

**MINUTES FOR THE MEETING OF THE SHAREHOLDERS' GENERAL ASSEMBLY OF  
PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ FOR THE YEAR 2018, HELD ON APRIL 17, 2019**

2018 Ordinary General Assembly Meeting of PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ was held on April 17, 2019, at 10:00 am local time, at the Company headquarters located at Aeropark, Yenişehir Mahallesi, Osmanlı Bulvarı No: 11/A Kurtköy 34912 Pendik İstanbul, in attendance of Feyyaz BAL, representative of the Ministry of Trade, appointed by the letter of the Governorship of İstanbul Provincial Trade Directorate dated April 16, 2019 and numbered 43586626.

Invitation for the meeting was published on page 748 of the Turkish Trade Registry Gazette dated March 26, 2019 and numbered 9795 and was further announced on the Public Disclosure Platform (*Kamuyu Aydınlatma Platformu*) ("**KAP**"), on the Company website and the Electronic General Meeting System ("**E-GEM**") operated by the Central Registry Agency (*Merkezi Kayıt Kuruluşu A.Ş.*) together with the agenda and the relevant information and documents for the meeting within the timeframe stipulated by the law and the Company articles of association. Written notifications were separately made to the shareholders that are not covered by the exception mentioned in Article 29 Paragraph 2 of the Capital Markets Law No. 6362.

Based on review of the List of Attendees, it was determined that 59,882 shares representing TL 59,882 of the Company capital of TL 102,299,707 divided into 102,299,707 shares, were represented in person and further 76,464,013 shares representing TL 76,464,013 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 12,094,693 shares representing TL 12,094,693 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-Chairperson of the Board of Directors, Mr. Mehmet Tefvik NANE, Company General Manager (CEO) and representing the Company's independent auditor, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, Mr. Erman SUNAR attended the Meeting in person.

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

1. In respect of the first agenda item, Mr. Bora SUBAŞI, representing Esas Holding Anonim Şirketi, proposed Mr. Mehmet Tefvik NANE as their candidate to chair the meeting. The proposal was approved by the majority of the shareholders attending the Meeting, with TL 76,523,894 shares voting in favor and TL 1 share voting against.

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

The Meeting agenda was read out loud. It was noted that no matters have been raised by the Ministry of 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 agenda items would be subject to the voting quorum set out in Article 418 of the Turkish Commercial Code, 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 to the second agenda item. Mr. Bora SUBAŐI, representing Esas Holding Anonim Őirketi, proposed that the Annual Activity Report of the Board of Directors, the Auditor's Report and the Consolidated Financial Statements of the Company for the year 2018 not be read out loud as the relevant documentation had been published on KAP on March 4, 2019 and had subsequently been submitted to the attention of the shareholders together with the invitation for the Meeting. The motion was approved by the majority of the shareholders attending the Meeting, with TL 76,374,333 shares voting in favor and TL 149,562 shares voting against. There were no further comments. The Annual Activity Report of the Board of Directors, the Auditor's Report and the Consolidated Financial Statements of the Company for the year 2018 were approved as announced to the shareholders by the majority of the shareholders attending the Meeting, with TL 76,374,333 shares voting in favor and TL 149,562 shares voting against.
3. In respect of the third agenda item, the release of each member of the Board of Directors for actions, transactions and accounts relating to the year 2018 was submitted for the approval of the shareholders and the proposal was approved by the majority of the shareholders attending the Meeting, with TL 76,374,333 shares voting in favor and TL 149,562 shares voting against.
4. In respect of the fourth agenda item, it was noted that the "Pegasus Dividend Policy", had been submitted for the information of the shareholders. It was further noted that according to the dividend distribution chart submitted to the attention of the shareholders by the resolution of the Board of Directors dated March 20, 2019 and numbered 659, according to the Company accounts based on Turkish Financial Reporting Standards and based on statutory records prepared in accordance with the Turkish Tax Procedure Law No. 213, and considering the Company's growth strategy and its aim for creating long-term shareholder value, the Board of Directors proposed the allocation of the Company's net distributable profit for 2018, in accordance with the law, Article 21 of the Company Articles of Association and Pegasus Dividend Policy, as extraordinary reserves with the purpose of strengthening liquidity and creating additional resource for growth in operations. Company shareholder Mr. Tunç KERTMEN recommended that the Company considers utilizing accumulated extraordinary reserves for a bonus share issue in the following years. There were no further comments. The proposal of the Board of Directors for the allocation of the entire profit for the year 2018 as extraordinary reserves, in line with the Company's Articles of Association and the "Pegasus Dividend Policy" was approved by the majority of the shareholders attending the Meeting, with TL 76,523,894 shares voting in favor and TL 1 share voting against.
5. The Meeting proceeded to the fifth agenda item regarding the nomination of and the determination of the term of office for the members of the Board of Directors. It was noted that Mr. Mehmet Cem KOZLU, Mr. Saad Hassan HAMMAD and Ms. Hatice Zeynep Bodur

OKYAY and Mr. Stephen Mark GRIFFITHS were determined as independent director nominees as per the resolution of the Board of Directors dated January 15, 2019 and numbered 651, within the scope of the corporate governance principles of the Capital Markets Board and Article 10 of the Company Articles of Association. The non-objection letter of the Capital Markets Board dated March 8, 2019 for the independent director nominees and for a one-year exemption of Mr. Mehmet Cem KOZLU from the requirement of *“Not to have served as a member of the board at the Company for more than six years in the past ten years”* stipulated in paragraph (g) of Corporate Governance Principle No. 4.3.6, was submitted for the review of the representative of the Ministry of Trade. Mr. Bora SUBAŞI, representing Esas Holding Anonim Şirketi, announced their director nominees. Duty acceptance letters by the nominees not present at the Meeting were submitted for the review of the representative of the Ministry Representative. It was determined that the résumé for each nominee was submitted for the review of the shareholders as part of Meeting information package. The motion to determine the number of members of the Board of Directors as eight and to appoint Mr. Ali İsmail SABANCI, citizen of Turkey (ID No. [REDACTED]), Mr. Hüseyin Çağatay ÖZDOĞRU, citizen of Turkey (ID No. [REDACTED]), Mr. Sertaç HAYBAT, citizen of Turkey (ID No. [REDACTED]) as directors and Mr. Michael Glyn POWELL, U.K. citizen and bearer of Turkish Tax ID No. [REDACTED], and to appoint Mr. Mehmet Cem KOZLU, citizen of Turkey (ID No. [REDACTED]), Mr. Saad Hassan HAMMAD, U.K. citizen and bearer of Turkish Tax ID No. [REDACTED], Ms. Hatice Zeynep Bodur OKYAY, citizen of Turkey (ID No. [REDACTED]) and Mr. Stephen Mark GRIFFITHS, U.K. citizen and bearer of Turkish Tax ID No. [REDACTED] as independent directors, for one year until the Annual Shareholders' General Assembly Meeting in respect of the year 2019 is convened was approved by the majority of the shareholders attending the Meeting, with TL 75,475,360 shares voting in favor and TL 1,048,535 shares voting against.

6. The Meeting proceeded to the sixth agenda item. It was noted that the principles determined by the Company's Corporate Governance Committee in relation to the compensation criteria for the members of the Board of Directors for 2019 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. Bora SUBAŞI, representing Esas Holding Anonim Şirketi submitted their proposal for the compensation of the members of the Board of Directors. Accordingly, the motion for no payment to executive directors and compensation of non-executive directors based on a maximum of Euro 15,000 gross honorarium per Board meeting attended subject to the following breakdown: Euro 12,000 gross for Mr. Sertaç HAYBAT, Mr. Michael Glyn POWELL, Mr. Mehmet Cem KOZLU, Ms. Hatice Zeynep Bodur OKYAY and Mr. Stephen Mark GRIFFITHS, each, and Euro 10,000 net for Mr. Saad Hassan HAMMAD, and further payment of Euro 10,000 and Euro 5,000 gross annually for each Committee chairmanship and membership undertaken by any non-executive director was approved by the majority of the shareholders attending the Meeting, with TL 76,273,894 shares voting in favor and TL 250,001 shares voting against.
7. The Meeting proceeded to the seventh agenda item. Upon the affirmative vote of the majority of the shareholders attending the Meeting, each member of the Board of Directors was authorized to enter into transactions falling within the scope of Articles 395 and 396 of

the Turkish Commercial Code, with TL 74,346,180 shares voting in favor and TL 2,117,715 shares against.

8. The Meeting proceeded to the eighth agenda item. The proposal of the Company's Audit Committee and the Board of Directors for the appointment of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst & Young Global Limited) to serve for the Company's independent audit obligations and audit the consolidated financial reports for the year 2019 in respect of the Turkish Commercial Code, the Capital Markets Law and the relevant secondary legislation was approved by the majority of the shareholders attending the Meeting, with TL 75,555,149 shares voting in favor and TL 968,746 shares voting against.
9. The Meeting proceeded to the ninth agenda item. It was noted that the "Pegasus Donations and Charitable Contribution Policy" had been submitted to attention of shareholders attending the General Assembly Meeting.

It was further determined that at the Shareholders' General Assembly Meeting for the year 2017 held on April 4, 2018, the ceiling for donations to be made by the Company in 2018 was determined as TL 5.000.000 in respect of Article 19 of the Capital Markets Law and Article 11 of the Company Articles of Association, and that the donations made by the Company in 2018 amounted to TL 454.137. On behalf of the Company, Mr. Mehmet Tefvik NANE informed the shareholders regarding donations and charitable contributions made in 2018.

The proposal of the Board of Directors to determine the Company's donations ceiling for 2019 in accordance with the "Pegasus Donations and Charitable Contributions Policy", Article 19 of the Capital Markets Law and Article 11 of the Company articles of association as TL 5,000,000 was submitted for the approval of the shareholders and was approved by the majority of the shareholders attending the Meeting, with TL 76,523,894 shares voting in favor and TL 1 share voting against.

10. In respect of the tenth agenda item, the shareholders attending the Meeting were informed that in 2018, the shareholders exercising management control on the Company, members of the Board of Directors, members of management with administrative responsibility or their spouses or relatives up to and including the second degree had not entered into material transactions with the Company or its consolidated subsidiaries that would constitute a conflict of interest and had not, otherwise, entered into a competing commercial business on their own or on any third party's behalf or through any enterprise where they act as a shareholder with unlimited liability, in each case, falling within the scope of corporate governance principle no. 1.3.6 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board.
11. The Meeting proceeded to the eleventh agenda item. On behalf of the Company, Mr. Ali UZUN informed the shareholders regarding the amendments made in the Pegasus Ethical Behavior Guide in 2018 under the auspices of the Audit Committee. It was underlined that information on the amendments were published on KAP on August 17, 2018.
12. The Meeting proceeded to the twelfth agenda item. In accordance with Article 12 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board, Mr. Mehmet

Tevfik NANE, informed the shareholders regarding the collaterals, pledge and mortgage provided by the Company in favor of third parties in 2018, in light of the information provided in Note 16 (*Commitments - Collaterals, Pledge, Mortgage*) of the Company's financial statements for the year 2018.

13. The Chairman asked if anyone would like to express requests or recommendations in light of the thirteenth agenda item. A Company shareholder, Mr. İsmail YILMAZ, stated that the utilization of extraordinary reserves for a bonus share issue would increase liquidity of the Company stock. Another shareholder, Mr. Tunç KERTMEZ, sought information on the impact of the Istanbul New Airport and tourism in Turkey on the Company's operations and repeated previous statements on bonus share issue. Another shareholder, Mr. Tuna ŞENER, asked if the Company is considering an investment in any European airlines that recently announced bankruptcy or an additional investment in the Istanbul New Airport. He also asked for the Company equity based on statutory accounts. Mr. Tayfun ŞAHİN, representing Servet ŞAHİN, asked management views on the contrast between the Company's market capitalization in USD terms between immediately after the initial public offering in 2013 and now. Another shareholder, Mr. Taner DOĞRUSÖZ, sought information on current runway's maintenance plans once the second runway at the Istanbul Sabiha Gökçen Airport becomes operational. In response to the inquiries, Mr. Mehmet T. NANE, Company CEO, stated that the Company will continue to operate its daily five flights between Istanbul and Izmir previously operated from the Istanbul Atatürk Airport at the Istanbul New Airport, while opportunities to be created by the additional capacity to be created at the new airport will be evaluated by the Company according to its targets and forecasts. Mr. NANE indicated that the Ministry of Tourism announced a record-high 40 million inbound tourists for 2018 and expects a higher volume of 46 million for 2019; and that the Company's current indicators support the positive outlook. Mr. NANE stated that the Board of Directors has no decisions to date regarding an airline investment abroad or an additional investment relating to the Istanbul New Airport; that the current information at hand indicates that a two-runway operation would be possible once the second runway at the Istanbul Sabiha Gökçen is completed and that the Company is not notified of a planned maintenance closure for the current runway. Mr. NANE refrained from making comments on the Company's share performance and market capitalization. In addition, Mr. M. Barbaros KUBATOĞLU, Company CFO, reported Company equity under statutory tax records and as of December 31, 2018 was TL 1,252,571,932. In the absence of any other request to take the floor, Mr. Mehmet Tevfik NANE, acting as the Meeting Chairman, 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, April 17, 2019, 11:07 am local time.

*signed*  
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**MEETING CHAIRMAN**  
MEHMET TEVFİK NANE

*signed*  
\_\_\_\_\_  
**DEPUTY CHAIRMAN**  
M. SAİM BALADIN

*signed*  
\_\_\_\_\_  
**MINISTRY REPRESENTATIVE**  
FEYYAZ BAL

*signed*  
\_\_\_\_\_  
**MEETING SECRETARY**  
ALİ UZUN