

**MINUTES OF 41ST ORDINARY GENERAL ASSEMBLY MEETING OF
ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
HELD ON 31 MARCH 2016**

General assembly meeting of 2015 of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi was held on 31 March 2016, at 14.00 hours, at Çankırı Yolu 7. km Akyurt / ANKARA address under the supervision of the Ministry Representative İbrahim SOYSAL, who was designated by the letter of Governorship of Ankara Provincial Directorate of Commerce, dated 31.03.2016 and numbered 14968508.

Having the list of participants examined, it was understood that in the meeting, a capital of TL 63.684,4 shares were represented by the persons acting as principal, a capital of TL 30.234.405,574 shares were represented by the persons acting as depositors and a capital of TL 423.490.657,677 shares were represented by the persons acting as representatives which in total made TL 453.788.747,651 shares, out of the 50.000.000.000 shares corresponding to a total capital of TL 500.000.000 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 representative of Axa Sigorta A.Ş. was submitted for voting. As the result of the voting, it was decided unanimously to elect Mr. Orhan AKBAŞ, who is the representative of the Turkish Armed Forces Foundation, as the Meeting Chairman.

The meeting Chairman assigned Ms. Gönül TETİK as the Vote Collector, Mr. Ahmet Niyazi BİRKAN 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 08.03.2016, in the Turkish Trade Registry Gazette issue dated 10.03.2016 and numbered 9029 and in the Turkish issue newspaper, Dünya dated 10.03.2016, 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.

Ministry Representative İbrahim SOYSAL	Meeting Chairman Orhan AKBAŞ	Secretary Ahmet Niyazi BİRKAN	Vote Collector Gönül TETİK	EGAS Resp. Pınar ÇELEBİ
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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 majority of the board of directors members 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 year 2015 prepared by the Board of Directors was read. The Meeting Chairman asked if there was anyone who would like to speak regarding the agenda. Shareholder Veli PANCARCI declared his gratitude, gratefulness and blessings for ASELSAN. The representative of Turkish Armed Forces Foundation (TAFF) declared:

“First of all, I would like to thank the CEO and all employees of ASELSAN and particularly the Board of Directors for their efforts. I will point out some issues that are focused by TAFF and should also be focused by ASELSAN.

- We assess that; being a strong national company that develops indigenous technologies and products, ASELSAN’s main target is to sustain its operations in order to have such a technological degree that it can compete in the international arena and establish balanced cooperations, and should continue operating in line with this target.
- We evaluate that; for the efficient use of the limited and valuable resources of our country and resources of TAFF, it is highly important not to make the same investments both in-house and in other TAFF companies.
- We think that it is beneficial to prioritize the R&D projects in order to create national solutions and products for R&D projects.
- We assess that; increasing the value of the company by assessing received patent and utility models in accordance with related legislation and principles and reflecting their fair value to balance sheet, is important.
- We think that the efficient operation of Sector Study Groups is important to manage the activities of “R&D, Innovation and Management of Technology” at a strategic level, follow scientific and technological developments both globally and in Turkey and manage R&D projects.
- In order to sustain the control over ASELSAN’s growth and maintaining efficiency, we evaluate that; establishing a three-level management structure at most, measuring ASELSAN’s efficiency and employee performance with global scale targets, providing merit for employee selection and creating an environment in which the employees will be in a peace and has occupational safety, thus preserving the dedication of the employees to their firm, are necessary.
- We assess that it is important not to, unnecessarily, increase the number of employees.”

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As there was no other would like to speak, the negotiation of topic 3 of the agenda was passed on to.

- 3) The independent audit report with respect to January 01 – December 31 2015 accounting period prepared by the Independent External Audit Company Akis Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş.’nin (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. The representative of Turkish Armed Forces Foundation (TAFF) declared:
 - “We think that cash and investments of the company should be assessed through prioritizing within the framework of long term projections. We think that it is beneficial to take precautions for the adjustments of the dates and the collection of Trade Receivables, which increased in 2015 and are important for means of cash management.
 - We assess that it is critical to take necessary measures in terms of foreign exchange gain/loss and to focus on minimizing the risks, because the effect of increased Inventories and Advances Received (deferred income) along with decreasing level of cash causing the incline of sensibility for foreign exchange risk, affected company’s profitability negatively again as it did last year.
 - We think that company budget, which is one of the most important management functions of Board of Directors, should be realistic, realizable however, challenging, and should comply with the performance targets of Strategic Plan of the TAFF.
 - We deliberate that it is highly important to keep the growth of our company with personnel and general administrative expenses under control.
 - We evaluate that it is necessary to compare ASELSAN with foreign benchmark firms in terms of growth, profitability, efficiency, R&D and innovation, as a prerequisite of our efforts for making ASELSAN a global firm and becoming one of the first 50 firms worldwide.”

As the result of the voting, the financial statements for the year 2015 were approved with 453.779.818,651 affirmative votes against 8.929 negative vote.

- 5) Acquittal of the members of Board of Directors on operations and accounts of the company for 2015 was put to voting. As the result of the voting, the members of Board of Directors were acquitted with 453.770.918,651 affirmative votes against 17.829 negative vote.
- 6) The Meeting Chairman had the Board of Directors’ proposal for profit distribution, which was also included in the 2015 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 423.508.486,677 negative votes against 30.280.260,974 affirmative votes; and the proposal of the Turkish Armed Forces Foundation was accepted with 453.766.302,429 affirmative votes against 22.445,222 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 2015 activities;

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- In accordance with Article 519/(1) of the Turkish Commercial Code, General Legal Reserves amounting to TL 4.520.958,43 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 42.000.000 (TL 0,084 per share of TL 1 and 8,4% on the basis of the capital) (net profit TL 35.700.000 – TL 0,0714 per share of TL 1 and 7,14% 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 1.700.000 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 in three equal portions as of June,10 2016, September, 26 2016 and December,1 2016.
- 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 429.658.409,077 affirmative votes against 24.130.338,574 negative votes that the Board of Directors members Mr. Mustafa Murat ŞEKER (RTIDN: 25240920666), Mr. Murat ÜÇÜNCÜ (RTIDN: 35300226966), Mr. Sedat NAZLIBİLEK (RTIDN: 21106898230), Mr. İsmail GÜMÜŞTEKİN's (RTIDN: 52009583800) terms of duty would be extended for another year and Mr. Turan EROL (RTIDN: 51196674278) and Mr. Mehmet Celalettin LEKESİZ (RTIDN: 25073619676) would be elected to serve for a one year period. The voting of the 9 Independent Board of Directors Member Nominees, who were determined by the Board of Directors and approved by the Capital Markets Boards with respect to Corporate Governance Principles and publicly announced, was passed on to. Among the nominees, Ziya AKBAŞ received 429.658.409,077 votes, Nazım ALTINTAŞ received 429.658.409,077 votes, Oral ERDOĞAN received 6.740.780,625 votes, Hasan Ömer AKDAĞLI received 6.112.969 votes, Ercümend ARVAS received 429.658.409,077 votes, Ömer Faruk ELALDI received 6.112.969 votes, Bekir KAZANDIR received 6.121.869 votes, Necdet SEZGİNER received 6.121.869 votes and Ahmet Neşet UNCU received 6.112.969 votes. Within this scope, Ziya AKBAŞ (RTIDN: 26105331528), Nazım ALTINTAŞ (RTIDN: 25138289806) and Ercümend ARVAS (RTIDN: 24968360020), who received the highest votes, were elected to serve as Independent Board of Directors Members 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 the result of the voting, it was decided with 452.921.962,651 affirmative votes against 866.785 negative votes that the payment of monthly net TL 3.000.- (three thousand Turkish Liras) would be effected to the Board of Directors Members, valid as of April 2016 until the Ordinary General Assembly Meeting, which shall be held in 2016 where the year 2017 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 the result of the voting, it was decided with 443.582.098,651 affirmative votes against 10.206.649 negative votes that Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.'nin

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(KPMG) would be approved to perform the independent audit of our company within the 2016 activity year.

- 10) The letter of the Board of Directors regarding the information to be given with respect to the donations made in 2015 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 01.01.2015 and 31.12.2015; the group made a donation worth of TL 160.110,-, there were no income or interest gained from third parties, and TL 906.950,- for Mikroelektronik Arařtırma Geliřtirme Tasarım ve Ticaret Ltd. řti., TL 12.211.920,- for ASELSAN Bilkent Mikro Nano Tek. San. ve Tic. A.ř., TL 7.944.000,- for ASELSAN Hassas Optik San. ve Tic. A.ř. was given as per the guarantees, pledges, mortgages and warranties issued in favor of third parties, within the year 2015.
- 11) As for the decisions to be taken with respect of the upper limit of the donations and aids to be provided in 2016; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As the result of the voting, it was decided with 433.649.115,077 affirmative votes against 20.139.632,574 negative votes that the company and the group companies would make donations and aid with an upper limit of TL 155.000,-.
- 12) As for the decisions to be taken with respect of the upper limit of the sponsorships to be provided in 2016; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As the result of the voting, it was decided with 433.027.413,077 affirmative votes against 20.761.334,574 negative votes that the company and the group companies would provide sponsorships with an upper limit of TL 860.000,-.
- 13) The letter of the Board of Directors regarding the amendment to be made on ASELSAN Dividend Policy was read. ASELSAN Dividend Policy submitted to the approval of the shareholders and was approved with 453.779.818,651 affirmative votes against 8.929 negative vote. The approved ASELSAN Dividend Policy is given below.

“ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.DIVIDEND POLICY

The dividend amounts which shall be calculated considering the sustainable growth rate, market capitalization, net working capital requirements, dividend yield and cash flows, equity ratio, with the relevant legislation and the provisions of the articles of association over the distributable profit amount calculated taking the period profit as the basis which is shown on the financial statements of our Company prepared pursuant to the existing legal regulations (after the compulsory legal reserves are reserved and the taxes, funds and financial liabilities and losses of the previous year, if any, are deducted and the donations are added), the profit distribution proposal which shall be prepared by the Board of Directors in order for the shares which shall be issued by means of adding the cash or the dividend on the capital on the date(s) determined pursuant to the regulations of the Capital Markets Board to be distributed targeting at least %10 of net profit in cash in the defined amounts or as bonus shares or partly in cash, partly as bonus shares in defined amounts, shall be submitted to the approval of the General Assembly. Following the approval of the General Assembly, the determined dividends are distributed to the shareholders within the legal periods on the date determined by the General Assembly.

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There is no privilege to participate to the profit of our Company. The dividends are distributed equally regardless of all the existing shares and their issue and acquiring dates.

In case of a revision made on the Dividend Policy, the resolution of Board of Directors regarding this revision and the reason for revision shall be publicly announced with respect to the legislation of Capital Markets Board.”

- 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. The representative of Turkish Armed Forces Foundation (TAFF) declared:

“Worthy participants, I want to point out some other subjects I attach importance to regarding the near future. We evaluate that it has significant importance for ASELSAN to; make 10-20 years long term plans with the right strategy, create strategy road maps accordingly, follow the scientific and technological developments in World and in Turkey in order to execute “R&D, Innovation and Technology Management” efforts on a strategic level and to manage the Sector Study Groups efficiently to shape the R&D projects.

Along with it, we evaluate that it is necessary to focus on R&D activities in order to nationally supply the sub systems that are being supplied from foreign countries and subject to import constraints; and in order to increase the export potential of the products/systems designed by ASELSAN.

We believe that it is necessary for ASELSAN to carry the results of the previous year to a higher level in 2016 and to form the Company’s long term strategy and accordingly its budget on a realistic, controlled and sustainable growth basis.

We hope that ASELSAN will get closer to reach its target to be one of the Top 50 defense firms of the world in 2016.

I am grateful to all ASELSAN’s employees, particularly Board of Directors and the CEO for their efforts in 2015 and for carrying ASELSAN further.”

One of our shareholders, Suphi Özden Erdağı, asked “Could you share your expectations for the year 2016?” As a response to the question, the representative of Turkish Armed Forces Foundation (TAFF) declared that the year 2016 shall end up better and ASELSAN shall keep on adding value to Turkey.

One of our shareholders, Sevda ALKAN has stated that; according to CMB Corporate Governance Principles, female members shall be taking place in the Board, accounting for 25% of the Board of Directors at the minimum, and asked about the target and compliance policy

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regarding this principle. Turkish Armed Forces Foundation representative replied as: "ASELSAN's main shareholder Turkish Armed Forces Foundation has a privilege to nominate 6 members of the Board of Directors which consists of 9 members, and the 3 other members are independent members who are elected with respect to the Capital Markets Board legislation. There are no female nominees who applied to ASELSAN as an independent board member nominee. We will be expecting the applications next year. We will be paying attention to include female board members among the nominees presented by the Foundation in the following periods."

As there was no other 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 and wished success for the newly assigned Board of Directors members in the General Assembly and closed the meeting. 31.03.2016 ANKARA

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