

**INTERNAL DIRECTIVE ON WORKING PRINCIPAL AND
PROCEDURES OF GENERAL MEETING OF
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ**

PART ONE

Objective, Scope, Ground and Definitions

Objective and Scope:

ARTICLE 1- (1) The objective of this Internal Directive; is identification of working principal and procedures of General Meeting of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi in compliance with the Law, relating legislation and Articles of Incorporation. Herein Internal Directive covers all regular or extraordinary meeting of Board of Directors.

Ground:

ARTICLE 2- (2) This Internal Directive is prepared by the Board of Directors in accordance with the working principal and procedures of General Meeting of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi and the provisions of regulations on The Representatives of Ministry of Customs and Trade who are going to participate in the Meetings.

Definitions:

ARTICLE 3- (1) The definitions in this Internal Directive includes:

- a) Assemblage means one day meeting of General Meeting,
- b) Law means Turkish Commercial Code 13.01.2011, No: 6102,
- c) Session means each part of meeting interrupted because of resting, meal break and similar excuses.
- d) Meeting means ordinary or extraordinary general meetings,
- e) Chairing board of the meeting means the board formed by the chairperson of the meeting elected by the general meeting in accordance with the first paragraph of the article 419 of the Law, the vice chairperson of the meeting elected by the general meeting when necessary, the secretary in charge of writing of the minutes who is appointed by the chairperson of the meeting and the vote collector if deemed necessary by the chairperson of the meeting.

PART TWO

Working Principals and Procedures of General Meeting

Provisions to be Conducted

ARTICLE 4- (1) The meeting is held in accordance with the relating legislation and articles of incorporation for the General Meeting

Entrance to the Meeting Place and Preparations:

ARTICLE 5- (1) The Shareholders or proxy of them, members of the board of directors, auditor, other directors of the Company, persons who are appointed Electronic General Meeting System, Press, Representative of the Relating Ministry and persons that are going to be selected as Meeting Chairperson and other appointed persons that are identified by the Board of Directors can enter the meeting place.

(2) The natural person Shareholders and their representatives appointed via electronic General Meeting system in accordance with the 1527th Article of the Law have to present their ID cards, the representatives of the natural person Shareholders have present their ID cards with their representation documents, representatives of the legal entities have to present their certificate of authority and all of the aforementioned persons have attach their signature to the relating area of the list while entering the meeting place. Stated control procedures are performed by Board of Directors or one or more member of the board of directors or by the person or persons who are appointed by the Board of Directors. The attendant list is signed by the Chairperson of the Board of Directors or one of the other members of the Board of Directors if the Chairperson is not present.

(3) Preparation of the place for the participants in the meeting place, stationary equipment, tools and documents are performed by the Board of Directors. The meeting can be recorded audio-visually reserving the legislation provisions relating to Electronic General Meeting System.

Opening the Meeting:

ARTICLE 6- (1) The meeting is opened after determination of the quorum with a minute that is identified in the articles of incorporation by the Chairperson of the Board of Directors or Vice Chairperson or one of the Members of the Board of Directors at the time which is declared before and at the central office of the Company or a suitable place of Ankara, İstanbul or İzmir.

Formation of the Chairing Board of Meeting:

ARTICLE 7- (1) A Chairperson who is a shareholder and responsible for the management of the General Meeting among the suggested candidates under the Chairing Board of the person who is opening the meeting or a Vice Chairperson, if required, in accordance with the Article 6 of this Internal Directive.

(2) At least one secretary to be in charge of writing of the minutes of the meeting and, if it is deemed necessary, vote collectors in sufficient number shall be appointed by the chairperson. Specialists can be commissioned by the Chairperson of the Meeting to carry out such technical works involving the Electronic General Meeting Systems in the course of the meeting.

(3) The Meeting Chairperson is authorized to sign the minutes of the meeting and other document which is based on this document.

(4) The Meeting Chairperson acts in compliance with the Law, Articles of Incorporation and this Internal Directive while directing the General Meeting.

Duties and Powers of Chairing Board of Meeting:

ARTICLE 8- (1) Meeting Chairing Board performs the following functions under the direction of the Chairperson:

- a) Investigating if the meeting is held at the declared place or not and if the meeting place is suitable or not, if it is stated in the Articles of Incorporation.
- b) If the General Meeting is called to the meeting via web site of the company which the company is accustomed to and via the announcement in the Turkish Trade Registry Gazette as implied in the Articles of Association or not, if this announcement is performed at least three months before the meeting day or not, if any notification is performed to the Shareholders whose names are written in stock register and the Shareholders who present their addresses by submitting a document which proves they are the Shareholders with their addresses about the gazette that agenda and date is existing via certified mail or not and writing these issues in the minutes of meeting.
- c) Controlling if any unauthorized entrance is performed to the meeting place or not and if the duties under the 2nd Clause of Article 5 of this Internal Directive is performed or not by the Board of Directors.
- d) Determination if the Articles of Incorporation, stock register, annual activity report of board of directors, auditor reports, financial statements, agenda, amendment draft of articles of incorporation that is prepared by the board of directors, if any and assent of Capital Markets Board of Turkey or other institutions, if required and permission note and annex amendment draft received from the Ministry of Customs and Trade and former amendment draft, list of participants arranged by the General Meeting, if General Meeting is held because of deferral, the original of the minutes of deferral and other required documents relating to meeting have presented at meeting place or not and stating that issue at minute of meeting.
- e) Performing ID control of the participants by refusal or requirements who attend the General Meeting as principal or agent by signing the list and controlling the authenticity of the representative documents.
- f) Determining if managing director, at least one member of Board of Directors and Independent Auditor is appeared at the meeting and indicating such issue in the minute of meeting.
- g) Managing the General Meeting studies within the content of agenda, preventing going off the subject instead exceptions identified in the Law, keeping the order of the meeting and taking required precautions.
- h) Opening and closing sessions and closing the meeting.

- i) Reading whole or summary of resolution, drafts, minute, report, suggestion etc. relating to the meeting subjects and recognizing the eager persons to talk.
- j) Have voting done relating to the resolutions of the General Meeting and declaring the results.
- k) Observing if the quorum is protected in the beginning, middle or at the end of the meeting and decisions are taken in compliance with the Law and Articles of Association.
- l) Declaring the notifications that are made by the representatives that identified in the Article 428 and Article 429 of the Law.
- m) Preventing the person to vote who are not allowed to vote in accordance with the Article 436 of the Law and observing any kind of restrictions as per to the Law and Articles of Association on voting and preferred voting.
- n) Upon the request of the Shareholders who hold twentieth of the shares for the capital public companies, delaying the meeting of financial statements and related issues without any resolution of General Meeting.
- o) Providing preparation of the minutes relating to the General Meeting, writing the objections into minutes, signing resolutions and minutes, determining the pros and cons votes without any hesitation in the minutes of the meeting.
- p) Delivering the minutes of the meeting, annual activity report of the board of the directors, auditor reports, financial statements, list of those present, agenda, drafts, election vote papers and minutes, if any and all materials related to the meeting to a member of the board of directors who is present.

Procedures before Discussing the Agenda

ARTICLE 9- (1) The chairperson shall read, or cause to be read of, the agenda of the meeting. The chairperson shall ask if there is any proposal for changing of the order by which the issues in the agenda are to be discussed. If a proposal is made, it shall be submitted to the approval of the shareholders. The order by which the issues in the agenda are to be discussed can be changed by majority of the votes of the present shareholders.

Agenda and discussion of the issues in the agenda:

ARTICLE 10- (1) Followings are inevitable in the agenda of ordinary General Meeting:

- a) Opening and formation of the Chairing Board of the meeting.
- b) Reading, discussion and adoption of the Annual Report of the Board of Directors.
- c) Reading of the Auditors' Report and the Independent Auditor's Report regarding the account period.
- d) Reading, discussion and adoption of the Financial Statements pertaining to the account period.
- e) Release of the members of the Board of Directors.
- f) Discharge of the auditors separately.
- g) Identifying the number and term of office of the Members of the Board of Directors, election according to the identified number and election of the Independent Members of the Board of Directors.
- h) As per to the Turkish Commercial Code and Capital Markets Board, approval of the election of the Independent Auditing Institution by the Board of Directors.
- i) Informing the Shareholders about the payments done to the Members of the Board of Directors and Executives within the content of Wage Policy and Policy in compliance with the arrangements of Capital Markets Board and approval of such issue.
- j) Identifying monthly gross wage of the members of the Board of Directors.
- k) Identifying use of profit, distribution and share rates.
- l) Negotiation of amendments on articles of incorporation, if any.
- m) Other required issues.
- n) Arrangements of Capital Markets Board and issues determined by the other Legal Institutions.

(2) Agenda of the extraordinary general meeting shall be formed by the reasons requiring the convening of the meeting.

(3) Any issues not contained in the agenda of the meeting may not be discussed and resolved, as subject to the following exclusions:

- a) In case all Shareholders present, topics can be added to agenda unanimously.
- b) As per to the Article 438 of the Law, the special audit demand of the shareholder is decided by the General Meeting if it exists in the agenda or not.
- c) Discharging the members of the board of directors and election of the new ones is thought related to the yearend financial statement article and it is directly negotiated and decided notwithstanding the agenda upon request.

d) In case of the existence of corruption, inability, breach of adherence obligation, inconvenience of the duty because of membership at various companies, incompatibility, undue influence even if there is not any topic in the agenda, discharging and election of the new members of the board of directors put on the agenda quorum to the General Meeting in compliance with the Articles of Incorporation.

(4) The agenda topic that is decided in the General Meeting by the negotiation cannot be negotiated repeatedly without unanimous vote of those present.

(5) At the end of the audit the issues demanded to be negotiated by the Ministry because of any reason are put on the agenda.

(6) Agenda is determined by the one who calls the General Meeting a meeting.

Speaking at the meeting

ARTICLE 11- (1) Shareholders or other concerned persons who want to speak on an issue in the agenda which is being discussed shall apply to the chairing board of the meeting. The chairing board shall announce the persons who will speak to the shareholders and let these persons speak by the order of application. If the person whose turn has come is not present at the place of meeting, he/she shall forfeit the right of speaking. Speeches shall be made from the post designated for this purpose and address the shareholders. Persons can exchange the order of speaking with each other. If the duration of speech has been limited, when the duration of speech of a person has ended, he/she can continue his/her speech if the next person has given his/her right of speech to him/her, for the duration of speech of the next person. The duration of speech may not be extended otherwise.

(2) Members of the Board of Directors and Auditor can recognize without any order by the Meeting Chairperson.

(3) Duration of the speeches shall be determined by the shareholders upon the proposal of the chairperson or the shareholders according to the busyness of the agenda, multitude and importance of the issues required to be discussed and the number of persons who want to speak. In such cases, the shareholders shall decide first if the duration of speeches is required to be limited and then what will be the duration of speeches by separate voting.

(4) In respect of the expression of the views and recommendations by the shareholders or their proxies who participate in the general meeting via electronic medium as per the article 1527 of the Law, the principles and procedures set out in the said article and the sub-clauses shall apply.

Voting and Voting Procedure

ARTICLE 12- (1) Before the voting, the chairperson of the meeting shall announce the issue to be voted to the shareholders. If a draft resolution is to be voted, the voting shall be made after the draft resolution has been written and read. Once it has been announced that it is time to proceed to voting, people can speak only about the procedure. If, at that time, there is a shareholder who has not been let to speak despite he/she has asked to speak, upon his/her reminding and verification by the chairperson, he/she shall use the right of speech. Once the voting has begun, no person shall be let to speak.

(2) Voting about the negotiated issues is performed by raising hand or standing up or saying yes or no. These votes are counted by the Meeting Chairperson. If required, Chairing Board can appoint required person to count the votes. The ones who don't raise their hands, stands up or not declaring anything are thought to be voted as no and it is consider as voted against.

(3) Pursuant to the Article1527 of the Law, the principals and procedures of the relating article and sub-arrangements about the views and suggestions of Shareholders or their representatives who are attending the General Meeting on Electronic Media.

Issue of the minutes of the meeting

ARTICLE 13- (1) The list of present shareholders showing the names of the shareholders or their proxies, the shares owned by the shareholders, the groups and par values of the shares shall be signed by the chairperson of the meeting. Summary of questions asked and answers given, resolutions taken and number of votes cast for and against each resolution during the meeting shall be

clearly recorded in the minutes in accordance with the principles set out in the Law and the relevant regulations.

(2) The minutes of the general meeting shall be written by typewriter, computer or legible handwriting with a pen at the place of meeting during the meeting. If the minutes are written by a computer, there shall be a printer at the place of meeting in order to obtain the printouts of the minutes at the place of meeting

(3) The minutes are arranged in two copies and each page of the minutes is signed by the Chairing Board and representative of the Ministry.

(4) In the minutes: it is compulsory to determine the title of the company, meeting date and place, nominal value and share number of the company shares, total share number both direct and indirect representation, name, last name, date and number of assignment letter of Ministry Representative, if the meeting is held with the declaration, the reason of the meeting, if it is held without declaration it has to be determined.

(5) Vote amounts relating to the resolutions in the meeting is determined in written and numbers without any hesitation.

(6) The names, last names and reasons of oppositions of the ones who vote negatively and claims to write his/her opposition in the minutes.

(7) In case of giving opposition reason in written, the opposition is also added to the minutes. Name and last name of the shareholder or his/her representative who declares an opposition is written in the minutes and the letter is attached to the minutes. The opposition letter is signed by the Meeting Chairing Board and Ministry Representative, if any.

Formalities to be carried out at the end of the meeting:

ARTICLE 14- (1) Meeting Chairperson submits a copy of minutes of meeting and all other relating documents to one of the member of the Board of Directors at the end of the meeting.

(2) General Meeting have to submit a notarized copy of the minutes within the fifteen days after the meeting date, reserving the time declared in the Law, to trade registry and obligated to declare the registration and provisions in the minutes.

(3) The minutes are immediately placed in the web site, Public Disclosure Platform and Electronic General Meeting System.

(4) Meeting Chairperson immediately submits a copy of the list of those present, agenda and minutes of General Meeting to the Representative of the Ministry.

Participating the Meeting via Electronic Medium

ARTICLE 15- (1) In case of having electronically participation possibility to the General Meeting in compliance with the Article 1527 Law, the procedures which are performed by Board of Directors and Meeting Chairing Board in compliance with the Article 1527 Law and related legislation.

PART THREE

Miscellaneous Provisions

Participation of the Representation of the Ministry and Documents relating to General Meeting:

ARTICLE 16- (1) The demand of representatives for the meetings which the participation of the Representative of the Ministry is compulsory and Working Principal and Procedures of General Meeting of Joint Stock Company and legislation on Representatives of Customs and Trade Ministry is reserved.

(2) It is compulsory to act in accordance with the aforementioned provisions and this Internal Directive while preparing the list of those present and participants and arrangement of representation documents and minutes of meeting.

Unforeseen Matters in the Internal Directive:

ARTICLE 17- (1) In case of encountering a situation that is not mentioned in this Internal Directive, it will be acted according to the resolution of the General Meeting in accordance with the legislation.

Acceptance of Internal Directive and Amendments:

ARTICLE 18- (1) This Internal Assembly is enforced by the General Meeting of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi, registered and declared. The amendments in the Internal Directive are subjected to the same procedures.

Enforcement of the Internal Directive

ARTICLE 19- This Internal Assembly is enforced by the General Meeting of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi, registered and declared. The amendments in the Internal Directive are subjected to the same procedures.