

## BRIEFING DOCUMENT

### ON THE ORDINARY GENERAL ASSEMBLY MEETING OF ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. FOR THE YEAR 2018 TO BE HELD ON 27 MARCH 2019

#### THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING FOR THE YEAR 2018

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- 1 Opening and the formation of the Meeting Board
- 2 The presentation and discussion of the Board of Directors Annual Report of the year 2018
- 3 The presentation of the Audit Reports of the year 2018
- 4 Presentation, discussion and approval of the Financial Statements of the year 2018
- 5 Submittal of the Temporary Board Member to the approval of the General Assembly for the vacated membership of the Board of Directors during the activity year
- 6 Acquittal of the members of the Board of Directors for their activities in 2018
- 7 Determination of the form of profit usage, and the ratios of profit and dividend shares to be distributed for the year 2018
- 8 Election of the Auditor
- 9 Informing the General Assembly about the donations and charities made in 2018
- 10 Determination of the limit for the donations to be made by the Company in 2019
- 11 Authorizing the Chairman and the members of the Board of Directors for the execution of the proceedings stipulated in articles 395 and 396 of the Turkish Code of Commerce

#### EXPLANATIONS REGARDING THE AGENDA ITEMS OF THE 2018 GENERAL ASSEMBLY MEETING DATED 27 MARCH 2019

##### **1- Opening and the formation of the Meeting Board.**

In accordance with Article 15 of the Articles of Association and the Internal Directive on the Working Principles and Procedures of the General Assembly, the Chairman of the Meeting to conduct the meeting shall be selected and the Meeting Board shall be formed.

##### **2- The presentation and discussion of the Board of Directors Annual Report of the Year 2018.**

Board of Directors Annual Report, which is to be submitted to the examination of our partners at our Company's Head Office and the corporate website [www.cimsa.com.tr](http://www.cimsa.com.tr) for three weeks and which has the Corporate Governance Compliance Report and the Board of Directors' profit distribution proposal, shall be presented at the General Assembly and be submitted to the review of our partners.

**3- The presentation of the Audit Reports of the Year 2018.**

Auditor Reports, which are to be submitted to the examination of our partners at our Company's Head Office, at the Electronic General Assembly Platform of the Central Registry Agency, and on our company's corporate website [www.cimsa.com.tr](http://www.cimsa.com.tr) for three weeks prior to the General Assembly Meeting, shall be presented at the General Assembly and be submitted to the review of our partners.

**4- Presentation, discussion and approval of the Financial Statements of the Year 2018.**

Financial Statements of the Year 2018, which are declared to the public on our company's corporate website [www.cimsa.com.tr](http://www.cimsa.com.tr) and which are to be submitted to the examination of our partners at our Company's Head Office and the Electronic General Assembly Platform of the Central Registry Agency for three weeks prior to the General Assembly Meeting, shall be presented also at the General Assembly and be submitted to the review and approval of our partners.

**5- Submittal of the members to the approval of the General Assembly appointed to the vacated membership of the Board of Directors during the activity year, to perform duties for the remaining period.**

As per the Article 363 of the Turkish Commercial Code, Tamer SAKA, selected by the Board of Directors, shall be submitted for approval of the General Assembly to serve for the remaining period as a member in the position vacated by Mehmet HACIKAMILOĞLU who resigned on 31.03.2018.

**6- Acquittal of the members of the Board of Directors for their activities in 2018.**

The acquittal of the members of the Board of Directors for their activities, transactions and accounts for 2018 shall be submitted to the approval of the General Assembly.

**7 Determination of the form of profit usage, and the ratios of profit and dividend shares to be distributed for the year 2018.**

A net period profit of 154,925,532.00 TRY was obtained according to our financial statements of the accounting period between 01.01.2018-31.12.2018 which were prepared by our company as per the "Communiqué on Principles of Financial Reporting in Capital Markets" (II-14.1) of Capital Markets Board and were audited independently by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., whereas a net profit of 62,774,319.71 TRY was obtained according to the financial statements prepared in accordance with the provisions of the Tax Procedure Law.

For the purpose of consolidating the financial structure of our company and not creating new financial needs, it has been decided that no profit shall be distributed, and the proposal of the Board of Directors for the allocation of the distributable profit for the period of the year 2018 as Extraordinary Reserves shall be submitted to the approval of the General Assembly.

The table concerning the proposal of the Board of Directors is presented in Annex:1.

**8- Election of the Auditor.**

It has been decided that the financial reports of our Company for the 2019 financial year shall be audited by the Board of Directors, and Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. shall be appointed as the auditor to conduct other activities within the scope of the related regulations in these laws. This matter shall be submitted to the approval of General Assembly.

**9- Informing the General Assembly about the donations and charities made in 2018.**

Between January 01, 2018 and December 31, 2018, a total of 270,929.89 TRY donations in cash and in kind was made to various public institutions and organizations. The article in question is not related to the approval of the General Assembly, and it is for information purposes only.

**10- Determination of the limit for the donations to be made by the Company for 2019.**

The limit of the donations which may be made by the Company in 2019 shall be determined by our partners at the General Assembly.

**11- Authorizing the Chairman and the members of the Board of Directors for the execution of the proceedings stipulated in articles 395 and 396 of the Turkish Code of Commerce.**

It is only possible through the approval of the General Assembly that the members of our Board of Directors may make transactions in the framework of the Articles 395/1 titled "Prohibition to conduct transaction with the company, to become indebted to the company" and Article 396 titled "Non-compete obligation" of the TCC. In order to fulfill the requirements of these regulations, the granting of such permission shall be submitted to the approval of our partners at the General Assembly, and our partners shall be informed about the transactions carried out in this nature during the year.

**STATEMENTS MADE AS PER THE ARTICLE 1.3 TITLED GENERAL ASSEMBLY OF THE CAPITAL MARKETS BOARD'S COMMUNIQUE ON CORPORATE GOVERNANCE ANNEX (II-17.1)**

a) Information on the total number of shares and voting rights reflecting the shareholding structure as of the date of the statement, the number of shares representing each privileged share group if there is a privileged share in the share capital, and the nature of the voting rights and privileges;

Capital structure which reflects the company's shareholding structure is as follows.

SHAREHOLDER and ADDRESS	SHARE RATE (%)	SHARE AMOUNT (TRY)	NUMBER OF SHARES (NUMBER)
HACI ÖMER SABANCI HOLDİNG A.Ş.	54.54	73,674,200.73	7,367,420,073
AKÇANSA ÇİMENTO SANAYİ A.Ş.	8.98	12,130,560.00	1,213,056,000
PUBLICLY HELD PORTION	36.48	49,279,681.27	4,927,968,127
<b>GRAND TOTAL</b>	<b>100,00</b>	<b>135,084,442.00</b>	<b>13,508,444,200</b>

No privileged share group is present in the company's capital.

b) Information on the changes and the reasons of these changes in the management and operations of the partnership and subsidiaries which would have a significant impact on the partnership activities realized in the previous accounting period or planned for the future accounting periods;

There are no changes in the management and operations of the Company and its subsidiaries which would have a significant impact on the partnership activities realized in the previous accounting period or planned for the future accounting periods.

**c) If the dismissal, replacement or selection of the board members is on the general assembly meeting agenda; information on the reasons for their dismissal and replacement; the resumes, the tasks carried out in the last ten years and reasons for resignation from the board members whose nomination has been submitted to the partnership; the nature and importance of the relationship between the partnership and the related parties, whether it has the quality of independence, and similar issues which may affect the activities of the partnership if these persons are elected as members of the board of directors;**

No dismissal, replacement or selection of the Company's Board of Directors is on the agenda of the Ordinary General Assembly Meeting for the year 2018 to be held on 27 March 2019.

**ç) The requests made by the shareholders in writing to the Investor Relations Department regarding the inclusion of items on the agenda, the unrecognized proposals and reasons for rejection if the board of directors does not accept the partners' agenda proposals;**

There is no demand under the sub-paragraph (ç) of Article 1.3.1 of the Corporate Governance Principles of the Corporate Governance Communiqué numbered CMB Series: II-17.1.

**d) In case of amendment of the Articles of Association, the old and new versions of amendments to Articles of Association, together with the decision of the Board of Directors;**

No amendment to the Articles of Association is on the agenda of the Ordinary General Assembly Meeting for the year 2018 to be held on 27 March 2019.

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.**  
**Table of Dividend Distribution for the Year 2018 (TRY)**

1. Paid/Issued Capital			135,084,442.00
2. General Legal Reserves (According to Legal Records)			102,469,321.12
Information on the privilege if there is a privilege in the distribution of profit pursuant to the Articles of Association,			NONE
		According to CMB	According to Legal Records (LR)
3.	Profit for the Period	175,110,867.00	79,835,427.78
4	Taxes (-)	21,254,018.00	17,061,108.07
5.	Net Profit for the Period (=)	154,925,532.00	62,774,319.71
6	Previous Years' Losses (-)	-	-
7.	General Legal Reserves (-)	-	-
8.	DISTRIBUTABLE NET PROFIT FOR THE PERIOD (=)	154,925,532.00	62,774,319.71
9.	Donations Made within the Year (+)	270,929.89	
10.	Distributable Net Profit for the Period with Donations Added	155,196,461.89	
11.	First Dividend for Partners	-	
	-Cash	-	
	-At no charge	-	
	- Total	-	
12.	Share of Profit Distributed to Privileged Shareholders	-	
13.	Other Dividends Distributed	-	
	- To the members of the Board of Directors,	-	
	- To the employees,	-	
	- To persons other than Shareholders	-	
14.	Dividends Distributed to Dividend Share Holders	-	
15.	Second Dividend for Partners	-	
16.	General Legal Reserves (-)	-	
17.	Statutory Reserves	-	-
18.	Special Reserves	-	-
19.	EXTRAORDINARY RESERVE	154,925,532.00	62,774,319.71
20.	Other Resources Projected to be Distributed	-	-

**TABLE OF DIVIDEND RATIOS**

	TOTAL DIVIDEND DISTRIBUTED		TOTAL DIVIDEND DISTRIBUTED / DISTRIBUTABLE NET PROFIT FOR THE PERIOD	DIVIDEND CORRESPONDING TO THE SHARE WITH A NOMINAL VALUE OF 1 TRY	
	CASH (TRY)	AT NO CHARGE (TRY)	PROPORTION (%)	AMOUNT (TRY)	PROPORTION (%)
<b>GROSS</b>	-	-	0.00	0.0000	0.00
<b>NET*</b>	-	-	0.00	0.0000	0.00

\*15% tax deduction is assumed when the net amount is being calculated.