

**MINUTES OF 43<sup>RD</sup> ORDINARY GENERAL ASSEMBLY MEETING OF  
ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ  
HELD ON 02 APRIL 2018**

General Assembly Meeting of 2017 of ASELSAN Elektronik Sanayi ve Ticaret Anonim Şirketi was held on 02 April 2018, at 14.00 hours, at Çankırı Yolu 7. km Akyurt / ANKARA address under the supervision of the Ministry Representative Cevat CANSEVER, who was designated by the letter of Governorship of Ankara Provincial Directorate of Commerce, dated 02.04.2018 and numbered 33251539.

Having the list of participants examined, it was understood that in the meeting, a capital of TL 818.491,983 shares were represented by the persons acting as principal, a capital of TL 31.651.573 shares were represented by the persons acting as depositors and a capital of TL 845.825.624,46 shares were represented by the persons acting as representatives which in total made TL 878.295.689,443 shares, out of the 1.000.000.000 shares corresponding to a total capital of TL 1.000.000.000,- and accordingly it was understood that the minimum meeting quorum stipulated by both the law and the articles of association was satisfied and thereby the meeting was opened by the Chairman of the Board of Directors, Prof. Dr. İbrahim ÖZKOL and agenda discussion process was started.

- 1) Chairman of the Board of Directors, Prof. Dr. İbrahim ÖZKOL expressed his sincere thanks to those for their attendance to the meeting and thereby invited the meeting participants for a one minute's silence for the commemoration of the Great Leader ATATÜRK and our Saint Martyrs. Following the one-minute silence, national anthem is sang and Meeting Chairman election process started. The proposal offered by the shareholder Volkan CÖMERT was submitted for voting. As a result of the voting, it was decided unanimously to elect Prof. Dr. İsmail DEMİR, who is the representative of the Turkish Armed Forces Foundation, as the Meeting Chairman.

The meeting Chairman assigned Mr. Mehmet Fatih GÜÇLÜ as the Vote Collector, Mr. Mesut KARAMAN as the secretary (for writing down the minutes) and also assigned Ms. Pınar ÇELEBİ to fulfill the electronic general assembly system requirements, in the meeting chairmanship.

The Meeting Chairman confirmed that the meeting was being held at the address indicated in the announcement and that the place of the meeting was in compliance with the relevant provision of the articles of association; that the General Assembly was convoked with the announcement made in the company website, on the Public Disclosure Platform on 08.03.2018, in the Turkish Trade Registry Gazette issue dated 09.03.2018 and numbered 9533 and in the Turkish issue newspaper, Dünya dated 12.03.2018, that this announcement was made at least three weeks prior to the meeting date excluding the dates of announcement and the meeting, that the shareholders in the share ledger and the shareholders, who previously submitted to the company their share certificates or other documents proving their shareholding, were notified of the date of the meeting along with the newspapers containing the agenda and the announcement through registered post three weeks before the meeting date.

The Meeting Chairman confirmed that the articles of association, the share ledger, the board of directors annual report, the independent audit report, financial statements, the agenda and the list of attendants prepared by the board of directors were all completely present at the meeting place.

<b>Ministry Representative</b>	<b>Meeting Chairman</b>	<b>Vote Collector</b>	<b>Secretary</b>	<b>EGAS Resp.</b>
<b>Cevat CANSEVER</b>	<b>Prof. Dr. İsmail DEMİR</b>	<b>Mehmet Fatih GÜÇLÜ</b>	<b>Mesut KARAMAN</b>	<b>Pınar ÇELEBİ</b>

The Meeting Chairman confirmed that the executive members and the members of board of directors and the independent auditor were present at the meeting. The Meeting Chairman also informed the physically attending shareholders about the electronic general assembly procedure.

The Meeting Chairman made the items of the agenda read and asked the shareholders whether they have any proposal for amendments regarding the order of the discussion of agenda topics. Since there were no proposals, the Ordinary General Assembly Agenda was started to be discussed in the order previously announced.

- 2) The Annual Report for the fiscal year 2017 prepared by the Board of Directors was read. The Meeting Chairman asked if there was anyone who would like to speak regarding the agenda. As there were no proposals, the negotiation of topic 3 of the agenda was passed on to.
- 3) The independent audit report with respect to 1 January – 31 December 2017 fiscal year prepared by the Independent External Audit Company Akis Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş. (KPMG) was read.
- 4) The Consolidated Balance Sheet and Income Statement in compliance with the Communiqué of the Capital Markets Board with Serial:II and Number:14.1 with the Balance Sheet and the Income Statement in compliance with the General Communiqué on Accounting System Application were read. The Meeting Chairman asked if there was anyone who would like to speak regarding the agenda. The Meeting Chairman submitted the agenda for negotiation. As there were no proposals, the voting was started. As a result of the voting, the financial statements for the fiscal year 2017 were approved with 878.262.489,443 affirmative votes against 33.200 negative vote.
- 5) Acquittal of the members of Board of Directors on operations and accounts of the company for the fiscal year 2017 was put to voting. As a result of the voting, the members of Board of Directors were acquitted with 878.262.489,443 affirmative votes against 33.200 negative vote.
- 6) The Meeting Chairman had the Board of Directors' proposal for dividends, which was also included in the 2017 annual report, read and put to vote.

As for the agenda, Shareholder İhsan BARUT took the floor and said that there shall not be any dividends as the public offering of the company is on the agenda. The Chairman of the Meeting expressed his gratitude for the proposal and said that there is dividend expectation of the main shareholder and other current shareholders. Shareholder Mehmet Mustafa GURBAN took the floor and asked if there would be a secondary public offering and whether the size of it was determined. The Chairman of the Meeting gave floor to the Chairman İbrahim ÖZKOL in this regard. İbrahim ÖZKOL, Chairman of the Board of Directors, said that details of the public offering will be announced in the process and that the public offering is targeted to be completed by the first week of June 2018. Volkan CÖMERT, the shareholder, said that it would be better to distribute the dividend in one payment rather than in installments. Shareholder Ferda DİNÇER said that the current stock price is high for the public offering and that the price should be reduced by issuing bonus shares before secondary public offering. Accordingly the dividend proposal of the Board of Directors was accepted with 878.265.869,999 affirmative votes against 29.819,444 negative votes.

Accordingly, of the net profit generated by our company from its 2017 activities;

- In accordance with Article 519/(1) of the Turkish Commercial Code, General Legal Reserves amounting to TL 44.487.397,02 is going to be allocated,
- Net distributable profit to the shareholders for the period, calculated in the framework of the profit distribution regulations and decisions of the Capital Markets Board is proposed

<b>Ministry Representative</b>	<b>Meeting Chairman</b>	<b>Vote Collector</b>	<b>Secretary</b>	<b>EGAS Resp.</b>
<b>Cevat CANSEVER</b>	<b>Prof. Dr. İsmail DEMİR</b>	<b>Mehmet Fatih GÜÇLÜ</b>	<b>Mesut KARAMAN</b>	<b>Pınar ÇELEBİ</b>

as:Gross profit, TL 84.600.000 (Kuruş 8,46 per share of TL 1 and 8,46% on the basis of the capital) (net profit TL 71.910.000 – Kuruş 7,191 per share of TL 1 and 7,191% on the basis of the capital) as in the form of cash,

- In accordance with Article 519/(2) of the Turkish Commercial Code, General Legal Reserves amounting to TL 3.460.000 is going to be allocated,

- The remaining profit is going to be allocated as Extraordinary Legal Reserves,

and distribution of the dividends to the shareholders are planned to be distributed as of June 19, 2018,September 13, 2018, and December 13, 2018 in three equal installments.

- 7) Regarding the election of the members of the Board of Directors; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. It was decided with 848.293.580,443 affirmative votes against 30.002.109 negative votes that Mr. Mustafa Murat ŞEKER (RTIDN: 25240920666), Mr. Murat ÜÇÜNCÜ (RTIDN: 35300226966), Mr. Haluk GÖRGÜN (RTIDN: 49357231712), Mr. Celal Sami TÜFEKÇİ (RTIDN: 37930396606), Mr. Ercan TOPACA (RTIDN: 15097533294), and Mr. Bayram GENÇCAN (RTIDN: 10582227108) would be elected to serve until the next ordinary general assembly.

Among the nominees, İbrahim ÖZKOL received 848.293.580,443 votes, Ziya AKBAŞ received 2.467.955,983 votes, Ercümend ARVAS received 848.293.580,443 votes, Mehmet ARIK received 848.289.389,003 votes, Aytaç Saniye MUTLUGÜLLER received 2.467.955,983 votes, Cevat Haluk ÖZDEMİR received 2.293.762,539 votes, Güven SAYILGAN received 2.293.762,539 votes, Namık Bahri UĞRAŞ received 2.293.762,539 votes, Oktay TAŞ received 2.293.762,539 votes, Yakup AKPINAR received 2.293.762,539 votes, Kaan Kutlu ATAÇ received 2.293.762,539 votes and Tezcan ATAY received 2.293.762,539 votes. Within this scope, Mehmet ARIK (RTIDN: 26350359070), Ercümend ARVAS (RTIDN: 24968360020) and İbrahim ÖZKOL (RTIDN: 33862801270), who received the highest votes, were elected to serve as Independent Members of the Board of Directors until the next ordinary general assembly.

- 8) Regarding the remuneration appraised for the Board of Directors Members, the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As a result of the voting, it was decided with 849.640.491,443 affirmative votes against 28.655.198 negative votes that the payment of monthly net TL 3.000.- (three thousand Turkish Liras) would be affected to the Board of Directors Members, valid as of April 2018 until the Ordinary General Assembly Meeting, which shall be held in 2019 where the fiscal year 2018 activities shall be discussed.

- 9) As per the Capital Markets Board legislation, the proposal regarding the approval of the Independent External Audit Company chosen by the Board of Directors was read. As a result of the voting, it was decided with 872.553.000,443 affirmative votes against 5.742.689 negative votes that Yeditepe Bağımsız Denetim A.Ş., at the address “Fahrettin Kerim Gökay Cad. Okul Sokak No:1 Altunizade Sitesi E blok d:16 Altunizade-Üsküdar-İstanbul” , Üsküdar Tax Office’s tax number is 9460222817, Maltepe Chamber of Commerce’s registration number is 609033 and 0946022281700012 mersis number, which would be approved to perform the independent audit of our company for the 2018 fiscal year.

- 10) The letter of the Board of Directors regarding the information to be given with respect to the donations made in fiscal year 2017 and the income or interest gained by the guarantees, pledges, mortgages and warranties issued in favor of third parties was read. Pursuant to this, it was stated that between the dates 01.01.2017 and 31.12.2017; the group made a donation worth of TL 10.000,-, there were no income or interest gained from third parties, and TL 494.700,- for Mikroelektronik Araştırma Geliştirme Tasarım ve Ticaret Ltd. Şti.,

TL 15.841.980,- for ASELSAN Bilkent Mikro Nano Tek. San. ve Tic. A.Ş., TL 11.288.750,- for ASELSAN Hassas Optik San. ve Tic. A.Ş. were given as per the guarantees, pledges, mortgages and warranties issued in favor of third parties, within 2017.

**11)** As per the Capital Markets regulations, the conclusion part of the report prepared by the Board of Directors was read, which was related to the comparison of the conditions of the transactions made in 2017 with Undersecretariat for Defense Industries, Savunma Teknolojileri Mühendislik ve Ticaret A.Ş. and ASELSANNET Elektronik ve Haberleşme Sistemleri Sanayi Ticaret İnşaat ve Taahhüt Ltd. Şti. with the market conditions, since it was publicly disclosed on 08.03.2018. The conclusion part that was submitted to the information of the shareholders is given below.

“Based on the Communiqué Serial: II, No: 17.1, the ratio of the amount of the Company's transactions with Undersecretariat for Defense Industries and Savunma Teknolojileri Mühendislik ve Ticaret A.Ş. in the accounting period to the sales incurred according to the last annual financial statements announced in the public sales in the accounting period, and the ratio of the amount of the Company's transactions with ASELSANNET in the accounting period to the cost of the sales according to the last annual financial statements announced in the public procurement in the accounting period are not more than 10% the processes leading to the prediction of its arrival; Service and liability transfers in accordance with market conditions as specified in the contracts.”

**12)** As for the decisions to be taken with respect of the upper limit of the donations and aids to be provided in fiscal year 2018; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As a result of the voting, it was decided with 849.609.028,443 affirmative votes against 28.686.661 negative votes that the company and the group companies would make donations and aid with an upper limit of TL 900.000,- (NineHundredThousand Turkish Liras) in 2018.

**13)** As for the decisions to be taken with respect of the upper limit of the sponsorships to be made in fiscal year 2018; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As a result of the voting, it was decided with 857.019.902,904 affirmative votes against 39.832.717,834 negative votes that the Company would provide sponsorships with an upper limit of TL 4.000.000,- (FourMillionTurkish Liras) in 2018.

**14)** Board of Directors' letter regarding the subject that shareholders who have a management control, members of board of directors, managers with administrative liability and their spouses, relatives by blood or marriage up to second degree may conduct a transaction with the corporation or subsidiaries thereof which may cause a conflict of interest and compete with them, was read. The shareholders were informed that there is no authorization regarding the subject that shareholders who have a management control, members of board of directors, managers with administrative liability and their spouses, relatives by blood or marriage up to second degree may conduct a transaction with the corporation or subsidiaries thereof which may cause a conflict of interest and compete with them.

**15)** The Chairman of the Meeting put the amendments made in Article 6 of the Company's Articles of Association, with the permission of the Capital Markets Board and the Ministry of Customs and Trade, considering as read to vote. It has been unanimously decided that the amendments to the Articles of Association are considered as read. As a result of the voting on the amendments made in Article 6 of the Company's Articles of Association, It was approved with 868.319.417,443 affirmative votes against 28.790.864 negative votes.

## SECTION II

### CAPITAL OF THE COMPANY, EQUITY SHARE PAYMENT METHOD

#### Registered Capital of the Company:

**Article 6-** The Company has accepted the registered capital system in accordance with the provisions of the Law No. 2499 and the Company has implemented this system with the consent No. 151 of the Capital Markets Board, dated 7/3/1991.

The registered capital upper limit of the Company is **2.000.000.000,-TL (only/twobillion TL)** and is divided into **2.000.000.000 (twobillion)** shares, each having a nominal value of 1 TL.

The registered capital upper limit consent granted by the Capital Markets Board is valid for the years **2018-2022** (5 years). Even if the permitted registered capital upper limited is not reached at the end of the year **2022**, it is obligatory for the Board of Directors to receive authorization from the General Assembly for a new term, with the consent of the Capital Market Boards for the previously allowed upper limit or a new upper limit value after the year **2022**. In the event that above mentioned authorization is not received, **capital increase cannot be made with a resolution of the Board of Directors.**

The issued capital of the Company shall be 1.000.000.000,-TL (only/onebillion TL) and shall be divided into **1.000.000.000 (onebillion)** shares, each having a nominal value of 1 TL. 10.312.645,71 TL of the issued capital of the Company has been paid in cash; 145.220.570,-TL of the issued capital of the Company has been covered by the dividends that are added to the capital and are distributed to the shareholders in proportion to their shares; 14.710.154,29,-TL of the issued capital of the Company has been covered by adding the Revaluation Fund to the capital in accordance with the Article 298 (bis) of the Tax Procedure Law No. 213; 100.832.704,15 TL of the issued capital of the Company has been covered by the favorable balance of capital adjustment (Inflation Adjustment of Capital), 52.394.609,57 TL from Special Funds, 201.703,02 TL from Share Premium and 676.327.613,26 TL from Extraordinary Reserves. The issued capital has been divided into shares as shown below.

All shares are registered to the name of the shareholder.

Share Group	Nominal Value of Each Share	Number of Shares	Amount (TRY)	To the Name or To the Bearer
Group A	1 TL	<b>605.454.545,46</b>	605.454.545,46	To the Name
Group B	1 TL	<b>394.545.454,54</b>	394.545.454,54	To the Name
TOTAL		<b>1.000.000.000</b>	1.000.000.000	

The Board of Directors shall be authorized to increase the issued capital up to the registered capital upper limit when it deems necessary between the years **2018 and 2022**, in accordance with the provisions of the Capital Market Law, by issuing shares to the name.

Moreover, the Board of Directors shall be authorized in matters regarding issuing preferred shares or issuing shares above the nominal values. Regarding capital increases by restricting preemptive rights, the shares to be issued shall be Group B.

Group A shares are preferred shares registered to the name.

In the event that reserves are added to the capital, the issued shares equal to the value of added reserves shall be distributed on the basis of the shareholders' ownership rate of the shares as a bonus.

As the company operates in security and defense sector, Group A shares shall not be sold or transferred without the consent of the Board of Directors; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records without stating a reason.

The preemptive right of the shareholders in capital increases shall be exercised within their own groups in accordance with Article 461 of the Turkish Commercial Code. Group A shares remaining after the preemptive rights have been exercised, shall be firstly offered to other Group A shareholders; and in the event that there are still remaining shares which are not sold after this process, the remaining shares can be sold to non-Group A shareholders or real or legal persons who will become new shareholders. In this case, the Board of Directors is not entitled to abstain from the sale to the new Group A shareholders in the records.

**16)** Regarding the issue of capital increase; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. The Meeting Chairman asked if anyone had any word on agenda.

Shareholder İhsan BARUT said that the capital increase is not clear, and would like to know whether it is a bonus share issue, and when the public offering will be completed. Chairman of the Meeting gave the floor to Chief Financial Officer and Vice President Okan TURAN to answer the question. Mr. TURAN said that in the secondary public offering it is aimed to raise the free float from 15% to 30% and as per the proposal the plan is to publicly offer 210,000 new shares. Shareholder Volkan CÖMERT took the floor and asked how the public offering price was determined. Mr. TURAN said that the public offering price will be determined according to the legislation. As there was no one else that would like to speak, the Meeting Chairman put the proposal to vote. In the voting, the agenda was accepted with 849.504.825,443 affirmative votes against 28.790.864 negative votes. Accordingly;

The following has been resolved;

- (i) Increase of our Company's issued share capital in the amount of TL 1.000.000.000 (one billion Turkish Liras) by TL **210.000.000 (two hundred ten million Turkish Liras)** to TL **1.210.000.000 (one billion two hundred ten million Turkish Liras)** within the registered capital ceiling of TL 2,000,000,000 (two billion Turkish Liras) as per the Capital Markets Law and related communiqués; (ii) issuance of **210.000.000** shares with a nominal value of TL **210.000.000** as group B registered shares and public offering of such shares over the offer price to be determined at a later stage, within the price range to be specified as per the related capital markets and stock exchange legislations, which can exceed the nominal value of the shares; (iii) sale of the shares to be offered to public by blank endorsement;

- restricting the pre-emption rights of our current shareholders with respect to the shares to be issued through the capital increase in favor of investors within the scope of public offering;
- Authorisation of our Board of Directors for the determination of principles of the sale including, whether the offered shares will be issued as premium or discounted shares and conditions of such shares under such circumstances; authorisation of our Board of Directors for determination of the number of shares to be offered to public and the capital increase ratio, within the limit stated in the first paragraph;
- Preparation of a statement on capital increase by the Board of Directors as per Article 457 of the Turkish Commercial Code ;
- Preparation of the Prospectus as per the Capital Markets Law and related communiqués and submission of such Prospectus to the approval of the Capital Markets Board;
- Application to Borsa Istanbul A.Ş for the quotation of the shares to be issued through capital increase and execution of all necessary transactions before the Central Securities Depository by the Board of Directors;
- Execution of all necessary transactions for the cancellation of the unsold shares in 6 (six) days following the expiry of the sale period of the offered shares as per the Capital Markets Law and related communiqués as per the article 25 of the Communiqué on Shares (VII-128.1) and authorisation of our Board of Directors in that respect,;
- Adoption of a resolution regarding the completion of the capital increase transactions as per the Article 18/7 of Capital Markets Law and Article 12(2) of the Communiqué on Principles on Registered Capital System (II-18.1), and authorisation of the Board of Directors for performing all necessary transactions for the capital increase including but not limited to the application with the Ankara Registry of Commerce for registration of the capital increase within 10 days following such resolution.

**17)** The Meeting Chairman asked the Shareholders attending the General Assembly if they had any wishes or requests. Chairman of the Meeting, representative of parent company as the Turkish Armed Forces Foundation, took the floor, and stated that ASELSAN is the first company that comes to mind in Turkish defense industry, and is the crown jewel of Turkeyin technology development. He hoped that ASELSAN would gain a significant increase in exports. He also stated that the companies and partnerships established by ASELSAN are also important. He also emphasized the increased and improved work share of ASELSAN in the civilian areas (health, transportation, energy). The planned public offering is to provide the highest level of benefit for the company. ASELSAN is a company that is a pioneer in technology and always hoped that it would continue to rise. He thanked the company’s Board of Directors and all stakeholders. As there was no other one that would like to speak, the Meeting Chairman expressed his gratitude on behalf of all shareholders to the Board of Directors members who resigned upon their completed term of office. He thanked all employees, especially the members of the Board of Directors, for the performance of the company. He stated that, since ASELSAN is a strategic company, it has attracted the attention of the whole nation and this is reflected on the stock performance of the company. Additionally, he wished success for the newly assigned Board of Directors members in the General Assembly and closed the meeting.  
02.04.2018 ANKARA