Material Disclosure **April 1, 2020**

MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING OF POLISAN HOLDING DATED APRIL 1, 2020

The 2019 Ordinary General Assembly Meeting of Polisan Holding was held at the Company headquarters, addressed Dilovası Organize Sanayi Bölgesi, 1. Kısım, Liman Caddesi, No:7, Dilovası-Kocaeli on April 1, 2020, at 14:00 p.m., under the supervision of Ministry Representative Mr Veysi Uzunkaya who is assigned to the post in accordance with the Directorate of Commerce of Kocaeli Province's official letter dated March 24, 2020; numbered 80122446-431.03.

The meeting invitation, containing the agenda as stipulated in the law and the Articles of Association was published on the Turkish Trade Registry Gazette dated March 9, 2020, numbered: 10032 as well as on the Kocaeli Gazette dated March 6, 2020. The invitation was also sent to the bearer shareholders who declared their addresses by submitting ordinary shares in advance with a registered letter having a return receipt; it was disclosed on the Public Disclosure Platform and on the Company's website at www.polisanholding.com.tr as well as on the Central Securities Depository's e-General Assembly (Electronic General Assembly System) System within the timeframe set forth for the announcement of the meeting date and agenda.

It was ascertained from the list of attendants that of the 758,500,000 shares, each with a TRY1 nominal value and representing the Company's TRY758,500,000 total capital; 609,575,710.596 shares, representing total TRY609,575,710.596 nominal value, were represented in the meeting. Of the 518,752,520.10 shares; 83,665,595.25 shares representing TRY83,665,595.25 of the capital were present in person, 8,729,985 shares representing TRY8,729,985 of the capital were present through deposited representatives, and 517,180,130.346 shares representing TRY517,180,130.346 of the capital were present through other representatives. Accordingly, the minimum quorum requirement as set forth by the legislation and Articles of Association is met.

It was ascertained as per the Clause five and six of the Article 1527 of the Turkish Commercial Code that the Company's preparations for the electronic general assembly were performed in line with the regulations. Burhan Kurt, who has the Central Securities Depository's Electronic General Assembly Certificate Expertise was assigned by the CFO Ahmet Çağaşan Yılmaz to use the Electronic General Assembly System. The meeting was opened simultaneously on the physical and the electronic platform and continued with the discussion of the agenda.

Ahmet Çağaşan Yılmaz informed shareholders about the form of voting. He stated that the execution of the electronic poll would remain anonymous. He told shareholders who will attend the General Assembly through electronic platform to cast their votes by using the options in the menu on the screen as stated in the Law and the Company's Articles of Association. He also added that shareholders who physically participate to the meeting shall vote open by showing of hands and shareholders who vote against favor shall declare their rejection orally.

The following decisions were taken as a result of the discussions carried out required by the agenda.

1. **Opening and the Appointment of the Chairman for the meeting**

   The shareholder Fatma Nilgün Kasrat's proposal for the Chairman of the meeting was read. The proposal was submitted to vote. It was decided to appoint Ahmet Çağaşan Yılmaz with the TR ID number of 11956185826 as the Chairman of the General Assembly Meeting with 609,575,709.596 votes in favor against 1 negative vote. The Chairman appointed Burhan Kurt as the writer of the minutes and Varol Ürel as the collector of the votes.

2. **Granting authorization to the Chairman of the Meeting for the signing of the meeting minutes**

   It was decided to authorize the Chairman of the Meeting for the signing of the minutes of the General Assembly Meeting with 609,575,709.596 votes in favor against 1 negative vote.

3. **Review, discussion, and approval of the Annual Report of the Board of Directors and summary statement of the Independent Audit Report for the fiscal year 2019**

   Due to the fact that the Board of Directors' Annual Report and the Independent Audit Report were previously presented on the Public Disclosure Platform, Company website and the Central Securities Depository's Electronic General Assembly System for the shareholders' review, the Chairman of the Meeting read the proposal of shareholder Fatma Nilgün Kasrat, to discuss the reports without reading them, assuming that the reports were already read. The reports were opened to discussion. Nobody commented.

4. **Review, discussion, and approval of the Financial Statements for the fiscal year 2019**

   The Company's shareholder Fatma Nilgün Kasrat's proposal to discuss Financial Tables related to the 2019 Fiscal Period, assuming that they were already read, since they were previously presented for shareholder review on the Public Disclosure Platform, Company website and the Central Securities Depository's Electronic General Assembly System were approved by majority of votes with 609,269,264.596 votes in favor against 306,446 negative votes. The Balance Sheet and Income Statement were opened to discussion. Nobody commented. The Balance Sheet and the Income statement for the fiscal year 2019 were submitted to vote and approved with 609,269,264.596 votes in favor against 306,446 negative votes.

5. **Release of each member of the Board of Directors from their activities for the year 2019**

   During the voting, the Board members did not use their voting rights, stemming from the shares they own, for the release of their own Board membership. Instead, they were released by the votes belonging to the other shareholders who participated to the meeting with 108,280,736.95 votes in favor against 1 negative vote.

6. **Approval, approval after amendment, or rejection of the Board of Directors' proposal regarding the distribution and the distribution date of 2019 profit, prepared within the framework of the Company's profit distribution policy.**

   Polisan Holding realizes dividend distribution within the framework of the provisions of the Turkish Commercial Code, Capital Market regulations, Tax legislations and other related legislations and the

article of the Company's Articles of Association regarding the dividend distribution. Polisan Holding's Dividend Policy is subject to the conditions in the national, global economy, and capital markets; and long-term strategies, capital requirements, cash and profitability expectations as well as investment and financing policies of the Holding's subsidiaries and affiliates in regards to their operations. The Board of Directors takes a decision for dividend distribution each year to submit for the approval of the General Assembly.

Polisan Holding may distribute cash dividend and/or bonus shares while evaluating share buyback under the above conditions and within the context of the related regulations to create more value for its shareholders.

As arranged under the Article 30 of the Polisan Holding's Articles of Associations, the determination and distribution of the dividend is as follows:

The net profit shown on the annual balance sheet, which is the remaining balance from the net sales as of the end of the fiscal year less general expenses and various depreciation mandatory to be paid and amounts to be set aside by the Company, and all taxes payable by the Company's legal entity, will be allocated and distributed as respectively shown below once deducted from the previous year's losses (if any):

First Legal Reserve Fund:

a) 5% is set aside as legal reserve fund.

First Dividend:

b) Any donation granted during the relevant fiscal year is added to the remaining balance and the first dividend is calculated in accordance with the ratios and amounts that were defined by the Capital Markets Board.

c) After the deduction of these specified above, the General Assembly is entitled to decide the distribution of the dividends to the members of the Board of Directors, officers and other employees, owners of the dividend/founding dividend shares, privileged shareholders, foundations of various purposes and similar persons and/or entities.

Second Dividend:

d) The General Assembly is authorized to fully or partially distribute the remaining amount after the deduction of the amounts referred to in sub-paragraphs (a), (b), (c) as second dividend or to set aside as reserve funds.

Second Legal Reserve Fund:

e) Of the total amount that was decided to be distributed to shareholders and other participating persons, a dividend share in the amount of 5% of the paid in capital is

deducted and 1/10 of the remainder is allocated as Second Legal Reserve Fund as per the Turkish Commercial Code's Article 466, Paragraph 2, Clause 3.

Unless all reserves required by law are set aside and the first dividend determined for the shareholders and cash and/or share dividends determined for the owners of the non-voting shares are distributed as per the Articles of Association; it cannot be resolved to set aside other reserve funds, to transfer profit to the next year and to distribute profit to the privileged shareholders, owners of the participating, founding, and dividend shares, members of the Board of Directors, officers and other employees, foundations of various purposes and similar persons and/or entities. Additionally, in case second dividend is distributed from the profit, the non-voting shares have the equal rights as the other shares and that they benefit in the amount of their capital shares.

Dividends are distributed to all of the existing shares, without per diem deduction, as of the date of distribution regardless of their dates of issue and time of acquisition.

Method and timing of the distribution of the profit, which is resolved to be distributed, will be decided by the General Assembly upon the proposal of the Board of Directors on that matter.

The profit, which is distributed in accordance with the provisions of this Articles of Association cannot be revoked.

It may be resolved to pay dividend advances to the shareholders in compliance with the provisions of the Article 15 of the Capital Market Law.

How and when the annual profit will be distributed to shareholders will be decided by the General Assembly upon the Board of Directors' proposal, which takes into consideration the regulations of the Capital Markets Board on that matter. The General Assembly may authorize Board of Directors to decide on the timing of the profit distribution.

The Board of Directors' decision relating to dividend distribution, dated March 9, 2020 and previously disclosed to the public in the Attachment 1; was approved. It was decided to distribute TRY6,000,000 (six million Turkish Lira) gross dividends on April 6, 2020 with 609,575,709.596 votes in favor against 1 negative vote.

7. **Approval of the Independent Audit Company nominated by the Board of Directors in accordance with Capital Markets Board's Communique Serial: X No:22 on the Standards of Independent Audit in the Capital Markets and Article 399 of the Turkish Commercial Code**

The Board of Directors' decision dated March 2, 2020 as per the Turkish Commercial Code Article 399, in regards to the rendering of independent audit services in 2020 from Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi was accepted with 609,269,264.596 votes in favor against 306,446 negative votes.

8. **Approval of the appointments of the board members who were selected for 3 years during General Assembly meeting dated May 15, 2018, in place of the resigned members.**

The appointment of Murat Yıldıran (ID No: 27613900480) as a Board member to complete the remaining term of the Board Member Erol Mizrahi (ID No: 37495249430) after his resignation from the Board of Directors, has been approved with 601,752,787.596 votes in favor against 7,822,923 negative votes.

9. Determining the annual gross wages of the Board Members

The shareholder Fatma Nilgün Kasrat's proposal in regards to the attendance fee to be paid to the Board of Directors and the Committee members was read by the Chairman of the Meeting. The proposal was submitted to vote. It was decided to pay a monthly gross attendance fee of TRY10,000 (ten thousand Turkish Liras) for each of the independent members of the Board, a monthly gross attendance fee of TRY20,000 (twenty thousand Turkish Liras) for each of the other Board members, and not to pay any salaries to the committee members with 601,752,787.596 votes in favor against 7,822,923 negative votes.

10. Informing shareholders in regards to the "Remuneration Policy" for the members of the Board of Directors and the senior management and the payments made under this Policy, pursuant to the Capital Markets Boards, Corporate Governance Principles.

As per Holding's Articles of Association, Board members receive a certain remuneration decided by the General Assembly on a monthly, annually or per meeting basis. The remuneration of the Board, including independent members; the General Managers and Deputy General Managers are based on the Capital Markets Board's Corporate Governance Principles and other applicable law.

The Holding executives are being paid a base salary, performance based bonus, and side benefits (private health insurance, life insurance, vehicle, corporate mobile phone and line). The expenses realized within the duties of the executives are being paid by the Holding.

There are no transactions that might lead to conflict of interest such as lending money to an executive; providing loan facilities; have them use credits through third parties under the name of personal loan; and providing collateral for their benefit.

The salaries of the executives are decided each year taking Holding's targets into consideration while the remuneration of the Board members is decided each year by the General Assembly.

Holding discloses the Remuneration Policy on its website; and total salaries and benefits alike granted to the Board members and senior management through its Annual Report.

11. Informing shareholders in regards to the "Related Party Transactions" realized in 2019 as per the Capital Market Board regulations

As per the detailed disclosure on the Related Party Transactions (Note: 30) of the Consolidated Financial Statements and independent Auditors' Report of Polisan Holding A.Ş. for the period between 1 January-31 December 2019;

The transactions realized with Rohm and Haas Kimyasal Ürün Üretim Dağıtım ve Ticaret A.Ş. were primarily for the purchase of services and with Polisan Kansai Boya Sanayi ve Ticaret A.Ş. were for the purchase of goods and services. In 2019, service purchases from Rohm and Haas totaled TRY527. Purchases from Polisan Kansai Boya totaled TRY3,956,751, of which TRY1,889,213 were services and TRY2,067,538 were goods. In 2019, of the TRY13,356,880 sales realized to Rohm and Haas, TRY13,347,879 were the services. Total of TRY20,844,807 sales (TRY215,486 of goods, and TRY19,953,908 of services) were realized to Polisan Kansai Boya. Besides, the services sold to Şark Mensucat A.Ş. stood at TRY8,877,860, TRY7,737,502 being the late interest.

12. **Informing shareholders in regards to the donations and aids, which were provided by the Company to the funds and organizations in 2019 as part of the social responsibility and determining an upper limit for the donations to be provided in 2020 as per the regulations of the Capital Markets Board**

During the year donations in-kind and cash provided to the organizations and funds, which are considered beneficial to the public, totaled TRY782,631. The shareholder Fatma Nilgün Kasrat's proposal for the upper limit of the donations that will be granted in 2020 to be TRY5,500,000 (five million, five hundred Turkish Liras) was read by the Chairman of the Meeting. The proposal was discussed and accepted with 600,845,724.596 votes in favor against 8,729,986 negative votes.

13. **Granting permission to the Chairman and the Members of the Board on the fulfillment of the written transactions pursuant to Article 395 and 396 of the Turkish Commercial Code**

It was decided to give permission to the shareholders (with 608,668,646.596 votes in favor against 907,064 negative votes) who have the management control, to the Board members, to the senior management and their partners as well as relatives up to second degree by marriage and blood to engage in transactions, which may cause conflict of interest with the Company or its affiliates; compete; realize transactions with the Company on behalf of themselves or other parties; engage personally or on someone else's behalf in businesses, which are in the scope of the Company's operations; partner with companies, which are in the similar businesses with a qualification of a partner having unlimited responsibility; and carry out other businesses within the framework of Articles 395 and 396 of the Turkish Commercial Code.

14. **Informing shareholders regarding guarantees, mortgages, pledges and bails provided by the Company in favor of the 3. Parties, pursuant to the regulations of the Capital Markets Board.**

The shareholders were informed about pledges, collaterals, and mortgages provided by the Company in favor of the 3. Parties.

15. **Wishes and closing**

As there were no other items to discuss, the attendees were thanked for their participation along with the wishes and hopes to achieve success for 2020 operations. The Ministry's Representative took the floor and asked if there is any rejection or dissenting opinions about the participants of the General Assembly, whether in person or by proxy as well as the decisions taken. As there was no rejection, the meeting was adjourned at 14:30 by the Chairman of the Meeting.

Ministry Representative VEYSİ UZUNKAYA 65590037072	Chairman of the General Assembly AHMET ÇAĞAŞAN YILMAZ 11956185826
Collector of Votes VAROL ÜREL 65416104490	Writer of Minutes BURHAN KURT 52552046302

We hereby declare that our above statement is in conformity with the principles included in the Capital Market Board's effective Communiqué on Material Disclosures; exactly reflects the entire information we received on the subject/subjects; the information complies with our records, books and documents; we have endeavored to obtain the correct and complete information relative to this subject, and we are responsible for the declarations made in this regard.

Polisan Holding AŞ

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