

## INFORMATION DOCUMENT CONCERNING THE GENERAL ASSEMBLY TO CONVENE ON 15.03.2018 TO REVIEW 2017

### 1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY ON 15.03.2018

The Ordinary General Assembly will convene to review 2017 activities of the Company and to discuss the agenda detailed below on 15.03.2018 Thursday, 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 2017, 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: 0649001827200010

## 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 that entered into force on January 3, 2014 and which are related to agenda topics, are provided below the following agenda topics, and other mandatory general disclosures are presented for your attention 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	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
Diğer (Halka açık payları içermektedir)	6.534.432,44	27,23	6.534.432.437	27,23
<b>Toplam</b>	<b>24.000.000,00</b>	<b>100,00%</b>	<b>24.000.000.000</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 corporation & 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 2017. No changes in management and activities are planned for upcoming accounting periods..

### 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 Unit 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 2017 activities will be discussed.

### **3. OUR REMARKS ON THE AGENDA TOPICS OF THE ORDINARY GENERAL ASSEMBLY ON 15.03.2018**

#### **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 2017 Annual Report of the Company as prepared by the Board of Directors**

Information on the 2017 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 2017 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 2017 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 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. Presentation for discussion and approval of the Financial Statements of the Company for the 2017 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 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 2017**

Release of the members of the Board of Directors in respect of the activities, transactions and accounts in 2017 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 01.01.2017-31.12.2017 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 99.422.469. 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 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 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 nine 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. Ahmet Nezhil Olcay, Mr. Ali İhsan Kamanlı and Mr. Kenan Güven 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 the declarations of independence of the independent members are provided in ATTACHMENT/3.

#### **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. The remuneration policy prepared for this purpose is provided in ATTACHMENT/4. As stated in note 27 of the financial statements for the 2017 fiscal year, benefits amounting to a total of TL 12.5 million were provided to the senior management by Otokar Otomotiv ve Savunma San. A.Ş. during 2017

#### **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 2017 fiscal year in accordance with the Remuneration Policy as presented to the approval of the shareholders in line with agenda topic 9 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 7.02.2018, 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 2018 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 2017, and resolution of an upper limit for donations to be made in 2017**

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 2017 amounted to TL 577.021. The upper limit of the donations to be made in 2018 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 2017 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 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 under a separate agenda topic, and recorded in minutes of the Ordinary General Assembly.

The necessary authorization will be presented to the General Assembly for the approval of our shareholders, who will also be informed that no such transactions were made within the year.

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

#### **ATTACHMENTS:**

**ATTACHMENT/1** Profit Distribution Policy and the proposal of the Board of Directors related to the Profit Distribution of 2017 and proposed Profit Distribution Table

**ATTACHMENT/2** Changes of Articles of Association and related Board of Directors Decision

**ATTACHMENT/3** Resumes of the Candidates for the Board of Directors and the Declarations of Independence of the Independent Member Candidates

**ATTACHMENT/4** 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 13.02.2018 and numbered 2018/07

According to our consolidated financial tables which are audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik. A.Ş. and based on Turkish Accounting / Financial Reporting Standards (TMS/IFRS) relating to the 01.01.2017-31.12.2017 fiscal year 99.422.469 TL net period profit was obtained 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 start on 22.03.2018 upon Great Assembly's approval.

Otokar Otomotiv ve Savunma Sanayi A.Ş. Dividend Distribution Statement 2017 (TL)			
<b>1. 1.Paid-in / Issued Capital</b>			<b>24.000.000</b>
<b>2. General Legal Reserves (as per Statutory Records)</b>			<b>59.798.147</b>
<b>Information concerning any privileges provided in the articles of association regarding profit distribution</b>			-
		According to CMB	According to Statutory Records
<b>3</b>	<b>Profit for the Period</b>	90.705.876	37.839.017
<b>4</b>	<b>Taxes Payable (-)</b>	(8.716.593)	0
<b>5</b>	<b>Net Profit for the Period (=)</b>	99.422.469	37.839.017
<b>6</b>	<b>Retained Losses (-)</b>		
<b>7</b>	<b>Legal Reserve (-)</b>		
<b>8</b>	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD</b>	99.422.469	37.839.017
<b>9</b>	<b>Donations made during the year (+)</b>	577.021	
<b>10</b>	<b>Net Distributable Profit for the Period including Donations</b>	99.999.490	
<b>11</b>	<b>Primary Dividend to Shareholders</b>		1.200.000
	- Cash	49.999.745	
	- Bonus Shares		
	- Total		
<b>12</b>	<b>Dividend Paid to Holders of Preferred Shares</b>		
<b>13</b>	<b>Other Dividend Paid</b>		
	- to Board Members		
	- to Emploeyss		
	- to Parties Other Than Shareholders		
<b>14</b>	<b>Dividend Paid to holders of usufruct right certificates</b>		
<b>15</b>	<b>Secondary Dividend to Shareholders</b>	20.000.255	33.308.197
<b>16</b>	<b>Legal Reserves</b>	6.880.000	3.330.820
<b>17</b>	<b>Status Reserves</b>		
<b>18</b>	<b>Special Reserves</b>		
<b>19</b>	<b>EXTRAORDINARY RESERVES</b>	22.542.469	-
<b>20.</b>	<b>Other sources proposed to be Distributed</b>		
	- Retained Earnings		35.491.803
<b>21.</b>	<b>Legal Reserves Allocated for Other Source proposed to be Distributed</b>		3.549.180

**DIVIDEND RATIO TABLE**

	GROUP	TOTAL DISTRIBUTED DIVIDEND (TL)		TOTAL DISTRIBUTED DIVIDEND / NET DISTRIBUTABLE DIVIDEND FOR THE PERIOD	DIVIDEND PER SHARE AT PER VALUE OF 1 TL	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
GROSS	-	70.000.000	0	70%	2,91667	291,667
	TOTAL	<b>70.000.000</b>	<b>0</b>	<b>70%</b>	2,91667	291,667
NET	-	59.500.000	0	60%	2,47917	247,917
	TOTAL	<b>59.500.000</b>	<b>0</b>	<b>60%</b>	2,47917	247,917

**YÖNETİM KURULU ÜYE ADAYLARI****Yıldırım Ali Koç  
(Board Member Candidate)**

Born in 1967, İstanbul, Sn. 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 Tranee 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 K1ç Holding (2008-20016). 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. Currently serves on the board of Otokar Otomotiv ve Savunma Sanayi A.Ş. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

**Halil İbrahim Ünver  
(Board Member Candidate)**

Born 1950, İstanbul, Mr. Ünver was graduated from Higher Technical School of Ulmer in Germany. He is currently acting as the Chairman of the Board of Directors of Ünver Holding.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Ünver is a board member, and therefore does not qualify to serve as independent board member. Currently serves on the board of Otokar Otomotiv ve Savunma Sanayi A.Ş.

**Osman Turgay Durak  
(Board Member Candidate)**

Born 1952, İstanbul, Mr. Durak completed his graduation and post-graduation study at Mechanical Engineering Department of Northwestern University (the USA). He joined the Koç Group of Companies at Ford Otomotiv as the product development engineer in 1976, he was appointed as the Assistant General Manager in 1986, as the Chief Assistant General Manager in 2000 and as the General Manager of Ford Otosan in 2002. He worked as the President of the Koç Holding Automotive Group between 2007 and 2009. He worked as the Vice CEO of Koç Holding after May 2009 and then was appointed as CEO of Koç Holding and as the Member of the Board of Directors in April 2010. He also worked as the Chairman of the Board of Directors of the Association of Automotive Industrialists for 6 years between 2004 and 2010.



Pursuant to the CMB's Principles of Corporate Governance, Mr. Durak is a board member, and therefore does not qualify to serve as independent board member. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

### **Levent Çakırođlu**

#### **(Board Member Candidate)**

Born in 1967, Ankara Mr. Çakırođlu, 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 CEOs of Koçtaş (2002-2007) and Migros (2007-2008). He was appointed as the CEO of Arçelik in 2008 and also served as the Koç Holding Durable Goods Group president from 2010. He was appointed as the CEO of Koç Holding A.Ş. at April 2015. Mr. Çakırođlu 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. Çakırođlu is a board member, and therefore does not qualify to serve as independent board member. Currently has a seat in the boards of directors of various companies within Koç Group of Companies.

### **Kudret Önen**

#### **(Board Member Candidate)**

Born in 1953, İstanbul, Mr. Önen completed his higher education at the Mechanical Engineering Department of Gazi University.

He joined Koç Group of Companies at Ford Otosan in 1975. After becoming the Manager of R&D Department at Koç Holding in 1980 and the Assistant General Manager at Otokar in 1984, he continued the duty of General Manager at Otokar between 1994 and 2005. After he undertook the duty of Co-President of Other Automotive Companies of Koç Holding in 2005, he acted as the President of Defense Industry and Other Automotive Group of Koç Holding between 2006 and 2010. He has been working as the President of Defense Industry, Other Automotive Companies and Information Group of Koç Holding since 2010.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Önen is a board member, and therefore does not qualify to serve as independent board member. 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 Bosphorus 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 working as 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. Currently serves on the board of Otokar Otomotiv ve Savunma Sanayi A.Ş.

**Ahmet Nezh Olcay**  
**(Independent Board Member Candidate)**

Born in 1947 in Beylerbeyi Istanbul, Mr. Olcay graduated from Istanbul Economics and Commercial Sciences Academy at the Business Administration Department. He began his professional career at Tofaş Türk Otomobil Fabrikası A.Ş. in 1971 where he went on to serve as an Accounting Service Manager, Accounting Manager, Financial Manager, Financial General Manager, Foreign Affairs, General Manager, Foreign Affairs Group Director, Finance and then as an Audit Group Director with A-Group First Degree signature authorization. He retired from Tofaş Türk Otomobil Fabrikası A.Ş. in 2007 after having served continuously for 36 years. He served as Member and Vice Chairman of the Board of Directors in various affiliates of Tofaş during his service at Tofaş Türk Otomobil Fabrikası A.Ş.. Between 2008 and 2012, Mr. Olcay served as a General Coordinator, Vice Chairman and Chairman of the Board of Directors at Plastiform Sanayi ve Ticaret A.Ş.

Pursuant to the CMB's Principles of Corporate Governance, Mr.Olcay who is non-executive qualifies as independent board member.

**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. Mr. Kamanlı, whose appointments in the last decade have been stated above, has not executed any transactions with Koç Holding A.Ş. or Ünver Holding A.Ş. related parties at any time in the last five years.

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

Born 1947, Arhavi, Mr. Güven graduated Faculty of Civil Engineering in Istanbul Technical University. Mr.Güven served in various fields between1972-1978 at TEK İnşaat Daire Bşk. ve 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 not executed any transactions with Koç Holding A.Ş. or Ünver Holding A.Ş. related parties at any time in the last five years.

### **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.
- 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.

AHMET NEZİH OLCAY

## **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 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.

KENAN GÜVEN

## COMPENSATION POLICY FOR TOP EXECUTIVES AND MEMBERS OF BOARD OF DIRECTORS

This policy document identifies compensation system and applications of members of Board of Directors and Top Executives who have managing obligations within the content of the arrangements of Capital Markets Board.

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.

Additional salary is paid to the members of the board of directors who have executive duties in accordance with the policy established for the top executives.

To the members of the board of directors who undertake duties in committees established by the board of directors, a premium determined by the board of directors based on the contributions, attendance to meetings and functions of the members can be paid in accordance with the opinion of the Corporate Governance Committee at the end of each year. If any payment has made to members of Governance Committee within this context, it will be set off the mentioned amount at the end of the year.

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.

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

Fixed salaries of Top 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.

Premiums for the Top 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:

- **Premium 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 top executives of our company, resignation premium can be paid by taking into consideration the term of appointment, term of top 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 meeting