

MINUTES OF 42ND ORDINARY GENERAL ASSEMBLY MEETING OF
ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
HELD ON 15 MARCH 2017

General assembly meeting of 2016 of ASELSAN Elektronik Sanayi ve Ticaret Anonim Şirketi was held on 15 March 2017, 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 15.03.2017 and numbered 23394061.

Having the list of participants examined, it was understood that in the meeting, a capital of TL 111.477,444 shares were represented by the persons acting as principal, a capital of TL 50.915.518,834 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 896.852.620,738 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, Mustafa Murat ŞEKER and agenda discussion process was started.

- 1) Chairman of the Board of Directors, Mustafa Murat ŞEKER 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 20.02.2017, in the Turkish Trade Registry Gazette issue dated 21.02.2017 and numbered 9268 and in the Turkish issue newspaper, Dünya dated 20.02.2017, 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 at least two 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.

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 2016 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 2016 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 2016 were approved with 896.582.620,738 affirmative votes against 270.000 negative vote.
- 5) Acquittal of the members of Board of Directors on operations and accounts of the company for the fiscal year 2016 was put to voting. As a result of the voting, the members of Board of Directors were acquitted with 896.572.420,738 affirmative votes against 280.200 negative vote.
- 6) The Meeting Chairman had the Board of Directors' proposal for profit distribution, which was also included in the 2016 annual report, and the Turkish Armed Forces Foundation's proposal, read and put to vote separately. Accordingly the proposal of the Board of Directors was declined with 845.997.097,904 negative votes against 50.905.393,834 affirmative votes; and the proposal of the Turkish Armed Forces Foundation was accepted with 896.776.229,294 affirmative votes against 76.391,444 negative votes.

Accordingly, of the net profit after the taxes and legal liabilities to be paid are deducted from the profit of period that is generated by our company from its 2016 activities;

- In accordance with Article 519/(1) of the Turkish Commercial Code, General Legal Reserves amounting to TL 26.703.481,27 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 as:

Gross profit, TL 75.500.000,- (TL Kurus 7,55 per share of TL 1 and 7,55% on the basis of the capital) (net profit TL 64.175.000,- – Kurus 6,4175 per share of TL 1 and 6,4175% 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 2.550.000,- 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 made in three equal portions as of 8 June 2017, 14 September 2017 and 14 December 2017.

- 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 861.359.840,738 affirmative votes against 35.492.780 negative votes that the Board of Directors members Mr. Mustafa Murat ŞEKER (RTIDN: 25240920666) and Mr. Murat ÜÇÜNCÜ's (RTIDN: 35300226966) terms of duty would be extended for another year and Mr. Haluk GÖRGÜN (RTIDN: 49357231712), Mr. Emin Sami ÖRGÜÇ (RTIDN: 10822829574), Mr. Ercan TOPACA (RTIDN: 15097533294) and Mr. Bayram GENÇCAN (RTIDN: 10582227108) would be elected to serve for a one year period.

One of our shareholders, Sevda ALKAN has stated that; according to CMB Corporate Governance Principles, women members shall be taking place in the Board, with a suggestion of 25% of the Board of Directors at the minimum, and asked about the target and compliance policy regarding this principle. Turkish Armed Forces Foundation Representative replied as: "There are currently 6 members nominated by the Foundation's privilege. Due to the position of ASELSAN, it is appropriate for our retired army officers to take part. For this reason, there are no women members. There are no women applicants among the independent member candidates. He also added that, the Foundation shall be advised regarding the subject of women board members".

Nazım ALTINTAŞ, who was one of the 7 Independent Board Members, who have been determined by the Board of Directors and approved by the Capital Markets Board and announced to the public in accordance with the Corporate Governance Principles, has withdrawn from his application for the independent board member with a petition granted to the chairman of the general assembly meeting. Among the nominees, Ziya AKBAŞ received 861.343.449,294 votes, Ercümen ARVAS received 861.349.640,738 votes, Sami KARACAN received 15.473.614,28 votes, Abdullah Cengiz MAKAS received 15.465.442,834 votes, İbrahim ÖZKOL received 861.349.640,738 votes and Güven SAYILGAN received 15.474.642,834 votes. Within this scope, Ziya AKBAŞ (RTIDN: 26105331528), Ercümen 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 for a period of 1 year each.

- 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 887.224.080,738 affirmative votes against 9.628.540 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 2017 until the Ordinary General Assembly Meeting, which shall be held in 2017 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 877.824.123,738 affirmative votes against 19.028.497 negative votes that Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.'nin (KPMG) would be approved to perform the independent audit of our company for the 2017 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 2016 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 01.01.2016 and 31.12.2016; the group made a donation worth of TL 48.000,-, there were no income or interest gained from third parties, and TL 906.950,- for Mikroelektronik Araştırma Geliştirme Tasarım ve Ticaret Ltd. Şti., TL 14.780.640,- for ASELSAN Bilkent Mikro Nano Tek. San. ve Tic. A.Ş., TL 9.274.750,- 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 2016.

- 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 2016 with ASELSANNET Elektronik ve Haberleşme Sistemleri Sanayi Ticaret İnşaat ve Taahhüt Ltd. Şti. with the market conditions, since it was publicly disclosed on 20.02.2017. 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 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 is 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 2017; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As a result of the voting, it was decided with 859.080.309,904 affirmative votes against 37.772.310,834 negative votes that the company and the group companies would make donations and aid with an upper limit of TL 800.000,- (EightHundredThousand Turkish Liras) in 2017.

- 13)** As for the decisions to be taken with respect of the upper limit of the sponsorships to be made in fiscal year 2017; 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 1.700.000,- (OneMillionSevenHundredThousand Turkish Liras) in 2017.

- 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 Meeting Chairman asked the Shareholders attending the General Assembly if they had any wishes or requests.

As there was no 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. 15.03.2017 ANKARA