

**MINUTES OF 40TH ORDINARY GENERAL ASSEMBLY MEETING OF  
ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ  
HELD ON 31 MARCH 2015**

General assembly meeting of 2014 of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi was held on 31 March 2014, at 14.00 hours, at Çankırı Yolu 7. km Akyurt / ANKARA address under the supervision of the Ministry Representative İlyas EROL, who was designated by the letter of Governorship of Ankara Provincial Directorate of Commerce, dated 31.03.2014 and numbered 1496.

Having the list of participants examined, it was understood that in the meeting the 3.731.817 shares corresponding to a capital of TL 37.318,17 were represented by the persons acting as principal, on the other hand the 45.935.941.063,7 shares corresponding to a capital of TL 459.359.410,637 were represented by the persons acting as representatives which in total made 45.939.672.880,7 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, Hasan CANPOLAT and agenda discussion process was started.

- 1) Chairman of the Board of Directors, Hasan CANPOLAT 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, 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 Mr. Metin GÜNGÖRDÜ as the secretary (for writing down the minutes), Ms. Gönül TETİK as the Vote Collector 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 06/03/2015, in the Turkish Trade Registry Gazette issue dated 10/03/2015 and numbered 8775 and in the Turkish issue newspaper, Dünya dated 09/03/2015, 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.

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The Meeting Chairman confirmed that the articles of association, the share ledger, the board of directors activity report, the independent audit report, financial statements, the agenda, the permit letters obtained from the Capital Markets Board and the Ministry of Customs and Trade with respect to the amendments to the articles of association and the draft of amendments as its annex 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 member of the Board of Directors, Nilüfer ÖZDOĞAN has resigned as of 25/06/2014 and for the vacant position with the resignation, Sedat NAZLIBİLEK, who was elected by the Board of Directors on 25/06/2014 according to item 1 of article 363 of Turkish Commercial Code is approved to be assigned as Board of Directors member with 459.377.799,807 affirmative votes against 18.929 negative votes.
- 3) The Annual Report for the year 2014 prepared by the Board of Directors was read. The Meeting Chairman asked if there was anyone who would like to speak regarding the agenda. The representative of Turkish Armed Forces Foundation (TAFF) declared: "It is important to; focus on the operations that shall satisfy the needs of local suppliers and users, with the prioritization of defense industry field; to study with a result oriented approach in R&D projects and create national solutions accordingly; to increase the export ratios; to develop more effective measures for collecting receivables; for ASELSAN and other Foundation companies which creates high technology, to act as a performance based corporate group within cooperation and coordination, to definitely be the main contractor in their own expertise areas and sub-contractor in other areas; to work with other Defense Industry Companies in cooperation on the subjects such as Communication Security, protection of critical infrastructures and operating the Command Control Systems on a shared network; to focus on R&D activities regarding the nationally development and procurement of subsystems that are being imported from abroad and are subject to import restrictions in order to increase the demand for the products/systems designed and produced by our company." As there was no other would like to speak, the negotiation of topic 4 of the agenda was passed on to.
- 4) The independent audit report with respect to January 01 – December 31 2014 accounting period prepared by the Independent External Audit Company DRT Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş.'nin (Deloitte) was read.
- 5) 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

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Income Statement in compliance with the General Communique 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: "It is important for ASELSAN A.Ş. which created a 4,3 Billion Dollar business volume and 5,4 Billion TL of assets with a 19% increase in 2014, to obtain the control and sustainability of growth in the upcoming years, to pay particular attention to the managing of Trade Receivables in order ensure steady growth with the funds received and to take precautions in 2015 regarding this subject, to prioritize and reevaluate the company's 2015 capital expenditure strategic target of 120 Million TL with respect to the company's cash management policy, to increase the share of exports in net sales, which was 21% in 2014 and carrying this rate to at least 35% in 2015, to decrease the share of Cost of Goods Sold in net sales, which was 74% in 2014 and carrying this rate to a level under 65% in 2015, to keep the Administrative Expenses under control and decrease them, which increased by 29% in 2014 compared to previous year and to reevaluate the organizational structure, personnel figures and efficiency accordingly, to take necessary precautions and minimize the risks regarding the FX Losses in 2015, which negatively affected the 2014 Net Profit. The target of R&D expenditures made from internal resources, which is 6% for the year 2015, is considered positively, although it is valued very important to receive rapid results from the R&D efforts and transform these efforts to commercial products." As the result of the voting, the financial statements for the year 2014 were approved with 459.377.799,807 affirmative votes against 18.929 negative vote.

- 6) Acquittal of the members of Board of Directors on operations and accounts of the company for 2014 was put to voting. As the result of the voting, the members of Board of Directors were acquitted with 459.377.599,807 affirmative votes against 19.129 negative vote.
- 7) The Meeting Chairman had the Board of Directors' proposal for profit distribution, which was also included in the 2014 activity report and the Turkish Armed Forces Foundation's proposal for distribution, read and put to vote separately. Accordingly the proposal of the Board of Directors was declined with 423.511.540,833 negative votes against 35.885.187,974 affirmative votes; and the proposal of the Turkish Armed Forces Foundation's was accepted with 459.345.097,859 affirmative votes against 51.630,948 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 2014 activities;

- In accordance with Article 519/(1) of the Turkish Commercial Code, General Legal Reserves amounting to TL 9.229.919,15 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 65.000.000 (TL 0,13 per share of TL 1 and 13% on the basis of the capital) (net profit TL 55.250.000 – TL 0,1105 per share of TL 1 and 11,05% 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 4.000.000 is going to be allocated,

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- 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 May 29, 2015.

- 8) Regarding the election of the members of the Board Of Directors; 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 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 paying attention to include female board members among the nominees presented by the Foundation in the following periods." As for the election of the Board of Directors members; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. It was decided with 430.880.379,781 affirmative votes against 28.516.3049,026 negative votes that the Board of Directors members Mr. Hasan CANPOLAT (TC Id No:13450193826), Mr. Murat ÜÇÜNCÜ (TC Id No: 35300226966), Mr. Mustafa Murat ŞEKER (TC Id No: 25240920666), Mr. Sedat NAZLIBİLEK (TC Id No: 21106898230), Mr. Oğuz BORAT (TC Id No: 28664202752) and Mr. İsmail GÜMÜŞTEKİN (TC Id No: 52009583800) would be elected to serve for a one year period. Metin YEREBAKAN, one of the Independent Board of Directors Member Nominees announced by the Board of Directors as per the Corporate Governance Principles, declared with a letter to the General Assembly, that he withdrew his application. The voting for the publicly announced Independent Board of Directors Member Nominees was passed on to. Among the nominees, Ziya AKBAŞ received 430.843.261,611 votes, Nazım ALTINTAŞ received 430.847.879,833 votes, Hüseyin ARSLAN received 7.352.403,934, Beşir Fatih DOĞAN received 7.352.603,934, Celalettin DÖVER received 7.385.105,884 votes, Oral ERDOĞAN received 430.847.879,833 votes, Osman EROĞUL received 7.352.403,934 votes, Ziya Burhanettin GÜVENÇ received 7.352.405,934 votes, Bekir KAZANDIR received 7.352.403,934 votes and Metin TAŞ received 7.352.066 votes. Within this scope, Ziya AKBAŞ (TC Id No: 26105331528), Nazım ALTINTAŞ (TC Id No: 25138289806) and Oral ERDOĞAN (TC Id No: 17545423720) who received the highest votes were elected to serve as Independent Board of Directors Members for a period of 1 year each.
- 9) 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 458.375.210,859 affirmative votes against 1.021.517,948 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 2015 until the Ordinary General Assembly Meeting which shall be held in 2015 where the year 2016 activities shall be discussed.

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- 10)** 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 451.303.390,859 affirmative votes against 8.093.337,948 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 within the 2015 activity year.
- 11)** The letter of the Board of Directors regarding the information to be given with respect to the donations made in 2014 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 01.01.2014 and 31.12.2014; the group made a donation worth of TL 200,- (two hundred Turkish Liras) and there were no income or interest gained by the guarantees, pledges, mortgages and warranties issued in favor of third parties or within the year 2014.
- 12)** As for the decisions to be taken with respect of the upper limit of the donations and aid to be provided in 2015; the proposal submitted by the Turkish Armed Forces Foundation Representative was read. As the result of the voting, it was decided with 437.308.271,833 affirmative votes against 22.088.456,974 negative votes that the company would make donations and aid with an upper limit of 5 ten thousandth of the period net profit (TL 175.000,-) according to the year-end consolidated balance sheet of the company prepared pursuant to the CMB, to be valid until the Ordinary General Assembly Meeting of the company and its group companies to be held in 2015.
- 13)** 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.
- 14)** 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) stressed the importance of making and implementing 10 year strategic plans by ASELSAN with a proper strategy and such plans being controllable and sustainable. Taking this fact into consideration; he stressed the importance for ASELSAN to focus on design technology in defense industry; nationally producing and developing technology; being independent of foreign companies for technological talent; deeply developing the Company's talent; and, concentrating on operations that lead to profitability. In order to achieve that he added the following "ASELSAN should share the development and innovation phases and risks of R&D projects with the clients and end-users; determine developing a national development technology as main target; produce and develop such technology in ASELSAN, in its subsidiaries and in other local companies so as to remove export license problems and remove

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dependency for technology and supply of such systems; investigate above-mentioned issues especially before bidding for new projects and choose subcontractors accordingly; avoid producing products that cannot be exported; determine target regions and countries and pursue intensive marketing in such markets to increase exports; nationally produce and develop technology and be independent from foreign companies for technological talent; and, increase its backlog in order to have a stable growth". He mentioned that the organization of the Company should be structured and implemented such that it facilitates management and increases the efficiency of management. He wished that 2015 shall be the year in which ASELSAN will get closer to its target of being one of the 50 biggest defense companies in the world. He said it is expected that ASELSAN performing much better in 2015 and it should structure its strategy and budget by focusing on controllable and sustainable growth.

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. 31/03/2015 ANKARA

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