1. PURPOSE

This Related Party Transactions Policy ("Policy") aims to determine the limits of related party transactions defined within the scope of Article 24 of the Turkish Accounting Standards Communiqué of Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret A.Ş. ("Company", "Arzum") or any of its subsidiaries, and to establish the relevant steps for the negotiation of such transactions.

2. SCOPE

The Company complies with the Capital Market Law No. 6362 ("CML"), the Turkish Commercial Code No. 6102 ("TCC"), the Corporate Governance Communiqué numbered II-17.1 ("Communiqué"), other relevant communiqués and obligations of the Capital Markets Board, the Turkish Accounting Standards Communiqué, and relevant legislation and regulations regarding related party transactions. Furthermore, the Company carries out all related party transactions within the framework of the Turkish capital market legislation, tax legislation, and other relevant legislation, and in accordance with the arm's length principle (or: on an arm's length basis).

3. DEFINITIONS AND ABBREVIATIONS

"TAS": Refers to Turkish Accounting Standards.

"CML": Refers to Capital Markets Law No. 6362.

"TCC": Refers to Turkish Commercial Code No. 6102.

“KAP”: Refers to the Public Disclosure Platform

“Communiqué No. II-17.1 on Corporate Governance, the Communiqué”: Refers to the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board of the Republic of Turkey published in the Official Gazette dated 03.01.2014 and numbered 28871.

“Audit Committee”: Refers to the Audit Committee of the Company.

“Board of Directors”: Refers to the Board of Directors of the Company.

“Group”: Means the Company and each of the Group Companies from time to time.

“Company, Arzum”: Refers to Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret A.Ş.

“Policy”: Refers to the Related Party Transactions Policy.

“Frequent and continuous transactions”: Refers to related party transactions continuously carried out within the scope of the Company’s activities.

“Non-continuous transactions”: Refers to related party transactions carried out on a non-continuous and one-off basis within the scope of the Company’s activities.

“General Assembly”: Refers to the General Assembly of the Company.

“Independent Members”: Refers to the board members appointed by the Company in accordance with the Corporate Governance Communiqué (without prejudice to the provisions of Article 17 of the CML) who meet the independence criteria set forth in the Corporate Governance Communiqué.

“Related party”: Refers to the meaning attributed to it under TAS 24.

“Related party transactions”: Refers to the meaning attributed to it under TAS 24.

“TAS 24 Communiqué”: Refers to the Turkish Accounting Standards Communiqué (TMS 24) (No. 17) published by the Turkish Accounting Standards Board.

4. RESPONSIBILITY

The Audit Committee reviews all transactions falling within the scope of this policy that have been submitted to it and provides advice and recommendations to the Board of Directors when deemed necessary. If needed, the Audit Committee may also receive support from independent valuation experts regarding the matter.

The Board of Directors is responsible for the implementation of this policy, as well as the full execution and monitoring of all guidelines and procedures prepared or to be prepared under this policy. Therefore, the Board of Directors is responsible for establishing, overseeing, and making necessary updates to the Related Party Transactions Policy. The Related Party Transactions Policy, approved by the Board of Directors, is publicly disclosed on the Public Disclosure Platform (KAP) and the Company's website.

5. APPLICATION

The identification of related party transactions is carried out within the scope of TAS 24, which is prepared to ensure that the financial statements of the entity include the disclosures necessary to draw attention to the possibility that the company's financial position and profit or loss may be affected by the existence of related parties, transactions with such parties, and outstanding balances, including commitments between the entity and its related parties. In the implementation of this policy, alongside the TAS 24 standard, the obligations set forth in the Capital Markets Board's Corporate Governance Communiqué numbered II-17.1 are also taken into consideration.

In this context, distinctions are made between frequent and non-continuous transactions and frequent and continuous transactions as described in Articles 9 and 10 of the Communiqué, and transactions are examined in accordance with the characteristics specified in the Communiqué.

5.1. Non-Continuous Transactions

The evaluation of the Audit Committee shall be obtained for all non-continuous related party transactions. If deemed necessary, the Committee shall prepare an evaluation report and submit it to the Board of Directors. The Audit Committee shall review the transaction and check whether the thresholds determined for Non-Continuous Related Party Transactions in paragraphs 2 and 3 of Article 9 of the Communiqué are exceeded. In the event that the thresholds are exceeded, a board of directors resolution determining the principles of the transaction to be carried out shall be taken immediately, as stated in paragraph 1 of Article 9 of the Corporate Governance Communiqué. In cases where the Corporate Governance Communiqué or other relevant rules and regulations require the preparation of an independent valuation report, the Audit Committee shall ensure that this independent valuation report is obtained and that references made to the independent valuation report are appended to the Audit Committee Report.

When the Audit Committee completes its negotiations and reporting regarding the relevant transaction, it shall submit its report evaluating the conformity of the transaction with market conditions to the Board of Directors. The evaluation of the report and the fulfillment of TAS and CMB legislation and provisions shall in any case be overseen by the Board of Directors.

In order to carry out Non-Continuous Related Party Transactions enumerated in paragraph 3 of Article 9 of the Communiqué, the approval of the majority of the Independent Members is required. Board members who hold the status of a related party shall not vote at the board meetings where the matter is discussed. In the event that there are two Independent Members, both must approve the relevant Non-Continuous Transactions. In the event that the approval of the majority of the Independent Members cannot be obtained, the approval of the General Assembly regarding the Non-Continuous Related Party Transactions is required.

5.2. Frequent and Continuous Transactions

A general Board of Directors resolution shall be adopted for frequent and continuous transactions without being subject to any criteria. A Board of Directors resolution shall also be taken in the event of any change in the terms of the said transactions. The Board of Directors shall examine the relevant transaction and check whether the thresholds determined for frequent and continuous related party transactions in paragraph 2 of Article 10 of the Communiqué are exceeded, by also reviewing the report of the Audit Committee.

In cases where the Corporate Governance Communiqué or other relevant rules and regulations require the preparation of an independent valuation report or a report regarding the comparison of the terms of the transactions with market conditions, the Board of Directors shall ensure that such independent valuation report and comparable report are obtained.

In the event that the ratios enumerated in the second paragraph of Article 10 of the Communiqué are exceeded, in addition to the board of directors resolution, a report regarding the terms of the transactions and their comparison with market conditions shall be prepared by the partnership's board of directors, and the entirety or the conclusion of this report shall be disclosed on KAP. In the calculation of the ratios, transactions of the same nature shall be evaluated collectively, while transactions of different natures conducted with the same partnership must each be evaluated as separate transactions. In the event that the majority of the independent board members do not approve the transactions in question, the grounds for opposition must be disclosed on KAP.

The report to be prepared shall include, at a minimum, the matters set forth in paragraph 3 of Article 10 of naturels/the Communiqué.

5.3. Reporting

The Audit Committee examines the related party transactions that occurred within the relevant quarterly period during its quarterly meetings to be held following the publication of the respective quarterly financial statements, and prepares and submits a report to the Board of Directors if needed.

In the event that related party transactions exceed the criteria specified in the communiqué, the board of directors resolutions on the matter shall be evaluated as "inside information" and publicly disclosed within the scope of the relevant capital market regulations.

5.4. General Provision

The Company cannot enter into any contract or agreement that may qualify as a related party transaction without the approval of the Board of Directors. In the event that any contract or agreement concluded with Related Parties does not comply with the ordinary course of business or arm's length conditions, the Company is obliged to comply with the provisions of the Turkish Commercial Code and other relevant legal regulations.

5.5. Public Disclosure

The Board of Directors' resolution regarding related party transactions shall be publicly disclosed, if required under the relevant capital market regulations, excluding information of a trade secret nature. However, in the event that a separate report is required to be prepared regarding Continuous Related Party Transactions within the scope of capital market legislation, only the conclusion part of this report shall be publicly disclosed.

6. EFFECTIVITY

This Policy has been approved by the resolution of the Board of Directors dated 15/06/2022 and numbered 2022/017 and has entered into force on the same date, and all amendments to this policy shall be subject to the approval of the Board of Directors.