

ARZUM ELEKTRİKLI EV ALETLERİ SANAYİ VE TİCARET A.Ş.
DUTIES AND WORKING PRINCIPLES OF THE COMMITTEE FOR EARLY DETECTION OF RISK

1. ESTABLISHMENT

At our company's Board of Directors meeting with number 2021/13 dated April 29, 2021, it was decided on to establish an Early Detection of Risk Committee within the framework of the provisions of the Turkish Commercial Code No. 6102 and the Corporate Governance Principles of the Capital Markets Board (CMB).

2. GROUND

This regulation has been created within the framework of the provisions of the Capital Markets Legislation and therefore the Capital Markets Corporate Governance Principles. The respective provisions of the Turkish Commercial Code are reserved.

3. OBJECTIVE

The purpose of the Early Detection of Risk Committee (to be referred to hereinafter as the "Committee") is to make recommendations and suggestions to the Board of Directors on the early detection, evaluation, calculation of impact and probability of any strategic, operational, financial, legal and other risks which may endanger the existence, development and continuation of ArzumElektrikEvAletleri Sanayi veTicaret A.Ş. (to be referred to hereinafter as the "Company" or "Arzum"), to manage such risks in accordance with the Company's corporate risk-taking profile, to report such risks, to apply any necessary measures related to such risks and to consider them in the decision mechanisms.

4. AUTHORITY AND SCOPE

The Committee is formed and authorized by the Board of Directors and acts within its own authority and responsibility and makes recommendations to the Board of Directors; however, the ultimate decision responsibility always rests with the Board of Directors.

All kinds of resources and supports required for the Committee in order to fulfill its duties are provided by the Board of Directors.The Committee may invite any manager it deems necessary to its meetings and take such manager's opinions.The Committee makes use of the opinions of independent experts on any issues it deems necessary regarding its activities.The cost of such consultancy services required by the Committee shall be covered by the Company.

In accordance with the Capital Markets legislation and the principles stated in this regulation, it is the Committee's duty to conduct studies for the early detection of risks which may endanger the existence, development and continuation of the Company, to implement the necessary measures regarding the identified risks and to manage such risks, and to review the risk management systems.

5. STRUCTURE OF THE COMMITTEE AND MEMBERSHIP CRITERIA

1. The Early Detection of Risk Committee consists of at least two members. The Chairman of the Committee is elected among the independent members.
2. Chief Executive Officer/General Manager cannot take part in the Committee.
3. If the Committee consists of two members, both of them; and if there are more than two members, the majority of the members are elected from non-executive Board members. When necessary, persons who are experts in their fields and who are not members of the Board of Directors may take place in the Committee.
4. When the new Board of Directors is elected at the Ordinary General Assembly meeting, the members of the Early Detection of Risk Committee are determined by the Board of Directors in parallel with the term of office of the relevant Board of Directors. The duties of the old Committee members continue until a new one is elected.
5. All kinds of resources and supports required for the Committee in order to fulfill its duties are provided by the Board of Directors. The Committee may invite any manager it deems necessary to its meetings and take such manager's opinions.
6. The Committee makes use of the opinions of independent experts on any issues it deems necessary regarding its activities. The cost of such consultancy services required by the Committee shall be covered by the Company.

6. DUTIES AND RESPONSIBILITIES

The duties of the Early Detection of Risk Committee are as following;

1. Early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the measures related to the identified risks and conducting studies on risk management,
2. Reviewing the risk management systems at least once a year and surveying the implementation of the practices in the relevant departments which take responsibility for the management of risks in accordance with the Committee's decisions,
3. Fulfilling the duties specified in the CMB regulations and the Turkish Commercial Code and other duties having been/to be assigned to the Committee,
4. Ensuring the integration of risk management systems into the corporate structure of the Company.

The Committee submits its evaluations and recommendations on the aforementioned issues in written to the Board of Directors.

7. COMMITTEE MEETINGS AND REPORTING

1. The Committee convenes minimum six times a year on a bimonthly basis and the results of these meetings are put in minutes of meeting and submitted to the Board of Directors. Nevertheless, whenever necessary, the Committee may convene extraordinarily or with an urgent agenda.
2. The decisions of the Committee are advisory to the Board of Directors, and the final decision maker on related matters is the Board of Directors.
3. The Committee ensures that the Board of Directors shall be informed on matters falling under the Committee's authority and responsibility.
4. Meeting and decision quorum is the absolute majority of the total number of Committee members.
5. It is possible to hold Committee meetings either with or without physical attendance by electronic means (either electronically or by conference call). Meetings with physical attendance may be held at the Company headquarters or any other place where Committee members have easy access. Minutes of the meetings held by electronic means without physical attendance are signed by the members of the Corporate Governance Committee. In addition, it is possible to circulate Committee decisions, and the decisions signed by all members on the same or different papers are valid.
6. Decisions taken at the Committee meetings are put in writing, signed by the Committee members and kept in an orderly manner.
7. Any decisions deemed necessary by the Committee are submitted to the Board of Directors.

8. ENFORCEMENT

These working principles of the Early Detection of Risk Committee have been approved by the Board of Directors decision dated April 29, 2021.

The revision and updating of the said working principles as necessary will be subject to the approval of the General Assembly.