

# INFORMATION DOCUMENT CONCERNING THE GENERAL ASSEMBLY TO CONVENE ON 16.03.2020 TO REVIEW 2019

## 1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY ON 16.03.2020

The Ordinary General Assembly will convene to review 2019 activities of the Company and to discuss the agenda detailed below on 16.03.2020 Monday, at the Divan İstanbul Hotel, Asker Ocağı Cad. No: 1, Elmadağ, Şişli, İstanbul (Phone: 0 212 315 55 00) at 10:00 am.

Financial Statements related to year 2019, Independent Audit Report, Dividend Distribution Proposal, Annual Report with its attached Corporate Governance Compliance Report and the detailed Information Sheet that includes required explanations for compliance with the Capital Markets Board Regulations shall be ready for esteemed shareholders to examine, within the legal period of 3 weeks before the Annual General Meeting at head office of the Company, at corporate website [www.otokar.com.tr](http://www.otokar.com.tr) and the Electronic Annual General Meeting System of Central Registry Agency.

The shareholders who will not personally participate to Annual General Meeting, provided that the rights and obligations of shareholders who will participate electronically are reserved, must submit their letter of attorney to the Company according to the file enclosed or must provide a copy of letter of attorney through Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent-İstanbul), through related departments of our company or through our corporate website at [www.otokar.com.tr](http://www.otokar.com.tr) and accordingly must submit the letter of attorney of which sign is approved by a notary, by also performing the cases that are foreseen in “Communiqué on Voting by Proxy and Proxy Solicitation”, no.II-30.1, which is published in official gazette on 24.12.2013, law no:28861. The Proxy who is assigned by electronically through Electronic General Meeting System does not need to submit a letter of attorney. **The letter of attorneys that are not suitable with the compelled one in the Communiqué and are not suitable with the attached one, will definitely not be accepted due to our legal responsibility.**

Shareholders intending to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our Company’s website at [www.otokar.com.tr](http://www.otokar.com.tr) or from the Company Headquarters (Tel:0 216 229 22 44) to ensure that they comply with the provisions of the by-laws for the Electronic Shareholders Meeting in accordance with the related regulations and Communiqué.

Pursuant to New Turkish Commercial Code no.6102 article 415 clause 4 and Capital Markets Law article 30 clause 1, the participation to Annual General Meeting right and the voting right are not connected with the condition of deposit of the shares. Within this scope, in the case of a wish to participate in the General Meeting, our shareholders do not need to block their shares.

In accordance with the Law No. 6698 on Protection of Personal Data, the detailed information about processing personal data by our company can be obtained from Personal Data Protection and Processing Policy of Otokar Otomotiv ve Savunma Sanayi A.Ş. which is shared with public on [www.otokar.com.tr](http://www.otokar.com.tr)

At the Ordinary General Assembly Meeting, the voters shall use open voting system by raising hands, without prejudice to the provisions of electronic voting regarding the voting of each item on the agenda.

All right holders and stakeholders as well as the press are invited to the General Assembly Meeting.

Pursuant to the Capital Markets Law, shareholders holding registered shares that are traded on the stock exchange will not receive a separate registered invitation letter for the meeting.

It is submitted to the esteemed shareholders with due respect.

## BOARD OF DIRECTORS OF OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

Headquarters Address: Aydınevler Mahallesi, Saygı Caddesi No:58 34854 Maltepe – İstanbul  
Trade Registry and Number: İstanbul – 83467  
Central Registration No: 0649001827200034

### 2. OUR ADDITIONAL DISCLOSURES IN ACCORDANCE WITH CMB REGULATIONS

The required additional disclosures pursuant to Capital Market Board's (CMB) "Corporate Governance Communiqué" numbered II-17.1 are provided below the following agenda topics, and other mandatory general disclosures are presented for your information in this section:

#### 2.1. Shareholding Structure and Voting Rights

There are no privileges in our Company's Articles of Association pertaining to the exercise of voting rights. The voting rights of our shareholders are presented in the table below:

Shareholder	Amount of Shares (TL)	Stake (%)	Voting Right	Voting Right (%)
Koç Holding A.Ş.	10.722.749,81	44,68	1.072.274.980,90	44,68
Ünver Holding A.Ş.	5.954.943,83	24,81	595.494.383,00	24,81
Diğer	7.322.306,36	30,51	732.230.636,10	30,51
<b>Toplam</b>	<b>24.000.000,00</b>	<b>100,00</b>	<b>2.400.000.000,00</b>	<b>100,00</b>

Main shareholder Koç Holding A.Ş. is controlled by Koç Family and the companies that Koç Family owns. Company's shareholder Ünver Holding A.Ş., is controlled by Ünver Family

#### 2.2. Changes in the Management or Activities of the Company that may Materially Affect the Activities of the Company & the Subsidiaries:

Information on changes in the management or activities that have occurred in the previous accounting period of our Company and the subsidiaries or that may materially affect its activities planned for the coming accounting periods, and the reasons for such changes, are provided below:

Within the framework of our strategic targets as Otokar Otomotiv ve Savunma Sanayi A.Ş., there were no changes in the management or activities, which could materially affect the activities of the Company during 2019. No changes in management and activities are planned for upcoming accounting periods. Material disclosures made by our company within the scope of the relevant legislation can be found at [www.kap.org.tr](http://www.kap.org.tr).

#### 2.3. Information concerning the Requests of Shareholders for Inclusion of an Issue in the Agenda:

Information on shareholders' written requests submitted to the Investor Relations Department for inclusion of a topic in the agenda, rejected requests and reasons for rejections in the event that the board of directors did not accept such requests are provided below:

No such requests were received for the Ordinary General Assembly where the 2019 activities will be discussed.

### **3. OUR REMARKS ON THE AGENDA TOPICS OF THE ORDINARY GENERAL ASSEMBLY ON 16.03.2020**

#### **1. Opening and election of the Chairmanship Committee**

The election of the Chairman who will preside the Ordinary General Assembly will be carried out in accordance with the provisions of the "Turkish Commercial Code No. 6102" (TCC) and the "Regulation on the Procedures and Principles Applicable to Ordinary General Assemblies of Joint Stock Companies and the Representatives of the Ministry of Customs and Commerce to Attend Ordinary General Assembly" (the "Regulation" or the "General Assembly Regulation"), and article 7 of the General Assembly Internal Directive. The Chairman of the General Assembly will appoint at least one Secretary to record the minutes of the meeting in accordance with the General Assembly Internal Directive. The Chairman may also select sufficient number of vote collectors.

#### **2. Presentation for discussion and approval of the 2019 Annual Report of the Company as prepared by the Board of Directors**

Information on the 2019 Annual Report that also contains the corporate governance principles compliance report, which was made available to shareholders for review at the Company's Head Office, on the Electronic General Assembly portal of the Central Registry Agency and on our Company's website at [www.otokar.com.tr](http://www.otokar.com.tr) for three weeks preceding the Ordinary General Assembly, in accordance with the TCC, the Regulation and the regulations concerning the Capital Markets Law will be provided, and the 2019 Annual Report will be presented for discussion by and approval of the shareholders.

#### **3. Presentation of the summary of the Independent Audit Report for the 2019 fiscal year**

Information concerning the Independent Auditor's Report which prepared pursuant to the regulations of the Capital Markets Board and the TCC and posted three weeks prior to the General Assembly meeting at Company's Head Office, on the Electronic General Assembly portal of the Central Registry Agency and on our Company's website at [www.otokar.com.tr](http://www.otokar.com.tr), will be presented to the General Assembly and to our shareholders' view and approval.

#### **4. Reading, discussion and approval of the Financial Statements of the Company for the 2019 fiscal year**

Information concerning our financial statements and statutory financial statements issued in accordance with Tax Procedure Law that were made available to shareholders for their review at the Company's Head Office, on the Electronic General Assembly portal of the Central Registry Agency and on our Company's website at [www.otokar.com.tr](http://www.otokar.com.tr) for three weeks preceding the Ordinary General Assembly pursuant to the TCC, the Regulation and the regulations concerning the Capital Markets Law will be presented for discussion and approval of the shareholders.

#### **5. Release of each member of the Board of Directors from liability for the affairs of the Company in 2019**

Release of the members of the Board of Directors in respect of the activities, transactions and accounts in 2019 as per the provisions of the TCC and the Regulation will be presented to the approval of the General Assembly.

#### **6. Approval, approval with modifications, or refusal of the Board of Directors' proposal prepared in accordance with the Company's profit distribution policy and pertaining to the date and issuance of profit distribution**

According to the financial statements for the accounting period of 01.01.2019-31.12.2019 prepared in compliance with the International Financial Reporting Standards in accordance with the provisions of Turkish Commercial Code and Capital Market Law, and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the Company has earned a "Consolidated Net Profit in the

Period" amounting to TL 351.591.603. The table regarding our profit distribution proposal, which was prepared by taking into account our Profit Distribution Policy, long-term group strategies, investment and financing policies, and the profitability and liquidity position in line with the Profit Distribution Communiqué II-19.1 and the Profit Distribution Guidelines announced in accordance with this Communiqué is provided in ATTACHMENT/1.

### **7. Resolution of the number of the members of the Board of Directors and their terms of office, and election of the members of the Board of Directors in accordance with the resolved number and election of the independent members of the Board of Directors**

New members will be elected to take the place of the existing members of the Board of Directors whose office term has ended in accordance with the principles applicable to the election of the members of the Board of Directors as set forth in the Company's articles of association pursuant to CMB regulations, the TCC and the relevant regulations. In addition, independent member(s) will be elected to the Board in order to ensure compliance with CMB's Corporate Governance Communiqué II-17.1.

Pursuant to article 11 of the articles of association, the Company is managed by a Board of Directors formed by minimum 5 (five) members who are elected for maximum 3 years by the General Assembly as per the provisions of the Turkish Commercial Code. The General Assembly may resolve to renew the Board of Directors even if its office term has not yet ended.

Three of the nominees for membership to the Board of Directors, which is proposed to consist of eight members, must meet the criteria of independency as defined in CMB's mandatory Corporate Governance Principles.

Upon the proposal of the Corporate Governance Committee, which has evaluated the candidates presented to it, Mr. Ali İhsan İlkbahar, Mr. Ali İhsan Kamanlı and Mr. Kenan Güven were nominated by the Board of Directors as Independent Members of the Board of Directors. Our Company has been notified that there is no negative opinion about the Independent Board Members by the letter of CMB dated 07.02.2020.

The curriculum vitae of the nominees for the Board of Directors and the declarations of independence of the independent members are provided in ATTACHMENT/2.

### **8. Presentation to the shareholders and approval by the General Assembly, of the "Remuneration Policy" for the members of the Board of Directors and the Senior Executives and the payments made thereof pursuant to the Corporate Governance Principles**

Pursuant to CMB's mandatory Corporate Governance Principle 4.6.2, the principles applicable to the remuneration of the members of the Board of Directors and the senior management must be in writing and presented to the shareholders as a separate agenda topic, and the shareholders must be given the opportunity to express their views. Otokar Otomotiv ve Savunma Sanayi A.Ş. provided information about the benefits provided to the board members and senior executives in note 27 of the financial statements for the 2019 fiscal year, and the remuneration policy prepared for this purpose is provided in ATTACHMENT/3.

### **9. Resolution of the annual gross salaries to be paid to the members of the Board of Directors**

The amount of the annual gross salaries to be paid to the members of the board of directors during the 2020 fiscal year in accordance with the Remuneration Policy as presented to the approval of the shareholders in line with agenda subject 8 will be determined by the shareholders.

### **10. Approval of the appointment of the Independent Audit Firm as selected by the Board of Directors pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Board regulations**

In its meeting held on 7.02.2020, the Board of Directors resolved to appoint, in consultation with the Committee in charge of Audits, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) to audit the financial statements of the Company pertaining to the 2020 accounting period and to carry out the other tasks under the relevant regulations in accordance with the Turkish Commercial

Code and the regulations of the Capital Markets Board. This appointment will be presented to the approval of the General Assembly.

### **11. Presentation to the shareholders, of the donations made by the Company in 2019, and resolution of an upper limit for donations to be made in 2020**

According to article 6 of the Capital Market Board's Dividends Communiqué numbered II-19.1, the limit of donations should be determined by the General Assembly in the event that it is not addressed in the articles of association. Donations and payments made should be presented to shareholders at the General Assembly. The donations made to foundations and associations in 2019 amounted to TL 3.138.362. TL 2.750.000 of this amount is paid to Vehbi Koç Foundation and TL 150.000 to Educational Volunteers Foundation, the balance amount was donated to various other institutions and organizations. The upper limit of the donations to be made in 2020 will be determined by the General Assembly.

### **12. Pursuant to Articles 395 and 396 of the Turkish Commercial Code and CMB regulations, authorization of the shareholders with management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree; and presentation to the shareholders, of the transactions carried out thereof in the 2019 pursuant to the Corporate Governance Communiqué of the Capital Markets Board**

Execution of transactions by the members of the Board of Directors within the framework of the first paragraph of article 395 titled "Ban on Execution of Transactions with the Company and on Borrowing from the Company", and article 396, titled "Ban on Competition", of the TCC can only be possible with the consent of the shareholders at the General Assembly.

Pursuant to CMB's mandatory Corporate Governance Principle 1.3.6, in the event that the shareholders with management control, the members of the Board of Directors, the senior executives with administrative authority, and their spouses and relatives related by blood or affinity up to the second degree enter into transactions that may result in significant conflict of interest due to their affiliations or related partnerships, and/or conduct a transaction on their own or others' behalf in an area that has the same commercial business as the Koç Group or Ünver Group, the said transactions will be presented to the General Assembly under a separate agenda topic, and recorded in minutes of the Ordinary General Assembly.

In order to fulfill the requirements of these regulations, the aforementioned permission will be submitted to the approval of our shareholders at the General Assembly. In addition, our shareholders will be informed about the transactions performed in this nature during the year, some of the shareholders, the members of the board of directors, the administrators with administrative responsibilities and their spouses and blood or affinity up to the second degree, and some other activities including those with similar activities with our Company, serve as a board member or manager in Koç Group or Ünver Group companies. In 2019, there was no transaction requiring information within the scope of the principle number 1.3.6 of the Corporate Governance Communiqué.

### **13. Wishes and opinions**

#### **ATTACHMENTS:**

**ATTACHMENT/1** Profit Distribution Policy and the proposal of the Board of Directors related to the Profit Distribution of 2019 and proposed Profit Distribution Table

**ATTACHMENT/2** Resumes of the Candidates for the Board of Directors and the Declarations of Independence of the Independent Member Candidates

**ATTACHMENT/3** Remuneration Policy for Members of the Board of Directors and Senior Management

## **OTOKAR OTOMOTİV VE SAVUNMA SAN. A.Ş.**

### **PROFIT DISTRIBUTION POLICY - ATTACHMENT/1**

Our Company distributes its profit in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law, the Tax Law and other applicable regulations as well as the relevant articles of our Company's Articles of Association. A balanced and consistent policy is followed in the distribution of profit among shareholders and the Company's beneficiaries in accordance with the Principles of Corporate Governance and our long term company strategy, investment and finance policies, profitability and cash position is considered when distributing the profit.

In principle, a minimum 50% of the distributable profit for the period which is calculated in accordance with Capital Market Legislation and Legal Records is distributed in cash or as bonus shares, as long as related regulations and financial position allow.

Profit distribution is planned to be carried out within one month, at most, following the Ordinary General Assembly. The date for the profit distribution is set in the Ordinary General Assembly. If authorized, the Ordinary General Assembly or the Board of Directors may decide to distribute profit in instalments in accordance with Capital Market Legislation.

According to the Company's Articles of Association, the Board of Directors may distribute profit advances as long as it is authorized in the Ordinary General Assembly and complies with Capital Market Regulations. And that authorization is limited to one year.

**It is an attachment of the decision of Board of Directors which is dated 14.02.2020 and numbered 2020/05**

**01.01.2019-31.12.2019 FISCAL YEAR DIVIDEND PAYMENT PROPOSAL**

According to our consolidated financial tables which are audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik. A.Ş. and prepared in accordance with Turkish Financial Reporting Standards (TFRS) relating to the 01.01.2019-31.12.2019 fiscal year TL 351.591.603 net profit was obtained for parent company and profit distribution suggestion of Board of Directors prepared in compliance with the attached Profit Distribution Table pursuant to the Capital Market Board's (CMB) II-14.1 "Communique on Principles of Financial Reporting in Capital Markets "by considering Profit Distribution Policy, long term company strategy, capital requirements of our company, investment and finance policies, profitability and cash status. Distribution of dividend will begin on 23.03.2020 upon General Assembly's approval.

<b>Otokar Otomotiv ve Savunma Sanayi A.Ş. Dividend Distribution Table 2019 (TL)</b>			
<b>1. Paid-in/Issued Capital</b>			<b>24.000.000</b>
<b>2. Total Legal Reserves (According to Legal Records)</b>			<b>73.758.147</b>
<b>Information concerning any privileges provided in the articles of association regarding profit</b>			-
		According to CMB	According to Statutory Records
<b>3</b>	<b>Current Period Profit</b>	346.353.956	288.660.528
<b>4</b>	<b>Taxes Payable (-)</b>	(5.237.647)	-
<b>5</b>	<b>Net Current Period Profit (=)</b>	351.591.603	288.660.528
<b>6</b>	<b>Losses in the Previous Years (-)</b>		
<b>7</b>	<b>Primary Legal Reserve (-)</b>		
<b>8</b>	<b>NET DISTRIBUTABLE CURRENT PERIOD PROFIT (=)</b>	351.591.603	288.660.528
<b>9</b>	<b>Donations Made during the Year (+)</b>	3.138.362	
<b>10</b>	<b>Donation-Added Net Distributable Current Period Profit</b>	354.729.965	
<b>11</b>	<b>First Dividend to Shareholders</b>		1.200.000
	- Cash	177.364.982	
	- Bonus Shares		
	- Total		
<b>12</b>	<b>Dividend Distributed to Owners of Privileged Shares</b>		
<b>13</b>	<b>Other Dividend Distributed</b>		
	-To the Members of the Board of Directors		
	- To the Employees		
	- To None Shareholders		
<b>14</b>	<b>Dividend to Owners of Redeemed Shares</b>		
<b>15</b>	<b>Second Dividend to Shareholders</b>	22.635.018	198.800.000
<b>16</b>	<b>Legal Reserves</b>	19.880.000	19.880.000
<b>17</b>	<b>Status Reserves</b>		
<b>18</b>	<b>Special Reserves</b>		
<b>19</b>	<b>EXTRAORDINARY RESERVES</b>	131.711.603	68.780.528
<b>20.</b>	<b>Other Distributable Resources</b>		
	- Previous year's profit		
<b>21.</b>	<b>Legal Reserves Allocated for Other Source proposed to be Distributed</b>		-

	GROUP	CASH DIVIDEND AMOUNT (TL)		TOTAL DIVIDEND AMOUNT (TL) / NET DISTRIBUTABLE CURRENT PERIOD PROFIT (%)	DIVIDEND TO BE PAID FOR SHARE WITH PER VALUE OF 1 TL	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
GROSS		200.000.000,00	0	56,88%	8,33333	833,333
	<b>TOTAL</b>	<b>200.000.000,00</b>	<b>0</b>	<b>56,88%</b>	<b>8,33333</b>	<b>833,333</b>
NET		170.000.000,00	0	48,35%	7,08333	708,333
	<b>TOTAL</b>	<b>170.000.000,00</b>	<b>0</b>	<b>48,35%</b>	<b>7,08333</b>	<b>708,333</b>

## **BOARD OF DIRECTORS CANDIDATES ATTACHMENT/2**

### **Yıldırım Ali Koç (Board Member Candidate)**

Born in 1967, İstanbul, Mr. Koç, received his Bachelor's degree in Business Administration from Rice University(USA) and his MBA degree Harvard Business School (USA). He participated in the Management Trainee Program of American Express Bank (1990-1991) and later worked as an Analyst at Morgan Stanley Investment Bank (1992-1994). He went on to hold various senior positions at Koç Holding such as Business Development Coordinator and President of the Information Technology Group(1997-2006). He was the President of the Corporate Communications and Information Technology Group (2006-2010) and sat as a member on the Board of Directors of Koç Holding (2008-2016). Since February 22, 2016 he is serving as the Vice Chairman of the Board of Directors of Koç Holding.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Koç is a board member, and therefore does not qualify to serve as independent board member. He has been serving on the board of Otokar Otomotiv ve Savunma Sanayi A.Ş since 2015. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

### **Levent Çakıroğlu (Board Member Candidate)**

Born in 1967, Ankara Mr. Çakıroğlu, received his Bachelor's degree in Business Administration from Ankara University's School of Political Sciences and his Master's degree from Illinois University. He began his career as a Junior Accountant at the Ministry of Finance, and later worked as Accountant (1991-1997). After teaching at Bilkent University as Part-Time Lecturer(1997-1998). He appointed as Vice President of Financial Crimes Investigation Board at the Ministry of Finance. He joined Koç Holding as Finance Group Coordinator in 1998. He served as CEO of various Koç Group companies such as; Koçtaş (2002-2007) and Migros (2007-2008). He was appointed as the CEO of Arçelik in 2008 and also appointed as the President of Koç Holding Durable Goods Group 2010. He was appointed as the CEO of Koç Holding A.Ş in April 2015. Mr.Çakıroğlu currently serves as the CEO and Board Member of Koç Holding A.Ş. since April 2016.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Çakıroğlu is a board member, and therefore does not qualify to serve as independent board member.

The duties he has undertaken in the last ten years are listed above and he has been serving in the board of Otomotiv ve Savunma Sanayi A.Ş since 2015. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

### **Selin Ayla Ünver (Board Member Candidate)**

Born 1983, Geneva, Ms. Ünver completed her education in Switzerland and has job experiences in the fields of finance and accounting. She is currently acting as the Chairman of the Board of Directors of Ünver Holding.

Pursuant to the CMB's Principles of Corporate Governance, Ms.Ünver is a board member, and therefore does not qualify to serve as independent board member. The duties she has undertaken are listed above and she has been in the board of Otomotiv ve Savunma Sanayi A.Ş since 2018.



**İsmail Cenk Çimen**  
**(Board Member Candidate)**

Born 1967, İstanbul, Mr. Çimen has an Industrial Engineering degree from Istanbul Technical University. He completed Executive Development Programs at Stanford University (USA) and University of California Los Angeles (USA).

He joined Koç Group in 1991 as a Management Trainee at Nasoto. He assumed Sales Coordinator, Regional Manager and Import Manager responsibilities at Otosan Pazarlama from 1993 to 1996. He served as Fleet Sales Manager at Ford Otosan from 1996 to 1998 and became the General Manager of Otokoç Ankara in 1998. In 2001, he was appointed as the General Manager of the companies merged under Otokoç. In 2005 his responsibility was extended to include the General Manager role for Birmot A.Ş., also assuming responsibility for Avis car rental business. He has been serving as the Automotive Group President at Koç Holding since June 2009.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Çimen is a board member, and therefore does not qualify to serve as independent board member. The duties he has undertaken in the last ten years are listed above. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

**Ahmet Serdar Görgüç**  
**(Board Member Candidate)**

Born 1959, İzmir, Mr. Görgüç completed his graduation study at Mechanical Engineering Department of Boğaziçi University and post-graduation study at Business Department of Istanbul University. He joined the Koç Group of Companies at the Research and Development Center of Koç Holding in 1982. He worked as the Manager of Automotive Department of the Research and Development Center until 1985. He was appointed as the Advanced Projects Design Manager at Otokar in 1985. He worked as the Product Engineering Manager between 1989 and 1995 and as the Assistant General Manager in charge of Engineering between 1995 and 2005. He has been the General Manager at Otokar since 2006.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Görgüç is a board member, and therefore does not qualify to serve as independent board member. The duties he has undertaken in the last ten years are listed above and he still serves in the board of Otomotiv ve Savunma Sanayi A.Ş.

**Ali İhsan İlkbahar**  
**(Independent Board Member Candidate)**

Born in 1939, Mr. İlkbahar graduated from Istanbul Technical University Mechanical Engineering (MSc.) and started working as a Manufacturing Engineer at Otosan in 1964.

He spent his entire professional life at Ford Otosan where he served as the General Manager during the last 14 years and retired at the beginning of 2000. He was also the Koç Holding Ford Group President between 1996-2000. He was involved in the construction project of the Otosan Engine Plant in Eskişehir İnönü in 1980. He led the Gölcük Plant project and Connect vehicle project between 1997 and 2000. He was the Chairman of Board of Directors at Automotive Manufacturers Association for 15 years, from 1989 until February 2004. He served as a member of Ford Otosan Board of Directors from 1991 to 2012 and he was elected again on 25 March 2014. He has also been serving as the member of the Corporate Governance Committee since April 21, 2014.

Pursuant to the CMB's Principles of Corporate Governance, Mr.İlkbahar who is non-executive qualifies as independent board member. The duties he undertook in the last ten years are listed above.

**Ali İhsan Kamanlı**  
**(Independent Board Member Candidate)**

Born 1952, Yozgat, Mr. Kamanlı graduated from Mechanical Department in Istanbul Technical University. Mr. Kamanlı served as Factory Manager and Assistant CEO between the dates of 1973-2008 at Ford Otosan A.Ş. and retired.

Mr. Kamanlı served as a consultant to CEO in 2009-2010 at Otokoç A.Ş. , and also served as Independent Board Member between 2012-2016 at various Koç Group Companies.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Kamanlı who is non-executive, qualifies as independent board member. The duties he undertook in the last ten years are listed above and he has left these positions due to the expiration of his term. He has been serving as independent board of director member of Otomotiv ve Savunma Sanayi A.Ş since 2018.

**Kenan Güven**  
**(Independent Board Member Candidate)**

Born 1947, Arhavi, Mr. Güven graduated from Faculty of Civil Engineering in Istanbul Technical University. Mr.Güven served in various fields between 1972-1978 at TEK İnşaat Daire Bşk. and STFA , between 1976-1978 Mr.Güven served as Project and Sales Manager at Demma Çelik Hasır A.Ş..

Mr.Güven served as Public Sales Manager between the dates of 1981-2009 at Otokar Otomotiv ve Savunma Sanayi A.Ş. and retired. Mr. Güven served as Board Member, CEO and Chairman at Ve-Ge Yapıştırıcı Bant ve Hassas Kağıt San. A.Ş. between of 2009-2014. Currently serves as a Chairman of Turkish Heart Foundation since November 2016.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Güven who is non-executive qualifies as independent board member. He has been serving as independent board of director member of Otomotiv ve Savunma Sanayi A.Ş since 2018.

## **DECLARATION OF INDEPENDENCE OF THE BOARD OF DIRECTORS CANDIDATES**

I was nominated to serve as “Independent member” in Otokar Otomotiv ve ve Savunma San. A.Ş. (the Company) in line with the legislation. Articles of Association and Capital Markets Board’s Corporate Governance Communiqué. Within this context I declare that:

- a) There has been no hiring relationship that includes important duties and responsibilities between the Company, companies that the Company controls or has significant control over, legal entities that these companies control and myself, my spouse, in laws and blood relatives up to second kin in the last 5 years; I also declare that I have not held more than 5% of the capital or voting rights or preferential shares, either together or alone, and that I have not any significant commercial relation,
- b) have not worked as a partner (holding 5% of the shares in the Company or more) or as a manager who has important duties and responsibilities, and I have not been a board member in companies which the Company obtains services of products from, or sells service or products to, particularly auditing (including tax auditing, legal auditing, internal auditing) rating and consulting services, during the transaction period within the framework of agreements in the last five years.
- c) I have sufficient professional training, knowledge and experience to fulfill the duties on the grounds of my title as an independent board member.
- d) I will not work in a state institutions or organizations on a full time basis, apart from in the capacity of an academic pursuant with legislation.
- e) I am a resident in Turkey according to the Income Tax Code (G.V.K) dated 31/12/1960 and numbered 193
- f) I gave sound ethical standards, a professional reputation and experience that allow me to contribute positively to the Company’s operations, to maintain my neutrality in conflicts of interest between shareholders of the Company to decide freely by taking into account the rights of stakeholders.
- g) I am able to devote time to the Company’s work to the extent that I may follow the operations of the Company’s activities and follow the requirements of my mandate
- h) I have not served as a board member in the Company’s board for more than 6 years in the last 10 years.
- i) I do not have responsibility in the capacity of an independent board member in more than three companies that are controlled by the Company or its shareholders, or which control the Company, or in more than five listed companies total,
- j) On behalf of the legal entity as a board member, I am not registered or announced.

Ali İhsan İLKBAHAR

## **DECLARATION OF INDEPENDENCE OF THE BOARD OF DIRECTORS CANDIDATES**

I was nominated to serve as “Independent member” in Otokar Otomotiv ve ve Savunma San. A.Ş. (the Company) in line with the legislation. Articles of Association and Capital Markets Board’s Corporate Governance Communiqué. Within this context I declare that:

- a) There has been no hiring relationship that includes important duties and responsibilities between the Company, companies that the Company controls or has significant control over, legal entities that these companies control and myself, my spouse, in laws and blood relatives up to second kin in the last 5 years; I also declare that I have not held more than 5% of the capital or voting rights or preferential shares, either together or alone, and that I have not any significant commercial relation,
- b) have not worked as a partner (holding 5% of the shares in the Company or more) or as a manager who has important duties and responsibilities, and I have not been a board member in companies which the Company obtains services of products from, or sells service or products to, particularly auditing (including tax auditing, legal auditing, internal auditing) rating and consulting services, during the transaction period within the framework of agreements in the last five years.
- c) I have sufficient professional training, knowledge and experience to fulfill the duties on the grounds of my title as an independent board member.
- d) I will not work in a state institutions or organizations on a full time basis, apart from in the capacity of an academic pursuant with legislation.
- e) I am a resident in Turkey according to the Income Tax Code (G.V.K) dated 31/12/1960 and numbered 193
- f) I have sound ethical standards, a professional reputation and experience that allow me to contribute positively to the Company’s operations, to maintain my neutrality in conflicts of interest between shareholders of the Company to decide freely by taking into account the rights of stakeholders.
- g) I am able to devote time to the Company’s work to the extent that I may follow the operations of the Company’s activities and follow the requirements of my mandate
- h) I have not served as a board member in the Company’s board for more than 6 years in the last 10 years.
- i) I do not have responsibility in the capacity of an independent board member in more than three companies that are controlled by the Company or its shareholders, or which control the Company, or in more than five listed companies total,
- j) On behalf of the legal entity as a board member, I am not registered or announced.

ALİ İHSAN KAMANLI

## **DECLARATION OF INDEPENDENCE OF THE BOARD OF DIRECTORS CANDIDATES**

I was nominated to serve as “Independent member” in Otokar Otomotiv ve ve Savunma San. A.Ş. (the Company) in line with the legislation. Articles of Association and Capital Markets Board’s Corporate Governance Communique. Within this context I declare that:

- a) There has been no hiring relationship that includes important duties and responsibilities between the Company, companies that the Company controls or has significant control over, legal entities that these companies control and myself, my spouse, in laws and blood relatives up to second kin in the last 5 years; I also declare that I have not held more than 5% of the capital or voting rights or preferential shares, either together or alone, and that I have not any significant commercial relation,
- b) have not worked as a partner (holding 5% of the shares in the Company or more) or as a manager who has important duties and responsibilities, and I have not been a board member in companies which the Company obtains services of products from, or sells service or products to, particularly auditing (including tax auditing, legal auditing, internal auditing) rating and consulting services, during the transaction period within the framework of agreements in the last five years.
- c) I have sufficient professional training, knowledge and experience to fulfill the duties on the grounds of my title as an independent board member.
- d) I will not work in a state institutions or organizations on a full time basis, apart from in the capacity of an academic pursuant with legislation.
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- f) I have sound ethical standards, a professional reputation and experience that allow me to contribute positively to the Company’s operations, to maintain my neutrality in conflicts of interest between shareholders of the Company to decide freely by taking into account the rights of stakeholders.
- g) I am able to devote time to the Company’s work to the extent that I may follow the operations of the Company’s activities and follow the requirements of my mandate
- h) I have not served as a board member in the Company’s board for more than 6 years in the last 10 years.
- i) I do not have responsibility in the capacity of an independent board member in more than three companies that are controlled by the Company or its shareholders, or which control the Company, or in more than five listed companies total,
- j) On behalf of the legal entity as a board member, I am not registered or announced.

KENAN GÜVEN

## **REMUNERATION POLICY FOR SENIOR EXECUTIVES AND MEMBERS OF BOARD OF DIRECTORS ATTACHMENT/3**

This policy document identifies remuneration system and applications for the Board of Directors and Senior Executives who have managerial responsibilities under Capital Markets Board regulations.

A fixed remuneration is determined to be valid for all members of the board of directors at the Annual General Meeting of the Company each year.

Members of the board of directors who have executive duties are paid within the scope of the policy determined for the senior executives detailed below.

For compensation of the independent members of the board of directors, the payment plans based on the performance of the company are not used.

Payment to the members of the board of directors is made on pro rata basis by taking into account the duration they were on duty between the date of appointment and the date of resignation. Expenses incurred by the members of the board of directors on account of their contributions to the company (transportation, telephone, insurance, etc.) may be paid by the company.

Senior executive salaries are consisted of two compounds; fixed and performance based.

Fixed salaries of Senior Executives are established in accordance with the international standards and the legal obligations by taking into account the macro-economic data in the market, the compensation policies prevailing in the market, the size and long term targets of the company and the positions of the individuals.

Bonuses for the Senior Executives are calculated according to the premium basis, the performance of the company and the individual performance. Some information about the criteria is summarized below:

- **Bonus Basis:** Premium Bases are updated at the beginning of each year and vary according to the job size of the positions of the executives. In the updating of the premium bases, the top management premium policies in the market are taken into account.
- **Performance of the Company:** Performance of the company is obtained by measuring the financial and operational targets (market share, exports, overseas operations, productivity, etc.) assigned to the company at the beginning of each year at the end of the period. When the targets of the company are established, that the success is sustainable and includes improvements compared with the previous years are the principles which are importantly taken into account.
- **Individual Performance:** In the determination of the individual performance, targets related with the employee, the client, the process, the technology and the long term strategy are taken into account together with the targets of the company. In the measurement of the individual performance, the long term sustainable improvement principle outside the financial areas as well is taken into account in parallel with the performance of the company.

In case of resignation of the senior executives of our company, resignation premium can be paid by taking into consideration the term of appointment, term of senior executive, provided contribution, last target premium before resignation date, salary at last year and premium information.

Total amounts as determined based on these principles and paid to the members of the board of directors during the year are submitted to the approval of the shareholders at the next General Assembly.