

## **Minutes of the Ordinary General Assembly Meeting of Borsa İstanbul A.Ş. 27.09.2018**

Ordinary General Assembly Meeting of Borsa İstanbul A.Ş. for the year 2017 was planned to take place on 31.08.2018 at 15:00 at the company headquarters, however due to absence of the quorum set by Turkish Commercial Code and Articles of Association, it has been postponed to 27.09.2018 at 14:00 and took place on this date at Reşitpaşa Mahallesi Borsa İstanbul Caddesi No: 4 Sarıyer İstanbul. Mr. İsmail Aslanlar, representative of Ministry of Commerce, appointed via the document dated 26.09.2018 and numbered 0037504619, supervised the meeting. Mr. Ergun Türeoğlu attended the meeting as representative of Capital Markets Board of Turkey.

The invitation, including the agenda, was published in the following media, as foreseen in Turkish Commercial Code and in the Articles of Association:

- On company website
- On Public Disclosure Platform, [www.kap.org.tr](http://www.kap.org.tr)
- On electronic general assembly meeting system
- On Turkish Commercial Gazette dated 04.09.2018 and numbered 9652
- On Sabah and Dünya newspapers dated 04.09.2018.

As required by the company Articles of Association, invitations including the agenda and the information about newspapers which invitation has been published, have been delivered to all shareholders through registered mail. Invitations and other related documents have also been delivered through registered mail to Türkiye Wealth Fund, to which all the shares belonging to Turkish Treasury were transferred in line with the Council of Ministers Resolution dated 24.01.2017 and numbered 2017/9756 and which was published on the Official Gazette dated 05.02.2017 and numbered 29970, to Ministry of Treasury and Finance, and to Capital Markets Board of Turkey.

It was noted that share ledger, annual report, audit reports, financial statements, agenda of the meeting and attendants' list prepared by the Board, the Board resolution dated 31.08.2018 and numbered 2018/107-3 regarding the General Assembly meeting, other Board resolutions related to the agenda and other necessary documents have been made available at the meeting.

It was noted that:

- In line with the Board resolution dated 31.08.2018 and numbered 2018/107-3, Mr. Atila Türeli, Ms. Filiz Demirkıran, Ms. İdil Arıkan Argun, Ms. Zeynep Kandemir Uskılıç, Ms. Ebru Uyguntürk from Legal Department; Mr. Mahmut Aydoğmuş from Strategic Planning and Investor Relations Department have been authorized by the Board (through the resolution dated 31.08.2018 and numbered 2018/107-3) to check the validity of the proxies and to prepare the attendants' list. The proxies and the attendants' list have been confirmed to be in compliance with legal regulations.
- Through examination of the share ledger, it was noted that the capital is composed of 42,323,400,000 shares with a nominal value of 423,234,000.00-TL.
- Borsa İstanbul A.Ş. and its subsidiary İstanbul Takas ve Saklama Bankası A.Ş. have Borsa İstanbul shares at their disposal. These shares have to be taken out of the quorum calculation. Therefore, the shares with a nominal value of 419,240,859.71-TL were able to attend the meeting and vote during the meeting, in compliance with the Article 389 of Turkish Commercial Code. The shares with a nominal value of 187,283.98-TL

attended the meeting via electronic general assembly meeting system, the shares with a nominal value of 407,934,653.95-TL attended the meeting physically, shares with a total nominal value of 408,121,937.93-TL attended the meeting.

- CEO and Board member Mr. Murat Çetinkaya, other Board members Prof. Dr. Erişah Arıcan, real person representative of Turkish Capital Markets Association Mr. Erhan Topaç and the representative of audit firm KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. were present at the meeting.

The attendants' list was signed by Board of Meeting and, with the permission of the representative of Ministry of Commerce, the meeting has been initiated.

Shareholders have been notified that voting would be done by raising hands. Mr. Çetinkaya, authorized by Acting Chairman Mr. Yunus Arıncı, opened the meeting.

**1.** In relation to the first agenda item, Türkiye Wealth Fund proposed that *“Mr. Atila Türeli is elected as the Meeting Chairman, Mr. Adnan Bahar as Secretary of the Meeting and Mr. Özgür Bülbül as Vote Collector and they are authorized to sign the meeting minutes and the attendants' list.”* No shareholder made comment, including those who attend via electronic system. The proposal has been put to the vote by Mr. Çetinkaya. It has been unanimously accepted, and board of meeting has been established.

In line with the Article 9 of Borsa İstanbul A.Ş. General Assembly Meeting Directive, the agenda has been read out. Meeting Chairman asked whether there is a petition to change the course of agenda items. No petition has been submitted, discussion of the agenda has been initiated.

**2.** In relation to the second agenda item, Türkiye Wealth Fund proposed; *“not to read out 2017 annual report prepared by the Board as it has been already shared with shareholders prior to the meeting.”* The proposal has been put into discussion, there were no comments including attendees via the electronic system. The proposal has been put to vote. It has been unanimously accepted. The discussion of the annual report started.

CEO and Board member Mr. Çetinkaya presented 2017 activities. He highlighted operational and financial performance of the company, trade volume changes in markets, strategic priorities, projects targeting deepening of the markets, technological developments and strategic partnerships.

No shareholder made further comment on the item.

**3.** In relation to the third agenda item *“Presentation of the Independent Audit report of the fiscal year 2017”* Türkiye Wealth Fund proposed; *“instead of the whole 2017 audit report only ‘the opinion of the auditor’ is to be read out because the report has been already shared with shareholders prior to the meeting.”*

The proposal has been put into discussion. No shareholder commented, including those who attend via the electronic system. The proposal has been put to the vote. It has been unanimously accepted. *“The opinion of the auditor”* has been read out to inform shareholders. No shareholder made further comment.

**4.** In relation to the fourth agenda item *“Presentation, discussion and adoption of the Balance sheet and Profit/Loss tables relating to the fiscal year 2017,”* Türkiye Wealth Fund proposed;

*“instead of the entire balance-sheet and profit/loss statement, only a summary to be read out as the entire balance-sheet and profit/loss statement have been already shared with shareholders prior to the meeting.”*

The proposal has been put to the vote. It has been unanimously accepted, including the shareholders attending via the electronic system. The summary of 2017 financial statements has been read out. The item has been put to vote. The balance-sheet and profit/loss statement have been unanimously approved, including the shareholders attending via the electronic system.

**5.** In relation to the fifth agenda item, discharge of the members of the Board of Directors from liability as per Turkish Commercial Code has been put into discussion. No shareholder made comment, including those who attend via the electronic system. The item has been put to vote. No board member has voted for himself/herself. Discharge of the members of the Board of Directors from liability as per Turkish Commercial Code has been unanimously approved, including the shareholders attending via the electronic system.

**6.** In relation to the sixth agenda item, the dividend distribution policy prepared by Board of Directors and shared with shareholders as part of invitation has been read out.

The item has been put into discussion. No shareholder made comment, including those who attend via the electronic system. The item has been put to vote. The dividend distribution policy has been unanimously approved.

**7.** In relation to the seventh agenda item “Resolution upon the proposal of the Board of Directors in relation to the use of the profit shown on the balance sheet and payment of dividend for the fiscal year 2017 and previous years”, Board resolution dated 04.08.2018 and numbered 2018/99 has been read out:

“Regarding the financial results of Borsa İstanbul A.Ş for the period between 01.01.2017-31.12.2017, Group’s net profit after tax after excluding minority shares is 305,518,000-TL according to the financial tables prepared in line with Turkish Financial Reporting Standards (TFRS). After deducting the general legal reserve, per Turkish Commercial Code (11,402,654-TL) and adding the donations and aids (1,753,374-TL) the distributable net profit including the donations and aids becomes 295,868,720-TL for TFRS financials. If the same additions and deductions applied on the statutory net profit which is equal to 228,053,083-TL, the distributable net profit including the donations and aids becomes 206,845,059-TL.

With the transfer of 7% shares which had been bought back from Nasdaq Technology AB to Türkiye Wealth Fund without payment, who had been already entitled to all kind of benefits of these shares according to the Articles of Association 6/6; it has become possible not to allocate additional reserves for these bought back shares, and thus, utilise previous years’ profits while distributing dividends.

Within this context, it is decided to suggest to the shareholders:

- by utilising the total amount of the distributable net profit including the donations and aids based on the statutory accounts,
- and funding the rest from the retained earnings, starting from the profit of the year 2013,

distributing 0.7088-TL gross dividend per share for 1-TL nominal value to the shareholders who are eligible to receive dividend at the distribution date, and distribution date (which should not be later than 30.11.2018) to be determined by the Board of Directors.”

The following explanation submitted by the company has been read out:

“In line with the agreements signed in 2013 and 2018, the group B shares held by Nasdaq Technology AB corresponding to 7% of the capital were bought back by Borsa İstanbul A.Ş in 2018. In line with the Article 6/6 of Articles of Association, usufruct rights have been instituted in favour of Türkiye Wealth Fund. In compliance with the same article, if those shares are to be sold to another entity all proceeds and other benefits are to be transferred to Türkiye Wealth Fund, group A shareholder.

In line with the Article 520 of Turkish Commercial Code, Borsa İstanbul has to allocate legal reserve for the shares it buys back which decreases the distributable profit. The transfer of shares will lead to more dividend distribution.

Board of Directors considered the situation and decided to transfer the shares bought back from Nasdaq Technology AB to Türkiye Wealth Fund, group A shareholder, holder of usufruct rights and eventual beneficiary of proceeds and other benefits in case the shares are to be transferred to another entity.

In accordance with the Communiqué Regarding the Rules of Establishment, Operations, Supervision of Exchanges and Market Operators and Borsa İstanbul Articles of Association, any share transfer of Borsa İstanbul needs approval from Capital Markets Board of Turkey. Capital Markets Board of Turkey, in response to our submission, notified on 29.08.2018 that its approval is not necessary for transfer of shares from Borsa İstanbul to Türkiye Wealth Fund. Shares were transferred at the same date, share ledger and electronic records have been accordingly updated.

Hence, Türkiye Wealth Fund has 80.6% of capital and is represented as such in attendants’ list.”

The item has been put to the discussion. Group A shareholder Türkiye Wealth Fund proposed;

*“By utilising the total amount of the distributable net profit including the donations and aids based on the statutory accounts in 2017, and funding the rest from the retained earnings, starting from the profit of the year 2013, distributing 0.9451-TL gross dividend per share for 1-TL nominal value to the shareholders who are eligible to receive dividend at the distribution date, and distribution date (which should not be later than 30.11.2018) to be determined by the Board of Directors.”*

The proposal by Türkiye Wealth Fund has been put to vote. It has been unanimously accepted, including the shareholders attending via the electronic system.

**8.** In relation to the eighth agenda item “If there has been vacated seats at memberships of the board of directors until the date of Annual Shareholders’ Meeting and an election has been made by the Board of Directors for the vacant board membership seat, approval of such election”, shareholders have been informed that Mr. Oral Erdoğan has been nominated by Board of Directors on 01.11.2017 with the resolution numbered 2017/35 to replace Mr. Bilal Topçu, elected at the General Assembly meeting on 01.04.2016 and removed from office at the General Assembly meeting on 08.06.2017, and that the Board resolution was disclosed on Commercial Gazette dated 21.11.2017 and numbered 9456. The resolution has been put to the discussion. No shareholder made comment, including those who attend via the electronic system. The resolution has been put to vote.

The nomination of Mr. Erdoğan to replace Mr. Topçu, during his term of duty as Board member has been unanimously approved.

9. In relation to the ninth agenda item “Election of members of the Board of Directors” the following points have been read out to the shareholders:

- Board of directors is composed of 10 members.
- Subject to the provisions of Turkish Commercial Code, two Board members elected from among the candidates nominated by group A shareholders and three members from among C group shareholders. Candidates nominated by C group shareholders will be elected among the nominees indicated by the Union of Chambers and Commodity Exchanges of Turkey, Turkish Capital Markets Association, and investment firms.
- Corporate Governance Principles are determined by Corporate Governance Communiqué No. II-17.1 issued by Capital Markets Board of Turkey. In line with the Articles 17/1, 17/2 and 73 of Capital Markets Law, they do partially apply to Borsa İstanbul. Hence, 1/3 of Board is to be composed by independent members.
- Chairperson is elected by the shareholders at the general assembly

Shareholders, moreover, have been notified by the following decisions. Mr. Himmet Karadağ, Chairman of the Board, nominated by the A group shareholder and elected for 3 years at the Ordinary General Assembly meeting dated 01.04.2016, resigned from his position on 15.08.2018. Mr. Tevfik Metin Ayışık, nominated by C group shareholder and elected for 3 years at the Ordinary General Assembly meeting dated 08.06.2017, resigned from his post on 31.08.2018. Ms. Işımsu Kestelli, nominated by C group shareholder and elected for 3 years at the Ordinary General Assembly meeting dated 08.06.2017, resigned from his post on 27.09.2018.

Group A shareholder Türkiye Wealth Fund proposed;

*“Ms. Eriřah Arıcan, (ID No: ...), is nominated Chairperson for three years, beginning from this General Assembly meeting, to represent group A shares held by Türkiye Wealth Fund as a result of Mr. Himmet Karadağ’s, who used to represent group A shares, resignation from that position.*

*To replace Mr. İhsan Durdu, Mr. Zafer Sönmez (ID No: ...), is nominated independent Board member for three years, beginning from this General Assembly meeting. To replace Mr. Oral Erdoğan, Mr. Ertuğrul Altın (ID No: ...), is nominated independent Board member for three years, beginning from this General Assembly meeting.*

*Ms. Arıcan is actually a Board member, when she becomes Chairperson, her seat becomes vacant. Therefore, Mr. Fanrettin Altun (ID No: ...) is nominated independent Board member to fill the position, for three years, beginning from this General Assembly meeting.”*

The proposal has been put to discussion. No shareholder made comment, including those who attend via the electronic system. The proposal has been put to vote. Ms. Arıcan (Chairperson), Mr. Sönmez (independent), Mr. Altın (independent) and Mr. Altun (independent) have been unanimously elected Board members for three years beginning from this General Assembly meeting. It has been noted that Ms. Arıcan is present at the meeting.

Group C shareholder İş Yatırım Menkul Değerler A.Ş. suggested that “*Mr. Teyfik Eraslan (ID No:...) is nominated to be Board member representing group C shareholder for three years beginning from this General Assembly meeting.*”

The proposal has been put to discussion. No shareholder made comment, including those who attend via the electronic system. The proposal has been put to vote. Mr. Eraslan has been elected Board member for three years beginning from this General Assembly meeting. It has been noted that Ms. Eraslan is present at the meeting.

Group C shareholder Halk Yatırım Menkul Değerler A.Ş. suggested; “*because Ms. Işınsu Kestelli who used to represent group C shares resigned and there is a vacant seat, Mr. Cem Demiroğlu (ID No:...) is nominated to be Board member representing group C shareholder for three years beginning from this General Assembly meeting.*”

The proposal has been put to discussion. No shareholder made comment, including those who attend via the electronic system. The proposal has been put to vote. Mr. Demiroğlu has been unanimously elected Board member for three years beginning from this General Assembly meeting. It has been noted that Ms. Demiroğlu is present at the meeting.

**10.** In relation to the tenth agenda item “Resolution on the remuneration and other rights of the members and Chairman of the Board of Directors” Türkiye Wealth Fund suggested;

- *Net monthly remuneration for chairperson is 20,000-TL and for board members is 15,000-TL*
- *Remuneration payment is done, as all Borsa İstanbul employees, at the end of each month*
- *Chairperson and board members are entitled to have privileges described by the Article 15/4 of the Articles of Association regarding assignment of official car, coverage of business trips, accommodation, per diem allowance; moreover their husbands and wives, children and other dependents will have the same rights as Borsa İstanbul employees for medical care.*
- *If chairperson and board members are employed by more than one employer and, thus, have to provide income tax return, Borsa İstanbul will pay the corresponding tax if demanded by chairperson and board members; if they have more than one salary under the conditions described by Law No. 657 on Public Servants, the entire additional tax will be borne by Borsa İstanbul.*

No shareholder made comment, including those who attend via the electronic system. The proposal on remuneration of chairperson and of board members has been put to vote and has been unanimously approved.

**11.** In relation to the eleventh agenda item, in line with Capital Markets Law and Turkish Commercial Code, the Board took into account the suggestion of Audit Committee dated 23.02.2018 and via its resolution dated 22.03.2018 and numbered 2018/36, decided to elect KPMG Bağımsız Denetim ve Serbest Muhasebeci ve Mali Müşavirlik A.Ş. as auditor for the year 2018 for auditing financial statements and for other relevant activities. The item has been put into discussion.

No shareholder made comment, including those who attend via the electronic system. The item was put to vote. KPMG Bağımsız Denetim ve Serbest Muhasebeci ve Mali Müşavirlik A.Ş. has been unanimously elected as auditor for the year 2018.

**12.** In relation to the twelfth agenda item, “Authorizing members of the Board of Directors for executing the operations which are regulated by articles 395 and 396 of Turkish Commercial Code” has been put to discussion. No shareholder made comment, including those who attend via electronic system. The item was put to vote.

Board members have been unanimously authorized to conduct activities in relation to the articles 395 and 396 of Turkish Commercial Code.

**13.** In relation to the thirteenth agenda item, the item “Authorizing the Board of Directors for one year to buy back maximum 633,179,478 Company’s own shares with nominal value 6,331,794.78-TL in exchange of minimum 6,331,794.78-TL and maximum 72,372,932.16-TL in line with article 379 of Turkish Commercial Code” was read out.

Board resolution has been put to discussion.

Group A shareholder Türkiye Wealth Fund suggested; “*Board of Directors is authorized for two years to buy back maximum 1,990,835,364 Company’s own shares with nominal value 19,908,353.64-TL in exchange of minimum 19,908,353.64-TL and maximum 201,350,241.33-TL in line with article 379 of Turkish Commercial Code.*”

The proposal has been put to discussion. Borsa İstanbul CEO and Board Member Mr. Çetinkaya put forward the demands from brokerage houses so that Borsa İstanbul A.Ş. shares they are holding could be used as collateral at İstanbul Takas ve Saklama Bankası A.Ş. and those shares are taken into capital adequacy ratio calculation. He added that Borsa İstanbul Board of Directors made the proposal taking into consideration such demands.

The proposal by group A shareholder on buyback has been put to vote and has been unanimously approved, including the shareholders who attend via the electronic system.

**14.** In relation to the fourteenth agenda item, amendment of Donation Policy, which was approved by shareholders at the Ordinary General Assembly dated 08.06.2017, as proposed by Corporate Governance Committee to the Board and as decided by the Board, has been put to discussion. Amended version has been disclosed as part of invitation to the meeting, therefore the policy was not read out fully.

The following has been read out to inform shareholders on donations throughout the year 2017:

“Total amount that Borsa İstanbul donated was 1.7 Mn TL in financial year 2017. 1.2 Mn TL was used to purchase two houses for the families of the martyrs of July 15 coup attempt in line with Prime Ministry circular dated 25.07.2016 and numbered 2016/18. 207,000 TL was used to purchase cars for Istanbul Police Department. The remainder was allocated to charity institutions and associations such as İstanbul University Research and Charity Foundation, State Supervisory Council, Altı Nokta Körler Derneği and others.”

The Board proposal has been put to discussion.

Group A shareholder Türkiye Wealth Fund suggested; “*Borsa İstanbul Executive Committee was dissolved on the basis of the Board resolution dated 17.08.2018 and numbered 2018/103.*”

*Therefore, the references to Executive Committee have to be removed from the policy and hence the policy has to be updated as the following.”*

The policy suggested by Türkiye Wealth Fund has been put to discussion. No shareholder made comment, including those who attend via the electronic system. The proposal has been put to vote. It has been unanimously accepted, the policy has been updated as suggested by Türkiye Wealth Fund.

**15.** On the invitation of Mr. Çetinkaya, Mr. Erhan Topaç, President of Turkish Capital Markets Association (TCMA), delivered a speech on developments in capital markets and the steps that TCMA has taken.

Mr. Metin Tefvik Ayıfık, CEO of Gedik Yatırım A.Ş., shared his comments and indicated that he is pleased to see good relations between Borsa İstanbul and intermediary institutions.

Mr. Çetinkaya thanked all participants.

**16.** The meeting was closed by Meeting Chairman.

This document of Meeting Minutes is issued and signed at the meeting place following the end of meeting (27 September 2018).