

## **The Minutes of Ordinary General Meeting of Garanti Investment Trust Inc. Held On 30th April 2018**

Because the minimum quorum hasn't been achieved on 30th March 2018 the 2017 Ordinary General Meeting of Garanti Investment Inc. has been postponed to discuss the same agenda and was held on 30th April 2018 under the supervisory of Ministry Representative Nuran Devrim commissioned by the letter of T.R. Ministry of Customs and Trade Istanbul Provincial Directorate of Commerce, issued on 27.04.2018 with the number 33944873.

Convocation including the agenda, was made within its' time as stipulated in Law and articles of incorporation and by means of being announced in the Turkish Trade Registry Gazette issue 9552 dated 5th April 2018. It's also seen that it's made within its' time in Public Disclosure Platform.

In reviewing the list of attendants, It has been confirmed that from company shares of 32.000.000-TL total par value; 1.057.205,298 shares with total par value of 1.057.205,298-TL acting as representative, 1.106.497 shares with total par value of 1.106.497-TL acting as representative in electronic media by the entrusting representatives, 5.795,177 shares with total par value of 5.795,177-TL acting as principal, a total of 2.169.497,475 shares have attended the meeting and thus the minimum quorum stipulated both in Law and in articles of incorporation have been achieved, so the meeting was opened to discuss the agenda.

- 1) The motion tabled by one of our shareholders Talat Basak for selecting Mehmet Reha Tanor as the chairman was approved. It was decided unanimously with 2.169.497,475 votes of the attendants to select Mehmet Reha Tanor as the chairman. Hasan Husnu Guzeloz as the vote collector, Ali Akin Ekmekci as the minutes clerk and Idil Cebi as the authority to carry out the technical operations in the Electronic General Meeting System, were appointed by chairman Mehmet Reha Tanor and chairmanship council was constituted.
- 2) It was decided unanimously with 2.169.497,475 votes of the attendants to authorize the chairmanship to sign the General Meeting minutes.
- 3) Because the Board of Directors' Activity Report given by Hasan Husnu Guzeloz in Principal, was submitted for our shareholders' reviewing at company's website, at the Electronic General Meeting System of Central Registry Agency, at the Public Disclosure Platform three weeks before the meeting date and in the general meeting set handed out before the meeting, a motion was tabled for taking so called report as being read. The motion was voted and accepted unanimously with 2.169.497,475 votes of the attendants.

General Director Reha Tanor took the floor to explain the outlines of Activity Report:

"Our Esteemed Shareholders,

We've closed the 2017 fiscal year again with good numbers. Our profit has raised 16,40 percent compared to previous year and actualised as 2.119.360-TL. And the value of shares traded at the exchange has raised 19 percent compared to previous year. As these numbers are pleasing for long term investors, with their stock exchange values hitting 0,58-TL. as minimum and 0,92-TL. as maximum throughout the year, our shares has also presented a satisfying dealing factor for short term investors too.

Could we make it better for our profit showing a 16,40 percent raise? Yes we could. This was prevented due to some surprising problems beyond our control. First the company making the software for our portfolio management and account order has faded away due to legal problems and we have been in a situation where we could not transact for two months. Swiftly we've made a bargain with another company, with its' programs and working methods adaptation problems still continues. This distress has cut down our income. Another problem we had is about personnel. Because the wages we could give were not satisfactory and some other private reasons we've lost the half of our key personnel. And it was not easy to find new ones and adapt them to job. Another important problem was the changes in the company carrying out our IT operations and thus the necessity to transfer these to another company and it challenged us really hard.

Currently we've overcome most of these these problems negatively affecting us but of which most of them are beyond our control. For this reason I believe we can close the current year with a much more better performance than the previous one. And when we compare our first quarterly profit to the previous years' what we see is also confirms my belief.

Our Esteemed Shareholders,

Garanti Investment Trust Inc. states as a model exactly conforming with the purpose of being of the capital market. Whole its' shares have been taken public. It enables the small savers to put their savings to good use in a profitable way. As opposed to the common and small partnership model it's neither an abandoned joint-stock company. It's in service within an utmost strict supervisory under the reputable authority of Garanti title. And its' portfolio, with the same aspect, is being managed far from adventurous attempts and aiming soundness and productivity. Through this means, the Investment Trust you have remains standing as one of the most productive and reliable of about 30 Investment Trusts of which only 9 has come to this date. Since the day it was founded, it had no dispute with state and private institutions and organizations, shareholders, employees and come to these days respecting to all laes and ethical values as required. The management quality enabling all these is also registered with our corporate governance score of 9.43 and our trust has taken its' place at the tops among all publicly held corporations.

There is a balanced and fair harmony going on between our privileged shareholder, common shareholders and our employees.

But,

For this productive view to continue even better and for this model valuable for our capital market to be protected, there are also required measures to be taken beyond management. Foremost among them strengthening the capital is in the lead. For a company to be able to continue its' routine in an inflationary environment, the extent of unavoidable expenses it should do will necessarily increase despite all austerity measures.

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As such, despite all the attention paid and limitations brought, the increasing ratio of general expenses to capital is facing us as an inevitable mathematical fact. Eliminating this risk which may negatively affect the profitability of future periods, will be possible only by strengthening the capital. For this reason I invite all privileged and unprivileged shareholders to think about and take measures for the necessity of strengthening the capital before leaving productive times behind. We, as management, has planned the measure we could take in this regard and will submit to your suggestion in the article about profit distributing.'

Later as a result of the discussions made, the board of directors' activity report was accepted unanimously with 2.169.497,475 votes of the attendants.

- 4) The independent audit report prepared by independent auditing firm KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.S., was read.
- 5) Financial statements dated 31.12.2017 were read, discussed and accepted unanimously with 2.169.497,475 votes of the attendants
- 6) Due to their 2017 activities the Members of Board of Directors Mehmet Reha Tanor, Zeki Sen, Mahmut Kaya, Remzi Murat Rena and Mustafa Sabri Dogrusoy to be acquitted individually, was submitted for general assembly's approval. Each one of members of Board of Directors didn't use their voting rights of their shares while their acquittances were being voted. As a result of the votes of other attending shareholders, Members of Board of Directors were acquitted unanimously with 2.169.497,475 votes.
- 7) About profit distribution Chairman of Board of Directors Reha Tanor made the below statement about the 2 proposals they've prepared as board of directors:

"Our Esteemed Shareholders,

I already underlined when I was explaining the general view, that the capital should be strengthened for the company to keep on safe and productive. We, as management, have planned our part in this regard. We submit you two separate proposals for this year's profit distribution. The first and the one that will contribute on company's capital structure, is, providing that not less than the 20% of net distributable profit, distributing some part of the profit as cash and the remaining as non-paid up shares. I find it beneficial to go this way by means of you mid term interests. But if you wouldn't like this and would like the whole profit to be distributed as cash we also have prepared that as a second proposal and will respectfully submit both to your voting."

The voting made and as a result of the voting;

- "After deducting reserves to be separated as required by law and taxes, funds, financial payments from the period profit of 2.119.360,27-TL. belonging to 01.01.2017 - 31.12.2017 fiscal period, from the remaining net distributable profit of 2.013.392,26-TL. and from exceptional earnings, in order to strengthen company's shareholders equity and protect small investor's interests in mid term it was discussed, submitted for voting and accepted unanimously with 2.169.497,475 votes of attendants; (a) to distribute to shareholders a profit share amount of 448.000-TL as cash and 1.500.000- TL as non-padi up share, (b) within the scope of Corporate Governance Notice (II-17.1) of Capital Market Board, to distribute a profit share amount of 50.000-TL to members of board of directors except the independent members of the board, (c) to transfer the remaining amount to extraordinary reserves, after distributing profit shares to shareholders and members of board of directors.
  - In addition it was submitted for voting to authorize the board of directors about the time of profit share distribution, and board of directors were authorized by unanimously with 2.169.497,475 votes of the attendants.
- 8) As required by letter of permit of T.R. Prime Ministry Capital Market Board dated 29.11.2017 and numbered 13362 and letter of permit of T.R. Ministry of Customs and Trade dated 11.12.2017 and numbered 30282395, it was submitted for voting to change the 11th Article titled "Capital and Shares" of articles of incorporation as in the text of amendment of articles of incorporation which was submitted to our shareholders' review at company's website, Electronic General Meeting System of Central Registry Agency, Public Disclosure Platform three months before the meeting and general meeting set handed out before the meeting, it was rejected with 1.106.497 no from Pension Reserves Investment Trust Fund against 1.063.000,475 yes. One of our shareholders Hasan Husnu Guzeloz made a verbal offer for the so called article to be read and voted again. The Chairman explained the situation again with Capital Market Board's decision of approval on the amendment of articles of incorporation and letters of permit of T.R. Ministry of Customs and Trade. It was submitted for voting to vote it again, accepted and the voting was repeated but rejected with 1.106.497 no from Pension Reserves Investment Trust Fund against 1.063.000,475 yes. The shareholder Hasan Husnu Guzeloz requested for the ground for rejection and if any the counter-statement to be notified to the chairmanship of meeting in electronic media until the end of the meeting. Chairman of the meeting accepted this request. But there weren't any statement sent until the end of meeting and in despite of the additional time given again.
  - 9) The proposal of one of our shareholders Remzi Murat Rena, regarding the payment of attendance fee given to the Members of Board of Directors, to be paid in Turkish Liras corresponding to net amount of 1.000 Euro for each month they're in charge, was voted and accepted unanimously with 2.169.497,475 votes of the attendants.
  - 10) The independent auditing firm KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Musavirlik A.S. selected as the auditor for 2018 fiscal period by the Board of Directors, was accepted unanimously with 2.169.497,475 votes. The 2018 auditing fee of 38.500-TL + VAT, proposed by the independent auditing firm KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Musavirlik A.S., was accepted unanimously with 2.169.497,475 votes of the attendants.
  - 11) It was submitted for shareholders' information that there are no guarantee, pledge and hypothec given in favor of third persons.
  - 12) It was submitted for shareholders' information that there are no donations and grants made within 2017. It was accepted unanimously with 2.169.497,475 votes of attendants, to limit the donations if necessary with 5.000-TL in 2018.

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- 13) As required by the guideline 4.6.2 of Corporate Governance Notice (II-17.1) issued by Capital Market Board, it was submitted for our shareholders' information as below, about the Salary Guidelines of Members of Board of Directors and Senior Executives under our Trust Legislation:

'A salary policy has been constituted for its' employees by our Trust as required by its' legislation and it's published at Trust's website. A fair and performance and success oriented salary policy has been constituted. The policy, developed according to the implementations in the Legislation, will continue to be implemented.

Detailed information about the benefits provided for members of Board of Directors and senior executives in 2017, are included in the Activity Report and explanations about the premiums given to Trust employees in 2017, is made in Public Disclosure Platform.'

- 14) It was discussed to authorize members of Board of Directors to take actions stated in the 395th and 396th articles of Turkish Code of Commerce, it was accepted unanimously with 2.169.497,475 votes of the attendants, to authorize them to take actions stated in the 395th and 396th articles of Turkish Code of Commerce.
- 15) As required by the article 1.3.6 of Corporate Governance Notice (II-17.1) issued by Capital market Board and the 395th and 396th articles of Turkish Code of Commerce, with regard to issues such as shareholders possessing the management governance, members of board of directors, managers with administrative responsibility and their first and second degree blood or by marriage relatives, taking and important transaction which may cause conflict of interests with the partnership or its' affiliates and/or taking a business transaction related with the partnership or its' affiliates on behalf of oneself or someone or getting into another partnership doing same kind of business transactions as a limitless liable partner, the general meeting was informed that there weren't any such transactions in 2017.
- 16) The Chairman closed the meeting as there were no wishes and requests. 30.04.2018

**Minutes Clerk**  
**Ali Akin Ekmekci**  
signature

**Vote Collector**  
**Hasan Husnu Guzeloz**  
signature

**Ministry Representative**  
**Nuran Devrim**  
signature

**Chairman of Meeting**  
**Mehmet Reha Tanor**  
signature