

ARÇELİK A.Ş.
GROUP POLICY
Including Defy Appliances (Pty) Ltd

ETHICAL RULES OF CONDUCT AND
IMPLEMENTATION PRINCIPLES

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1 Introduction

Arçelik Group aims to assure customer satisfaction and offer products and services of universal high quality and standards by efficiently using the scarce natural resources and contribute to economic and social development of the community it operates in. Hence, it has in its sights the goal of becoming and remaining a symbol of trust, continuity and esteem for all our stakeholders; i.e., customers, shareholders, dealers and suppliers, both locally and globally. Based on the principles of:

- The Customer is the focus of everything we do.
- To be "the best" is our ultimate goal.
- Our most important asset is our human resources; •Our most important capital is our people.
- Our aim is to create resources for permanent and endless development; • Creation of wealth for continuous development is our key objective.
- It is our intention to make strong contributions to our national economy which is the basic source of our strength; •We aspire to strengthen the economy from where we derive our own strength. and
- Our maxim us to comply with the highest business ethics and honest work principles, • Honesty, integrity, respect and superior business ethics are the foundations of our behavior.

Based on the principles of laid down by Vehbi Koç, the founder of Koç Group of Companies, this "Ethical Rules of Conduct" for Arçelik Group aspires to guide all employees of the Group and those acting for and on behalf of Arçelik in their overall conduct and business decisions in the course of performance of their duties.

All employees are expected to adopt a manner and show behaviors generally integral with the overall culture of the Group. What's more, all employees are further expected to maintain and enhance the reliability and prestige of Companies.

Arçelik Group aims to be a symbol of reliability and esteem towards its partners, dealers, side-industry collaborators and customers and always respects the laws.

Arçelik Group as a whole, with its employees, shareholders, dealers and other business partners is fully aware of its responsibilities to society, the environment, customers and business partners, and these responsibilities constitute the fundamental principles of its business ethics.

Honesty and proper behavior are the fundamental guidelines for Arçelik Group employees. Employees must take account of the following principles before pursuing further in any business activity:

All of our employees should be the natural guardians of these work ethic principles. Therefore Arçelik Group employees, at all levels, are required to understand, accept and comply with the Arçelik Group business ethics during the performance of their duties.

All employees working in and for Arçelik Group, including also temporary staff are under obligation to strictly comply with Ethical Rules of Conduct for Arçelik Group. All stakeholders are required to abide by both these business ethics rules and all implementation principles supporting these rules.

To inform all employees about the Ethical Rules of Conduct and to ensure that all employees show due consideration of these rules and to make every endeavor and show leadership and due diligence for strict compliance with the Ethical Rules of Conduct are among the basic duties, and responsibilities of all managers and executives

It is the responsibility of immediate managers to make sure that all subordinates read and understand the last version of this "Ethical Rules of Conduct and Implementation Principles" document and document their commitment of compliance.

2 Employee Relations

It is one of the missions of Arçelik Group to become and remain an ideal and most preferred corporation where everyone is proud of being a part of and which is manned by and comprised of the most successful and competent professionals creating the highest added value, being a must for the sustainable growth and development.

Arçelik Group treasures and esteems its employees very highly and shows respect to employee rights. Listed as follows;

- In recruitment and employment, to seek for certain objective job-related qualifications as the key and single criterion, and to provide and offer equal opportunities without any discrimination;
- To attract to our Group the most qualified and talented professionals who may take and carry our Group forward;
- To make the most of the skills, strengths and creativity of its employees;
- To offer equal opportunities for training, guidance and development of its employees;
- To reward the success and achievement through fair and competitive compensation policies and effective and objective performance assessment and appraisal systems and practices;
- To improve and encourage loyalty of employees to the Company by offering equal opportunities in promotion and reward and recognition policies;
- To preserve and maintain labor peace evermore
- To provide the employees with clean, healthy, hygienic and safe working conditions;
- To create and maintain a transparent work environment encouraging mutual respect, where the most important components are cooperation and solidarity;
- To show not a bit of tolerance to harassment at work;
- To welcome, evaluate and respond to comments and suggestions of employees and take motivation increasing actions;
- Not to share with third parties any proprietary information of employees without knowledge of and prior consent of the relevant employee, except for legal obligations;
- To show respect to human rights.

3 External Relations

Basic principles guiding Arçelik Group in its relations with its stakeholders are outlined and listed as follows:

3.1. Stakeholder Communications

- To represent "Arçelik" brands and protect and enhance its reputation in the community;
- To reap the benefit of criticisms and suggestions and maintain positive relations by keeping all communication channels with stakeholders open at all times; and
- To avoid declaring personal ideas or opinions in the course of taking up a position towards public in the name of the Company.

3.2. Shareholder Relations

- To protect and preserve all legal rights and benefits of its shareholders;
- To show maximum effort for creating added value against the sources provided by its shareholders, and distribute its resulting profits to shareholders, or turn the profits into investments;
- To make sure that all information required to be disclosed to the public and its shareholders with respect to its companies are fully, accurately and timely made public; and
- To ensure that its companies are continued to be managed within the frame of trust and honesty principles maintained since the foundation of Arçelik Group, and to manage the resources, assets and working time of our companies with an efficiency conscious approach targeting sustainable growth, development and profitability.

3.3. Government Relations

- To strictly comply with all current applicable laws, rules and regulations in both existing and future jurisdictions and communities we are operating in; and
- To manage, document, record and report all operating activities and accounting system completely and properly in compliance with the laws pertaining thereto.

3.4. Social Responsibility

- To support and sponsor the initiatives expected to contribute to economic and social development;
- To show awareness and be sensitive towards issues of concern or interest for the public, and give support to positive development of the public; and
- To adopt and back at all times and in all aspects the following guiding motto and principle of our founder, Vehbi Koç, addressed to Koç Group employees for the sake of development of the community we are living in:

"As long as democracy exists and thrives, so do we. We shall do our utmost to strengthen the economy. As the economy prospers, so will democracy and our standing in the world."

3.5. Customer Relations

- To create value for and meet at the highest possible standards for all demands, needs and requirements of customers;
- To provide top quality products and services and follow consistent and stabilized policies;
- To form and maintain a long-term environment of confidence in customer relations;
- To aim at being the first choice of customers by improving customer satisfaction in both sales and after-sales processes; and
- Not to ever give misleading or incomplete information to customers.

3.6. Relations With Suppliers, Dealers, Authorized Resellers and Authorized Service Stations

- To create mutual value in all business relations with suppliers, dealers, authorized resellers and authorized service stations;
- To have open, direct and smooth communications with suppliers, dealers, authorized resellers and authorized service stations;
- To decide on the basis of objective criteria in selection of suppliers, dealers, authorized resellers and authorized service stations; and
- To comply with reasonable confidentiality and job security rules as may be requested by supplier in visits to and audits of suppliers, dealers, authorized resellers and authorized service stations.

3.7. Competitor Relations and Competition

- To be in no case, in no manner and in no event involved in concerted acts or agreements which aim at or make the effect of or may create the result of restraining, distorting or preventing competition directly or indirectly with competitors or other persons or entities, beyond the limits permitted by the applicable laws and regulations;
- Not to abuse its dominant position, if any, in a certain market held either alone or together with other ventures;
- Not to enter into negotiations or talks or exchange of information intending to determining the market and/or competition conditions together with its competitors; and
- To refrain from all and any types of talks, speeches or relations which pave the way for any of the aforementioned results or may be accused of such acts, in meetings of associations, societies, chambers and professional bodies, etc. or other private or vocational meetings and negotiations attended as a representative of the Company.

3.8. Global Responsibility

- To further develop and ensure effective implementation of environmental policies
- In accordance with the principles set down in the United Nations Global Principles Convention, to act in aid of and for the welfare of our country and earth, and to be a model and example of corporate citizenship together with our employees, dealers, suppliers and authorized service stations.

4 Ethical Rules of Conduct To Be Complied With by Employees

Maintaining the association of the name "Arçelik" with professionalism, honesty and trust and carrying this association even to farther points must be treated and considered as the primary responsibility of all employees. Within this framework, what are expected from the employees of Arçelik Group are as enumerated below:

- To comply with laws at all times;
- To perform job duties and functions in conformity with basic ethical and humanistic values;
- To act fair, in good faith and receptively for mutual benefits and interests in all of their relations;
- Not to ever acquire unjust enrichment or bribe or accept a bribe in any manner whatsoever for any motive or cause whatsoever in their relations with persons or entities;
- To act and behave in accordance with the relevant business ethics rules and all implementation principles supporting such rules in performance of their duties and functions;
- Not to engage in any behavior, statement or correspondence which may burden the Company with debts or other obligations, unless explicitly authorized otherwise;
- Not to act or behave in such manner to disturb and/or give harm to other employees, and not to distort the harmony and peace at work;
- To take care of and be attentive to all tangible and intangible assets of the Company, including, but not limited to, information and information systems, as if they are their own personal property, and to protect them against probable losses, damages, misuses, abuses, frauds, thefts and sabotages; and
- Not to ever directly or indirectly use the work time and company resources for any personal benefit and/or political activity or benefit.

4.1. Asset and Information Management

4.1.1. Intellectual Property Rights

- To make sure that all process steps legally required for securitization and protection of intellectual property rights associated to and embedded in the newly invented and developed products, processes and software are initiated and completed timely; and
- To avoid –willful- unauthorized use of patents, copyrights, trade secrets, brand names, trademarks, computer programs or other intellectual and industrial property rights belonging to other persons or entities.

4.1.2. Information Management

- To ensure that all legal records are kept properly and completely;
- Not to respond without a prior consent of the top management to any requests of third parties for information which is classified as confidential and secret for the Company; and
- To take great care to assure that all statements and reports issued and disclosed by the Company are true.

4.1.3. Security and Crisis Management

- To take all required actions for protection of the Company employees, information and information systems, factories, administrative buildings and premises against probable terrorist attacks, natural disasters or malevolent acts;
- To proactively complete the required disaster recovery plans for emergency crisis management needed in case of terrorism, natural disasters, etc., thereby assuring continuity of business with minimum loss at the time of a crisis; and
- To take all kinds of precautions and actions to prevent theft or losses of the Company assets.

4.1.4. Confidentiality

- To act in recognition of the "confidentiality" of all financial and trade secrets of, and all information which may, if disclosed, weaken the competitive power of, and personnel rights, interests and information in, and agreements entered into and signed with business partners by, Arçelik Group, and to protect and keep the same in strict confidence;

- Not to share with unauthorized persons or entities inside or outside the Company for any reason or purpose whatsoever it is, and not to ever (directly or indirectly) use for speculative purposes or intentions, all or any of the information or documents made available to them as a requirement of business; and
- Not to ever use for non-intended-purposes and not to share or exchange with third parties without prior consents or permissions as required, all or any of the non-public information relating to the Company or its customers or other business partner persons or entities.

4.2. Avoiding the Conflicts of Interest

Conflict of interest stands for and refers to any kind of benefits provided to an employee himself or his relatives, friends or other relations, either a person or an entity, or the status of having any pecuniary advantages or other personal gains or benefits which affect or may affect the neutral performance of job duties and functions of the employee.

4.2.1. Not to Transact in Favor or Interest of Himself or His Relatives

If employees are a shareholder of a company or an investor, they must inform the company during the first entries. This is subject to question for all applicants. For employees in these circumstances, cautionary action to avoid conflict among fellow employers is to be taken by informing Managers. Managers are obligated to inform at least two levels of management.

- Not to derive personal unfair benefits or advantages out of position or authority in favor of himself or his relatives or other third parties;
- In personal investments, to take pains with avoiding probable conflicts of interest with his company or firm;
- To make sure that his personal investments or non-business-related activities or relations do not preclude him from performing his currently existing job duties and functions in Arçelik Group in terms of time or focusing attention, and to avoid such events or situations which may prevent his focusing on his primary duties and tasks;
- To inform his immediate manager in the case of a first-degree relative between him and any of the officers holding a first degree decision making authorization on the relevant works in a customer or supplier organization or firm;
- An employee is, at the time of recruitment, obliged to report and disclose any capital shares held in or any co-investments with any other company or firm, if any. This issue is particularly inquired and asked in the job interview with candidates. The employee is liable to report and disclose to his immediate supervisor manager any changes in such statuses or relations or any other similar issues which may at any time be perceived as a conflict of interests, and such disclosure will be escalated up to at least two higher levels in hierarchical order;
- To report to his immediate manager if and when he becomes aware of any capital shares or other pecuniary advantages or benefits held or owned by his relatives in any other company having commercial relations with the Company.

4.2.2. Representation and Participation in Organizations and Events

Participation in sports activities, local / international travels or other events which are effective on decision making process or may be perceived as such, except for conferences, receptions, promotional activities and seminars, etc. open to public, organized by persons or entities having business relations or bearing the potential of entering into business relations with the Company, is in all cases subject to a prior approval of the Country Manager

4.2.3. Giving or Accepting Gifts

In the conduct of relations with private or public persons or entities who intend or wish to establish or maintain a business relation with Arçelik Group:

- Except for items of remembrance / promotion given in conformity to commercial usage and practices, not to offer or solicit or accept any gift which creates the impression of a corruption or may cause a relation of dependence or may be perceived or implied as such; and
- Not to demand or solicit any discount or interest or benefit which may be perceived or implied as a corruption or abusiveness from suppliers, dealers, authorized service stations, customers, Group companies or other third parties, and not to propose or offer such to third parties, and not to accept if and when offered.

4.2.4. Business Relations of Ex-Employees With the Group

To enter into a business relation with the Koç Group companies as or in the capacity of a reseller, contractor, consultant, commissioning agent, agent, representative, dealer or otherwise by a person who himself founds a new company or becomes a partner of a company after leaving his job in Koç Group is a very important event requiring special attention as it may pave the way for negative perceptions or impressions.

One must absolutely act within the frame of benefits and interests of the Group, and must strictly comply with moral and ethical rules, and must not ever permit or allow conflicts of interest either prior to or after such relations or processes.

For a supplier in such a status, the relevant manager or executive is required to contact the Group Company where the supplier has worked in the past, and issue a report verifying non-existence of any improperness, and keep his immediate manager informed there in about.

In case of any improper or objectionable situation, no trade relation must be established with that person. Other than exceptions requiring a prior consent of the President, with the intention of avoiding any negative perceptions, such trade relations must in no case be approved before the end of 2 years after the relevant employee leaves his job in the Koç Group.

4.2.5. Insider Trading

To know surely that it is a criminal offence to attempt to provide any trading interest or profit, including, but not limited to, direct or indirect trading of stocks in exchanges, by using or disclosing to third parties any kind of confidential information belonging to his Company or to Koç Group of Companies (i.e. insider trading), and not to ever attempt to any such act.

5 Workers' Health and Safety at Job

Arçelik Group's intention to protect and maintain workers' health and safety at job exactly and strictly both in workplaces and on the job.

- Employees abide by and take all of the required precautions and actions for compliance with the rules and directives issued for this purpose.
- The employees are not allowed to make available at the workplace any object or substance which is by nature illegal or poses a danger for the workplace and/or workers therein.
- Other than the drugs required to be used in reliance upon a valid doctor report, the employees are not allowed to keep or carry any narcotics or other substances causing addiction or restricting or eliminating mental faculties or physical activities, nor are they allowed to work at or for the job under effect of any such substances.

6 Political Activity Prohibition

Arçelik Group does not donate to political parties, politicians or candidates for political duties or posts. No demonstration, propaganda or similar deliberate activities for such motives will be permitted within the borders of our workplaces. Nor may the Company assets or resources (vehicles, computers, e-mail, etc.) be allocated to political activities.

7 Ethical Rules of Conduct Implementation Principles

7.1. Obligation to Report Violations

Any employee who becomes aware or cognizant of or suspects of any violation of Company Ethical Rules of Conduct or of applicable laws and regulations binding on his Company is under obligation to report such event or suspicion to the immediate manager or as the case may be, to Country Manager or General Manager of Arçelik AS. Disclosure of any such reporting to third parties in such manner that may negatively affect the peace or work relations at the workplace will be definitely prevented. The reporting mechanism must be arranged and managed in the interests of the Company.

It is very important to make sure that the reporter is entirely free from any malicious wills or intentions such as rumoring or tittle-tattling about or trying to negatively affect the professional career of the person at target. For this reason, it is extremely critical to comply with confidentiality, objectivity and ethical rules in the reporting and investigation processes. Both the reporter and the process managers are obliged to show maximum care and due diligence thereon.

Any malicious or intentional reports consisting of lies or libelous news, if detected, will be taken and treated as a breach of ethical rules.

7.2. Board Of Ethical Behavior

Assessment of conditions in better way is related to inappropriate about Ethical Rules, commissioning of the disciplinary practices and parallelism in applications is the task of the Board of Ethical Behavior.

General Manager of the Company is responsible for evaluating widely the case and informing immediately the Ethical Behavior Board in Headquarter of Arçelik Group.

The Ethical Behavior Board consists of the following persons

- General Manager of Arçelik Group (Company Chairman of the Board of Ethical Behavior)
- Topics related to General Manager Assistant/Assistants - Headquarter
- Human Resources Director - Headquarter
- Legal Counsel - Headquarter /

While assessing inconvenience or denouncement June 2004 dated law no 271 Koç Community Procedure is based.

7.3. Disciplinary Procedures

The following disciplinary punishments are inflicted on violations or breaches of these Ethical Rules of Conduct:

- In the case of a fraud proven to be committed knowingly and maliciously, dismissal (pursuant to the pertinent provisions of the Labor Act) and in addition, if deemed necessary, commencement of legal proceedings. Any useful and successful performances or achievements in the past career of a person knowingly acquiring unfair advantages may in no case be construed as a justifying reason of a full or partial pardon.
- In absence of fraud or in the case of a negligence caused by carelessness or ignorance, written or verbal warning depending on the effects of such act.