

# OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

## ARTICLES OF ASSOCIATION

### Article 1. Incorporation

A Joint Stock Company is incorporated among the founders named in Article 2 and the holders of the shares to be issued subsequently, to be administered in accordance with the provisions of the laws in effect and these Articles of Association.

### Article 2. Founders

Founders of the Company are those whose names and address are stated below who have executed and signed these Articles of Association:

- Ünver Ticaret Ltd. Şti. (Turkish national), Taksim, Cumhuriyet Caddesi, Ünver Apt.
- İzzet Ünver (Turkish national), Taksim, Cumhuriyet Caddesi, Ünver Apt.
- Maşın Bilimum İthalat ve İhracat A.Ş. (Turkish national), Taksim, Cumhuriyet Caddesi, Ünver Apt.
- Makine İş Ticaret ve Sanayii Ltd. Şti. (Turkish national), Taksim, Cumhuriyet Caddesi, Ünver Apt.
- Suat Ünver (Turkish national), Taksim, Cumhuriyet Caddesi, Ünver Apt.

### Article 3. Trade Name

Trade name of the Company is “Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi”, and is referred to herein briefly as the “Company”.

### Article 4. Objective and Subject

The Company is incorporated to engage in design, manufacture, importation, assembly, maintenance, training and reparation of every kind of crawler or non-crawler land, sea and air defense vehicles and armored security vehicles, cargo and passenger transport systems such as commercial busses, trucks, minibuses, midibuses and panel vans, off-road vehicles, tractors, trailers, semi-trailers and similar transportation vehicles, sea and air craft to be used for commercial purposes; and the hulls, bodies, engines, chassis and all other similar mechanical or electronic parts and components of the same, turret and weapon systems and similar subsystems used on military vehicles; innovation and modernization of such vehicles or subsystems if need be; supply of production and spare parts for the vehicles and subsystems; R&D and development of technologies in these respects, local or international sales of the products, operation of mass transportation means, establishment of testing centers, sales of testing and certification services to other companies and organizations. The Company will operate in the following areas in order to achieve its objective:

1. In order to achieve its objective, the Company may purchase all kinds of movable and immovable properties at home and abroad, build them or have them built, or acquire all kinds of other real or personal rights thereon, lease such property, operate those it has acquired or leased, lease them out, sell them, establish or release real rights in favor of 2 third parties provided that it complies with the guidelines set out by the Capital Market Board.
2. In order to achieve its objective, the Company may obtain loans from native and foreign individuals, companies and banks, engage in all kinds of financial, commercial, economic commitments against third parties, issue bonds and all kinds of other capital market instruments provided that it complies with the guidelines set out by the Capital Market Board; invest in securities, derivatives and all kinds all kinds of other capital market instruments. Provided that it complies with the guidelines set out by the Capital Market Board, the Company may grant sureties and guarantees in favor of third parties; if need be, it may agree to establishment of rights or lien and/or mortgage in favor of the Company on the immovable or movable properties belonging to other parties; it may release any mortgages established in its favor, waive its rights of lien, and accepts the establishment of surety and guarantees by third parties in its own favor.

3. It may perform the operations mentioned above either by itself or through native or foreign natural and juristic persons, without prejudice to the other provisions of these Articles of Association. If it deems it expedient, the Company may found common partnerships, commercial companies or other legal entities at home and abroad, or may take over existing common partnerships, commercial companies or other legal entities in whole or in part, and may purchase and assign the shares of companies founded for such purpose, and may participate in common partnerships, all provided that it doesn't engage in brokerage and stock portfolio management business. Provisions of the Capital Market Legislation related to the transfer of discretionary funds are reserved.
4. The Company may perform all kinds of transactions, engage in import, export and all kinds of commercial activities as needed in order to achieve the foregoing.
5. Provided that the provisions of the Capital Market Legislation related to the transfer of discretionary funds are not violated, the required particular situation explanations are made, and the donations made during the year are reported to the shareholders at the General Meeting, the Company may provide aid and donations to foundations and associations established for social purposes, universities, and other similar institutions, within the framework of the guidelines set.
6. Provided that it complies with the provisions of the Capital Market Legislation related to the transfer of discretionary funds, the Company may perform all kinds of formalities and dispositions related to registration, reservation, type correction, allotment, unification, division, parceling, including abandonment and donation; as well as the formalities related to assignment of lands for green belts and roads, as well as may convey, abandon and donate such immovable property without charge.
7. The Company may purchase, rent in, sell, and rent out land, sea and air transport means. Provided that it complies with the provisions of the Capital Market Board regulations, it may establish and then release all kinds of real and personal rights thereon, including mortgages and pledges in its own favor and/or in favor of 3<sup>rd</sup> Parties.
8. In relation to its objective, the Company may register in its one name, acquire, transfer all kinds of licenses, patent rights, patents, knowhow, trademarks, trade names, business names, and all kinds of other intellectual property rights, may offer them as guarantees without prejudice to the regulations of the Capital Market Board, and conclude license agreements in respect of the same.
9. The Company may make all kinds of industrial and commercial investments as it deems expedient at home and abroad in order to achieve its objective; establish factories, plants, and sales offices, and provide architectural, engineering, design, software, book keeping, call center, and data storage services in this respect at home and abroad.
10. Provided that it complies with the provisions of the Capital Market Legislation related to the transfer of discretionary funds, the Company may participate in tenders at home and abroad, alone or by establishing partnerships with third parties.

#### **Article 5. Head Office and Branch Offices of the Company**

The company's legal headquarters is located at Aydınevler Mahallesi, Saygı Caddesi, No. 58, A Blok, 34854, Maltepe, Istanbul, 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.

**Article 6. Term**

The Term of the Company is indefinite. The Company may be dissolved by affirmative votes of 2/3 of the shareholders at a General Meeting attended by shareholders representing at least 3/4 of the capital of the Company. For any adjourned General Meetings where a resolution to this effect will be passed, the provision of the Turkish Commercial Code stipulating the required quorum in this respect shall apply.

**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 Turkish Lira), and it is divided into 10,000,000,000 (ten billion) 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 period between 2021 and 2025 (5-year). Although the company has not reached the permitted registered capital ceiling at the end of 2025, 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 2025. 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 TL 120,000,000 (one hundred twenty million Turkish Lira), and it was paid free from collusion in full and covered. Finally, the Company's capital of 24.000.000 TL was increased by 96.000.000 TL to 120.000.000 TL, fully covered by internal resources. 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.

**Article 8. Issue of Bonds and Other Securities**

The Company may issue all kinds of bonds, share-convertible bonds, convertible bonds, gold silver and platinum bonds, financial bills, participation dividend certificates, profit and loss sharing certificates, and other borrowing instruments and securities acceptable by the Capital Market Board as instruments of indebtedness, upon resolution of its Board of Directors, and for the purpose of selling to real persons and legal entities at home and abroad. By virtue of the Capital Market Board, the Board of Directors is empowered to determine the issuance and the maximum amounts, type, term, interest and other conditions related to the issuance, and to authorize the Company's management in such respects. The regulations provided by the Capital Market Law and the applicable legislation shall be complied with in the process of issuance.

**Article 9. Transfer of Shares and Establishment of Usufruct on the Shares**

In the relations with the Company only those people are considered to be shareholders or have usufruct on the shares, who are registered in the book of shares, considering the records kept with the Central Registry Agency.

Regulations of the Capital Market Board shall apply in respect of the transfers of the Company's registered shares being traded in the stock exchange.

**Article 10. Company's Shares Accepted as Pledge or Taken Over by Itself**

The Company may accept and/or acquire onerously its own shares as pledge in compliance with the applicable provisions of the Turkish Commercial Code, Capital Market Board

regulations, and the other legislation.

#### **Article 11. Board of Directors, Election of Directors, and Resolutions of the Board of Directors**

Pursuant to the applicable provisions of the Turkish Commercial Code, and without prejudice to the non-assignable powers of the General Meeting, all the businesses and administrative affairs of the Company shall be carried out by a Board of Directors formed by minimum 5 (five) members to be elected by the General Meeting in accordance with the provisions of the Turkish Commercial Code and the Capital Market Board regulations. The number and qualifications of the independent members of the Board of Directors shall be determined in accordance with the Regulations of the Capital Market Board concerning the Corporate Governance.

Members of the Board of Directors shall be elected for an office term of three years at most. A member of the Board whose office term has ended may be re-elected.

It is the General Meeting who is authorized to determine the number and election of the Directors. Without prejudice to the obligations imposed by the Regulations of the Capital Market Board concerning the Corporate Governance for the Independent directors, the Board of Directors may replace the Directors anytime if it deems it necessary by virtue of Section 364 of the Turkish Commercial Code.

Pursuant to Section 312/2 of the Turkish Commercial Code, membership of a person who represents a shareholder in legal entity status in the Board of Directors will automatically cease upon notification to the Company that employment of such person by that legal entity has been terminated.

In the event of any vacancy in the Board of Directors for any reason whatsoever, the Board of Directors shall elect a person who is eligible in terms of the statutory requirements, and submit him/her to the next General Meeting for approval. If the independent director is deprived of his/her independent nature, resigns or becomes unable to perform his/her function, then the procedures stipulated in the regulations of the Capital Market Board shall be followed.

The quorums for meetings and resolutions of the Board of Directors shall be the absolute majority of the full number of directors. Obligations stipulated by the Regulations of the Capital Market Board concerning the Corporate Governance are reserved.

Unless any Director requests deliberation, the Board of Directors may make its resolutions upon proposal of any one among themselves in respect of any certain issue, by obtaining written approval of the remaining directors. The resolutions made this way may be made by obtaining written approval of the majority of the full number of directors as a minimum. It is a prerequisite for validity of such a resolution that the same proposal has been made to all of the Directors. It is not obligatory for the validity of the resolution that the approvals are contained on the same sheet, but all of the sheets containing the approval signatures must be glued to the book of resolutions of the board of directors, and converted into a resolution which contains the signatures of the approving directors, and is recorded in the book of resolutions.

#### **Article 12. Distribution of the Duties of the Board of Directors, Representation, and the Delegation of Administration**

Unless a Chairman of the Board of Directors is elected by the General Meeting, the Board of Directors shall elect a chairman, and a deputy chairman to substitute him/her in his/her absence. The deputy chairman of the board of directors is authorized as well in terms of the powers granted to the chairman of the board by the Turkish Commercial Code in respect of the summons of meetings and the claims of information of the directors.

The Board of Directors may institute actions, arbitration proceedings, all kinds of administrative and judicial prosecutions, perform acts of settlement and discharge, request bankruptcy, cession of bankruptcy and composition with creditors, and, without prejudice to

the Capital Market Board regulations, make donations, make foreign exchange commitments, grant guarantees, perform transactions for transfer and establishment of mortgages on immovable properties. If need be, the Board of Directors may empower third persons in these respects.

The Board of Directors is authorized to delegate the management in whole in part to one or more person(s) (executives) from among or outside the Board of Directors by means of a internal directive it will prepare in accordance with Section 367 of the Turkish Commercial Code. The Board of Directors shall determine the powers and responsibilities of the executives through such internal directive it will prepare, and be entitled to assign to the competent persons within the framework of the conditions, clauses and restrictions which, too, shall be determined by the Board of Directors, all kinds of powers and responsibilities granted to the Board of Directors, or to modify or withdraw all or any part of such powers when it deems it necessary. Section 375 of the Turkish Commercial Code is reserved.

Within the framework of Section 370 of the Turkish Commercial Code, the Board of Directors may delegate the power of representation to one or more director(s) or other person(s) who is/are not necessarily shareholder(s) or director(s). Yet, in such case, at least one director must have the power of representation. Unless a special resolution is taken by the Board of Directors, any two Directors who are not of an independent nature under the Capital Market Board regulations may bind the Company in all aspects with their joint signatures they will write under the name of the Company.

The Board of Directors is authorized to divide the management and representation tasks as mentioned. The Board of Directors may form advisory, coordination, auditing and similar committees or subcommittees consisting of persons from among its own members or from outside. Rules applicable to meetings, works and reporting of the chairmen and members of such committees shall be determined, organized and amended by the Board of Directors.

#### **Article 13. Remunerations of the Directors and the Committee Members**

Remuneration, wages, bonuses or premiums may be paid to the members of the Board of Directors and the committee members specified in Article 12, in accordance with the applicable provisions of the Turkish Commercial Code, and the regulations of the Capital 7 Market Board, against their services for to the Company in their capacities as such. The terms and amounts of the payments to be made to the members of the Board of Directors, including the executive members, in their capacities as such, shall be determined by the General Meeting, whereas the terms and amounts of the payments to be made to the committee members in their capacities as such shall be determined by the Board of Directors in accordance with the applicable legislation. In respect of the remunerations payable to the independent members of the Board of Directors, no share options or payment plans based on Company performance shall be acceptable.

#### **Article 14. Auditors**

The provisions of the Turkish Commercial Code, the law and the other applicable legislation governing the Company, as well as the applicable provisions of the Capital Market Board regulations shall apply in respect of the audit of the Company and the other matters as provided in the legislation.

The Board of Directors may establish an internal audit organization reporting to the Board of Directors, pursuant to Section 366 of the Turkish Commercial Code.

#### **Article 15. General Meeting**

The following guidelines shall be followed at the General Meetings.

a) Convocation: The General Meetings shall be convened ordinarily or extraordinarily. Provisions of the Turkish Commercial Code, and the applicable provisions of the Capital Market Board regulations shall apply in respect of convocation of such meetings. The General Meetings shall be held open to the public including the stakeholders and the representatives of the media who shall not have the floor.

b) Time of Meeting: The Ordinary General Meetings shall be held at least once a year, and within three months following the end of the fiscal period of the Company. At such meetings, the agenda issues shall be deliberated upon and resolved.

The Extraordinary General Meetings shall be held and take the necessary resolutions in cases and at times as required by the affairs of the Company, in accordance with the provisions of the Turkish Commercial Code, the regulations of the Capital Market Board, and the applicable provisions hereof.

c) Voting Right: The shareholders attending the Ordinary and Extraordinary General Meetings shall exercise their voting rights in proportion to the nominal value of their total shares. The votes shall be cast by open ballot at the General Meetings. However, secret ballot must be applied upon request of shareholders holding at least one twentieth of the capital of the Company.

d) Proxy: Shareholders not attending the General Meetings may be represented by a proxy appointed among the other shareholders or from outside, provided that the Capital Market Board regulations regarding representation by proxy are complied with. Any proxy who is also a shareholder of the Company shall be authorized to exercise in addition to his/her own voting right that of the shareholder he/she represents. Without prejudice to the appointment of proxies through the Electronic General Meeting System, the power of attorney to be issued in this respect must always be in writing.

e) Venue of Meeting: The General Meeting shall be held at the administrative headquarters of the Company, or at any convenient place in Ankara, Istanbul or Izmir.

f) Attendance at the Meeting: Any General Meeting shall be attended by the Executive Directors, and at least one Member of the Board of Directors, the auditor, at least of the authorized officers who are responsible for the preparation of the financial statements, and, for the specific items of the agenda, at least one authorized officer who is competent on the issue involved, for purposes of making explanations. If the ones of such people who do not fall into those who are obliged to attend the meeting by virtue of law do not attend the same, then the reasons of their non-attendance shall be submitted by the chairman to the General Meeting for information.

g) Chair of the Meeting: The Chairman of Meeting authorized to conduct the deliberations at the General Meeting shall be elected from among the shareholders, and at least 1 (one) member authorized to collect votes and the recording clerk from among or outside the shareholders.

h) Quorum for Meeting and Resolutions: Without prejudice to the stricter quorums stipulated in the Capital Market Board regulations, and in these Articles of Association, the quorum for meeting and resolutions at all the General Meetings of Company shall be the absolute majority of the capital.

i) Internal Directive: The Board of Directors shall prepare an internal directive containing the rules on the working procedures and guidelines of the General Meeting in accordance with the applicable provisions of the Turkish Commercial Code, and the regulations and communiqués issued under the same code, and submit it to the General Meeting for approval. The internal directive approved by the General Meeting shall be registered and announced with the Trade Registry.

j) Electronic attendance of the General Meeting: Those who are entitled to attend the general meetings of the Company may do so in electronic medium as well, pursuant to Section 1527 of the Turkish Commercial Code. The Company may either set up the electronic general meeting system that will enable the people entitled to attend the general meetings in the electronic medium in compliance with the provisions of the Regulations regarding the Electronic General Meetings of Joint Stock Companies to attend such meetings in the electronic medium, to express their opinions, to submit proposals, and cast votes; or may purchase service from the already existing systems created for such purpose. By virtue of

this provision of the Articles of Association, the entitled people and their representatives shall be enabled by means of the system installed to exercise their rights specified in the said Regulations' provisions at all the general meetings to be held,.

#### **Article 16. Corporate Governance Principles**

The compulsory Corporate Governance Principles imposed by the Capital Market Board shall be complied with. In the transactions that are deemed to be important in terms of the implementation of the Corporate Governance Principle, and in every kind of related party transactions as well as in respect of transactions by which any guarantee, pledge and mortgage are given in favor of third persons, the regulations of the Capital Market Board concerning the corporate governance shall be complied with.

Any transactions executed and any resolutions of the board of directors taken without complying with the Compulsory Principles shall be invalid, and deemed contrary to the Articles of Association.

#### **Article 17. Announcements**

Statutorily compulsory announcements of the Company shall be made in compliance with the applicable provisions of the Turkish Commercial Code and the related regulations, communiqués, and Capital Market Board regulations, as well as any other governing legislation. Any issues for which no place of announcement is provided in the regulations shall be announced in the website of the Company.

#### **Article 18. Fiscal Period**

The fiscal period of the Company shall commence on the first day of January, and end on the last day of December.

#### **Article 19. Determination and Distribution of the Profit**

The period's profit which is the amount remaining after the compulsory deduction by the end of the fiscal period, from the incomes of the Company, of the miscellaneous sums such as overheads of the Company and depreciation, reserve funds, and the taxes payable by the Company as a juristic person, shall be distributed as follows, less the previous year's losses, if any:

General Legal Reserve:

a) 5% will be set aside as the statutory reserve;

First Dividend:

b) From the rest, the first dividend shall be set aside at such rate and in such amount as found by adding the sum of donation made during the year, if any, in compliance with the Turkish Commercial Code, and the Capital Market Board Legislation.

Second Dividend:

c) The General Meeting is authorized to distribute as the second dividend all or any part of the sum remaining after the deduction of the amounts mentioned in (a) and (b) from the net period's profit or to set aside such sum as the voluntary extraordinary reserve pursuant to section 521 of the Turkish Commercial Code.

General Legal Reserve:

d) One tenth of the amount remaining after the deduction of a profit share at the rate of 5% which has been decided to be distributed to the shareholders and any other persons participating in the profit shall be added to the general legal reserve pursuant to paragraph 2 of section 519 of the Turkish Commercial Code.

Unless the reserves which must be set aside pursuant to the provision of law, and the first dividend specified in the Articles of Association as payable to the shareholders have been set aside in cash and/or as stock certificates; no resolution may be taken to the effect that further reserve be set aside, and any portion of the profit be carried forward to the next year, and any portion of the profit be distributed to members of the board of directors, to officers, servants, and workers, to foundations established for various purposes, and other similar individuals and/or entities.

The dividend shall be distributed to all of the shares existing as of the date of distribution, regardless of their dates of issue and acquisition.

The date and method of distribution of the profit shall be determined by the General Meeting upon proposal of the Board of Directors.

Any resolution of dividend distribution taken in accordance with the provisions hereof may not be withdrawn.

**Article 20. Dividend Advance**

The General Meeting may resolve to distribute dividend advance to the shareholders within the framework of the Capital Market Board regulations and the applicable legislation.

**Article 21. Foundation for the Company's Employees**

The Company may both establish a foundation of the nature provided by Section 522 of the Turkish Commercial Code for the benefit of its officers, servants, and workers, as well as may participate in existing foundations with the same scope.

**Article 22. Statutory Provisions**

Any matters not addressed to herein shall be subject to the provisions of the Turkish Commercial Code, the Capital Market Law, and the applicable legislation.