for the stock repurchase program.

Tufan Unal said that there is no such plan.

As the agenda was completed, the President ended the meeting.

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(Signature)
Meeting Chairman
Feyyaz Nurullah IZMIROGLU

(Signature)
Representative of Ministry of
Customs and Trade
Omer YILMAZ

(Signature)
Representative of Ministry of
Customs and Trade
Huseyin Alper MARASALI

(Signature)
Vote Collector
Feyyaz UNAL

(Signature)
Minutes Clerk
Tunc LOKMANHEKIM

INVESTOR QUESTIONS

- 1) There was a positive EIA dated 16.01.2013 for the cement grinding and packing facility planned by Baticim in Aliaga Horozgedigi. It was said that 21 warehouses would be established in the region. Are the warehouses installed where the milling facility is planned? If so, was the grinding plant project put aside?
- 2) You have separated concrete works. As in Cimentas-Cimbeton, wouldn't you consider offering the concrete company to the public?
- 3) You separated the Bati Port as a company. What is your opinion about Baticim Port after the planned investments are completed? Are options such as public offering or strategic partnership with an experienced operator or sale considered?
- 4) What is the size of the factory land of Baticim? The factory is now within the borders of the city and will have to be moved. If you decide to move today, it will take at least 3 years. Do you already have an effort to prepare this, choose the appropriate location for the new plant and make the best use of the wasted land? Or when will such a study begin?
- 5) You are aware that Baticim's small investor is a victim. Is not it? For years, you have given a very high rate of dividend to privileged group A and a very low dividend to group B without privilege. Why so? Will it continue to be like this in the future? I have difficulty to understand your intent and demand a serious and detailed explanation.
- 6) When the management of many companies that can invest, find the share price low, they make a repurchase decision if there is no negativity about the company. We see countless examples of this. Both not repurchasing and giving a very low dividend cause your company to trade on a funny value. You said in 2007 that even if they give you \$ 1 billion in 2007, you would not sell your company. Does it not bother you that your company is traded from 1 out of 5 of the number you pronounced about 10 years ago today? Is it a coincidence that, despite all these expectations, there are no developments that could positively affect the market value of the company and the low dividend announced each year for Group B?
- 7) Feyyaz Unal said in a newspaper interview dated 30.12.2014 "Our excitement began in 2006. We were interested in Edirne Lalapasa and Eskisehir Cimento, which were put on sale by the SDIF. We could not. The second round was Sivas, Corum and Yozgat factories of Yibitas Lafarge. We were interested but we could not buy. The third round was the factories of Set Italcementi. We also could not buy. We will get one in the fourth round. There are sensations. Nobody's on sale yet. If we do, we will take care of it ". Do you really have a purchase plan?
- 8) In the same interview he said; "Baticim, Bati Söke are public companies. We have partners. Reputation is very important for us." What does the reputation mean? I demand Feyyaz Unal to answer.
- 9) 15 years ago, your market share in the sector was 10%, but today it is below 4%. So the company lost market share and made no progress. Nowadays, Limak and Ictas are planning an investment for a facility in Milas, Mugla, which EIA was already obtained. It will add 1.65 million tons of clinker capacity in Batisöke and the capacity in the Aegean region will increase. This will increase competition. What do you think about it?
- 10) Finally, at the extraordinary general meeting held in December, I heard from the attendees that there was a statement that there was a connection between price and Gezi events in the stock exchange. I want to ask you because I couldn't attend the meeting. Is this statement correct? Have Gezi events really affected so much? And does the effect continues?

As a small investor, I demand that each question will be answered by the relevant person.

Best Regards,
I cancelled 10th Article by myself.
(Signature)

Ahmet Bayrak deputy of Zekeriya Bayrak
(Signature)

1. What is the reason why the company management does not persistently accept our share repurchase requests made verbally at the general assembly in December and then in writing via fax, since the share price is well below the real value and performance of the company? Can you explain this to us? However, the same management decided to sell millions of Baticim shares to its subsidiary BatıSöke in 2007, arguing that it would be a very profitable investment. What will you explain to us that you will not accept our offer to repurchase the shares at a price level below 2.5 USD, what is the reason for the company's insistence on keeping its market value low and what is the benefit of it?
2. The image of the company in the market and the investor is getting worse due to the poor performance of the company's shares in recent years, low transaction volume, unfair dividend policy and most importantly because the company management either fails to keep its promises or acts in the opposite direction. Did you think that in the future the public offering of a subsidiary would encounter serious problems? Do you plan to take a precaution against this situation? What do you think about this?
3. Despite the good financial performance of the company, foreign exchange losses in the balance sheet, especially in the last 2 years, reached very serious figures and reached TL 80 million which is almost equal to the capital of the company. However, we, as small investors, have warned you about these issues as written in the meeting minutes of the previous general assemblies. Why did you not take precautions for this situation? However, the same management makes great efforts to determine the dividends for the B group shares that concern us small investors and to make the minimum dividends. We believe that the managers responsible for the early detection of risk have neglected their duties.
4. No developments have been reported to us regarding the Batiliman and Batibeton companies, whose resignation processes have been completed with the decisions taken at the extraordinary general assembly held in December 2015. However, we see that foreign currency loans have been used in excess of the market value of the company for both the investment of BatiSöke and the investment needs of Batiliman and other subsidiaries. However, there are subsidiaries in the company which can be offered to the public or which are suitable for strategic partnerships. How it is correct to choose a high amount of loans from banks while creating serious sources through offering these subsidiaries to the public or through the strategic partnerships? Do you think to step forward in these issues?
5. As we have learned from the Public Disclosure Platform, approximately 23 percent Baticim shares in Lafarge's portfolio were purchased by Sanko Holding. As Baticim management, do you not think that Sanko Holding will try to take over Baticim in the same way that Orascom followed in 2007, if Sanko holding follows such a way, what measures do you intend to take? We, as small investors, are already worried that BatiSöke and Baticim administrations will buy shares at high prices as in 2007.
6. Will the policy of pressure and low dividend on shares, which we believe has been made over the years for the shares held by Lafarge, change?

Erdal Karagöz
(Signature)

7. As it is known, Baticim was entitled to participate in the hes tenders of Kemer and Adigüzel. Wouldn't it be a better decision to buy the shares of Lafarge at a very attractive price of \$ 32 million instead of participating in these tenders that would require at least \$ 200 million?

Erdal Karagöz