

**MINUTES FOR THE EXTRAORDINARY MEETING OF THE SHAREHOLDERS' GENERAL ASSEMBLY OF
PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ, HELD ON NOVEMBER 11, 2016**

Extraordinary Shareholders General Assembly Meeting of PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ was held on November 11, 2016, at 10:00 am local time, at the Company headquarters located at Aeropark, Yenişehir Mahallesi, Osmanlı Bulvarı No: 11/A Kurtköy 34912 Pendik, Istanbul, in attendance of Mr. Feyyaz BAL, representative of the Ministry of Customs and Trade, appointed by the letter of the Governorship of Istanbul Provincial Trade Directorate dated November 10, 2016 and numbered 90726934-431.03-E-00020085995.

Invitation for the meeting was published on page 638 of the Turkish Trade Registry Gazette dated October 20, 2016 and numbered 9180 and further announced on the Public Disclosure Platform (*Kamuyu Aydınlatma Platformu*) ("**KAP**"), together with the agenda for the meeting within the timeframe stipulated by the law and the Company articles of association and the relevant documentation were further published on the Company website and the Electronic General Meeting System ("**E-GEM**") operated by the Central Registry Agency (*Merkezi Kayıt Kuruluşu A.Ş.*). Written notification was separately made to the shareholders that do not fall within the scope of the exception mentioned in Article 29 Paragraph 2 of the Capital Markets Law No. 6362.

Upon review of the List of Attendees, it was determined that 5 shares representing TL 5 of the Company capital of TL 102,272,000 divided into 102,272,000 shares, were represented in person and further 65,783,773 shares representing TL 65,783,773 of the Company capital were represented by proxy, thus constituting the requisite minimum meeting quorum foreseen by the law and the Company articles of association. It was further determined that among the shares represented by proxy 1,430,203 shares representing TL 1,430,203 of the Company capital were represented by custodians attending the Meeting through E-GEM and that no information was submitted to the Company in respect of such representation prior to the Meeting. Mr. Hüseyin Çağatay ÖZDOĞRU, Vice-Chairman of the Board of Directors, Mr. Mehmet Tefvik NANE, Company General Manager (CEO) and representing the Company's independent auditor, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, Mr. Cem TOVİL attended the Meeting in person.

Noting that the Company's preparations in respect of E-GEM are in order, Mr. Hüseyin Çağatay ÖZDOĞRU then announced the Meeting open both physically and on the E-GEM and deliberations commenced.

1. In respect of the first agenda item, Mr. Sami VODİNA, representing Esas Holding A.Ş., proposed Mr. Mehmet Tefvik NANE, Company General Manger (CEO), as their candidate to chair the Meeting. The proposal was approved unanimously by the shareholders attending the Meeting.

In order to ensure that the secretariat work for the Meeting is carried out in a satisfactory manner, Mr. Mehmet Tefvik NANE nominated Mr. Saim BALADIN as Deputy Chairman and Mr. Ali UZUN as Meeting Secretary. Furthermore Mr. İzzet BAĞIŞ was appointed as the Company representative responsible for conducting the Meeting through the E-GEM platform.

The Meeting agenda was read out loud by the Meeting Secretary. It was noted that no matters have been raised by the Ministry of Customs and Trade or the Capital Markets Board for discussion at the Meeting. In the absence of any motion for a change in the order of agenda items, the Meeting proceeded as planned.

The Chairman of the Meeting informed the attendees that all of the agenda items would be subject to the voting quorum set out in Article 418 of the Turkish Commercial Code No. 6102, that except for voting through E-GEM, the votes would be cast by show of hands and that no show of hands would be deemed as a negative vote.

2. The Meeting proceeded with the second agenda item. It was noted that on July 14, 2016, the Board of Directors had appointed Ms. Hatice Zeynep Bodur OKYAY, Turkish citizen and bearer of Turkish ID No. 1513885262, as per the provisions of Article 363 of the Turkish Commercial Code No. 6102, to replace and to serve for the remainder of the term of office of Mr. Conor John McCARTHY, upon the latter's resignation dated the same, that the appointment is being submitted for the shareholders' approval at the first Shareholders' General Assembly Meeting as stipulated by the relevant statutory provisions, and that the relevant information in respect of the appointment has been provided to the shareholders in the Information Document for the Meeting. The appointment made by the Board of Directors was approved unanimously by the shareholders attending the Meeting.
3. The Meeting proceeded with the third agenda item. It was determined that Mr. Stephen Mark GRIFFITHS, U.K. citizen, was nominated to serve as a member of the Board of Directors until the Annual Shareholders' General Assembly Meeting to be held for the year 2016, as per the resolution of the Board of Directors dated October 11, 2016 and numbered 555, within the scope of the corporate governance principles of the Capital Markets Board and Article 10 of the Company articles of association. Duty acceptance letter provided by the nominee not present at the Meeting was submitted for the review of the representative of the Ministry Representative. It was determined that the nominee's résumé was submitted for the review of the shareholders as part of Meeting information package. The motion to appoint Mr. Stephen Mark GRIFFITHS, U.K. citizen and bearer of Tax ID No. 4110465390, as a member of the Board of Directors, until the Shareholders' General Assembly Meeting in respect of the year 2016 was approved by the majority of the shareholders attending the Meeting, with 3,384 shares voting in favor and 65,780,394 shares voting against.
4. The Meeting proceeded with the fourth agenda item. It was determined that the principles determined by the Company's Corporate Governance Committee in relation to the compensation criteria for Mr. Sertaç HAYBAT, Ms. Hatice Zeynep Bodur OKYAY and Mr. Stephen Mark GRIFFITHS as non-executive members of the Board of Directors for whom no honorarium was previously determined for 2016, in light of corporate governance principle no. 4.5.11 of the Capital Markets Board and the Corporate Governance Committee Charter, were submitted for the information of the shareholders simultaneously with the invitation for the Meeting. Mr. Sami VODİNA, representing Esas Holding A.Ş. submitted their proposal for the compensation of the said members of the Board of Directors. Accordingly, the motion for the compensation of each of Mr. Sertaç HAYBAT, Ms. Hatice Zeynep Bodur OKYAY and Mr. Stephen Mark GRIFFITHS with a gross honorarium of Euro 12,000 per Board meeting

attended, and a further payment of Euro 10,000 and Euro 5,000 gross annually for each Committee chairmanship and membership undertaken in line with the resolution of the shareholders at the Annual General Assembly Meeting held on April 7, 2016 was approved unanimously by the shareholders attending the Meeting.

5. The Meeting proceeded to the fifth agenda item. Upon the affirmative vote of the majority of the shareholders attending the Meeting, each of Mr. Sertaç HAYBAT, Ms. Hatice Zeynep Bodur OKYAY and Mr. Stephen Mark GRIFFITHS, was authorized to enter into transactions falling within the scope of Articles 395 and 396 of the Turkish Commercial Code No. 6102, with TL 14,201 shares voting in favor and TL 65,769,577 shares voting against.
6. The Meeting proceeded to the sixth agenda item. It was noted that the amendments proposed by the Board of Directors on the “Pegasus Donations and Charitable Contributions Policy” by its resolution dated October 11, 2016 and numbered 556 were disclosed on KAP and on the Company website simultaneously and were also submitted for the information of the shareholders simultaneously with the invitation for the Meeting. Mr. Mehmet Tevfik NANE informed the attendees regarding the proposed changes and the rationale. Mr. Sami VODİNA, representing Esas Holding A.Ş., proposed that the proposed amendments not be read out loud as the relevant documentation had been submitted to the attention of the shareholders prior to the Meeting. The motion was approved unanimously by the shareholders attending the Meeting. With no further comments or questions, the amendment of the “Pegasus Donations and Charitable Contributions Policy” as proposed below was approved unanimously by the shareholders attending the Meeting.

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
DONATIONS AND CHARITABLE CONTRIBUTIONS POLICY

As per Article 11/2 of our Articles of Association, our Board of Directors is authorized to make donations on behalf of Pegasus within the upper limit to be determined by our shareholders at the General Assembly. In this respect, our Board of Directors acts in accordance with the principles laid out in this Policy and the applicable regulations of the Capital Markets Board.

Principles Relating to Donations and Charitable Contributions:

- Pegasus may make donations or charitable contributions to persons, associations, foundations, non-governmental organizations and public institutions that operate in the fields of education and health **and solidarity** or in connection with the scope and purpose of Pegasus.
- The upper limit applicable to donations and charitable contributions to be made in any fiscal year is determined by our shareholders upon proposal by the Board of Directors at the General Assembly meeting to be convened with respect to the results of the preceding year.
- Donations and charitable contributions by Pegasus can only be made based on a resolution of the Board of Directors. The Board of Directors has the authority to make such donations and contributions within the applicable limit determined by our shareholders.
- In principle, donations and charitable contributions by Pegasus should serve to contribute to social development and conform **to** our strategy and key corporate values of safety, reliability, innovation, agility, accessibility, creativity and entrepreneurship and our corporate ethical standards.
- Information relating to all donations and charitable contributions made in any given fiscal year as well as those benefiting from such donations and contributions are provided to our shareholders at the relevant General Assembly meeting as a separate agenda item.
- Any amendments to this Policy proposed by our Board of Directors are proposed to our shareholders and become effective upon approval at the General Assembly.

- As per the provisions of Article 21 of our Articles of Association donations by Pegasus in any given year will be added to the distributable profits during calculations for the relevant fiscal year.
- Sponsorship activities and activities pursued by Pegasus under the Corporate Social Responsibility Policy that may be pursued for commercial reasons will be performed independent of this Donation Policy and within the authority granted by our Board of Directors.

This Donations and Charitable Contributions Policy has been adopted by the resolution of the Board of Directors dated 20 November 2013 and numbered 403 and will be submitted to our shareholders for their approval at the first ordinary General Assembly meeting to be held. After becoming effective through the approval of our shareholders this policy will be published in our investor relations web-site. The same procedure will apply to any amendments hereto.

7. The Chairman asked if anyone would like to express requests or recommendations in light of the fourteenth agenda item.

Mr. Mehmet Sabri KURT, a Company shareholder took the floor and asked if the Company has any plans for a share buyback implemented by other entities with shares traded on the stock exchange in light of the recent decline in share values. In response, Mr. Mehmet Tevfik NANE, Company General Manager, explained that the matter is not on the agenda as Management has not received any request from the Shareholders General Assembly or the Board of Directors, the two bodies competent to adopt decisions on the matter.

In the absence of any other request to take the floor, Mr. Mehmet Tevfik NANE, acting as the Chairman for the Meeting, determined that the meeting quorum was sustained throughout the session and concluded the Meeting, having exhausted discussions on all of the agenda items.

Pendik, İstanbul, November 11, 2016, 10:28 am local time.

signed

MEETING CHAIRMAN
MEHMET TEVFİK NANE

signed

DEPUTY CHAIRMAN
SAİM BALADIN

signed

MINISTRY REPRESENTATIVE
FEYYAZ BAL

signed

MEETING SECRETARY
ALİ UZUN