



Corporate Social Responsibility Approach

Individuals as well as governments and non-governmental organizations (NGOs) must do their share in using the globe's limited resources more cautiously in order to cultivate and sustain these resources. Hence, Arçelik A.Ş. takes on the responsibility in the company's operations of leaving a more habitable world to younger generations. The company's concept of corporate social responsibility entails principles of accountability for "Sustainable Growth" with sensitivity towards the environment and society and with operations completely compatible with laws, moral values and human rights.

Arçelik A.Ş. draws strength from the belief of our founder, the late Vehbi Koç, who said that "I exist as long as our country exist." Therefore, the company strives to fulfil its responsibilities towards its employees and business partners.

Arçelik A.Ş. publishes a yearly "Sustainability Report" as a part of the company's operations in economic, social and environmental areas. This report covers the company's development and manufacture of innovative and green products, the improvement of social standards, effectual corporate governance, human rights and ethical work principles as well as the company's sustainable profitability.

Corporate Governance Approach

Arçelik A.Ş. is guided by the company's corporate values and culture, moral principles, concepts of effective governance and the principles of ethics in business.

Accountability, responsibility, openness and transparency, and equality are the four principles comprising Arçelik's corporate governance. In parallel with international business standards, these principles safeguard the trust between stakeholders and institutions and undoubtedly amplify the company's productivity and success.

Arçelik A.Ş. realizes that "right" corporate governance is quintessential to keeping the promises made to the company's stakeholders, especially to investors in order to maintain trust and stability. Meetings with corporate investors are a clear demonstration of Arçelik's successful implementation of corporate governance principles. The company not only capitalizes on its financial results and sound financial structures to achieve profitability targets but also manages its "corporate reputation," an important asset cultivated over many years.

1. Compliance with Corporate Governance Principles

1.1. Compliance with Corporate Governance Principles

Implementing and putting into practice the Corporate Governance Principles issued by the Capital Markets Board (CMB), effective July 4, 2003, by Resolution No. 35/385 and announced in July 2003, are vital particularly to the credit-worthiness and financial capability of publicly-traded companies. Arcelik A.Ş. has adopted these principles, exemplifying the quality of corporate governance. According to the CMB Resolution No. 48/1588, dated December 10, 2004, companies must disclose their compliance with corporate governance principles in annual reports and on their web sites, if any, starting with the 2004 annual reports for companies listed on the Istanbul Stock Exchange (ISE). Subsequently, Arçelik A.Ş. set up a task team to investigate compliance with these principles; as a result, new information has been disclosed in the company's annual reports and on its web site since 2004. The company's effort to establish full compliance on some of the issues is still in progress. When OECD revised its 1999 corporate governance principles in 2004, the CMB updated its principles accordingly to ensure consistency with the OECD. Therefore, Arçelik A.Ş. prepared its 2009 Corporate Governance Principles Compliance Report in line with these revised corporate governance principles.

Authorized in Turkey to issue ratings according to the principles of the CMB Corporate Governance Principles, SAHA Corporate Governance and Credit Rating Services, Inc. (SAHA) reported the Arçelik A.Ş. corporate governance rating as 8.21 (82.10 percent) out of 10. The four main categories - shareholders, public disclosure and transparency, stakeholders, and the board of directors - were each given separate scores to determine the rating according to the resolutions of the CMB in this regard.

The corporate governance rating is distributed according to these main categories:

Sub Categories	Weight	Rating
Shareholders	0.25	8.55
Public Disclosure and Transparency	0.35	8.71
Stakeholders	0.15	9.52
Board of Directors	0.25	6.37
Total	1.00	8.21

As a result of this rating, Arçelik A.Ş. was added to the ISE Corporate Governance Index on July 31, 2009.

Compliance in Corporate Governance Principles Declaration

1.2. Corporate Governance Principles Not Yet Implemented

Arçelik A.Ş. believes in the importance of full compliance to corporate governance principles. However, full compliance has not yet been achieved due to challenges in implementing some of the principles together with ongoing discussions in Turkey and in international platforms on compliance with certain principles and the failure of current markets and corporate structures to meet these principles in the proper manner.

There are some principles open for improvement as stated in the Corporate Governance Ratings Report prepared by SAHA on July 30, 2009. Arçelik A.Ş. has prepared an action plan for complete compliance and is keeping up with its efforts toward this end.

1.3. Compliance Efforts within the Period

Arçelik A.Ş. continued its efforts and made major improvements towards compliance with corporate governance principles throughout 2009.

The first major improvement was to amend the Articles of Association with the following resolutions approved at the General Shareholders Meeting on March 25, 2009:

Article 14 - The board of directors will create councils, committees and subcommittees from its own members or non-members for any issues deemed appropriate.

The board of directors will assign, manage or replace the principles regarding meetings, operations and reports by the chairman or members of the committee.

Article 22 - General Shareholders Meetings will be open to stakeholders and to the media without the right of active participation.

Article 25- General Shareholders Meetings will be announced three weeks prior to the meetings.

Article 32 - General Shareholders Meetings will be held with the participation of at least one member of the board, one auditor, one officer responsible for preparing financial statements and one person who is amply familiar with the issues to make comments. The Chairman of the meeting is to inform the General Assembly about the reasons of their absence.

Another important development was to move the 2009 Ordinary General Shareholders Meeting to an earlier date. The Ordinary General Shareholders Meeting was held nine days earlier than last year's meeting.

These improvements were accomplished according to the Corporate Governance Rating Reports:

A decision was taken to provide more information to shareholders by the presidential board chairman of the General Shareholders Meeting. Important decisions of the board of directors were published on the web site. Information and documents to be debated at the General Shareholders Meeting were included in the disclosure policy. The annual report was improved with respect to corporate governance principles. Persons able to access insider information were listed in the Corporate Governance Principles Compliance Report.

Arçelik A.Ş. will uphold all efforts to implement improvements and processes according to legislation to preserve the company's compliance with these principles.

2. Investor Relations

Compliance with legislation, the Articles of Association, and internal regulations are observed when shareholders exercise their rights, while measures are taken to protect these rights. Arçelik A.Ş. manages shareholder relations through the Assistant General Manager of Finance and Accounting. The primary objective of the company regarding this issue is to ensure that shareholders fairly and reliably exercise their right to obtain information. The company exercises shareholder rights stemming from the partnership as a whole and without delay.

Investor Relations Primary Responsibilities:

- Ensuring that shareholder information is maintained and updated in a secure and reliable manner;
- Responding to shareholders' written or verbal inquiries of company information with the exception of confidential information and trade secrets not disclosed to the public;
- Ensuring that the General Shareholders Meeting is conducted according to law, the Articles of Association and internal regulations;
- Preparing all necessary documents for the General Shareholders Meeting;
- Recording voting results and sending the results to shareholders upon request;
- Observing and monitoring all issues regarding public disclosures including applicable legislation and the company's disclosure policy;
- Attending meetings held at the company headquarters as well as other domestic and international meetings arranged by various organizations in order to inform investors;
- Informing analysts evaluating the company;
- Responding to information inquiries from academics who are researching the company and the industry;
- Preparing Turkish and English versions of the investor relations page on the company's web site (www.arcelikas.com); updating the page whenever necessary; and ensuring simple online access to company information for shareholders;
- Filing material event disclosures with the ISE through the Public Disclosure Platform (PDP), according to CMB Communiqué Serial VIII, No. 54;
- Following up on amendments to the Capital Markets Law and to other applicable legislation and informing related departments of these amendments; and
- Representing the company at the CMB, the ISE and the Central Registry Agency (CRA).

Arçelik A.Ş. Staff Members in Charge of Investor Relations:

Dr. Fatih Kemal Ebiçlioğlu		
Assistant General Manager, Finance and Accounting	0212 314 31 00	fatih.ebiclioglu@arcelik.com
Türkay Tatar		
Finance Director	0212 314 31 84	turkay.tatar@arcelik.com
Bülent Alagöz		
Capital Markets Regulation Compliance Manager	0212 314 31 03	bulent.alagoz@arcelik.com
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Capital Markets Regulation Compliance Specialist	0212 314 31 15	turhan.sari@arcelik.com
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Investor Relations Specialist	0212 314 31 10	sinem.yilmaz@arcelik.com

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Summary of Actions to Provide In-depth Information to Investors on the Company's Operations in 2009:

Investor Disclosures in 2009

• Number of investor meetings attended domestically and abroad	3
• Number of investors met with	130
• Number of teleconferences disclosing 2008 year-end and 2009 first-half results	5
• Number of domestic and international press conferences	6

3. Exercising Shareholder Rights to Obtain Information

There is no difference between shareholders regarding accessing and examining company information. To improve the shareholders' rights to access information and to ensure reliability in shareholders exercising their rights, financial statements and other related information and documents are continuously updated and provided on the company's web site (www.arcelikas.com) both in Turkish and in English.

During this accounting period, information requests by shareholders were answered orally or in writing according to the Capital Markets Law and without preferential treatment to any shareholder. In 2009, action was taken on behalf of 52 shareholders who were not able to receive their dividends and had not participated in capital increases in previous years.

According to the PDP, material event disclosures required by the CMB along with financial statements and other information regarding the company are sent via electronic environments with electronic signatures.

Arçelik A.Ş. dematerialized the company shares traded on the ISE after registering with the CRA, an agency established to observe dematerialization of securities. Moreover, the company entered into an agreement with Yapı Kredi Menkul Değerler A.Ş. to complete shareholder functions with the CRA. The company's operations are periodically audited by an independent auditor (Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member of PricewaterhouseCoopers) as well as by internal auditors elected at the General Shareholders Meeting. The Articles of Association do not contain provisions for appointing a special auditor. During the reporting period, no request was made of the company to appoint a special auditor.

4. General Shareholders Meeting Information

All shares comprising the company's capital are nominative. A briefing document regarding the agenda is prepared and announced through the company's web site prior to the General Shareholders Meeting. According to the Articles of Association, General Shareholders Meetings are open to stakeholders and the media but without the right of active participation.

Arçelik A.Ş. held two General Shareholders Meetings in 2009. The company's 2008 operations were discussed at the Ordinary General Shareholders Meeting held on March 25, 2009. Of the 39,996,000,000 outstanding shares, 35,552,949,222 (81.39%) were represented at the General Shareholders Meeting. According to the Turkish Commercial Code (TCC), Article 451, and the Corporate Tax Law, Articles 18-20, a resolution was passed at the Extraordinary General Shareholders Meeting on June 29, 2009 to merge with the company's subsidiary, Grundig Elektronik A.Ş., by taking over all of Grundig's assets and liabilities in whole. Of the 65,993,400,000 outstanding shares, 54,546,444,107 (82.65%) were represented at the Extraordinary General Shareholders Meeting. The company's shareholders, either directly or by proxy, stakeholders, and the media attended the meeting. Several intermediaries and representatives of banks providing settlement and custody services also attended as observers. Questions from shareholders were answered during the meetings.

- According to the Articles of Association, the General Shareholders Meeting was announced three weeks in advance in two national newspapers, in the Turkish Commercial Registry Gazette, and on the company's web site in an effort to reach the highest possible number of shareholders.
- All announcements comply with corporate governance principles.
- Starting on the invitation date of the General Shareholders Meeting, financial statements and reports, including the annual report, the proposal for dividend distribution, information on the agenda of the General Shareholders Meeting, supplementary documents pertaining to the agenda, the current Articles of Association, the text and justification of amendments, if any, to the Articles of Association are all made available to shareholders at the company headquarters and on the web site for the convenience and open review of shareholders.
- The company prepares a clear agenda of the General Shareholders Meeting to avoid any misunderstandings.
- Sample power of attorney statements are in the announcement and posted on the company's web site for shareholders represented by proxy.
- Voting procedures are announced to shareholders in the meeting and electronically before the date of the General Shareholders Meeting.
- In 2009, the company did not receive requests from shareholders for any additional items to be included on the agenda.

Arçelik has not planned any future significant changes in the company's management or operational organization. All changes are disclosed to the public according to law.

The company holds General Shareholders Meetings at a minimum cost to its shareholders. In this respect, the company is also committed to implementing the simplest procedures so as not to encourage inequality among shareholders. Measures are taken to enable the easy participation of shareholders both domestically and abroad. In addition, all necessary documents are translated into English to inform foreign shareholders of the General Shareholders Meeting about agenda. These documents are sent via banks responsible for the custody and settlement transactions of shareholders and put on the web site.

The company makes every effort to hold meetings close to the city center for greater participation and convenience. The number of participants over a period of years is tracked, and the meeting location is determined based on the number of participants. The Ordinary General Shareholders Meetings on March 25 2009 were held at Divan City, Büyükdere Cad. No: 84, Gayrettepe, Istanbul. The Extraordinary General Shareholders Meeting was held at Rahmi M. Koç Müzesi, Hasköy Caddesi No: 5 Hasköy, Istanbul, on June 29, 2009. The layout characteristics of the venues where meetings were held accommodated the participation of all shareholders. Invitations to the General Shareholders Meetings are given by the board of directors according to the provisions of the TCC, Capital Markets Law and the Articles of Association. The decision by the board of directors to convene the General Shareholders Meeting is announced to the public via disclosures filed with the ISE.

CMB regulations require that financial statements are disclosed within 14 weeks of the fiscal period's closing. However, Arçelik A.Ş. discloses its financial statements well in advance of this deadline. The 2009 year-end financial statements were disclosed within eighth week. Following the disclosure of financial results, the company starts preparations for the General Shareholders Meeting and upon completion of the necessary legal procedures, the meeting is held. The General Shareholders Meeting convenes within three months following the end of the fiscal period. The company scheduled March 17, 2010 as the date of General Assembly to discuss company operations for 2009. At the General Shareholders Meeting, agenda items are communicated to shareholders in a manner that is detailed, objective, and comprehensible. These agenda items are discussed with shareholders, affording them equal opportunity to make any inquiries and share their views. The shareholders are also given the opportunity to make comments and recommendations regarding the remuneration of the company's directors and officers. Shareholders who place themselves on the blocked shares list may attend the General Shareholders Meeting to express their opinions, ask questions and have these questions answered. The shareholders' votes on the agenda items are recorded in the meeting minutes.

Each agenda item is voted on separately. The General Shareholders Meeting is held under the supervision of a representative of the Ministry of Industry and Trade.

The General Shareholders Meeting has authorized the board of directors to purchase, sell and lease material assets as well as to make donations and grants. The Articles of Association include relevant provisions permitting this authorization. Because of the impracticality of holding a meeting for every transaction, this authorization is more viable so that transactions may be expedited in competitive markets to avoid missed opportunities.

The minutes of the General Shareholders Meeting are posted on the company's web site and are also made available to shareholders at the company's headquarters. The shareholders are provided with a copy of the minutes upon request.

5. Voting and Minority Rights

Arçelik A.Ş. announces voting procedures to shareholders at the beginning of all General Shareholders Meetings. The company avoids procedures that would make voting difficult and provides each shareholder, including those living abroad, with the opportunity to exercise their voting rights in the simplest and most convenient way.

The company's Articles of Association do not provide any special privileges for voting. Each share equals a single vote. The shareholders do not include any legal entity that is a subsidiary of Arçelik A.Ş. The Articles of Association do not contain any provisions preventing a non-shareholder from voting by proxy.

Minority shareholders attend the General Shareholders Meetings and comprise the company's management in the same manner as majority shareholders. The Articles of Association do not provide for cumulative voting.

6. Dividend Distribution Policy and Deadline

According to corporate governance principles, Arçelik A.Ş. adopts a dividend policy that seeks a balance between the interests of both the shareholders and the company.

Arçelik A.Ş. has determined its dividend policy as follows: "To the extent permitted by applicable legislation and our investment requirements, long-term average dividends proposed at the General Shareholders Meeting by the board of directors should not be less than 50 percent of the company's annual distributable profit." The company's dividend policy is reported in the annual report and announced on the company's web site.

The company distributes its profit according to the TCC and the Capital Markets Law and within statutory time limits. At the Ordinary General Shareholders Meeting held on March 25, 2009, a decision was taken for a bonus share distribution of 9,999,000 Turkish lira at 2.5 percent, and were distributed as of May 4, 2009.

The Articles of Association do not grant any special privileges regarding dividend distribution.

According to the Articles of Association, the board of directors may distribute dividends in advance, provided that this action has been authorized by the General Shareholders Meeting and complies with the requirements of the Capital Markets Law and CMB regulations. The authority to distribute dividends in advance, granted to the board of directors by the General Shareholders Meeting, is limited to the year when the authorization was issued.

7. Transfer of Shares

The Articles of Association do not include any provisions complicating or restricting the transfer of shares.

8. Company Disclosure Policy

The Arçelik A.Ş. disclosure policy for informing the public was brought to the shareholders at the Ordinary General Shareholders Meeting on March 25, 2009 and published on the company's web site. The disclosure policy is updated in light of new regulations.

Purpose

As a leading global player in the durable goods industry both in Turkey and abroad, Arçelik A.Ş. has adopted a disclosure policy to inform the shareholders and stakeholders of all company activities in a fair, transparent, complete and comprehensible manner. The disclosure policy aims to equally share past performances, expectations, strategies and non-confidential company targets and the company's vision with all current and potential investors and shareholders and to announce all financial information related to the company in a timely and detailed manner, according to generally accepted accounting principles and the provisions of the Capital Markets Law.

Arçelik A.Ş. fully complies with the Capital Markets Law and relevant regulations of the ISE and applies the most effective communication policies according to the CMB Corporate Governance Principles as the company follows an active and transparent disclosure policy.

Authorization and Responsibility

The board of directors shapes the disclosure policy with its recommendations. Monitoring and developing public disclosure activities and the public disclosure policy are the responsibility of the board of directors at Arçelik A.Ş. The Finance Directorate and Corporate Communications Directorate have been commissioned to coordinate the disclosure functions. Both of these directorates are under Assistant General Manager of Finance and Accounting. These departments execute their responsibilities in close cooperation with the board of directors and the audit committee.

Methods and Instruments

Arçelik A.Ş. follows these methods and instruments for public disclosures and information policies according to Capital Markets legislation and ISE and TCC provisions:

1. Disclosure of Material Events are sent to the ISE. (English translations of these disclosures are simultaneously shared with foreign investors in electronic environments and are released on the company's web site in English and Turkish.)
2. Financial tables (and footnotes), independent auditor's report and declarations are sent to the ISE periodically. (These reports are simultaneously released on the company's web site; copies of annual reports and financial presentations are also available.)
3. Annual reports (are available on the official web site and in hardcopy.)
4. The company's web site (www.arcelikas.com)
5. Announcements are made via the Turkish Commercial Registry Gazette and daily newspapers.
6. Ad hoc press releases are published throughout the year according to events; periodic press releases are published through broadcast and print media channels.
7. Disclosures are made to information providers such as Reuters, Foreks and Bloomberg.
8. Face-to-face or teleconference meetings are held with investors and analysts.
9. Communication methods and instruments are executed via telephone, email, fax, etc.
10. Catalogues, circulars, announcements and other documents are available as required by Capital Markets regulations.

Material Event Disclosures

Arçelik A.Ş. material events disclosures are prepared by the Finance Directorate and the Legal Department and sent to the ISE after being signed by any two of the following signatories: General Manager, Assistant General Manager of Finance and Accounting or the Finance Director. The other Assistant General Managers and Accounting Directors are authorized to sign when the other signatories are not available. The material event disclosures are sent to the ISE via fax and in electronic environments in PDP format.

Public Disclosure of Financial Statements

Financial statements of Arçelik A.Ş. are prepared according to the provisions set by the CMB and are subject to independent auditing prior to public disclosure, according to the International Standards on Auditing (ISA). Following the audit committee approval according to the Capital Markets Law, financial statements and their footnotes are presented to the board of directors for approval prior to public disclosure. They are then sent to the ISE, according to the Capital Markets Law and ISE regulations, after their authenticity is confirmed by the General Manager or the Assistant General Manager in charge of Finance and Accounting or the Accounting Director. Turkish and English versions of the current and previous financial statements and their footnotes may be accessed on the Arçelik A.Ş. web site. Investor Relations Department also periodically issues memorandums or presentations on financial data and ratios, which are distributed electronically on the web site for a better understanding of the company's financial information.

Annual Report

The annual report is prepared according to international standards, Capital Markets legislation and the CMB Corporate Governance Principles. The report is approved by the Board of Directors before disclosure to the public and provided in Turkish and in English, in the web site. Investor Relations Department provides hard and soft copies in CD format.

Corporate Web Site

Stakeholders may access the most detailed and current information through the Arçelik A.Ş. web site using the site's convenient tools like graphics and calculators that allow easy viewing of comprehensive content and stock performances. Most of the analyses, assessments, retrospective data and history as well as current information may be accessed on the web site in Turkish and English.

List of accessible items on the web site:

- Detailed information on corporate identity
- Vision and strategies
- Information on the Board of Directors and executive management
- Important resolutions of the Board of Directors
- The company's organizational and partnership structure
- Articles of Association
- Trade Registry information
- Financial statements, indicators, and analyses
- Press releases
- CMB material event disclosures
- Information, graphics and calculators for stocks and performances
- Presentations for investors
- Information on evaluating analysts and reports from analysts
- Date of General Shareholders Meeting, agenda, briefing document on agenda.

- Minutes of the General Shareholders Meeting and list of attendees
- Sample of power of attorney
- Corporate Governance Practices and Compliance Report
- Dividend distribution policy, history, and capital increases
- Disclosure policy
- Frequently asked questions
- Detailed information on corporate social responsibility
- Ethical rules disclosed to the public as a part of the disclosure policy

Announcements via the Turkish Commercial Registry Gazette and daily newspapers:

As a requirement of the Capital Markets Law, the TCC and the Articles of Association, announcements related to General Shareholders Meeting, capital increases and dividend payments are made through the Turkish Commercial Registry Gazette and daily newspapers. The General Shareholders Meeting is announced in advance at least three weeks through newspapers and web sites to reach the maximum number of shareholders.

Starting on the invitation date of the General Shareholders Meeting, financial statements and reports, including the annual report, the proposal for dividend distribution, information on the agenda of the General Shareholders Meeting, supplementary documents pertaining to the agenda, the current Articles of Association, the text and justification of amendments, if any, to the Articles of Association are all made available to shareholders at the company headquarters and on the web site for the convenience and open review of shareholders. The company drafts a clear agenda of the General Shareholders Meeting to avoid any misunderstandings. The company's agenda at the General Shareholders Meeting includes the following: discussing and casting ballots on financial statements; relieving members of the board of directors and the auditors from any liability regarding the accounts and operations of the company; electing the board of directors and auditors whose terms are stated in the Articles of Association; determining the number of board members and their remuneration; selecting independent auditors for the current year in question; establishing dividend distribution and dividend distribution policy; amending the Articles of Association; presenting the Corporate Governance Principles Compliance Report and disclosure policy; and miscellaneous items. Sample power of attorney statements are announced and posted on the company's web site for shareholders represented by proxy.

Ad hoc press releases are published throughout the year according to events; periodic press releases are published through broadcast and print media channels.

Arçelik A.Ş. Corporate Communications Directorate provides detailed information to the public on important events throughout the year by providing press releases to broadcast and print media. The company organizes press conferences to release information to the press and the public, both domestically and internationally, depending on the nature of events, throughout the year. The general manager or other top management give a detailed and informative presentation to members of the press from both the broadcast and print media and answer questions regarding events at Arçelik A.Ş. In addition to regular press conferences, ad hoc press releases on significant events pertaining to the company may be sent to media organizations. This may be accomplished through a press conference, depending on the nature of the events. Any questions or requested information by the press concerning these events or general business questions are received in writing and subsequently answered.

Disclosures to Information Sharing Organizations such as Reuters, Foreks and Bloomberg

All written public disclosures that Arçelik A.Ş. shares with the broadcast and print media are sent to those organizations, and all members of the press are invited to press conferences when appropriate.

Meetings and Talks with Investors and Analysts

An Investor Relations Department headed by the Assistant General Manager of Finance and Accounting manages the company's relations with existing and potential shareholders and replies to inquiries from investors in the most propitious way to increase corporate value.

In their efforts to provide information on the company's operational and financial performances to include the company's vision, strategies and goals, the top management and the Investor Relations Department meet with brokers, analysts and investors frequently and prepare Q&A charts and summaries to promote the company in the best possible way. All meeting requests from shareholders are fulfilled with opportunities for meetings at the highest levels. Shareholders and analysts may closely follow events concerning the company through informative memorandums provided to the shareholders on the company's web site, which is updated regularly. For this purpose investor meetings are attended in and out Turkey. Questions are answered these meetings. Teleconference are held after financial statement and material event disclosure. Investor presentations are prepared and put on web site.

Disclosures of Forthcoming Statements

Periodically, Arçelik A.Ş. will make announcements about prospective events. Written prospective disclosures are based on certain assumptions. The actual outcomes may show a dramatic change in the previous forecasts due to risks, uncertainties and other factors. Investors are informed of these variances.

Following up News and Rumours about Company

The company monitors both broadcast and print media on a daily basis using media monitoring agencies. Relevant news items are reported to top management and the contents of the news items are reviewed. Top management also monitors local and international news about the company through information agencies such as Reuters, Bloomberg, and IBS.

If the company wishes to make a disclosure about a news item or a rumour in the media, even if not obliged to do so, the Assistant General Manager in charge of Finance and Accounting may address the issue and publish a disclosure.

In principle, a disclosure is not released if news items are insignificant to internal information. However, Corporate Communications Department may still decide whether the news is in the interest of the company to publish a disclosure.

False News and Hearsay

In principle, no comments are given if news does not originate with Arçelik A.Ş. or if news is evidently false or hearsay. However, the company may publish a disclosure if deemed necessary to protect the interests of the company and its investors.

News Regarding Information Postponed for Disclosure at a Later Date

When information that is withheld to protect the interests of the company is leaked despite all attempts to the contrary, Arçelik A.Ş. remains silent in principle. However, the company may publish a disclosure if deemed necessary to protect the interests of the company and its investors.

During postponement, no statement or comment is made. The company may express that the information will not be released during the postponement process.

Measures to Ensure Confidentiality before Internal Information is Disclosed to the Public

When special conditions arise, Arçelik A.Ş. employees and other parties with whom they communicate are warned as to the confidentiality of the material event until a disclosure has been made to the ISE.

In principle, Arçelik A.Ş. and people working on behalf and on account of Arçelik A.Ş. are not at liberty to share any information related to what may be considered a “material event” that has not yet been disclosed to the public under any circumstance. If any information has been released to third parties inadvertently and if believed that this information cannot remain confidential according to the Capital Markets regulations, then a “material event statement” is immediately released.

When a disclosure is postponed, persons who have knowledge of the information pertaining to the disclosure are listed, and the “List of Persons Who Can Access Internal Information at Arçelik A.Ş.” is updated, accordingly. Moreover, precautionary measures are taken to advise those persons who do have or may have this information, accordingly.

Criteria Used for Determining Employees with Administrative Responsibilities

Employees with administrative responsibilities who have access to internal information are determined based on the information they are authorized to access.

Accordingly, managers and other personnel who have partial or limited knowledge of internal information are not considered “persons who have access to internal information.” However, members of the Board of Directors, the General Manager, Assistant General Managers and other top managers working at the headquarters who have knowledge of the entire company and its current and future plans are regarded as persons with access to internal information.

Based on this criteria, a list of these persons is disclosed to the public according to relevant CMB provisions.

Maintaining Confidentiality of Information Due for Disclosure to the Public

The company places great emphasis on the use of insider information in order to maintain a balance between transparency and protection of the company’s interests. All precautionary measures are taken to prevent the use of insider information. “Principles of Business Ethics,” documented and distributed to all employees, clearly articulates appropriate business ethics for all Arçelik A.Ş. employees.

Any information acquired during the course of employment or belonging to the company, or deemed undesirable to share with third parties or considered commercial secrets are regarded as “company information.” All employees are required to protect company information during and after their employment with the company. Moreover, they may not use this information either directly or indirectly. Employees at Arçelik A.Ş. are prohibited from engaging in activities that would generate commercial gains from trading shares of Arçelik A.Ş. or of other Koç Group companies based on insider information obtained during the course of their employment.

Before a disclosure of term-end results is made available to the public, Arçelik A.Ş. conducts a “silent period” when company employees refrain from sharing any information with the public. This period starts three weeks prior to the disclosure of year-end results and two weeks prior to the disclosure of quarterly results.

The Arçelik A.Ş. Board of Directors, corporate management, overseas companies' management, appointments, and severances executed in 2009 and disclosed to the public through a material event disclosure are as follows:

Board of Directors	
Rahmi M. Koç	Chairman of the Board
Dr. Bülent Bulgurlu	Vice Chairman
Robert Sonman*	Member of the Board
Mustafa V. Koç	Member of the Board
Semahat S. Arsel	Member of the Board
Temel K. Atay*	Member of the Board
M. Ömer Koç	Member of the Board
Y. Ali Koç	Member of the Board
A. Gündüz Özdemir	Member of the Board
Levent Çakıroğlu	Member of the Board

*Temel K. Atay and Robert Sonman are also members of the committee of auditors.

Board of Auditors

İnanç Kiraz
Serkan Özyurt

The Board of Directors and Board of Auditors were elected at the Ordinary General Shareholders Meeting by resolution on March, 25, 2009.

Top Management	
Levent Çakıroğlu	Arçelik A.Ş. General Manager
İsmail Hakkı Sağır	Assistant General Manager, Production and Technology
Dr. Fatih Kemal Ebiçlioğlu	Assistant General Manager, Finance and Accounting
Şirzat Subaşı	Assistant General Manager/Sales - Turkey, Middle East, Africa, and Turkic Republics
Tülin Karabük	Assistant General Manager/Sales-Europe, America, Asia-Pacific

Levent Çakıroğlu

Arçelik A.Ş. General Manager

Mr. Çakıroğlu began his professional life at the Ministry of Finance as an assistant accounting specialist in 1988. In 1998 he joined Koç Group as Accounting Coordinator. He went on to serve as General Manager of Koçtaş between 2002 and 2007 and General Manager of Migros between 2007 and 2008. He has been working as the General Manager of Arçelik A.Ş. since August 2008.

İsmail Hakkı Sağır

Assistant General Manager, Production and Technology

Mr. Sağır began his career as a project engineer at the Arçelik A.Ş. Refrigerator Plant in 1980 and has been working at Arçelik A.Ş. as the Assistant General Manager of Production and Technology since May 2009.

Dr. Fatih Kemal Ebiçlioğlu

Assistant General Manager, Finance and Accounting

Dr. Ebiçlioğlu began his career at the Ministry of Finance as an assistant accounting specialist. He has been working at Arçelik A.Ş. as the Assistant General Manager of Finance and Accounting since 2005.

Şirzat Subaşı

Assistant General Manager/Sales-Turkey, Middle East, Africa, Turkic Republics

Mr. Subaşı began his professional life at Beko Ticaret A.Ş. as sales representative in 1986. He has held his current position since May 2009.

Tülin Karabük

Assistant General Manager/Sales-Europe, America, Asia-Pacific

Ms. Karabük began her career as the regional manager of the Eastern Block Countries at Ekom Eczacıbaşı Dış Ticaret A.Ş. in 1987. She has held her current position since September 2009.

Appointments

Şirzat Subaşı, Assistant General Manager/Sales-Turkey, Middle East, Africa, Turkic Republics

Appointed on May 1, 2009

İsmail Hakkı Sağır, Assistant General Manager-Production and Technology

Appointed on May 1, 2009

Tülin Karabük, Assistant General Manager/Sales-Europe, America, Asia-Pacific

Appointed on September 1, 2009

Severances

Fredrik Ulf Janson, Assistant General Manager, International Marketing and Sales, departed the company on January 13, 2009.

Atilla İlbaş, Assistant General Manager, Production and Technology retired on April 30, 2009

All material event disclosures are published on the company's web site in Turkish and English simultaneously.

The company's top management or with their knowledge and sanctioning and authorized personnel in the Finance Directorate respond to inquiries from outside the company. Presentations provided to analysts for easy assessment are released to the public via the company's web site following the disclosure of financial statements.

According to Capital Markets legislation, securities traded within the last year are disclosed and published on the company's web site when these transactions are performed by the Board of Directors, Managers or shareholders who directly or indirectly hold a 5 percent share of the company.

The company prepares consolidated financial statements and their footnotes according to the Capital Markets Board, Communiqué Serial. XI, No. 29, and discloses them to the public following an independent audit.

Annual Reports are prepared according to Capital Markets Legislation and Regulations and the CMB Corporate Governance Principles, Chapter II, Article 3.2.2.

9. Material Event Disclosures

The company made 32 material event disclosures in the fiscal period. There were no requests for additional explanations from the CMB and/or the ISE regarding 2009 disclosures. The company is not required to make any material event disclosure other than those made to the ISE since the company does not have any securities listed on foreign stock exchanges. The company made all material event disclosures on time and therefore was not subject to any sanctions by CMB.

10. The Company's Web Site and Content

In an effort to maintain effective and fast communications with shareholders, the company actively uses its corporate web site at www.arcelikas.com, according to the requirements of the CMB. The CMB Corporate Governance Principles, Chapter II, Article 1.11.5, are available on the web site prepared in English and Turkish. The Finance Directorate prepares, updates and make additions to web content for Investor Relations. Every effort is extended to ensure uninterrupted web site operations.

11. Disclosure of Sole Proprietorship and Ultimate Controlling Shareholder(s)

A disclosure of Sole Proprietorship and Ultimate Controlling Shareholder(s) would be of no consequence. Information of the Koç family members as ultimate controlling shareholders is common knowledge.

12. Disclosure of Insiders

Arçelik A.Ş. places great emphasis on the use of insider information in order to maintain a balance between transparency and protecting the company's interests. All precautionary measures are taken to prevent the use of insider information. "Principles of Business Ethics," documented and distributed to all employees, clearly articulates appropriate business ethics for all Arçelik A.Ş. employees.

Any information acquired during the course of employment or belonging to the company, or deemed undesirable to share with third parties or considered commercial secrets are regarded as "company information." All employees are required to protect company information during and after their employment with the company. Moreover, they may not use this information either directly or indirectly. Employees at Arçelik A.Ş. are prohibited from engaging in activities that would generate commercial gains from trading shares of Arçelik A.Ş. or other Koç Group companies based on insider information obtained during the course of employment.

Company managers are required to make disclosures to the public about trading shares if their positions in the company allow access to information that may affect the value of capital market instruments. These disclosures are also published on the company's web site.

List of Persons Who May Obtain Insider Information

Name, Surname	Position
Rahmi M. Koç	Chairman of the Board
Dr. Bülent Bulgurlu	Vice Chairman
Robert Sonman	Member of the Board, Member of the Committee of Auditors
Mustafa V. Koç	Member of the Board
Semahat S. Arsel	Member of the Board
Temel K. Atay	Member of the Board, Member of the Committee of Auditors
M. Ömer Koç	Member of the Board
Y. Ali Koç	Member of the Board
A. Gündüz Özdemir	Member of the Board
Levent Çakıroğlu	Member of the Board, General Manager
İnanç Kiraz	Auditor
Serkan Özyurt	Auditor
İsmail Hakkı Sağır	Assistant General Manager, Production and Technology
Dr. Fatih Kemal Ebiçlioğlu	Assistant General Manager, Finance and Accounting
Şirzat Subaşı	Assistant General Manager/Sales-Turkey, Middle East, Africa, Turkic Republics
Tülin Karabük	Assistant General Manager/Sales-Europe, America, Asia-Pacific
Ali Tayyar	Accounting Director
İhsan Somay	Accounting Director
Sibel Kesler	Budget, Reporting and Analysis Director
Türkay Tatar	Finance Director
Ertuğrul Evren	Accounting Manager
Gökhan Otaç	Accounting Specialist
Kemal Ersalıcı	Accounting Specialist
Alparslan Görgülü	Consolidation Manager
Özgür Ölmez	Consolidation Specialist
Erdem Topoyan	Consolidation Specialist
Nesrin Cengiz	Budget Manager
Hande Sarıdal	Treasury Manager
Levent Arasiler	Financial Markets Specialist
Sinem Yılmaz	Investor Relations Specialist
Hümeyra Özener	Reporting Manager
Burcu Bekar	Reporting Staff
Bülent Alagöz	Capital Markets Regulation Compliance Manager
Turhan Sarı	Capital Markets Regulation Compliance Specialist
Beril Egemen	Assistant to the General Manager
Haluk Yalçın	Independent Auditor, Limited Partner, Chief Auditor
Cihan Harman	Independent Auditor's Staff
Bora Akgüngör	Independent Auditor's Staff
İlke Koca	Independent Auditor's Staff
Ozan Matur	Independent Auditor's Staff
Janberk Ersan	Independent Auditor's Staff
Ayşe Pınar Tekinşen	Independent Auditor's Staff
Mert Özpoyraz	Independent Auditor's Staff
Özcan Hınçal	Certified Public Accountant

13. Disclosure to Stakeholders

Third parties directly involved with Arçelik A.Ş. are the company's stakeholders. The company advises its stakeholders on matters of interest through meetings or via communications channels. Fully aware of the long-term benefits associated with stakeholders, the company respects and protects their rights established by legislation, mutual agreements, and charters. The company's corporate governance structure allows all stakeholders, including employees and representatives, to express their concerns regarding illegal or unethical practices. A network of over 3,600 dealers constitute a major stakeholder group directly connected to the company. Arçelik holds regular Authorized Dealers Meetings throughout the year to keep dealers up to date on policies, targets and economic developments as well as to foster a more advantageous system by listening to their concerns. The company also shares its strategies, policies, targets and expectations for the previous and current year with its nearly 3,500 suppliers through meetings, visits, inspections, and the supply portal.

Employee relations under collective bargaining is managed through union representatives. Arçelik A.Ş. is a member of the Turkish Metal Industrialist Union (MIU) for employers. The company's blue-collar workers are members of Union of Metal Workers of Turkey (TURKMETAL). In December 2008, MIU and TURKMETAL signed a collective bargaining agreement, effective September 1, 2008 to August 31, 2010.

14. Stakeholders Participation in Management

To encourage stakeholder and especially employee participation in company management, supporting tools and models such as suggestions and surveys have been created to boost participation without interfering with the company's operations.

Arçelik A.Ş. involves the workers union in decision making processes and obtains their approval regarding operational changes in work conditions, the environment, and employee rights. Dealers in close contact with the company through the Authorized Dealers Meetings are also encouraged to participate in company management.

15. Human Resources Policy

Respect the globe, respected globally! This vision rallies the company towards becoming global. We embrace our employees as "our most vital asset" and value them as the driving force behind a long-lasting legacy.

Arçelik A.Ş. fashioned the company's human resources principles in 2006 in harmony with the company's shared values, work ethics, and strategies. These principles to include shared values and work ethics have been translated into several languages and distributed to subsidiaries in Turkey and abroad.

The Main Principles Guiding Human Resources (HR) Policies

- The company maintains a balance between global and local HR systems and practices. As a global company, Arçelik A.Ş. respects local laws and practices. If a conflict with HR policies arises, local laws take precedence.
- All HR policies are aligned with Arçelik's strategies.
- All HR processes and practices are obliged to respect and support human rights in principle. These principles call for non-discrimination and creating equality within the company. Arçelik A.Ş. does not discriminate on account of ethnicity, race, nationality, disability, political affiliation, religion, age, gender or sexual orientation.

- Fairness, consistency and reliability are the main principles of HR practices. The company evaluates its HR practices systematically in order to improve standards as current developments and feedback guide the HR processes. Personal data and confidentiality is always maintained. HR processes are applied in consideration of the following principles:

Industrial Relations

Arçelik A.Ş. respects employee rights to organize in unions. On the basis of mutual trust between employees and unions, the company diligently preserves the peace at the workplace by acting in conformance to laws and collective bargaining agreements. Conditions, customs, and practices indigenous to regions and countries where the company operates are considered, even if not stated in the agreements.

Industrial policies of the company regard unions as social partners not antagonists. Arçelik A.Ş. places great emphasis on maintaining good relations with unions and acting in concert with them. Better working conditions for its social partners is an important goal of the company. Accordingly, areas of social assistance such as better working conditions, occupational health and safety, maternity, marriage and meals as well as adherence to laws are provided in the agreements and are implemented.

Employee Rights of Arçelik A.Ş. Employees in Turkey According to Collective Bargaining Agreements:

- Four months salary as a bonus every year
- Payment for heating requirements
- Allowance before annual holiday
- Holiday allowance before religious holidays
- Monthly child allowance
- Allowances for occurrences such as childbirth, marriage, death, military service and education.
- Non-cash assistance for transportations and meals at company locations
- Employee annual holidays in the company according to collective bargaining agreements; holiday entitlements longer than legal periods provided to all employees both union and non-union.
- Implementation of starting positions and wages for union employees based on the type of work performed according to collective bargaining agreements.

Notwithstanding the economic crisis, precautionary measures were taken in cooperation with the workers union in 2009 to provide the highest possible protection; consequently, the impact of the crisis was minimal.

Occupational Health and Safety

Arçelik A.Ş. consistently provides guidance to its employees regarding occupational health and safety and supports communications among employees and managers. Occupational health and safety has been reorganized in keeping with legislation and the company's processes. Occupational health and safety units are placed under the supervision of HR to facilitate greater benefit and productivity to the company's processes. The Arçelik Occupational Accident Tracking Programme created with internal resources is now being used on a larger scale after the programme was improved according to requirements.

With the reorganization, related departments now track frequently occurring accidents with occupation safety experts and onsite physicians working to prevent these accidents.

Results in 2009 Compared to the Previous Year

- 36% decrease in the number of total accidents.
- 40% decrease in the number of frequently occurring accidents.

The decline in the number of occupational accidents helped reduce the number of work loss days in return. As a consequence, this improvement was achieved without a decline in the number of work hours.

Arçelik A.Ş. tracks indicators for occupational health and safety according to the company's performance management system and previously set targets. Training and seminars are an indicator of the importance that Arçelik A.Ş. places on occupational health and safety.

Arçelik A.Ş. allocated a total of 38,250 man hours for training in occupational health and safety in 2009. With the importance and support placed on this project, the company plans to continue training and awareness programs at a greater pace.

When fulfilling both present or future requirements for employees, the company offers equal opportunities to all candidates who possess the appropriate training, knowledge, skills, competencies and experience.

Having employees from 81 different universities clearly indicates the importance the company places on equality.

Total number of employees in Turkey and abroad as of 2009 year end:

Total number of employees as of 2009 year end	Total
Turkey	12,888
Abroad	4,043
Arçelik Group Total	16,931

The average seniority of employees in Turkey is 7.4 years and the average age is 33.

The company's approach to training and development aims for greater improvement in the company's and in individual performances through continuous professional development. The company emphasizes the efficient and productive use of internal resources when planning both the current and future development needs of employees.

The company allocated a total of 150,540 hours to training, average 12 hours per employee, even under turbulent economic conditions in 2009.

Arçelik believes that organizational success results from individual success. Various professional development systems are instrumental in improving employee performances compatible with the company's targets. The remuneration management approach is defined within an equitable and competitive employment policy.

The company works to heighten employee motivation, loyalty and productivity as the company aspires to implement the best processes and to encourage critical competencies. In this respect, the company recognizes achievements, inventions and suggestions and promotes them throughout the company.

A work life evaluation survey is conducted each year to build better working conditions for employees. The survey measures employee satisfaction, loyalty and dedication to the company. The results are shared with the employees, and after listening to their opinions an action plan is implemented.

16. Information on Relations with Customers and Suppliers

Customer and supplier satisfactions are high priority and essential targets for the company. Customer satisfaction is monitored and reported regularly. The confidentiality of information pertaining to customers and suppliers is invaluable and reserved as trade secrets.

Respecting the company's operations and investments, the primary aspiration of Arçelik's Call Center is to achieve customer satisfaction at the highest possible level. The call center operates with modern services seven days a week, twenty-four hours a day with seamless communication and fast response to suggestions and requests. An additional fundamental responsibility of the call center is to contribute to the development of new products that meet customer expectations by providing an unrestricted flow of suggestions and criticisms from customers.

The Arçelik Call Center boasts of a technological infrastructure whose capacity outperforms competitors. This becomes especially evident by the varied communication channels with the company's customers. The call center is capable of immediately resolving important details of a customer's request by traditional communication channels like faxes and letters or by other modern channels such as telephones and e-mails. Raising the bar every passing day, the Arçelik Call Center also conducts surveys to better understand what actually happens in the field and uses feedback as a way to improve its operations.

The Arçelik Call Center has maintained the highest level of dialogue and customer satisfaction with the company's domestic customers since 1991. The center has now started presale and after sales services in Turkey for the Beko and Altus brands and also for Elektra Bregenz, which penetrated the Austrian market in 2008. Operations abroad expanded with the addition of a call center for the Grundig brand in Germany in 2009. Services networks abroad have grown with the call center located in Turkey providing service in the German language.

In 2009, Consumer Services working under the Consumer Services Directorate provided support at nearly 600 authorized services in 10 regional management operations with 5,300 vehicles and 12,000 employees whose 6,000 employees are technicians. Technicians are certified by Technical Services and Training Management working under Consumer Services.

Authorized services are capable of providing 10 million services annually for Arçelik A.Ş. brands. One of the distinctions of the company's services organization is the ability to handle both the delivery and installation of a product with a single service call.

17. Social Responsibility

Arçelik A.Ş. believes that corporate social responsibility is essential to the company's core business and works for "sustainable growth". The company's social responsibility is illustrated by high quality and innovative products and services, a moral disposition respecting laws and human rights, and awareness of environmental and social needs in every industry where the company operates and with every responsibility undertaken for "Sustainable Growth." Arçelik performs the company's operations with full compliance to laws, moral standards and human rights and was one of the first companies to sign the Corporate Social Responsibility Code of Conduct prepared by the European Committee of Domestic Equipment Manufacturers (CECED).* The code of conduct guarantees sustainable performances regarding working conditions, environmental laws, and standards set forth by international agreements.

Arçelik operates with an approach focused on protecting the environment and natural resources with its partners in production and non-production processes while developing and manufacturing innovative products. During its operations, the company abides by all domestic and international legal liabilities intent on protecting the environment and human health. Arçelik regularly organizes training programs for employees to raise awareness of the environment and conducts projects with government organizations and with NGOs. The company's "sustainability" approach drives Arçelik to create and implement projects for the development of the younger generations in countries where the company operates. These projects continue with the support of both employees and partners. Exemplary of this approach to social responsibility is the "Standing United for Education with Arçelik A.Ş." programme, whose goal is to foster the individual growth of students in elementary boarding schools in Turkey. In addition to projects in education, culture and the arts, the company also sponsors sports events, contributing greatly to the growth of the community. The annual report describes these policies and operations in the "Sustainable Life" and "Innovation" sections.

In 2008, Arçelik A.Ş. prepared the 2007 Sustainability Report for employees, shareholders, authorized dealers, authorized services, suppliers and all social partners as a part of the company's operations in economic, social and environmental areas. The Sustainability Report mentions operations of Arçelik A.Ş. that focus on innovative product development and production for the protection of natural resources, improvement of community living standards, effective corporate governance, human rights and ethical work principles.

Both the annual report and sustainability report are shared with the public on the company's web site at www.arcelikas.com

* CEECED was founded in 1959 and represents European manufacturers of domestic electrical appliances. The CEECED organizes all industry activities pertaining to legal regulations and practices in Europe and manages the cooperation between members. Arçelik A.Ş. has been a member of CEECED since 2002.

18. Structure and Composition of the Board of Directors and Independent Members

Arçelik A.Ş. is managed by a Board of Directors comprising a minimum of three members elected among the shareholders according to the provisions of the TCC and by resolution of the General Shareholders Meeting. The General Manager of the company may be elected as a member of the Board of Directors. The 2009 Board of Directors consisted of ten members. Mr. Levent Çakıroğlu serves on the board as an executive member.

Members of the Board of Directors

Rahmi M. Koç	Chairman	Non-executive
Dr. Bülent Bulgurlu	Vice Chairman	Non-executive
Robert Sonman	Member	Non-executive
Mustafa V. Koç	Member	Non-executive
Semahat S. Arsel	Member	Non-executive
Temel K. Atay	Member	Non-executive
M. Ömer Koç	Member	Non-executive
Y. Ali Koç	Member	Non-executive
A. Gündüz Özdemir	Member	President of Consumer Durables Group
Levent Çakıroğlu	Member	General Manager

The chairman and vice chairman of the board are elected following the election of the Board of Directors at the General Shareholders Meeting. Article 315 of the TCC is applied for vacancies on the board.

According to Articles 334 and 335 of the TCC, the chairman and members of the board seek the consent of the General Shareholders Meeting to engage in, either directly or indirectly, or to own shares in any business similar to the business of the company. The company's Board of Directors does not have an independent member. All members have been elected as representatives of certain shareholders. All of the members of the board have worked in various industries for many years and are experienced in the areas of business in which the company is involved. The company takes full advantage of the knowledge and experience of the board members. The members of the Board of Directors are free to voice their opinions openly without pressure. The company has affiliates and subsidiaries operating in various industries. Trusting that the participation of the Board of Directors in the management of related companies serves the interests of the company, the board members are not subject to any rules or restrictions when assuming responsibilities in the other companies. Their roles in these companies, whose industries may be linked to Arçelik A.Ş., are considered beneficial to the interests of the company.

19. Qualifications of Board Members

The Board of Directors is structured for absolute competence and effectiveness. The Board of Directors possesses qualifications according to the Corporate Governance Principles of the Capital Markets Board, Chapter IV, Articles 3.1.1, 3.1.2, 3.1.3 and 3.1.5. The provisions of the Articles of Association regarding the qualifications of board members will be submitted for shareholder approval at the Ordinary General Shareholders Meeting on March 17, 2010.

Individuals who are nominated and elected to the Board of Directors will have knowledge and experience in the company's areas of business activities; will be able to analyze financial statements and reports; will have basic knowledge of legal regulations the company works under; and will preferably possess university educations.

20. The Mission, Vision and Strategic Targets of the Company

Company mission: Protect the values, targets and strategies of the Koç Group while developing, manufacturing, and introducing products in the market and while offering after sales services for products that simplify domestic life and that are easy to own and use and be reliable. Ensure customer and employee satisfaction and long-term loyalty, use resources efficiently, and meet stakeholder expectations while continuously improving and growing in target markets.

Company vision: Respects the globe, respected globally. Respects the globe - because we are a green company. We appreciate people. We are aware of our responsibilities. Respected globally - because our aims are higher, reaching beyond.

Main Targets of the Company

- Maintain sustainable growth
- Preserve operational profitability, above the industry average
- Enlarge the market share in the white goods industry of the world
- Improve capabilities to offer pioneering, innovative, and green products and solutions that add value for the customer
- Develop a global organization and competencies by managing diversity

The Board of Directors evaluates and approves the company's vision and main targets. These targets are announced to the public in the annual reports, on the web site and through informative meetings or statements by means of appropriate communications channels.

During the Board of Directors meetings, made periodically according to the Articles of Association the company's targets are compared and assessed with actual outcomes, including the previous year's. The current status of the company is examined and new targets and strategies are created if necessary.

21. Risk Management and Internal Control Mechanisms

The Risk Management Department is established under the Finance Directorate to track, report and manage risks in the company. The Department continues to work proactively regarding financial risks, loan risks and elementary risks.

Financial Risks: The company continually tracks risks of exchange rates, interests and liquidity and reports these risks at certain intervals. The Treasury Department is responsible for managing financial risks reported by the Risk Management Department, according to the risk criteria.

Loan Risks: Consolidated international receivables are collateralized and reported. The company often purchases insurance policies and uses bank guarantees, factoring and Eximbank guarantees for this purpose. The Sales Accounting Directorate manages the process of guaranteeing domestic receivables. When products are delivered to authorized dealers, guarantees such as mortgages, letters of guarantees from banks, customer deeds, stocks or currency are received in return. Factors affecting risks are processed online in the system. Transactions such as dispatch orders or draft collections are shown on accounts immediately, therefore changing the risk factors.

Elementary Risks: Includes processes such as determining consolidated fixed assets, responsibilities, transportation, coverage of insurance policies and their purchase and managing processes related to claims.

Moreover, to establish viable internal control mechanisms, the Internal Audit Department is established under the Assistant General Manager of Finance and Accounting. The audit committee constantly monitors the processes and effectiveness of the system and if necessary reports issues and suggests solutions for risk management and internal control mechanisms to the Board of Directors.

22. Authority and Responsibility of the Members of the Board of Directors

The Articles of Association clearly define the authority and responsibility of the Board of Directors. The levels of authority are explained in detail on authorized signature lists that are filed with the authorized organizations as stated by law and posted on the company's web site.

23. Main Activities of the Board of Directors

According to the Articles of Association, the Board of Directors meets when necessary to manage the company's business. The board must convene at least four times a year. The Board of Directors is required to convene upon request of the chairman or two board members. Reasons for any opposing opinions or votes are recorded in the minutes of the board meetings. Detailed reasons for opposing votes are disclosed to the public. However, a disclosure was not made in 2009 since no opposing votes or opinions were recorded at any of the four meetings of the Board of Directors.

The agenda for a meeting of the Board of Directors is determined whenever related departments report issues to top management or to the board that specifically require a resolution by the Board of Directors. The meeting also occurs when a member of the board calls for a resolution pertaining to a significant issue. The Assistant General Manager of Finance and Accounting collects and consolidates the issues and prepares the agenda.

The Arçelik A.Ş. Assistant General Manager of Finance and Accounting has been appointed to set the agenda for meetings, prepare resolutions according to TCC Article 330/II, inform members and establish communications.

The Board of Directors meetings convene at the company's headquarters or at a convenient location in the city center. Significant resolutions are announced to the public through PDP and on the company's web site in Turkish and English.

24. Prohibitions of Transactions or Competition with the Company

According to Articles 334 and 335 of the TCC, the chairman and members of the Board of Directors seek consent at the General Shareholders Meetings to engage in, either directly or indirectly, or own shares in any business similar to the business of the company.

25. Ethical Rules

Arçelik A.Ş. endeavors to exemplify accountability. The company respects its partners, dealers, industrial partners and customers and adheres to all laws. The company has built an organization with its employees, partners, dealers and other subsidiaries and acts responsibly towards society, the environment, its customers and partners within this organization. These responsibilities form the foundation of the Arçelik A.Ş. "Principles of Work Ethics," at the heart of daily work life. These principles are shared with employees at all levels to comply with and to act according to these principles when performing their duties.

Arçelik A.Ş. Principles of Work Ethics include the following:

- To prevent conflict of interest, Arçelik A.Ş. establishes expectations of employees regarding their commercial investments, activities outside the company, gifts and invitations received, work activities of relatives, employment with suppliers and so on.
- Employees must always consider the shared values and principles of work ethics of Arçelik A.Ş. when gathering information on competitors in order to reach company targets and strategies as a part of their responsibilities.
- Safeguarding commercial secrets of Arçelik A.Ş. is vital to protecting the future success of the company, thus the job security of the company's employees.
- Arçelik A.Ş. respects intellectual property rights, and employees must comply with all legal obligations when using articles, inventions, works of art or other items in the company. A publication or any other published work may not be used at Arçelik A.Ş. before payment is done for its rights.
- Arçelik A.Ş. agrees to comply with all laws and regulations regarding security, the environment and health issues.
- Internal audits, policies and procedures are compared to real life situations to determine if they are properly executed.
- Arçelik A.Ş. principles of work ethics require respecting others; not using alcohol or illegal drugs at the workplace and during working hours; providing safety at work; helping to create a peaceful work environment; and acting with the principle of equality.

Arçelik A.Ş. has prepared instruments for employees and has described what kind of actions would be taken when in doubt of the principles of work ethics. When employees act in a manner contrary to these principles, they are questioned and cautioned with legal sanctions.

26. The Number, Organization and Independence of Committees Created by the Board of Directors

The company has established an audit committee to ensure that the Board of Directors fulfils its duties and responsibilities in a reliable manner. The audit committee is composed of two non-executive members. In 2009, the board elected Mr. Temel Kamil Atay and Mr. Robert Sonman to serve on the audit committee. The audit committee performs its activities in compliance with the Capital Markets Law and the CMB Corporate Governance Principles. The members of these committees are not independent members. The company plans to initiate a corporate governance committee. The General Shareholders Meeting on March 25, 2009 approved to create the committees by making necessary amendments to the Articles of Association. According to the Articles of Association, the Board of Directors may create committees or sub-committees for consultation, coordination or other purposes when deemed necessary.

27. Remuneration of the Board of Directors

According to the Articles of Association, the General Shareholders Meeting determines the rights to be granted to the Board of Directors. At the meeting of March 25, 2009, the shareholders decided to pay a gross monthly salary of 1,355 Turkish lira to the Chairman and to each member of the Board of Directors. The executive members also receive remuneration based on their performances. The board members and officers are not allowed to borrow or receive loans other than advance payments granted in compliance with the company's internal procedures. No surety is granted in favour of board members or officers.