

INFORMATION DOCUMENT CONCERNING THE GENERAL ASSEMBLY TO CONVENE ON MARCH 24, 2016 TO REVIEW YEAR 2016

I. INVITATION TO THE ORDINARY GENERAL ASSEMBLY ON MARCH 24, 2017

The Ordinary General Assembly will convene to review the activities of the Company and to discuss the agenda detailed below on Monday, March 24, 2017, at the Divan Istanbul Hotel, Asker Ocağı Cad. No: 1, Elmadağ, Şişli, İstanbul (Phone:+90 212 315 55 00) at 2.00 pm.

The Financial Statements, Independent Auditor's Report, the Board of Director's Profit Distribution Proposal, 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 2016 fiscal year will be made available for the shareholders to review at the Company's Headquarters, on the corporate website at www.otokar.com.tr, and EGKS (Electronic General Assembly System) of the Central Registry Agency three weeks prior to the Ordinary General Assembly within the legal duration.

Providing that the rights and obligations of those shareholders who are unable to attend the meeting personally but 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 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 System are kindly requested to obtain information from the Central Registry Agency, the Company's website at www.otokar.com.tr or the Company's Headquarters (phone: +90 216 229 22 44) to be able to fulfil their obligations in compliance with relevant Regulations and Communiqués.

Pursuant to the paragraph 4 of article 415 of the new Turkish Commercial Code No. 6102 and the first paragraph of article 30 of the Capital Markets Law, the right to attend and cast votes at the Ordinary General Assembly is not dependent on the condition of depositing the share certificates. Therefore, the shareholders who wish to attend the Ordinary General Assembly are not required to block their shares.

Pursuant to the Law No. 6698 on Protection of Personal Data, detailed information about the processing of your personal data by our Company can be obtained from Otokar Otomotiv ve Savunma Sanayi A.Ş. Personal Data Protection and Processing Policy via www.otokar.com.tr website.

Providing that the provisions concerning the casting of votes via an electronic medium for voting on the Agenda Topics in Ordinary General Assemblies are reserved, the method of open voting by a show of hands will be applied.

All stakeholders as well as representatives of the press and the media are invited to our Ordinary General Assembly.

In line 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 OTOMOTİV VE SAVUNMA SANAYİ A.Ş. BOARD OF DIRECTORS

Company Headquarters: Aydınevler Mahallesi, Dumlupınar Caddesi, No:58 A Blok Küçükyalı - İstanbul

Trade Registry and Number: İstanbul - 83467

Central Registration System Number: 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
Other (includes free float)	6,534,432.44	27.23	6,534,432,437	27,23
Total	24,000,000.00	100.00%	24,000,000,000	100,00%

2.2. Changes in the Management or Activities of the Company that may Materially Affect the Activities of the Company

Information on changes in the management or activities that have occurred in the previous accounting period of our corporation 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 2016. Significant 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 2016 activities will be discussed.

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3. OUR REMARKS ON THE AGENDA TOPICS OF THE ORDINARY GENERAL ASSEMBLY ON MARCH 24, 2016

1. Opening and election of the Chairmanship Committee

The election of the Chairman who will preside the Ordinary General Assembly will be carried pursuant to 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 2016 Annual Report of the Company as prepared by the Board of Directors

Information on the 2016 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 for three weeks preceding the Ordinary General Assembly, in line with the TCC, the Regulation and the regulations concerning the Capital Markets Law will be provided, and the 2016 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 2016 fiscal year

Information regarding 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 will be presented to the General Assembly.

4. Presentation for discussion and approval of the Financial Statements of the Company for the 2016 fiscal year

Information regarding our financial statements and statutory financial statements issued in line 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 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 2016

Release of the members of the Board of Directors in respect of the activities, transactions and accounts in 2016 as per the provisions of the TCC and the Regulation will be presented to the approval of the General Assembly.

6. Approval, amendment, or refusal of the Board of Directors' 2016's profit distribution proposal prepared in line with the Company's profit distribution policy

According to the financial statements for the accounting period of 01.01.2016-31.12.2016 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 Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member of PricewaterhouseCoopers), the Company has earned a "Non-Consolidated Net Profit in the Period" amounting to TL 69,725,866-. 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 line with this Communiqué is provided in **ANNEX/1**.

7. Acceptance, amendment or rejection of the proposal of the Board of Directors regarding the amendment of Article 5 of the Company's Articles of Association titled "Headquarters and Branches of the Company" and Article 7 titled "Capital"

The reflection of street name change made by the municipality regarding the address of the company's business center in the article 5 of the Company's Articles of Incorporation titled "Headquarters and Branches", as well as the extension of the validity period of the registered capital ceiling in Article 7 titled "Capital" shall be submitted to the approval of the General Assembly in **ANNEX/2** with related board of directors' resolution as Amendments to the Articles of Association. Approvals dated 13.02.2017 from the CMB and dated 17.02.2017 from the Ministry of Customs and Trade were taken for the aforementioned amendments to the articles of association.

8. 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 line 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, İsmet Bocuğöz, Abdulkadir Öncül and Ahmet Neziğ Olçay 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 **ANNEX/3**.

9. 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 **ANNEX/4**. As stated in note 27 of the financial statements for the 2016 fiscal year, benefits amounting to a total of TL 12,500,000 were provided to the senior management by Otokar Otomotiv ve Savunma San. A.Ş. during 2016.

10. 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 2016 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.

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11. 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 20, 2017, 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. (A member of PricewaterhouseCoopers) to audit the financial statements of the Company pertaining to the 2017 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.

12. Presentation to the shareholders, of the donations made by the Company in 2016, 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 2016 amounted to TL 1,460,900. The upper limit of the donations to be made in 2017 will be determined by the General Assembly.

13. 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 2015 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.

In order to fulfill the requirements of these regulations, the issuance of such permission shall be submitted to the approval of our shareholders at the General Assembly, and our shareholders shall be informed about the transactions carried out during the year and the shareholders, board members, administrators, Some of the second degree relatives of blood and spirits are members of the board of directors of some other Koç Group companies, including those with similar activities with our Company. In 2016, there has been no transaction requiring information within the scope of Corporate Governance Communiqué Serial No. 1.3.6.

14. Wishes and opinions

ANNEXES:

ANNEX/1 Profit Distribution Policy and Profit Distribution Table pertaining to Distribution of the 2015 Profits (Pages 56-57)

ANNEX/2 Amendments to Articles of Association and Related Board of Directors Resolution (Pages 58-59)

ANNEX/3 Resumes of the Candidates for the Board of Directors and the Declarations of Independence of the Independent Member Candidates (Pages 46-47)

ANNEX/4 Remuneration Policy for Members of the Board of Directors and Senior Management (Pages 48)

PROFIT DISTRIBUTION PROPOSAL FOR THE ACCOUNTING PERIOD 01.01.2016-31.12.2016

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

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

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

Dividend Ratio Table

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

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

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

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

PREVIOUS TEXT

Article 5: The Company's Headquarters and Branches
The company's legal headquarters is located at Aydınevler Mahallesi, Dumlupınar Caddesi, No. 58, A Blok, 34854, Küçükyalı, İstanbul, whereas its business headquarters is located at Atatürk Caddesi, No. 6, 54580, Arifiye, Sakarya. In case of change of address, the new address shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette. Also, it shall be notified to the Ministry of Customs and Trade and Capital Markets Board. The notification to the registered and announced address shall be deemed to have been made to the Company. The failure of a company to register and announce its new address despite leaving its registered and announced address is considered to be a reason for termination.

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

NEW TEXT

Article 5: The Company's Headquarters and Branches
The company's legal headquarters is located at Aydınevler Mahallesi, Saygı Caddesi, No. 58, A Blok, 34854, Maltepe, İstanbul, whereas its business headquarters is located at Atatürk Caddesi, No. 6, 54580, Arifiye, Sakarya. In case of change of address, the new address shall be registered in the Trade Registry and announced in Turkey's Trade Registry Gazette. Also, it shall be notified to the Ministry of Customs and Trade and Capital Markets Board. The notification to the registered and announced address shall be deemed to have been made to the Company. The failure of a company to register and announce its new address despite leaving its registered and announced address is considered to be a reason for termination.

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

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

PREVIOUS TEXT

Article 7: Capital

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

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

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

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

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

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

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

NEW TEXT

Article 7: Capital

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

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

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

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

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

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

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

BOARD OF DIRECTORS



Yaldırım Ali Koç
Chairman

Ali Y. Koç (born 1967, Istanbul) graduated from Rice University (USA) with a Bachelor's degree in Business Administration, and earned his MBA degree at 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 Corporate Governance Principles, Mr. Koç is a non-executive director, but does not qualify to serve as an independent board 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
Deputy Chairman

Halil İbrahim Ünver (born 1950, Istanbul) graduated from Ulmer Technical College in Germany. Mr. Ünver is currently the Chairman of Ünver Holding.

Pursuant to the CMB's Corporate Governance Principles, Mr. Ünver is a non-executive director, but does not qualify to serve as an independent board member. Mr. Ünver, whose appointments in the last decade have been stated above, currently serves on the Board of Otokar.



Osman Turgay Durak
Board Member

Osman Turgay Durak (born 1952, Istanbul) received his undergraduate and graduate degrees from Northwestern University, Department of Mechanical Engineering (USA).

He joined Koç Group in 1976, starting 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 and Board Member of Koç Holding in April 2010, till April, 2015. 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 director, but does not qualify to serve as an independent board member. Mr. Durak, whose appointments in the last decade have been stated above, currently serves on the Boards of several Koç Holding companies.



Levent Çakıroğlu
Board Member

Levent Çakıroğlu (born 1967, Ankara) 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 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. Çakıroğlu currently serves as the CEO and Board Member of Koç Holding A.Ş. since April 2016.

Pursuant to the CMB's Corporate Governance Principles, Mr. Çakıroğlu is a non-executive director, but does not qualify to serve as an independent board member. Mr. Çakıroğlu, whose appointments in the last decade have been stated above, currently serves on the Boards of several Koç Group companies.



Kudret Önen
Board Member

Kudret Önen (born 1953, Istanbul) graduated from the Department of Mechanical Engineering at Gazi University. He joined Koç Group in 1975, as a mechanical engineer at Ford Otosan. Following his assignment as Project Engineer in Ford Otosan, he was appointed as the R&D Manager in 1980 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 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 Automotive Manufacturers Association, Turkish Employers' Association of Metal Industries since April, 2016, and Turkish Confederation Of Employer Associations since December, 2016.

Pursuant to the CMB's Corporate Governance Principles, Mr. Önen is an executive board member, and therefore does not qualify to serve as an independent board member. Mr. Önen, whose appointments in the last decade have been stated above, currently serves on the Boards of several Koç Holding companies.



Ahmet Serdar Görgüç
Board Member and
General Manager

Ahmet Serdar Görgüç (born 1959, Izmir) graduated from the Department of Mechanical Engineering at Boğaziçi University; he later earned 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 the 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 the General Manager of Otokar since 2006.

Pursuant to the CMB's Principles of Corporate Governance, Mr. Görgüç is an executive board member, and therefore does not qualify to serve as independent board member. Mr. Görgüç, whose appointments in the last decade have been stated above, currently serves on the board of Otokar Otomotiv ve Savunma Sanayi A.Ş.



İsmet Böküçöz
Independent Board Member

İsmet Böküçöz (born 1943, Burdur) earned his Business degree from Istanbul University, Academy of Economics and Commercial Sciences. 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. Böküçöz 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. Böküçöz who is non-executive, qualifies as an independent board member. Mr. Böküçöz, whose appointments in the last decade have been stated above, resigned from these duties after completing his term.

Mr. Böküçöz has not executed any transactions with Koç Holding A.Ş. or Unver Holding A.Ş. related parties at any time in the last five years.



Abdulkadir Öncül
Independent Board Member

Abdulkadir Öncül (born 1946, Amasya/Merzifon) earned his Business degree from the Faculty of Economics 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 an executive at Doğan 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 who is non-executive, qualifies as an independent board member. Mr. Öncül has not executed any transactions with Koç Holding A.Ş. or Unver Holding A.Ş. related parties at any time in the last five years.



Ahmet Nezih Olcay
Independent Board Member

Ahmet Nezih Olcay (born 1947, Beylerbeyi, Istanbul) 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 Plastikform Sanayi ve Ticaret A.Ş. (2008-2012). Pursuant to the CMB's Principles of Corporate Governance, Mr. Olcay who is non-executive, qualifies as an independent board member.

Mr. Olcay has not executed any transactions with Koç Holding A.Ş. or Unver Holding A.Ş. related parties at any time in the last five years.

DECLARATIONS OF INDEPENDENCE OF THE BOARD OF DIRECTORS CANDIDATES

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) 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 Ordinary General Assembly 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 Ordinary General Assembly.