

**ARZUM ELEKTRİKLI EV ALETLERİ SANAYİ VE TİCARET A.Ş.**  
**WORKING PRINCIPLES OF THE EXECUTIVE COMMITTEE**

**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 Executive Committee.

**2. OBJECTIVE**

The Executive Committee has been established in order to closely follow up the developments at Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret A.Ş. (to be referred to hereinafter as the "Company" or "Arzum") as well as developments in the industry which the Company takes place in, to inform the Board of Directors when necessary, to assist the Board of Directors of our Company, to ensure coordination between the executive of the Company and the Board of Directors, to increase the efficiency of the decision-making processes of the Board of Directors, to maintain the balance between all beneficiaries of the Company, to develop investment strategies and make recommendations to the Board of Directors.

**3. STRUCTURE OF THE COMMITTEE AND MEMBERSHIP CRITERIA**

The members of the Executive Committee are elected by the Board of Directors.

The Executive Committee consists of members to be elected from among the members of the Board of Directors and/or from outside. The Committee elects a Chairman and a Deputy Chairman from among its members.

The General Manager does not take office in the Committee, but presents all necessary information and studies to the Committee. Authority and responsibility in the execution of routine operations belong to the General Manager.

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 and/or expert it deems necessary to its meetings and take such manager's/expert's opinions. The cost of such consultancy services required by the Committee shall be covered by the Company.

Committee members are paid a remuneration to be determined by the Board of Directors, taking into account their term of office and their contributions in return for the services they have provided.

**4. DUTIES AND RESPONSIBILITIES**

The duties of the Executive Committee are as following;

1. To ensure that the necessary preparations, analyzes and evaluations are completed on issues such as impact on activities, financial aspect, legal status, compliance with strategic priorities, before any important issues to be decided on by the Board of Directors are submitted to all members for approval,

2. To ensure the transfer and dissemination of the matters related to the General Assembly or Board of Directors resolution to the Company management within the framework of the determined directives and policies,
3. To check that the processes regarding the execution of Company operations in accordance with the decisions of the Board of Directors and annual business plans are in place,
4. To evaluate the effects of developments in the economic, social and political environment in the industry in which the company operates, to determine the strategies to increase the competitive power,
5. To identify the opportunities that may arise by monitoring the dynamics of the industry, in line with the determined strategies,
6. Monitoring the company's strengths and weaknesses with internal analyzes as well as opportunities and threats with external analyzes,
7. To search for internal and external growth opportunities that will enable the Company to achieve its strategic goals,
8. Observing the functionality of the system that will enable the creation of Company business programs, making the necessary revisions according to the developments in the external environment and using them as a performance criterion,
9. To evaluate important legal developments and their impacts that may affect operations at macro level.

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

## 5. **MEETINGS**

1. The Committee convenes as often as required by the task assigned to it and at least once a month unless it is necessary to meet more frequently.
2. The Committee participates in general and special information or evaluation meetings related to Company/Community operations when deemed necessary by the Chairman of the Board of Directors (such as Planning Council, Annual Budget and special purpose meetings).
3. 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.
4. The Committee ensures that the Board of Directors shall be informed on matters falling under the Committee's authority and responsibility. The Committee also reports information about the activities being carried out and the suggestions developed to the Board of Directors.
5. Meeting and decision quorum is the absolute majority of the total number of Committee members.
6. 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 Executive 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. ENFORCEMENT**

These working principles of the Executive Committee have been approved by the Board of Directors decision with number 2021/13 dated April 29, 2021. The revision and updating of the said working principles as necessary is under the authority of the Board of Directors.