

**54<sup>nd</sup> ORDINARY GENERAL ASSEMBLY MEETING OF OTOKAR OTOMOTİV  
VE SAVUNMA SANAYİ A.Ş. FOR THE YEAR 2016 WAS HELD ON  
MARCH 24, 2017 THURSDAY AT 14:00**

Pursuant to the agenda, summary of the meeting minutes are as follows:

1. Levent Çakıroğlu was elected as The Chairman of General Assembly unanimously.
2. Annual Report for the year 2016 was approved by majority of votes.
3. Independent Auditors' Report on the Financial Statements was read for informational purpose.
4. The summary of the Balance Sheet and the Income Statement was read and Financial Statements for the year 2016 was approved by majority of votes.
5. Release of Members of Board of Directors separately for 2016 activities was approved by majority of votes.
6. The date (31.03.2017) and the amount (60.000.000 TRY) of the dividend distribution was approved by majority of votes to be for each share with the nominal value of TRY 1 at the amount of TRY 2,5000 gross=net dividend and the ratio of 250,00% for fully responsible institutions and the institutions that obtained dividend through the permanent representative or registered office in Turkey, and to be for each share with the nominal value of TRY 1 at the amount of TRY 2,1250 net dividend and the ratio of 212,50% for other shareholders.
7. The change of the 5<sup>th</sup> article of the Articles of Association titled "Head Offices and Branch Offices of the Company" and the 7<sup>th</sup> article of Articles of Association titled "Capital" was approved by majority of votes as proposed as enclosed by the Board of Directors.
8. Yıldırım Ali Koç with T.R. identity number of 11989049966, Halil İbrahim Ünver with T.R. identity number of 29953912796, Osman Turgay Durak with T.R. identity number of 13348799734, Levent Çakıroğlu with T.R. identity number of 27226347542, Kudret Önen with T.R. identity number of 27484989102, Ahmet Serdar Görgüç wit T.R. identity number of 24695335254, İsmet Böcügöz (as an independent member) with T.R. identity number of 14965765744, Abdülkadir Öncül ( as an independent member) with T.R. identity number of 25195144056, Ahmet Nezih Olcay ( as an independent member) with T.R. identity number of 40954510132 were elected as members of Board of Directors by a majority of votes until the General Assembly Meeting which going to be subject to the discussion of 2017 fiscal year accounts.
9. The Remuneration Policy and the payments that have been made within the scope of that policy related to 2016 was approved unanimously.
10. The proposal for the annual gross remuneration for each member of the board of directors at the amount of TRY 357.000 was approved by majority of votes.
11. As per the regulations of the Turkish Commercial Code and Capital Markets Board, Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ( A Member of PricewaterhouseCoopers) was approved as the Independent Auditor by majority of votes to audit the 2017 fiscal year financial statements.

12. The information about the donations made in 2016 at the amount of TRY 1.460.900 was given to the General Assembly. And the proposal for the upper limit of donations to be TRY 3.500.000 was approved by a majority of votes.
13. The shareholders that holds the management, the members of the board of directors, the senior management and their spouse and up to second degree blood and affinity proximity was let within the frame of Turkish Commercial Code Articles 395 and 396 by a majority of votes and the information was given to the General Assembly that in 2016 there were no transactions executed within the frame of that in accordance with the Capital Market Boards Corporate Governance Communique.
14. In request and expectations section of the agenda, thanked for the past results and wished success for the coming years. And the questions asked by the shareholders were answered by Chairman Levent akirođlu, General Manager of the Company Serdar Grgc and CFO Hseyin Odabař.

The General Assembly was closed by the chairman since there left no issue to discuss in the agenda.

24.03.2017

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.

# PROFIT DISTRIBUTION PROPOSAL FOR THE ACCOUNTING PERIOD 01.01.2016-31.12.2016

According to our non-consolidated financial statements pertaining to the 01.01.2016-31.12.2016 accounting period, prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/TFRS) pursuant to Capital Market Board's (CMB) "Communiqué on the Principles Financial Reporting in Capital Markets", numbered II-14.1, a "Non-consolidated Net Profit" of TL 69,725,866 has been posted. Our profit distribution proposal, taking into account our long-term corporate strategy, the capital requirements of our Company, investments and financing policies, and profitability and cash position, is presented below. In line with the resolution reached at the Annual General Assembly, the dividend payment will start on March 31, 2017

## Otokar Otomotiv ve Savunma Sanayi A.Ş. Profit Distribution Statement 2016 (TL)

1. Paid-in/Issued Capital		24,000,000
2. Legal Reserves (based on Legal Records)		53,918,147
Information concerning any privileges provided in the articles of association regarding profit distribution		
	According to CMB	According to Statutory Records
3. Profit for the Period	68,080,363	62,706,571
4. Taxes Payable (-)	1,645,503	
5. Net Profit for the Period (=)	69,725,866	62,706,571
6. Retained Losses (-)		
7. Legal Reserves (-)		
8. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	69,725,866	62,706,571
9. Donations made during the year (+)	1,460,900	
10. Donations Included Net Distributable Profit for the Period	71,186,766	
11. Primary Dividend to Shareholders		1,200,000
- Cash	35,593,383	
- Bonus Shares		
- Total		
12. Dividend Paid to Holders of Preferred Shares		
13. Other Dividend Paid		
- to Board Members		
- to employees		
- to parties other than stakeholders		
14. Dividend Paid to Holders of Dividend Right Certificate		
15. Secondary Dividend to Shareholders	24,406,617	55,915,064
16. Legal Reserves	5,880,000	5,591,506
17. Statutory Reserves		
18. Special Reserves		
19. EXTRAORDINARY RESERVES	3,845,866	-
20. Other Funds Proposed to be Distributed		2,884,936
- Retained Earnings		
21. Legal Reserves Allocated for Other Sources as Proposed to be Distributed		288,494

## Dividend Ratio Table

GROUP	Total Dividend Distributed (TL)		Total Dividend Distributed/ Net Distributable Profit for the Period Ratio (%)	Dividend Per Share at Par Value of 1 TL	
	Cash (TL)	Bonus (TL)		Amount (TL)	Ratio (%)
GROSS	-	60,000,000	86%	2.50000	250.000
	TOTAL	60,000,000	86%	2.50000	250.000
NET	-	51,000,000	73%	2.12500	212.500
	TOTAL	51,000,000	73%	2.12500	212.500

# AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND BOARD OF DIRECTORS' RELEVANT RESOLUTION

Our Board of Directors decided during its meeting dated January 24, 2017, to obtain necessary permissions from the Capital Markets Board and the Ministry of Customs and Trade to amend Article 5 "Headquarters and Branches" and Article 7 "Capital" of the Company's Articles of Association and submit such amendments for the shareholders' approval in the following General Assembly.

Following are the draft amendments to the Articles of Association approved by the Capital Markets Board and the Ministry of Customs and Trade on February 13, 2017, and February 17, 2017, respectively. They will be presented for the approval of our shareholders as the Item 7 of the General Assembly Agenda.

## PREVIOUS TEXT

### Article 5: The Company's Headquarters and Branches

The company's legal headquarters is located at Aydınevler Mahallesi, Dumluşınar Caddesi, No. 58, A Blok, 34854, Küçükyalı, İstanbul, whereas its business headquarters is located at Atatürk Caddesi, No. 6, 54580, Arifiye, Sakarya. In case of change of address, the new address shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette. Also, it shall be notified to the Ministry of Customs and Trade and Capital Markets Board. The notification to the registered and announced address shall be deemed to have been made to the Company. The failure of a company to register and announce its new address despite leaving its registered and announced address is considered to be a reason for termination.

If the company opens new branches, such branches shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette.

## NEW TEXT

### Article 5: The Company's Headquarters and Branches

The company's legal headquarters is located at Aydınevler Mahallesi, **Saygı** Caddesi, No. 58, A Blok, 34854, **Maltepe**, İstanbul, whereas its business headquarters is located at Atatürk Caddesi, No. 6, 54580, Arifiye, Sakarya. In case of change of address, the new address shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette. Also, it shall be notified to the Ministry of Customs and Trade and Capital Markets Board. The notification to the registered and announced address shall be deemed to have been made to the Company. The failure of a company to register and announce its new address despite leaving its registered and announced address is considered to be a reason for termination.

If the company opens new branches, such branches shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette.

## PREVIOUS TEXT

### Article 7: Capital

The company accepted the registered capital system in line with the provisions of the Law No. 2499 and switched to the system with the permission of the Capital Markets Board dated March 7, 1996, and No. 15/263.

The company's registered capital ceiling amounts to TL100,000,000 (one hundred million), and it is divided into 10,000,000,000 (ten billion Turkish lira) registered shares each having a value of 1 (one) kuruş.

The registered capital ceiling permission granted by the Capital Markets Board is valid for the (5-year) period between 2013 and 2017. Although the company has not reached the permitted registered capital ceiling at the end of 2017, it is mandatory for the Board of Directors to obtain a permission from the Capital Markets Board for the previous or a new ceiling amount, and then obtain authorization from the General Assembly for a new period that shall not exceed five years to be able to adopt a capital increase resolution after 2017. The company is deemed to have exited the registered capital system if it cannot be obtained such authorization.

The company's issued capital amounts to TL24,000,000 (twenty-four million Turkish lira), and it was paid in full and free from collusion.

The company's shares are registered shares. The shares representing the capital shall be monitored in line with dematerialization principles.

The company shall be able to increase or decrease its capital, when necessary, in line with the provisions of the Turkish Commercial Code and Capital Markets Legislation.

The Board of Directors shall be authorized to increase the issued capital by issuing new shares up to the registered capital ceiling in line with the provisions of the Capital Markets Law and adopt resolutions to restrict privileged shareholders' rights, limit shareholders' right to acquire new shares and issue shares lower than premium or nominal values. The authority to restrict new share acquisition shall not be used to lead to inequality among shareholders.

## NEW TEXT

### Article 7: Capital

The company accepted the registered capital system in line with the provisions of the Law No. 2499 and switched to the system with the permission of the Capital Markets Board dated March 7, 1996, and No. 15/263.

The company's registered capital ceiling amounts to TL100,000,000 (one hundred million), and it is divided into 10,000,000,000 (ten billion Turkish lira) registered shares each having a value of 1 (one) kuruş.

The registered capital ceiling permission granted by the Capital Markets Board is valid for the (5-year) period between **2017 and 2021**. Although the company has not reached the permitted registered capital ceiling at the end of **2021**, it is mandatory for the Board of Directors to obtain a permission from the Capital Markets Board for the previous or a new ceiling amount, and then obtain authorization from the General Assembly for a new period that shall not exceed five years to be able to adopt a capital increase resolution after **2021**. The company **shall not be able to increase capital through the Board of Directors** if it cannot obtain such authorization.

The company's issued capital amounts to TL24,000,000 (twenty-four million Turkish lira), and it was paid in full and free from collusion.

The company's shares are registered shares. The shares representing the capital shall be monitored in line with dematerialization principles.

The company shall be able to increase or decrease its capital, when necessary, in line with the provisions of the Turkish Commercial Code and Capital Markets Legislation.

The Board of Directors shall be authorized to increase the issued capital by issuing new shares up to the registered capital ceiling in line with the provisions of the Capital Markets Law and adopt resolutions to restrict privileged shareholders' rights, limit shareholders' right to acquire new shares and issue shares lower than premium or nominal values. The authority to restrict new share acquisition shall not be used to lead to inequality among shareholders.