

İstanbul 83467

**INVITATION TO ANNUAL ORDINARY GENERAL MEETING OF
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. DATED 24.03.2017
FROM THE BOARD OF DIRECTORS**

Our Company will hold its Annual Ordinary General Meeting to examine the activities of the year 2016 and to discuss and settle the agenda written below on 24.03.2017 Friday at 14:00, at Divan İstanbul Oteli, Asker Ocağı Cad. No:1 Elmadağ, Şişli - İstanbul (Phone: 0212 315 55 00).

Financial Statements related to year 2016, 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 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 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.

The shareholders who will be voting through the Electronic General Meeting System are kindly requested to get information from Central Registry Agency, Company's corporate website www.otokar.com.tr or Company's headquarters (Tel:0 216 229 22 44) to vote in accordance with the related regulations and communiqué.

Pursuant to New Turkish Commercial Code no.6102 clause 415 article 4 and Capital Markets Law clause 30 article 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 don't need to block their shares.

At the Annual Ordinary General Meeting, open vote-voting by show of hands method will be executing, provided that the electronically voting provisions related to voting of agenda items are reserved.

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

All the media organs and the rights and stakeholders are invited to Annual General Meeting.

Pursuant to Capital Market Law there will be no further notification through a registered letter to the shareholders for the registered and listed shares.

Respectfully submitted to esteemed shareholders.

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

Headquarters Address: Aydınevler Mahallesi, Dumlupınar Caddesi No:58/A Blok Küçükyalı – İstanbul

Trade Registry and Number: İstanbul – 83467

Annex : Agenda and power of attorney

Central Registration No: 0649001827200010

**THE AGENDA OF THE ORDINARY ANNUAL GENERAL MEETING OF OTOKAR OTOMOTİV VE SAVUNMA
SANAYİ A.Ş. DATED 24.03.2017**

- 1-Opening & Election of the Chairman of General Assembly
- 2-Reading, discussion and approval of the Annual Report for the year 2016 prepared by the company's Board of Directors,
- 3- Reading of the summary of the Independent Auditors' Report related to 2016 fiscal year,
- 4-Reading, discussion and approval of the Financial Statements related to 2016 fiscal year,
- 5-Release of Members of Board of Directors separately for the activities of the year 2016,
- 6-Approval, approval with a modifications or refusal of Board of Directors proposal on dividend distribution for the year 2016 and the date of distribution prepared within the scope of Dividend Policy of the Company,
- 7-Approval, approval with a modifications or refusal of the proposal made by the Board of Directors about the change of the 5th article of the Articles of Association titled "Head Offices and Branch Offices of the Company" and the 7th article of Articles of Association titled "Capital".
- 8-Assigning the number and the assignment term of the Board of Directors, election in accordance with the assigned number, the election of the Independent Board Members,
- 9-Giving information to shareholders about " Remuneration Policy" and the payments that have been made within the scope of that policy to the Members of the Board of Directors and the senior management pursuant to Corporate Governance Principles,and the approval
- 10-Determining the annual gross remuneration of the Board of Directors,
- 11- The approval of the Independent Audit Firm selected by the Board of Directors as per the regulations of the Turkish Commercial Code and Capital Markets Board,
- 12- The information giving the shareholders about the donations made in 2016 and determining the upper limit of donations will be made within 2017,
- 13- Letting the shareholders that holds the management, the members of the board of directors, the senior management and their spouse and up to second degree blood and affinity proximity within the frame of Turkish Commercial Code Articles 395 and 396 and giving information to shareholders about any transaction made within this scope in 2016 in accordance with the Capital Market Boards Corporate Governance Communiqué,
- 14- Wishes and opinions,

OLD TEXTS

Article 5. Head Office and Branch Offices of the Company

Legal head office of the Company is located at Aydınevler Mahallesi, Dumlupınar Caddesi No. 58, A Blok, 34854 Küçükyalı – İSTANBUL; Business head office at Atatürk Caddesi No. 6, 54580 Arifiye, Sakarya. In the event of any change of address, the new one will be registered with the trade registry office, and announced through the Turkish Trade Registry Gazette, and besides reported to the Ministry of Customs and Commerce, and to the Capital Market Board. Notices served to the registered and announced address will be deemed served to the Company. If, after having moved to another address, the Company fails to register its new address within the statutory term, this will be deemed a reason for dissolution of the Company.

In the event that the Company opens branch offices, then such branches shall be registered with the Trade Registry, and announced through the Trade Registry Gazette.

Article 7. Capital

The Company has adopted the registered capital system as per the provisions of the Law No. 2499 and transited to this system by the letter of the Capital Market Board No. 15/263, dated March 07, 1996.

The registered capital ceiling of the Company is TL 100,000,000 (one hundred million) divided into 10,000,000,000 (ten billion) registered shares at par value of 1 (one) kuruş each.

The registered capital ceiling permission granted by the Capital Market Board is valid for the period of 2013-2017 (5 years). Even if the permitted registered capital ceiling cannot have been reached by the end of 2017, in order that the board of directors can take a resolution to raise the capital after 2017, it is obligatory to obtain consent of the general meeting for a renewed period of not more than 5 years for the existing or a revised capital ceiling by obtaining permission from the Capital Market Board. If the said consent is not obtained, the Company is deemed to have exited from the registered capital system.

The issued capital of the Company is TL 24,000,000 (twenty four million), and has been paid up in full and free of collusion.

The shares of the company are registered. The shares representing the capital are tracked by recording in compliance with the dematerialization guidelines.

The capital of the company can be increased or decreased pursuant to the provisions of the Turkish Commercial Code and Capital Market Legislation.

The Board of Directors is authorized to raise the issued capital up to the ceiling of registered capital by issuing new shares at times it deems necessary, and to make resolutions in respect of the restriction of the rights of the privileged shareholders, and the rights of the shareholders to acquire new shares, as well as in respect of the issuance of premium shares or shares below the nominal values thereof. The authority to restrict the right of acquiring new shares may not be exercise in a way that would give rise to inequality among the shareholders.

NEW TEXTS

Article 5. Head Office and Branch Offices of the Company

Legal head office of the Company is located at Aydınevler Mahallesi, Saygı Caddesi No. 58, A Blok, 34854 Maltepe – İSTANBUL; Business head office at Atatürk Caddesi No. 6, 54580 Arifiye, Sakarya. In the event of any change of address, the new one will be registered with the trade registry office, and announced through the Turkish Trade Registry Gazette, and besides reported to the Ministry of Customs and Commerce, and to the Capital Market Board. Notices served to the registered and announced address will be deemed served to the Company. If, after having moved to another address, the Company fails to register its new address within the statutory term, this will be deemed a reason for dissolution of the Company.

In the event that the Company opens branch offices, then such branches shall be registered with the Trade Registry, and announced through the Trade Registry Gazette.

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The registered capital ceiling of the Company is TL 100,000,000 (one hundred million) divided into 10,000,000,000 (ten billion) registered shares at par value of 1 (one) kuruş each.

The registered capital ceiling permission granted by the Capital Market Board is valid for the period of 2017-2021 (5 years). Even if the permitted registered capital ceiling cannot have been reached by the end of 2021, in order that the board of directors can take a resolution to raise the capital after 2021, it is obligatory to obtain consent of the general meeting for a renewed period of not more than 5 years for the existing or a revised capital ceiling by obtaining permission from the Capital Market Board. If the said consent is not obtained, the Company cannot increase the capital with the board decision.

The issued capital of the Company is TL 24,000,000 (twenty four million), and has been paid up in full and free of collusion.

The shares of the company are registered. The shares representing the capital are tracked by recording in compliance with the dematerialization guidelines.

The capital of the company can be increased or decreased pursuant to the provisions of the Turkish Commercial Code and Capital Market Legislation.

The Board of Directors is authorized to raise the issued capital up to the ceiling of registered capital by issuing new shares at times it deems necessary, and to make resolutions in respect of the restriction of the rights of the privileged shareholders, and the rights of the shareholders to acquire new shares, as well as in respect of the issuance of premium shares or shares below the nominal values thereof. The authority to restrict the right of acquiring new shares may not be exercise in a way that would give rise to inequality among the shareholders.

PROXY¹

¹ This Proxy statement is effective only for the related annual general meeting and its legally follow up meetings as long as there are no new proxy.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

At the Ordinary Annual General Meeting of OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. that will be held on 24.03.2017, Friday, at 14:00, at Divan İstanbul Oteli, Asker Ocağı Cad. No:1 Elmadağ, Şişli - İstanbul, I appoint to be authorized _____ below introduced in detail, to represent me, to vote, to make an offer and to sign the required documents in accordance with the opinions I stated below.

Proxy's(*);

Name&Surname/Trade Name:

T.R. Identification Number/Tax ID , Trade Registry & Number and Central Registration System no:

(*)It is mandatory to submit the aforesaid informations' equivalent if any for the foreign proxys.

A) SCOPE OF POWER OF ATTORNEY

For the chapters 1 and 2 given below, it is a must to chose (a), (b) or (c) to determine the scope of power of attorney.

1. About the items in the Annual General Meeting Agenda

- a) The Proxy is authorized to vote in the direction of his own opinion.
- b) The Proxy is authorized to vote in the direction of proposal of the corporation board.
- c) The Proxy is authorized to vote in the direction of the following instructions.

Instructions:

In case of (c) to be selected by the shareholder , the instructions specific to the agenda item will be given by marking the one of the options (accept and reject) toward the related Annual General Meeting agenda item and if reject option to be selected, the instructions specific to the agenda item will be given by stating the counter-statement if any requested to be written to minutes of general meeting.

Agenda	Accept	Reject	Counter-Statement
1- Opening & Election of the Chairman of General Assembly.			
2- Reading, discussion and approval of the Annual Report for the year 2016 prepared by the company's Board of Directors,			
3- Reading of the summary of the Independent Auditors' Report related to 2016 fiscal year,			
4- Reading, discussion and approval of the Financial Statements related to 2016 fiscal year,			
5- Release of Members of Board of Directors separately for the activities of the year 2016,			
6- Approval, approval with a modifications or refusal of Board of Directors proposal on dividend distribution for the year 2016 and the date of distribution prepared within the scope of Dividend Policy of the Company,			
7- Approval, approval with a modifications or refusal of the proposal made by the Board of Directors about the change of the 5th article of the Articles of Association titled "Head Offices and Branch Offices of the Company" and the 7th article of Articles of Association titled "Capital",			
8- Assigning the number and the assignment term of the Board of Directors, election in accordance with the assigned number, the election of the Independent Board Members,			
9- Giving information to shareholders about " Remuneration Policy" and the payments that have been made within the scope of that policy to the Members of the Board of			

Directors and the senior management pursuant to Corporate Governance Principles, and the approval			
10- Determining the annual gross remuneration of the Board of Directors,			
11- The approval of the Independent Audit Firm selected by the Board of Directors as per the regulations of the Turkish Commercial Code and Capital Markets Board ,			
12- The information giving the shareholders about the donations made in 2016 and determining the upper limit of donations will be made within 2017,			
13- Letting the shareholders that holds the management, the members of the board of directors, the senior management and their spouse and up to second degree blood and affinity proximity within the frame of Turkish Commercial Code Articles 395 and 396 and giving information to shareholders about any transaction made within this scope in 2016 in accordance with the Capital Market Boards Corporate Governance Communique,			
14- Wishes and opinions,			

There is no voting for the information articles.

If the minority have a separate draft resolution, this is also specified in order to vote by proxy.

2. The special instruction related to alternate subjects that can be occur at Annual General Meeting and especially to utilization of the minority rights:

- a) The Proxy is authorized to vote in the direction of his own opinion.
- b) The Proxy is not authorized to represent about this topic.
- c) The Proxy is authorized to vote in the direction of the special instructions given below.

SPECIAL INSTRUCTIONS; the special instructions if any that will be given to proxy by the shareholder are listed here.

B) Shareholder shall state the shares that he/she wishes to be represented by the proxy by selecting one of these options below.

1. I confirm the representation of my shares given in detail below by the proxy.

a) Order and serial:*

b) Number/Group:**

c) Number-Nominal Value:

ç) If any multiple vote shares:

d) To the bearer-To the Name:*

e) The ratio of total shares/ voting rights that the shareholders hold:

*Those informations are not requested for the registered shares.

**Rather than the number related to the shares, the information related to the group of shares shall take place.

2. I confirm the representation of all my shares related to shareholders list that may participate to Annual General Meeting prepared by the Central Registry Agency one day before the Annual General Meeting.

NAME&SURNAME OR THE TITLE(*) OF THE SHAREHOLDER

T.R. Identification Number/Tax ID , Trade Registry & Number and Central Registration System no:

Address:

(*It is mandatory to submit the aforesaid informations' equivalent if any for the foreign proxys.

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.