

**MINUTES OF 49th ORDINARY GENERAL MEETING OF
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. ON 14.03.2012**

Ordinary General Meeting of Otokar Otomotiv ve Savunma Sanayii Anonim Şirketi relating to the activity year 2011 has held on 14.03.2012, at 11:00 A.M., in Divan İstanbul Elmadağ, Asker Ocağı Cad. No: 1 Şişli – İstanbul with the observation of Mr Ömer Kurtar the representative of Ministry, who is appointed with 13.03.2012 dated and 12269 numbered letter of Republic of Turkey Ministry of Science, Industry and Technology, Provincial Directorate of Science, Industry and Technology İstanbul.

The invitation relating to the meeting is declared in 22 February 2012 – No: 8011 issue of Turkish Trade Registry Gazette, 22 February 2012 issues of Milliyet and Dünya newspapers and in the internet site of our Company www.otokar.com.tr as deemed in the Law and Articles of Association and within the time.

It is understood by the examination of the list of attendants; 17.772.067.560 shares which correspond to 17.772.067,56 TL capital is represented in personal and 1.171.660 shares which correspond to 1.171,66 TL capital is represented by proxy and 17.773.239.219 shares are represented in total over the 24.000.000.000 shares which correspond to 24.000.000 TL capital and since the quorum is provided as per to the law and Articles of Association, the meeting has opened by Mr. Kudret Önen.

Below decrees are decided in consequence of the negotiations pursuant to the agenda.

- 1- As the result of the election for the Chairing Board of the Meeting, Mr Kudret Önen is elected as the Chairman of General Meeting, Mr Ahmet Serdar Görgüç and Mr Mustafa Metin Utkan is elected as the Vote Collection Officer and Mr Hüseyin Odabaş is elected as the Meeting Clerk by unanimous vote.

The chairman has greeted the attendants and declared to negotiate the second article of the agenda.

- 2- The chairman has claimed to read the report summary of Independent External Audit Institution Güney Serbest Muhasebeci Mali Müşavirlik A.Ş., Report of the Board of Directors and Auditor's Report about 2011 activity year in accordance with the Article 2 of the agenda. Mr Kudret Önen, member of the Board of Directors has read the report of the Board of Directors and Mr M. Metin Utkan has read the Auditor's Report. The clerk has read the Independent External Audits report of Güney Serbest Muhasebeci Mali Müşavirlik A.Ş and financial statement audited in accordance with the International Financial Reporting Standards (IFRS) pursuant to "Communiqué relating to Accounting Standards on Capital Markets" of Capital Markets Board Serial XI and No: 29 and negotiations has begun. After the negotiations financial statements prepared according to non-consolidated 2011 year IFRS principle and financial statements that prepared in accordance with tax procedure law has accepted by unanimous vote.

In addition pursuant to 10.12.2004 dated and 48/1588 numbered decree of the Capital Markets Board Corporate Management Principles Compliance report of the Company in the year 2011 has read and shareholders are informed.

- 3- The chairman represents to release members of the Board of Directors and auditors for the activities in the year 2011 separately to submit of the General Meeting. Members of the Board of Directors have released by not using votes that are born by their shares for with the majority of the votes.

4- The negotiations of the offer in the Report of the Company Board of Directors on the distribution of the 2011 year dividend have begun.

- According to the financial statements that are prepared in compliance with the regulations of Capital Markets Board pursuant to IFRS and audited independently, 61.776.341 TL profit has determined, after allocating 6.929.737 TL period tax, 54.846.604 TL has remained.
- 55.521.424 TL net term profit has calculated according to the legal registries,
- According to Article 466 of the Turkish Commercial Code, since the current first order contingency reserve corresponds to 20 % of the capital, there is no need to allocate first order legal contingency reserve,
- The total distributable profit is 55.521.424 TL according to the legal registries,
- First dividend amount has calculated by adding 1.810.537 TL donation to 54.846.604 TL profit amount after the tax as 56.657.141 TL.
- The first dividend amount that will be distributed to the shareholders has determined as 11.331.428 TL by adding 20 % to this amount as implied in the Decree 4/138 and 08.02.2008 of the Capital Markets Board.

As the result of the negotiations, followings are determined:

- It is accepted with the majority of the votes as following in compliance with the provisions of Turkish Commercial Code, Capital Markets Legislation and Articles of Association for the net balance sheet profit 54.846.604 TL

- Primary Legal Contingency Reserve	0 TL
- Primary Dividend to Shareholders	11.331.428 TL
- Secondary Dividend to Shareholders	36.668.572 TL
- Secondary Order Legal Contingency Reserve	4.680.000 TL
- Extraordinary Contingency Reserve	<u>2.166.604 TL</u>
- Total Net Period Profit	54.846.604 TL

To compensate 48.000.000 TL part by the non-exception earnings of the current year,

- It is unanimously decided to distribute 48.000.000 TL cash dividend with 200 % rate (2,00000TL gross=net for 1TL share) for legally obligated entities and limited tax payer institutions who gets income via an office or permanent representative in Turkey and with 170 % rate to other shareholders (1,70000 TL gross=net for 1TL share) and to begin dividend distribution on 21.03.2012.

5- The permission is received with 07.03.2012 dated 2628 numbered permission of Capital Markets Board and 09.03.2012 dated 1770 numbered permission of Ministry of Industry and Trade, General Directorate of Internal Trade. By the way Articles of Association of our Company has amended with the majority of the votes for the Article 5. "Headquarter and Branches", Article 10. "Board of Directors", Article 14. "Provisions relating to Board of Directors", Article 17. "General Meetings" and to add Article 32. "Compliance with Corporate Governance Principles" as below.

NEW TEXT

Article 5. Headquarter and Branches:

Legal head office of the Company is located at Aydınevler Mahallesi, Dumlupınar Caddesi No. **58** A Blok **34854** Küçükyalı İSTANBUL. Business center of the Company is located at Atatürk Caddesi No. 9 54580 Arifiye SAKARYA. Change of address shall be registered with the trade register office and announced to the public in the Turkish Trade Register Gazette and also notified to the Ministry of Industry and Commerce and the Capital Market Board.

Notice served to the registered and announced address shall be deemed served to the Company. If the Company has moved from its registered and announced address but failed to register its new address within the statutory time, this shall reason for dissolution of the Company. The Company may open branch offices at home and abroad by notifying the same to the Ministry of Industry and Commerce.

Article 10. Board of Directors:

Business and administration of the Company is carried out by a Board of Directors formed by minimum 5 members elected by the General Meeting in accordance with the provisions of the Turkish Commercial Code and **the Capital Markets Law**.

Number and qualifications of independent members of the Board of Directors shall be determined in accordance with the regulations of the Capital Market Board concerning the corporate governance.

Office Term:

Members of the Board of Directors shall be elected for an **office term of 3 (three) years at most**. A member whose office term has ended may be re-elected. The General Meeting may replace the members of the Board of Directors when it deems necessary.

Members of the Board of Directors who represent the shareholders in legal entity statutes shall cease to be the members of the Board when it is notified to the Company that their contracts with the respective shareholders in legal entity statutes have been terminated, pursuant to the article 312/2 of the Turkish Commercial Code.

The Board of Directors may apportion the administration and representation duties among the members and/or delegate such duties in part or whole to delegate members or managers who are not required to be shareholders.

The Board of Directors is authorized to apportion the administration and representation duties in the manner stated above.

The Board of Directors shall determine the powers and responsibilities of the delegate members and the managers and may delegate any and all powers and responsibilities vested to the Board of Directors to any persons as subject to such terms, conditions and limitations determined by the Board of Directors and may change, alter or revoke such powers in part or whole when it deems necessary.

The Board of Directors may establish advisory, coordination committees and other committees or sub-committees of similar nature with members of the Board and/or non-member persons to deal with any issues deemed appropriate by the Board.

Principles applicable to holding of meetings, working and reporting of the Chairman and members of such committees shall be established, arranged and changed by the Board of Directors.

Remuneration may be paid to the members of the Board of Directors in accordance with the provisions of the Turkish Commercial Code. Apart from the remuneration, salary, bonus or premium can be paid to the members of the Board and committees referred above, for the services they provide as member of the Board and committee. Method and amount of payments to be made to the members of the Board of Directors, including the delegate members, on account of acting as member of the Board of Directors shall be determined by the General Meeting, and method and amount of payments to be made to the members of the committees on account of services rendered by them as members of the committees shall be determined by the Board of Directors in accordance with the legislation.

Payment plans based on the performance of the Company may not be used in the remuneration of the independent members of the Board of Directors.

Article 14. Provisions Relating to the Board of Directors:

Rights, duties, obligations and responsibilities of the Board of Directors, form of and quorum for meeting, resignation, death or disability of a member, election of members by the Board of Directors to vacant positions and other issues concerning the Board of Directors shall be dealt with in accordance with the provisions of the Turkish Commercial Code **and regulations of Capital Markets Board.**

A monthly or annual remuneration determined by the General Meeting shall be paid to the Chairman and members of the Board of Directors.

Article 17. General Meetings:

General Meeting of the Company shall be convened annually or extraordinarily. Annual General Meeting shall be convened at least once a year within three months following the account period of the Company. Extraordinary General Meetings shall be convened and shall take resolutions in cases and at times when the businesses of the company so require in accordance with the provisions of the Turkish Commercial Code, **regulations of Capital Markets Board** and the Articles of Association.

Place of Meeting:

General Meetings can be convened at the head office of the Company or at another place if resolution is taken by the Board of Directors. This shall be stated in the announcements.

Notice for the General Meeting shall be made 3 weeks before the date of the meeting. The General Meetings shall be open to the public, including the stakeholders and the media, providing that they will not have the right to speak at the General Meeting.

At least one member of the board of directors, one auditor, at least one of the persons who are responsible for preparation of the financial statements and at least one person who has knowledge about any specific issue in the agenda to make explanations about such issue shall be present at the general meetings. Excuse given by any of such persons who is not present at the meeting for non-attendance at the general meeting shall be informed by the chairman of the meeting to the general meeting.

Article 32. Compliance with Corporate Governance Principles

Corporate Governance Principles, the application of which has been made compulsory by the Capital Market Board, shall be complied with. Any transactions executed and any resolutions of the board of directors taken without complying with the compulsory principles shall be deemed contrary to the articles of association.

In respect of any transactions deemed important as regards to the application of the Corporate Governance Principles and in respect of any related party transactions of the company and in respect of transactions related with giving guarantee, pledge and mortgage in favour of third persons, regulations of the Capital Market Board concerning the corporate governance shall be complied with.

6- In accordance with the 6th article of the agenda relating to discussion on the election of the membership of the board of directors. The reason why members of Board of Directors have not participated in the General Meeting and the candidate declarations of Mr Halil İbrahim Ünver certified by 2nd Notary Public of Sakarya with 13.03.2012 who has not participated in the meeting physically and 4134 Roll Number, Mr Osman Turgay Durak certified by 4th Notary Public of Kadıköy with 26.01.2012 and 5481 Roll Number, Mr Ali Tarık Uzun certified by 4th Notary Public of Kadıköy with 26.01.2012 and 5483 Roll

Number, Mr Tuğrul Kutadgobilik certified by 2nd Notary Public of Sakarya with 13.03.2012 and 4133 Roll Number, Mr İsmet Böcügöz certified by 2nd Notary Public of Sakarya with 13.03.2012 and 4132 Roll Number, Mr Abdulkadir Öncül by 2nd Notary Public of Sakarya with 13.03.2012 and 4131 Roll Number have seen by the commissar of the Ministry of Industry and Trade. As the result of the election the member number of the board of directors have determined as 8 with 2 independent member. Mr Kudret Önen and Mr Ahmet Serdar Görgüç the proxies of Koç Holding A.Ş. and who have attended general meeting physically, Mr Osman Turgay Durak, Mr Ali Tarık Uzun and Mr Tuğrul Kutadgobilik who have not attended general meeting, Halil İbrahim Ünver the proxy of Ünver Holding A.Ş. and as independent members Mr İsmet Böcügöz and Mr Abdulkadir Öncül have elected unanimously until the General Meeting that will be held to examine the 2012 accounts.

Information on the CVs of the members of the Board of Directors have shared.

- 7- In accordance with the 7th article of the agenda relating to discussion on the election of the auditors. As the result of the election the member number of the Auditors have determined as 2 and Mr Mehmet Apak and Mr Mustafa Metin Utkan have unanimously elected until the General Meeting that will be held to examine the 2012 accounts.
- 8- "Compensation Policy" that is determined by the Board of Directors for Members of the Board of Directors and Top Executives and presented in the website of the Company for the information of the investors is certified by the majority of the votes in compliance with the Corporate Management Principles. College Retirement Equities Fund Llc. has abstained with 750.000 votes.
- 9- It is decided to pay gross 7,500 TL to the members of the Board of Directors, gross 450 TL to the Auditors monthly with the majority of the votes. College Retirement Equities Fund Llc. has abstained with 750.000 votes.
- 10- In accordance with the Communiqué on Independent Audit Standards in Capital Market that is released by the Capital Markets Board, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) has elected for the audits that will be performed in 2012 by the majority of the votes for 1 year. College Retirement Equities Fund Llc. has abstained with 750.000 votes.
- 11- It is accepted unanimously that to give permission to the Members of the Board of Directors and Shareholders who hold managing sovereignty, Top Level Executives and blood and affinity relationship pursuant to the articles 334 and 335 of the Turkish Commercial Code to carry out such businesses falling into the scope of the subject of the Company personally or on behalf of others which are engaged in such businesses that can cause conflict of interest. The information that there is not any operation that can cause conflict of interest with Shareholders who hold managing sovereignty, Members of the Board of Directors, Top Level Executives and spouse and blood and affinity relationship.
- 12- Information is given to the General Meeting about the operations with related parties in 2011, descriptions available in the postscript of balance sheet no: 28 and Report about 2011 Operations with Related Parties that is released in the internet site of the company. IBM 401 K Plus Plan has abstained with 10.657.000 votes, First Trust Emerging Markets Small Cap Alphasdex Fund has abstained with 1.062.000 votes, NLCF Fund LP has abstained with 42.130.000 votes and Neon Liberty Lorikeet Master Fund LP has abstained with 251.900.000 votes.

- 13- Information on profit distribution policy that is summarized as “Profit distribution with the highest amount available with predictable and steady level except huge investment and serious economic crisis terms” has shared by determining Activity Reports and Corporate Management Principles Compliance Reports and aforementioned policy will be continued in the 2012 year and following years. IBM 401 K Plus Plan has abstained with 10.657.000 votes, First Trust Emerging Markets Small Cap Alphadex Fund has abstained with 1.062.000 votes, NLCF Fund LP has abstained with 42.130.000 votes and Neon Liberty Lorikeet Master Fund LP has abstained with 251.900.000 votes.
- 14- Information is given to the General Meeting about “Corporate Information Policy” in accordance with Corporate Governance Principles. IBM 401 K Plus Plan has abstained with 10.657.000 votes, First Trust Emerging Markets Small Cap Alphadex Fund has abstained with 1.062.000 votes, NLCF Fund LP has abstained with 42.130.000 votes and Neon Liberty Lorikeet Master Fund LP has abstained with 251.900.000 votes.
- 15- Information of donation amounting 1.810.537 TL the foundations and associations has shared with the general meeting. IBM 401 K Plus Plan has abstained with 10.657.000 votes, First Trust Emerging Markets Small Cap Alphadex Fund has abstained with 1.062.000 votes, NLCF Fund LP has abstained with 42.130.000 votes and Neon Liberty Lorikeet Master Fund LP has abstained with 251.900.000 votes.
- 16- Chairman of the General Meeting has claimed to vote to give authority to the Chairing Board to sign the Minutes of the General Meeting on behalf of the Shareholders and to the effect that it be deemed suffice. This issue has unanimously accepted.
- 17- In the wished section of the agenda greetings have presented for the results, and wishes about success for the following years is presented. IBM 401 K Plus Plan has abstained with 10.657.000 votes, and First Trust Emerging Markets Small Cap Alphadex Fund has abstained with 1.062.000 votes.

Herein minutes have arranged at the meeting place, it has read and signed. 14 March 2012.

Commissar of Ministry of
Industry and Trade
ÖMER KURTLAR
Signature

Chairman of the General Meeting
KUDRET ÖNEN
Signature

Vote Collection Officer
AHMET SERDAR GÖRGÜÇ
Signature

Vote Collection Officer
MUSTAFA METİN UTKAN
Signature

Clerk of General Meeting
HÜSEYİN ODABAŞ
Signature

PROFIT DISTRIBUTION PROPOSAL FOR THE ACCOUNT PERIOD OF 01.01.2011-31.12.2011

According to our financial statements pertaining to the account period of 01.01.2011-31.12.2011 which have been issued by the Company in compliance with the International Financial Reporting Standards and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the provisions of the “Communiqué” XI-29 of the Capital Market Board, “Non-consolidated Net Profit in the Period” amounting to 54.846.604 TL has been earned. Our proposal for the profit distribution prepared by taking into account our long term corporate strategy, the capital requirements of the Company, the investment and financing policies, and the profitability and cash position is given below. As per the resolution to be taken by the General Meeting, payment of the dividend will start on 21.03.2012

Otokar Otomotiv ve Savunma Sanayi A.Ş. Profit Distribution Statement 2011 (TL)			
1. Paid-up/Issued Capital			24.000.000
2. Total Legal Contingency Reserves (based on the Statutory Records)			18.118.147
Information about any privilege provided in the articles of association regarding the profit distribution			
		According to the Capital Market Board	According to the Statutory Records
3.	Profit in the Period	61.776.341	67.237.134
4.	Taxes Payable (-)	-6.929.737	-11.715.710
5.	Net Profit in the Period (=)	54.846.604	55.521.424
6.	Losses in Previous Years (-)		
7.	Primary Contingency Reserve (-)		
8.	NET DISTRIBUTABLE PROFIT IN THE PERIOD (=)	54.846.604	55.521.424
9.	Donations made during the year (+)	1.810.537	
10.	Net distributable profit in the period plus the donations based on which the primary dividend is calculated	56.657.141	
11.	Primary dividend to shareholders	11.331.428	
	-Cash	11.331.428	
	-Gratis Shares		
	-Total	11.331.428	
12.	Dividend Paid to Holders of Preferential Shares		
13.	Dividend to members of the board of directors, employees, etc.		
14.	Dividend to holders of dividend shares		
15.	Secondary Dividend to Shareholders	36.668.572	
16.	Secondary Statutory Reserve	4.680.000	
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVE	2.166.604	2.841.424
20.	Other Funds Proposed to be Distributed		

INFORMATION ON DIVIDEND				
DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL AMOUNT OF DIVIDEND (TL)	DIVIDEND PER SHARE AT PAR VALUE OF TL 1.00	
			AMOUNT (TL)	RATE (%)
GROSS	-	48.000.000	2.00000	200.000
	TOTAL	48.000.000	2.00000	200.000
NET	-	40.800.000	1.70000	170.000
	TOTAL	40.800.000	1.70000	170.000
THE RATE OF DISTRIBUTABLE DIVIDEND TO DONATIONS ADDED PERIOD PROFIT				
AMOUNT OF DIVIDEND THAT DISTRIBUTED TO SHAREHOLDERS (TL)		THE RATE OF DISTRIBUTABLE DIVIDEND DISTRIBUTED TO THE SHAREHOLDERS TO DONATIONS ADDED PERIOD PROFIT %		
48.000.000		84.72		