

The Information Document pertaining to 2014 concerning the Annual General Assembly Meeting which will be held on March 26, 2015

1. Invitation to the Annual General Assembly Meeting dated March 26, 2014

The Annual General Assembly Meeting will be held to examine 2014 activities and to discuss the agenda detailed below on Thursday, March 26, 2015, at the Divan İstanbul Elmadağ, Asker Ocağı Cad. No: 1 Şişli – İstanbul (Tel:+90 212 315 55 00) at 10:00 am.

The financial statements, the Independent Auditor's Report, the Board of Director's Decision on Profit Distribution, Annual Report and the attached Corporate Governance Compliance Report, as well as the agenda items below and the Information Notes on work required to ensure compliance with the Capital Market Board's regulations, all of which pertain to the 2014 fiscal year will be available to shareholders at the Company's Headquarters, on the corporate website at www.otokar.com.tr, the Public Disclosure Platform and Electronic General Assembly Meeting system three weeks prior to the Annual General Assembly Meeting within the legal duration.

Providing that the rights and obligations of those shareholders who cannot attend the meeting personally but who will attend the meeting through the electronic system are reserved, the shareholders are required to execute their proxies in compliance with the form posted on our website or obtain the form of proxy from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza, Levent, İstanbul), from the offices of the Company or from the Company's website at www.otokar.com.tr and, by fulfilling the requirements set forth in "Voting by Proxy and Collection of Proxies via Invitation Communiqué" numbered II-30.1 as published in the Official Gazette number 28861 dated 24.12.2013 and entered into effect thereof, present their proxies, the signature on which having been certified by a public notary, to the Company. Proxies who have been appointed electronically via the Electronic General Assembly Meeting System are not required to present a form of proxy. Proxies that do not comply with the proxy mandated by the Communiqué and the attached sample will not be accepted under any circumstances, due to our legal obligations.

Those shareholders who wish to cast their votes via the Electronic General Assembly Meeting System are kindly requested to obtain information from the Central Registry Agency, the Company's website at www.otokar.com.tr or from the Company's Head Office (phone number: 0264 229 22 44) to be able to fulfil their obligations in compliance with relevant Regulations and Communiqués.

Pursuant to the 4th paragraph of article 415 of the new Turkish Commercial Code No. 6102 and the 1st paragraph of article 30 of the Capital Markets Law, the right to attend and cast votes at the Annual General Assembly Meeting is not dependent on the condition of depositing the share certificates. Therefore, the shareholders who wish to attend the Annual General Assembly Meeting do not need to block their shares.

Providing that the provisions concerning the casting of votes via an electronic medium for voting on the Issues listed on the Agenda in Annual General Assembly Meetings are reserved, the method of open voting by a show of hands will be applied.

All beneficiaries as well as representatives of the press and the media are invited to our Annual General Assembly Meeting.

In accordance with the provisions of the Capital Market Law, there will be no notice by registered letter to shareholders for registered shares that are listed in stock market.

Respectfully submitted for the attention of Shareholders.

Otokar Otomotiv ve Savunma Sanayi A.Ş. Board of Directors

Address of the Company's Head Office: Aydınevler Mahallesi, Dumlupınar Caddesi No:58/A Blok Küçükyalı - İstanbul

Trade Registry and Number: İstanbul – 83467

2. Our Additional Disclosures in accordance with the Regulations of the CMB

The additional disclosures that must be applied pursuant to Capital Market Board's (CMB) "Corporate Governance Communiqué" numbered II-17.1 that entered force on January 3, 2014 and which are related to agenda items, are provided under the relevant item of the agenda below, and other mandatory general disclosures are submitted for your attention in this section:

2.1. Shareholder 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	10,722,749,809	44.68
Ünver Holding A.Ş.	5,954,943.83	24.81	5,954,943,830	24.81
Temel Ticaret ve Yatırım A.Ş.	647,274.75	2.70	647,274,750	2.70
Ford Otomotiv Sanayi A.Ş.	140,599.17	0.59	140,599,174	0.59
Mustafa Rahmi Koç	1,171.66	0.00	1,171,660	0.00
Free Float	6,533,260.78	27.22	6,533,260,777	27.22
Total	24,000,000.00	100,00%	24,000,000,000	100,00%

2.2. Information concerning any changes in the management or activities of the Company that may significantly affect the corporate activities of the Company:

Information on changes in the management or activities which have occurred in the previous accounting period of our corporation or that may significantly 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 significantly affect the activities of the Company during 2014.

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

Information on shareholders' written requests submitted to the Investor Relations Unit for inclusion of an issue to 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 Annual General Assembly Meeting, in which the 2014 activities will be discussed.

3. Our remarks on the issues listed in the Agenda of the Annual General Assembly Meeting dated March 26, 2015

1. Opening and election of the Chairmanship Committee

The election of the Chairman who will manage the Annual General Assembly Meeting 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 Annual General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry of Customs and Commerce to Attend Annual General Assembly Meetings" (the "Regulation" or the "General Assembly Meeting Regulation"), and article 7 of the General Assembly Meeting Internal Directive. The Chairman of the General Assembly Meeting will appoint at least one Secretary to record the minutes of the meeting in accordance with the General Assembly Meeting Internal Directive. The Chairman may also select sufficient number of vote collectors.

2. Presentation for discussion and approval of the Annual Report of the Company for the year 2014 as prepared by the Board of Directors

Information will be presented concerning the 2014 Annual Report, which also contains the report on compliance with the principles of corporate governance, which was made available to shareholders for review at the Company's Head Office, on the Electronic General Assembly Meeting portal of the Central Registry Agency and on our Company's website at www.otokar.com.tr for three weeks preceding the Annual General Assembly Meeting, in accordance with the TCC, the Regulation and the regulations concerning the Capital Markets Law. The 2014 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 2014 fiscal year

Information concerning the Independent Auditor's Report prepared pursuant to the regulations of the Capital Markets Board and the TCC, which were made available to the shareholders for their review at the Company's Head Office, on the Electronic General Assembly Meeting portal of the Central Registry Agency and on our Company's website at www.otokar.com.tr will be presented to the General Assembly Meeting.

4. Presentation for discussion and approval of the Financial Statements of the Company for the 2014 fiscal year

Information concerning our financial reports and statutory financial statements which were made available to shareholders for their review at the Company's Head Office, on the Electronic General Assembly Meeting portal of the Central Registry Agency and on our Company's website at www.otokar.com.tr for three weeks preceding the Annual General Assembly Meeting pursuant to the TCC, the Regulation and the regulations concerning the Capital Markets Law will be presented for discussion by and approval of the shareholders.

5. Release of each member of the Board of Directors from liability for the affairs of the Company in 2014

Release of the members of the Board of Directors in respect of the activities, transactions and accounts in 2014 as per the provisions of the TCC and the Regulation will be presented to the approval of the General Assembly Meeting.

6. Approval, approval with modifications, or disapproval 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 account period of 01.01.2014-31.12.2014, which were 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 Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited), the Company has earned a "Non-Consolidated Net Profit in the Period" amounting to TL 72,771,198. The table regarding our profit distribution proposal, which was prepared by taking into account our long-term group strategies, the investment and financing policies, and the profitability and liquidity position in line with the Communiqué on Profit Distribution and the Profit Distribution Guide, which was announced in accordance with this communiqué is provided in ATTACHMENT 2.

7. Resolution on 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 numbered 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 at the Annual General Assembly Meeting as per the provisions of the Turkish Commercial Code. The Annual General Assembly Meeting may resolve to renew the Board of Directors even if its office term has not yet ended.

Three of the persons nominated for members of the Board of Directors must meet the criteria of independency as defined in the mandatory Corporate Governance Principles of the CMB.

Upon the proposal of the Corporate Governance Committee, which has evaluated the candidates presented to it, İsmet Böcügöz, Abdulkadir Öncül and Ahmet Nezih Olcay were nominated by the Board of Directors as Independent Members of the Board of Directors.

The Curriculum vitae of the nominees for the Board of Directors and independence declaration of nominees for 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 the mandatory Corporate Governance Principle no. 4.6.2 of the CMB, 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 item of the agenda, and the shareholders must be given the opportunity to express their views on this issue during the Annual General Assembly Meeting. The remuneration policy prepared for this purpose is provided in ATTACHMENT 3. As stated in note 27 of the financial reports regarding the 2014 fiscal year, benefits amounting to a total of TL 9,900,000 were provided to the senior management by Otokar Otomotiv ve Savunma San. A.Ş. during 2014.

9. Resolution of the monthly gross salaries to be paid to the members of the Board of Directors

The amount of the monthly gross salaries to be paid to the members of the board of directors during 2015 in accordance with the Remuneration Policy as presented to the approval of the shareholders in line with agenda item no. 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 February 26, 2015, the Board of Directors resolved to appoint, in consultation with the Committee in charge of Audits, Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member of PricewaterhouseCoopers) to audit the financial statements of the Company pertaining to the 2015 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 Annual General Assembly Meeting.

11. Presentation to the shareholders, of the donations made by the Company in 2014, and resolution of an upper limit for donations to be made in 2015

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 Meeting in the event that it is not mentioned in the articles of association. Donations and payments made are required to be presented to shareholders in the Annual General Assembly Meeting. The donations made to foundations and associations in 2014 amounted to TL 1,859,414. In addition, the upper limit of donations to be made in 2014 will be determined in the Annual General Assembly Meeting.

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 year 2014 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 “Prohibition on Execution of Transactions with the Company and on Borrowing from the Company”, and article 396, titled “Prohibition on Competition”, of the TCC can only be possible with the consent of the shareholders at the Annual General Assembly Meeting.

Pursuant to the mandatory Corporate Governance Principle no. 1.3.6 of the CMB, 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 corporation or its subsidiaries or enter another partnership that has the same commercial business as unlimited partner, the said transactions will be presented to the General Assembly Meeting under a separate agenda item, and recorded in minutes of the Annual General Assembly Meeting: The necessary authorization will be presented in the Annual General Assembly Meeting for the approval of our shareholders, who will also be informed of such transactions made within the year.

13. Wishes and opinions

ATTACHMENTS:

ATTACHMENT/1 Profit Distribution Policy and Profit Distribution Table pertaining to Distribution of the Profit in 2014

ATTACHMENT /2 CVs of the Candidates for the Board of Directors and Independence Declarations of the Board of Directors
Candidates

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

Otokar Otomotiv ve Savunma San. A.Ş. Profit Distribution Policy

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.

In principle, by considering market expectations, our long term company strategy, investment and finance policies, profitability and cash position, a minimum 50% of the distributable profit for the period which is calculated in accordance with Capital Market Legislation 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 Annual General Assembly Meeting. The date for the profit distribution is set in the Annual General Assembly Meeting. If authorized, the Annual General Assembly Meeting 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 Annual General Assembly Meeting and complies with Capital Market Regulations.

Profit Distribution Proposal for the Accounting Period 01.01.2014-31.12.2014

According to our non-consolidated financial statements pertaining to the 01.01.2014-31.12.2014 accounting period, prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/IFRS) 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 TL72,771,198 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 April 2, 2015.

Otokar Otomotiv ve Savunma Sanayi A.Ş. Profit Distribution Statement 2014 (TL)

1. Paid-in/Issued Capital		24,000,000	
2. Total Statutory Reserves (based on Statutory Records)		38,958,147	
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	81,783,848	53,388,231
4	Taxes Payable (-)	9,012,650	4,461,395
5	Net Profit for the Period (=)	72,771,198	48,926,836
6	Losses in Previous Years (-)		
7	Primary Statutory Reserve (-)		
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	72,771,198	48,926,836
9	Donations made during the year (+)	1,859,414	
10	Net distributable profit for the period plus donations, on which the primary dividend is calculated	74,630,612	
Primary Dividend to Shareholders			1,200,000
11	- Cash	37,315,306	
	- 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	Interim Dividend to Shareholders	28,949,419	43,388,033
16	Secondary Statutory Reserve	6,506,473	4,338,803
17	Statutory Reserves		
18	Special Reserves		
19	EXTRAORDINARY RESERVES		
20	Other Funds Proposed to be Distributed - Retained Earnings	13,735,275	35,411,967
21	Secondary Statutory Reserve Allocated from Other Funds Proposed to be Distributed	1,373,527	3,541,197

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	-	80,000,000	0	110%	3.33333	333.333
	TOTAL	80,000,000	0	110%	3.33333	333.333
Net	-	68,000,000	0	93%	2.83333	283.333
	TOTAL	68,000,000	0	93%	2.83333	283.333

Ali Yıldırım Koç (Board of Directors Candidate)

Born in 1967, Ali Y. Koç graduated from Rice University with a Bachelor's degree in Business Administration, and received his MBA degree at Harvard Business School.

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 appointed as a member of Koç Holding Board of Directors on January 30, 2008.

Ali Y. Koç has no executive responsibilities in accordance with the CMB Corporate Governance Principles, and he is not an independent member. Ali Y. Koç, whose appointments in the last decade have been stated above, currently serves on the Boards of Directors of some Group companies.

Halil İbrahim Ünver (Board of Directors Candidate)

Born in Istanbul in 1950, Mr. Ünver graduated from Ulmer Technical College in Germany. Mr. Ünver is the Chairman of Ünver Holding.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Ünver is a non executive board member, and is not qualified to serve as an independent board member. While the position he held over the past ten years is detailed above, Mr. Ünver currently serves on the Board of Otokar.

Osman Turgay Durak (Board of Directors Candidate)

Born in Istanbul in 1952, Mr. Durak received his graduate and master degrees from Northwestern University (USA), at the Department of Mechanical Engineering. He joined Koç Group in 1976, working as a Product Development Engineer at Ford Otomotiv. He served as Assistant General Manager in 1986, Chief Deputy General Manager in 2000, and General Manager at Ford Otosan in 2002. Between 2007 and 2009, Mr. Durak was the President of the Automotive Group at Koç Holding. From May 2009, he served as Deputy Chief Executive at Koç Holding, and was appointed CEO of Koç Holding in April 2010, becoming a Board Member. Mr. Durak was the Chairman of the Automotive Manufacturers Association between 2004 and 2010.

Pursuant to the CMB's Corporate Governance Principles, Mr. Durak is a non-executive board member, and is not qualified to serve as an independent board member. While the positions he has held over the past ten years are detailed above, Mr. Durak currently serves on the Boards of several Koç Holding companies.

Levent Çakıroğlu (Board of Directors Candidate)

Levent 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 in 1988 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 was appointed as Vice President of the Financial Crimes Investigation Board at the Ministry of Finance. He joined Koç Holding as Finance Group Coordinator in 1998. He served as CEO of Koçtaş (2002-2007), and Migros (2007-2008). He was appointed as the CEO of Arçelik in 2008. Levent Çakıroğlu has been serving as the CEO of Arçelik as well as Koç Holding Durable Goods Group President since 2010.

Levent Çakıroğlu was appointed as Deputy CEO of Koç Holding on February 17, 2015, and he will take over the CEO post following the Koç Holding A.Ş. General Assembly on March 31, 2015.

Levent Çakırođlu has no executive responsibilities in accordance with the CMB Corporate Governance Principles, and he is not an independent member. Çakırođlu, whose appointments in the last decade have been stated above, currently serves on the Boards of Directors of some Group companies.

Kudret Önen (Board of Directors Candidate)

Born in Istanbul in 1953, Mr. Önen graduated from the Department of Mechanical Engineering at Gazi University. He joined Koç Group in 1975, working at Ford Otosan. In 1980 he was appointed as the R&D Manager at Koç Holding, and Assistant General Manager at Otokar in 1984. Between 1994 and 2005 he served as the General Manager at Otokar. After serving as the Co-President of the Other Automotive Companies Group within the Koç Holding organization in 2005, he served as the President of the Defence Industry and Other Automotive Companies Group of Koç Holding between 2006 and 2010. Since 2010, Mr. Önen has been serving as the President of the Defence Industry, Other Automotive and Information Technology Group within Koç Holding.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Önen is an executive board member, and is not qualified to serve as an independent board member. While the positions he has held over the past ten years are detailed above, Mr. Önen currently serves on the Boards of several Koç Holding companies.

Ahmet Serdar Görgüç (Board of Directors Candidate)

Born in Izmir in 1959, Mr. Görgüç graduated from the Department of Mechanical Engineering at Bođaziçi University; he later completed a Master's degree in Business Administration from Istanbul University. Mr. Görgüç joined Koç Group in 1982, working at the Group's R&D Centre. He served as Automotive Unit Manager at the R&D Centre until 1985, and was appointed Advanced Projects Design Manager at Otokar in the same year. Mr. Görgüç served as Product Engineering Manager between 1989 and 1995, and as Assistant General Manager of Engineering between 1995 and 2005. He has been in the post of General Manager of Otokar since 2006.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Görgüç is an executive board member, and is not qualified to serve as independent board member. While the positions he held over the past ten years are detailed above, Mr. Görgüç currently works within Koç Group.

İsmet Böcügöz (Independent Member Candidate)

Born in Burdur in 1943, Mr. Böcügöz graduated from Istanbul University, Academy of Economics and Commercial Sciences, at the Department of Business Administration. He worked as a Bank Inspector between 1968 and 1972, and joined Koç Group in 1972 , working at the Finance Department of Tofaş.

He served as Chief Accountant and Accounting Manager at Tofaş until 1995. Between 1995 and 2003, Mr. Böcügöz was the Assistant General Manager in charge of Financial Affairs at Otokar, subsequently retiring from this position. Since 2012, he has been serving as an Independent Board Member at Otokar Otomotiv ve Savunma Sanayi A.Ş.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Böcügöz is a non-executive board member, and holds the required qualifications to serve as an independent board member. While the positions he has held over the past ten years are detailed above, Mr. Böcügöz resigned from these duties after completing his term. Mr. Böcügöz has not executed any transactions with either Koç Holding A.Ş. or its affiliated parties at any time in the past five years.

Abdulkadir Öncül (Independent Member Candidate)

Born in Merzifon/Amasya in 1946, Mr. Öncül graduated from the Faculty of Economics, at the Department of Business Administration at Istanbul University. He began his professional career in 1970 at Otosan Otomotiv, and later served as the Finance Manager of Otokar between 1977 and 1984. Mr. Öncül was a manager at Dođan Group between 1984 and 2001, subsequently retiring from this position. Since 2012, he has been serving as an Independent Board Member at Otokar Otomotiv ve Sanayi A.Ş.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Öncül is a non-executive board member, and holds the required qualifications to serve as an independent board member. He has not executed any transactions with either Koç Holding A.Ş. or its affiliated parties at any time in the past five years.

Ahmet Nezh Olcay (Independent Member Candidate)

Born in 1947 in Beylerbeyi/Istanbul, Mr. Olcay received his Bachelor's degree in Business Administration from the Istanbul Academy of Economics and Commercial Sciences. Starting his career at Tofaş Türk Otomobil Fabrikası A.Ş in 1971, he went on to serve as Accounting Department Supervisor, Accounting Manager, Finance Manager, General Manager of Finance, General Manager of Foreign Affairs, Foreign Affairs Group Director, and as Accounting, Finance and Control Group Director with A Group First Level authority, respectively. After working continuously for 36 years at Tofaş Türk Otomobil Fabrikası A.Ş., he retired in 2007. During his term at Tofaş Türk Otomobil Fabrikası A.Ş., Mr. Olcay served on the boards of various Tofaş subsidiaries as Director and Vice Chairman. He then served as General Coordinator, Vice Chairman and later as Chairman of the Board of Directors at Plastiform Sanayi ve Ticaret A.Ş. (2008-2012).

Pursuant to the CMB's Principles of Corporate Governance, Mr. Olcay is a non-executive board member, and holds the required qualifications to serve as an independent board member. He has not executed any transactions with either Koç Holding A.Ş. or its affiliated parties at any time in the past five years.

I was nominated to serve as “independent member” in Otokar Otomotiv 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 had any significant commercial relation.

b) I 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 or 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 fulfil the duties on the grounds of my title as an independent board member,

d) I will not work in 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 in total,

j) On behalf of the legal entity as a board member, I am not registered or announced.

İsmet Böcügöz

Abdulkadir Öncül

Ahmet Nezih Olcay



Remuneration Policy for Members of the Board of Directors and Senior Management

This policy document identifies the remuneration system and practices concerning our Board Members and Senior Management who hold administrative responsibility in line with CMB regulations.

A fixed remuneration is determined for all Members of the Board at the Annual General Assembly Meeting of the Company each year.

Additional payment is provided to Executive Members of the Board in accordance with the policy established for the Senior Management.

A bonus is determined by the Board of Directors to be paid to members of the Board who take part in committees formed by the Board of Directors at the Company, in consultation with the Corporate Governance Committee by taking into account such committee members' contributions, attendance in the meetings, functions, etc.; the bonus is paid at the end of the year.

In respect of the remuneration of independent members of the Board of Directors, a payment plan based on the performance of the Company may not be applied.

Pro rata payment is offered to members of the Board of Directors by taking into account the time they have allocated to their duty between their date of appointment and their date of resignation. Expenses incurred by members of the Board of Directors on account of providing contributions to the Company (such as transportation, telephone expenses, insurance, etc.) may be paid by the Company.

The remuneration of Senior Management consists of two components; fixed and performance based payments.

The fixed salaries of Senior Management are determined in accordance with international standards and legal obligations by taking into account the macroeconomic data in the market, the salary policies prevailing in the market, the size and long term targets of the Company and the positions of the persons.

Bonuses for the senior management are calculated according to the bonus base, the performance of the Company and the individual performance. A summary of the criteria is as follows:

Bonus Base: Bonus bases are updated at the beginning of each year. They vary depending on the work volume of the positions of the senior managers. When updating the bonus bases, the bonus policies for senior management applied in the market are taken into account.

Performance of the Company: The performance of the Company is determined at the end of the year by measuring the financial and operational targets (market share, exports, international operations, productivity, etc.) assigned to the Company at the beginning of each year. In setting out its targets, the Company ensures that the success is sustainable and incorporates improvements over the previous years.

Individual Performance: Targets related to employees, customers, processes, technology and long term strategy are taken into account along with the targets of the Company in measuring an

individual's performance. In line with the performance of the Company, the principle of achieving a long term sustainable improvement in areas besides financial areas is observed in measuring individual performance.

In the event of any of our Senior Management's resignation, a resignation premium may be paid by taking into consideration the term of appointment, term of senior manager, provided contribution, last target premium before resignation date, salary in the final year and premium information.

Total amounts as determined based on these principles and paid to members of the Board of Directors during the year are submitted to the approval of the shareholders during the following Annual General Assembly Meeting.