



MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING OF 'KORDSA TEKNİK TEKSTİL ANONİM ŞİRKETİ' HELD ON MARCH 27, 2023 FOR THE YEAR 2022

The Ordinary General Assembly meeting for 2022 of the shareholders of **KORDSA TEKNİK TEKSTİL ANONİM ŞİRKETİ** was held on Monday, March 27, 2023 at 10:00 AM at Sabancı Center under the supervision of the Ministry Representative Mustafa ÇALIŞKAN, who was assigned with the letter of the Istanbul Governorship Provincial Directorate of Commerce, dated 24.03.2023 and numbered 83922184.

The meeting call was made as stipulated in the law and the articles of association and in as manner that includes the agenda, by being announced in the Turkish Trade Registry Journal dated March 1, 2023 and numbered 10780, on the Company's website www.kordsa.com and on the Electronic General Assembly System of the Central Registry Agency.

From the examination of the list of attendees, 12,811,493 shares corresponding to 128,114.93 TL capital were represented in person, and 14,216,446,501 shares corresponding to 142,164,465.01 TL capital were represented on behalf, and as total 14,229,257,994 shares were represented at the meeting, in a total capital of 142,292,579.94 TL out of 19,452,907,600 shares with a nominal value of 1 Kurus, corresponding to the Company's total capital of 194,529,076.00 TL. It has been determined that the minimum meeting quorum stipulated in the law and the articles of association is present.

The meeting was held in electronic and physical environment and was started by Şerafettin KARAKIŞ stating that Chairman of the Board of Directors Ahmed Cevdet ALEMDAR and General Manager İbrahim Özgür YILDIRIM, Company auditor KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi responsible auditor Hakkı Özgür SIVACI was present at the meeting. It was opened simultaneously and the discussion of the agenda items.

- 1- Şerafettin KARAKIŞ was elected as the chairman of the meeting as a result of the unanimous approval of the proposal submitted by our partner who was present at the General Assembly and has the most shares.

The Chairman has appointed Erdem ERDOĞAN, the representative of Hacı Ömer Sabancı Holding A.Ş., our partner with the most shares, as the Vote Collection Officer, and Emine Selen DEMİRCİ, the Global Finance Team Leader, as the Minutes Writer, and the Meeting Chairmanship has been formed.

In addition, the Chairman of the Meeting has appointed Hakan Ali BALBAY, an employee of the Company, who has Central Registry Agency Electronic General Assembly System Certificate, the duty to use the Electronic General Assembly System.

The Chairman of the Meeting announced that 383,685,100 shares with a nominal value of 3,836,851 TL included in the total shares were represented by the Depository Representatives in the meeting.

The agenda items were read to the General Assembly as announced, and after determining that no request was made to change the order of discussion of the agenda items, the discussion of the agenda items continued in the order in which they were announced.

- 2- The 2022 Annual Report of the Board of Directors was accepted as read after the proposal submitted to the chairman of the meeting was unanimously accepted by the participants. The Annual Report was discussed.

Mustafa Can KAYA, one of our investors, raised his question and stated that the problem of not being able to reflect the costs to the prices in 2022, a) the reason for the decrease in the operating profit despite the increasing turnover in USD, b) the effect of the sales revenues of new products on the financial results, c) the reflection of the products of which we are the sole supplier of the composite field on the financials.

Company CFO Volkan ÖZKAN replied as a) Kordsa is in a global competitive environment in a wide geography from Europe to Asia Pacific and in 2022 with the Conflict of Russia-Ukraine, there was some restrictions in goods movements and increases on energy costs which cause to decrease profitability margins, b) New products are accepted at Kordsa for 7 years, and a sales revenue of around 50 million USD was obtained in 2022, c) Investments were made in composite technologies in addition to the main business, tire reinforcement, He stated that the shrinkage in the production of B787, which is offered to our customers in the USA, for example, the company's supplier, and the fact that the production has not yet been returned to pre-pandemic production levels had a negative impact on the composite turnover, and a recovery is expected by 2023.

- 3- As a result of the unanimous acceptance of the 2022 Auditor Reports, the proposal submitted to the meeting's chairmanship, the opinions sections were read and the shareholders were informed.
- 4- The Consolidated Financial Statements for the Year 2022 were accepted as read after the proposal submitted to the meeting chairman was unanimously accepted by the attendees.

The Consolidated Financial Statements for 2022 were opened for negotiation.

Mustafa CAN, one of our investors, take the floor and asked that a donation of 47 million TL to Sabancı University stated in the 2022 financials, whether this donation is tax deductible, and if it is not tax deductible, whether the donation can be reviewed in order to increase the dividend or not. In addition, he asked whether the net profit target for 2023 was set as 100 million USD, but remained at 94 million USD, and whether the senior management made an assessment in this sense. He also requested that more detailed information be given about the falling profit margins.

Meeting Chairman Şerafettin KARAKIŞ took the floor and stated that the Sabancı University donation was included in the articles of association and the amount was determined according to the articles of association.

Speaking about other questions, Company CFO Volkan ÖZKAN stated that 95% of Kordsa's sales are obtained from markets outside of Turkey, therefore they are affected by the competition in the global market and the movement of commodity prices is also important. He said that there are increases in energy costs due to the effect of the raw material entering the stocks at high cost due to the time spent on the road in an environment of falling profit margins and falling commodity prices.

Cevdet ALEMDAR, Chairman of the Board of Directors, who took the floor, stated that Kordsa's turnover exceeded 1 billion USD for the first time in its 50-year history, that despite the shrinkage in the margins in tire reinforcement in 2022, Kordsa gained a very strong market share, worldwide energy costs, high inflation and raw materials. He stated that in an environment of price volatility, Kordsa achieved a turnover of approximately 1.2 billion USD, and a net profit of 94 million USD, a level parallel to last year's 96 million USD. He said that in the composite segment, in the last quarter of 2022, there was a 74% increase in turnover compared to the same quarter of the previous year.

The Consolidated Financial Statements for the Year 2022 were approved unanimously by the attendees as a result of the voting.

5- The duties of Şerife Ebru DOĞRUOL AYGİL (T.R. ID No:), who was appointed as Independent Board Member to replace Mehmet SAMİ effective as March 23th, 2022, and Ali ÇALIŞKAN (T.R. ID No:) who was appointed as Board Member to replace Mehmet YILDIZ effective as April 1st, 2022, and Yeşim ÖZLALE ÖNEN (T.R. ID No:) who was appointed as Board Member to replace Gökhan EYİĞÜN effective as February 24th, 2023, in accordance with Article 14 of the Company's Articles of Association and the Article 363 of the Turkish Commercial Code were voted for the members of the Board of Directors vacant within the operating year of 2022 and February 2023. As a result of voting, their duties were approved by majority of the shareholders with TRY 142,225,120.94 TL aye votes against TRY 67,459 nay votes.

6- At the Ordinary General Assembly Meeting of our Company for the year 2020 held on March 24, 2021, GÜNGÖR KAYMAK and Mehmet SAMİ were elected to serve as independent members on the Board of Directors of our Company for a period of 3 years,

On March 23, 2022, Şerife Ebru DOĞRUOL AYGİL took office to replace Mehmet SAMİ, who resigned,

As a result of the application made to the Board to obtain opinions on these independent members due to the inclusion of our company among the first group of corporate governance companies by the Capital Markets Board in 2022, the shareholders were informed that the Independent Members of the Board of Directors GÜNGÖR KAYMAK and Şerife Ebru DOĞRUOL AYGİL had not expressed any negative opinions by the Decrees of the Board dated 07.04.2022.

7- The Meeting Chairperson stated that according to the List of Attendees in the Meeting there were no Board Member and Executive Member who could vote. It was unanimously decided that the members of the Board of Directors were released with regard to the 2022 activities.

8- It has unanimously been approved that: In the determination of the use of 2022 fiscal year profit, in accordance with our Board of Directors' proposal to the General Assembly dated 24th February, 2023 numbered 2023/06, the net distributable profit amounting to **TRY 1,289,197,611** reached after deducting the reserves stipulated in CMB Communiqués and in article of 35 of our Articles of Association is decided to be distributed according to the profit distribution plan stated below:

1 st Dividend	:	9,726,453.80 TRY
2 nd Dividend	:	47,273,546.20 TRY
Total Gross Dividend Distributed	:	57,000,000.00 TRY
General Reserves	:	4,727,354.62 TRY
Extraordinary Reserves	:	1,227,470,256.38 TRY

Regarding to the table above and according to our legal records in compliance with Tax Procedure Law;

- **TRY 57,000,000.00** of the gross profit which will be distributed to shareholders; is to be covered by the net distributable profit,
- TRY 28,960,590.32 is to be classified as Extraordinary Reserves

Depending on the legal status of the shareholders, representing TRY 194,529,076.00 capital, it is decided to distribute gross **29.30%** dividend, net **26.37%** amounting to **TRY 57,000,000.00** to shareholders starting on **March 29th, 2023**.

9- It was unanimously decided that TRY 60,000 (Sixty Thousand TRY) gross monthly fee to be paid to the Deputy Chairperson and each Independent Members of Board of Directors for the year 2023 and not to pay any fees payments to other Board Members for their term of office.

- 10-** By taking the recommendations of the Audit Committee and the Board of Directors into account, in accordance with the principles set forth in the Turkish Commercial Code no:6102 and Capital Market Law No:6362, **KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi** was elected as the Auditor for 1 (one) year to audit the financial statements for the year 2023 and carry out other activities within the scope of relevant regulations of these Laws.
- 11-** The shareholders were informed relating to the donations and aids and the beneficiaries of these donations and aid excluding mentioned in the Articles of Association amounting TRY 857,450 in 2022

The list of donations and contributions made in 2022.

NAME	TRY AMOUNT
Orman Yangınları Yangın Havuzu - Sabancı Grup Projesi	500.000
MEB Kadıköy Sağlık Eğitim Merkezi	190.000
TEV - Türk Eğitim Vakfı	70.250
İzmit Burs Derneği	42.000
Beton ve Harç Kimyasal Katkı Maddeleri Tüketici Derneği	25.000
İTÜ Strate	18.000
De&CO Etkinlik Spor	12.000
Değirmendere Atatürk Ortaokulu	100
Yeniköy Hayat İlkokulu	100
TOTAL	857.450

- 12-** Upon the approval of the given proposal relating to the determination of limit of the donations, the upper limit for donations to be made in 2023 with TRY 138,631,056.94 aye votes against TRY 3,661,523 nay votes; the upper limit to be made in 2023 was decided as TRY 20,000,000 excluding mentioned in the Articles of Association.
- 13-** It was decided to grant permission the Chairperson and the members of the Board of Directors for the activities under the Articles 395 and 396 of the Turkish Commercial Code by the majority with TRY 142,292,578.94 aye votes against TRY 1 nay votes.
- 14-** Since this item of the agenda is not subject to voting, voting was not done. The wishes of the shareholders were heard.

The shareholder, Mustafa CAN, asked whether the study relating to Capital Increase from Internal Resources will happen or not. The Chairman of the meeting Şerafettin KARAKIŞ stated that the evaluations are always made but up to now, there are no any study to publish to the investors and all necessary announcements in accordance with CMB Regulations will be made in case of taking decision.

Our shareholder, Mustafa Can KAYA, asked questions as follow; a) the current situation of the tranformation proces to advanced material company which was started in 2020 as 7-phase, b) the number of Phd material science engineer in the Company, c) the studies of newly founded Kordsa Advanced Materials GmbH R&D company.

CEO İbrahim Özgür YILDIRIM stated that Kordsa was already an advanced material company and Kordsa's products were used in the Orion capsule used by NASA. Moreover, he said that 200 employees are in R&D Center and 2% of total employees has Phd degrees, and the subsidiary in Germany will support to composite and construction reinforcement segments.

As there was no more topic to be discussed on the agenda, the Chairman of the Meeting stated that the meeting quorum was maintained throughout the meeting and closed the meeting.

This 5-page report was prepared and signed at the meeting place following the meeting.

İstanbul, 27.03.2023 at 11:08 a.m.

MINISTRY REPRESENTATIVE

Mustafa ÇALIŞKAN

CHAIRMAN OF MEETING

Şerafettin KARAKIŞ

VOTE COLLECTOR

Erdem ERDOĞAN

CLERK OF MINUTES

Emine Selen DEMİRCİ