

Announcement Text for the Demerger of ARÇELİK ANONİM ŞİRKETİ via Facilitated Procedure through the Associate Model

This announcement text was approved by the Capital Markets Board (the Board) on 14/05/2018.

This is the announcement text about the demerger of Arçelik A.Ş. via facilitated procedure through the associate model.

Issued capital of Arçelik A.Ş. shall not be changed due to the relevant transaction.

Approval of the announcement text shall not necessarily mean that the Board warrants that the information in the announcement text, the demerger plan and demerger report are strictly true and correct.

This announcement text has been published on our Company's web site www.arcelikas.com as well as at the web site of the Public Disclosure Platform (PDP) at the address of (kap.gov.tr).

Pursuant to Article 32 of the Capital Markets Board (CMB), the undersigned parties to the announcement text to be drafted for the demerger or such legal persons on behalf of whom these documents are signed shall be severally liable for any losses attributable to wrong, misleading or incomplete information.

1. INFORMATION ABOUT THE APPLICATION TO THE STOCK EXCHANGE, IF ANY

There is no need to file an application to the stock exchange on account of the demerger via facilitated procedure through the associate model.

2. OPINIONS AND APPROVALS RECEIVED FROM OTHER AGENCIES

A- Statement that there is no need to obtain an opinion from the Competition Authority:

Demerger via facilitated procedure through the associate model is executed and carried out under the subparagraph "b" of the first paragraph of Article 159 of Turkish Code of Commerce and the subparagraph "b" of the paragraph 3 of Article 19 and Article 20 of the Corporate Tax Code and the provisions of the Communiqué on Merger and Demerger as published in the Official Gazette issued on 28.12.2013 under no 28865.

Apart from the production of white appliances and components, which is the company's main area of activity, ARÇELİK A.Ş. shall universally transfer general-purpose motor production, services and the related R&D activities, as well as the payment systems services and the related R&D activities to WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ and TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ, which will be established, to ensure that a more active and efficient structure is established and in a manner that will not impair the integrity of the company.

In the partial demerger through the associate model, general-purpose motor production, services and the related R&D activities shall be transferred to WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ, which will be established; and payment systems services and the related R&D activities shall be transferred to TOKEN FİNANSAL TEKNOLOJİLER

ANONİM ŞİRKETİ, which will be established. Arçelik A.Ş. shall have all of the partnership interests of WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ and TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ. Therefore, the demerger via facilitated procedure through the associate model shall take place within the same economic integrity and structure. There shall be no change-over in the control of the companies. For this reason, there is no need to apply to and seek permission from the Competition Board for the said demerger as it shall not lead or cause a change-over in the control under Article 6 of the “Communiqué on Mergers and Acquisitions subject to Permission from the Competition Board” (Communiqué no 2010/04).

Attached is the statement by Arçelik A.Ş., declaring that there is no need to apply to the Competition Authority (Annex 6).

B- Opinion of other Public Agencies and Institutions:

• Law on the Regulation of Retail Trading

The Law no 6585 on the Regulation of Retail Trading came in force upon its publication in the Official Gazette issued on 29.01.2015 under no 29251. This Law is intended to facilitate the opening and launch of operations by retail businesses; to ensure that retail trading is done and executed under effective and sustainable competitive conditions in a deregulated market environment; that consumers are protected and retail businesses will grow and develop in a balanced way; that the operations of retail businesses as well as their relations with each other, manufacturers and suppliers are governed and regulated. There is not any special provision in the said law that addresses the demerger.

• Law on the Regulation of Electronic Commerce

The Law no 6563 on the Regulation of Electronics Trading came in force upon its publication in the Official Gazette issued on 05.11.2014 under no 29166. This Law is intended to define and govern terms and conditions applicable to the electronic commerce. The law covers commercial communication, respective responsibilities of the service provider and intermediate service providers, agreements done via electronic communication means, and obligations to provide information about electronic commerce and applicable sanctions. There is not any special provision in the said law that addresses the demerger.

• Law on Organized Industrial Zones

The Law no 4562 on the Law on Organized Industrial Zones came in force upon its publication in the Official Gazette issued on 15.04.2000 under no 24021. The aim of this law is to regulate the principles for establishment, construction and operation of these organized industrial zones. The law covers the liabilities of participating natural and legal persons carrying out business on organized industrial zones and the sanctions to be applied. There is not any special provision in the said law that addresses the demerger.

• Law No 5746 on Supporting Research and Development and Design Activities

The Law no 5746 on Supporting Research and Development and Design Activities came in force upon its publication in the Official Gazette issued on 12.03.2008 under no 26814. The aim of this law is to ensure that technological information is produced for the country's economy to gain competitive power on the international arena through innovation and design; that innovation is made on products and production processes, that the product quality and standards are increased; that efficiency is increased, that production costs are reduced; that technologic information is commercialised; that pre-competition collaborations are improved; that technological intense production, entrepreneurship and the related investments as well as direct foreign capital for R&D, innovation and design enter the country faster; and that the employment of R&D and design personnel and qualified labour force is increased. There is not any special provision in the said law that addresses the demerger.

- **Opinions from other Agencies** There is not any agency or institution other than the Capital Markets Board whose permission should be sought under the partial demerger of the demerged Company via facilitated procedure through the associate model.

3. PERSONS UNDERTAKING THE RESPONSIBILITY FOR THE ANNOUNCEMENT TEXT

We hereby represent and declare that information and data given in such parts that we are responsible for as set out in this announcement text and annexes hereto within our legal powers and tasks as well as our task are true and correct; that any reasonable diligence and care has been already shown to procure that there shall be no missing or incomplete information in this announcement text likely to change the sense or meaning of such information.

Authorized Arçelik A.Ş. officers	Department for which they are responsible
HAKAN HAMDİ BULGURLU Member of the Board and General Manager  09.04.2018	THE ENTIRE ANNOUNCEMENT TEXT
Fatih Kemal EBİÇLİOĞLU Member of the Board  09.04.2018	THE ENTIRE ANNOUNCEMENT TEXT

4. DETAILS ABOUT THE COMPANIES THAT ARE PARTIES TO THE DEMERGER

4.1. Trade names of the companies that are parties to the demerger:

DEMERGED COMPANY:
ARÇELİK ANONİM ŞİRKETİ

**COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER
THROUGH THE ASSOCIATE MODEL**
WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ
TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

4.2. Respective trade registry offices and registration numbers of the companies that are parties to the demerger:

DEMERGED COMPANY:
Trade Registry Office : Istanbul Trade Registry
Registration Number : 54957
Mersis No : 0073001800000022

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ

Trade Registry Office : Çerkezköy Trade Registry
Registration Number : (The Company is yet to be incorporated)
Mersis No : (The Company is yet to be incorporated)

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

Trade Registry Office : Istanbul Trade Registry
Registration Number : (The Company is yet to be incorporated)
Mersis No : (The Company is yet to be incorporated)

4.3. Incorporation dates of the companies that are parties to the demerger, and their projected terms unless they are organized for an indefinite term:

DEMERGED COMPANY:

Incorporation Date: 21.01.1955 – Indefinite

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ

Incorporation Date : The Company is yet to be incorporated – for an indefinite term

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

Incorporation Date : The Company is yet to be incorporated – for an indefinite term

4.4. Legal status, applicable legislation, jurisdiction of incorporation, addresses of their head offices and principal place of business, web site addresses and telephone and facsimile numbers of the companies that are parties to the demerger:

DEMERGED COMPANY:

ARÇELİK ANONİM ŞİRKETİ

Legal Status : Joint-stock company
Applicable Legislation : Laws and legislations of the Turkish Code of Commerce and Capital Markets Law and other applicable laws.

Jurisdiction of Incorporation : Republic of Turkey

Addresses of Registered Head Office and

Registered Headquarters: Karaağaç Caddesi, 2-6 Sötlüce-Beyoğlu/İSTANBUL

Website : www.arcelikas.com

Telephone/Facsimile : 90 212 314 31 85
90 212 314 34 90

COMPANIES TO BE INCORPORATED BY WAY OF DEMERGER THROUGH THE ASSOCIATE MODEL:

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ

Legal Status : Joint-stock company

Applicable Legislation : Turkish Code of Commerce, Organized Industrial Zones Law and other Laws and legislations of the Republic of Turkey.

Jurisdiction of Incorporation: Republic of Turkey

Addresses of Registered Head Office and Registered

Headquarters: Karaağaç Mah. 8 Sok. No: 4 A/2

Kapaklı / TEKİRDAĞ

Web Site Address : Not received yet

Telephone/Facsimile : 90 212 314 31 60
90 212 314 34 90

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ
Legal Status : Joint-stock company

Applicable Legislation : Turkish Commercial Code; Law on Supporting Research, Development and Design Activities, and other applicable laws and legislations of the Republic of Turkey.

Jurisdiction of Incorporation : Republic of Turkey

Addresses of Registered Head Office and

Registered Headquarters: Reşitpaşa Mah. Katar Cad. Öğrenci Otomasyon Sit. No: 2/11/1
Sarıyer/İSTANBUL

Web Site Address : Not received yet

Telephone/Facsimile : 90 212 314 31 60
90 212 314 34 90

4.5. Information about the capitals of the companies that are parties to the demerger:

DEMERGED COMPANY:

ARÇELİK ANONİM ŞİRKETİ

Capital and Its Distribution among the Shareholders

Arçelik A.Ş., the demerged company, is subject to the registered capital system.

Its issued capital is TRY 675,728,205.00.

Capital and Its Distribution among the Shareholders

SHAREHOLDER NAME	SHARE RATIO %	AMOUNT OF SHARES	CAPITAL (TRY)
KOÇ HOLDİNG A.Ş.	40.51	27,374,202,702	273,742,027
TEKNOSAN BÜRO MAKİNA VE LEVAZIMI TİC.VE SAN.A.Ş.	12.05	8,142,833,695	81,428,337
KOÇ FAMILY	8.67	5,859,076,203	58,590,762
BURLA TİCARET VE YATIRIM A.Ş.	5.56	3,757,166,305	37,571,663
KOÇ HOLDING PENSION AND RELIEF FOUNDATION	5.14	3,472,192,021	34,721,920
TEMEL TİCARET VE YATIRIM A.Ş.	2.75	1,857,687,000	18,576,870
VEHBİ KOÇ FOUNDATION	0.17	113,657,489	1,136,575
PUBLICLY TRADED PORTION	25.15	16,996,005,086	169,960,051
PAID-UP CAPITAL	100.00	67,572,820,500	675,728,205

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ

Wat Motor Sanayi ve Ticaret A.Ş., the new company to be incorporated, shall be subject to the share capital system.

Paid-up capital is TRY 130,000,000.00.

Capital and Its Distribution among the Shareholders

Title of the Shareholder	SHAREHOLDING RATIO %	AMOUNT OF SHARES	CAPITAL (TRY)
Arçelik A.Ş.	100	130,000,000	130,000,000.00
TOTAL	100	130,000,000	130,000,000.00

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

Token Finansal Teknolojiler A.Ş., the new company to be incorporated, shall be subject to the share capital system.

Paid up capital is 18,000,000.00 TRY.

Capital and Its Distribution among the Shareholders

Title of the Shareholder	SHAREHOLDING RATIO %	AMOUNT OF SHARES	CAPITAL (TRY)
Arçelik A.Ş.	100	18,000,000	18,000,000.00
TOTAL	100	18,000,000	18,000,000.00

4.6. Upper Limit of Registered Capitals of Companies that are parties to the Demerger:

The demerged company titled ARÇELİK ANONİM ŞİRKETİ is subject to the registered capital system and its registered capital cap is TRY 1,500,000,000.00.

The companies which shall be newly incorporated by way of partial demerger through the associate model is WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ and TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ and it's not subject to the registered capital system but share capital system.

4.7. In case the shares of the companies to the demerger are traded at the stock exchange as of now, information as to which shares are traded in the stock exchange or about whether there is any application in this respect:

DEMERGED COMPANY: The company titled ARÇELİK ANONİM ŞİRKETİ is quoted and listed at the stock exchange under ISIN TRAARCLK91H5 and Stock Exchange code ARCLK, and 16,996,005,086 shares registered to the name, each one with a nominal value of 1 kr and corresponding to 25.15% of its capital amounting to 675,728,205.00 Try are traded at Borsa Istanbul Star Market.

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

ARÇELİK A.Ş. shall have all of the partnership interests of WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ and TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ, and their shares shall not be traded on the stock exchange.

4.8. Main scope of business of the companies that are parties to the demerger:

DEMERGED COMPANY:

The company titled ARÇELİK ANONİM ŞİRKETİ is engaged in the manufacture, marketing, sales and after-sales services of durable consumable goods, consumer electronics, small household appliances and kitchen accessories, and other business set out in its articles of association.

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ: To produce mono-triphas motors; in addition to the products manufactured, to develop and create solutions that will include products such as electronically controlled motors and motor parts, reducers, power transfer equipment, servo systems, and sub-systems in the electric transport area; to develop remote access systems and status tracking equipment and software; domestic and foreign sales and distribution.

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ: To add many new services (such as mobile payment options, mobile applications, sales automation solutions, digital wallet etc.) to the domestic build-up created in the country with relevant to payment technologies in order to offer global solutions; to create applications and solutions for innovative retail and payment services that emerged in parallel with the customer habits that are changing with the focus on making the shopping experience excellent.

5. MEMBERS OF THE BOARD OF DIRECTORS

DEMERGED COMPANY:

ARÇELİK ANONİM ŞİRKETİ

The latest members of the Board of Directors of Arçelik A.Ş. are as follows. The Board members were appointed at the ordinary general assembly meeting for the year 2017 as held on 19.03.2018 to take up and remain in office until the ordinary general assembly meeting in which 2018 year accounts would be discussed. These were published in such copy of Turkish Trade Registry Gazette issued on 28.03.2018 under no 9546.

Full Name	Duty	Duties and positions assumed by the member at the Company in the last five years	Office Term	Capital Share	
				(TRY)	(%)
Mustafa Rahmi KOÇ	President	Chair of the Board of Directors, Chair of the Risk Management Committee, Chair of the Executive Committee	1 Year	16,473,981.41	2.44
Mehmet Ömer KOÇ	Vice President	Vice-chair of the Board, Member of Investment and Business Development Committee, Member of the Executive Committee	1 Year	0.00	0.00
Semahat Sevim ARSEL	Member	Member of the Board, Member of the Risk Management Committee, Member of the Executive Committee,	1 Year	18,397,198.89	2.72
Yıldırım Ali KOÇ	Member	Member of the Board, Member of the Investment and Business Development Committee, Member of the Executive Committee,	1 Year	0.00	0.00
Levent ÇAKIROĞLU	Member	Member of the Board	1 Year	0.00	0.00
Robert SONMAN	Member	Member of the Board, Member of the Audit Committee	1 Year	0.00	0.00
Fatih Kemal EBİÇLİOĞLU	Member	Member of the Board, Member of the Corporate Board of Directors, Member of the Risk Management Committee, Vice President of Finance and Fiscal Affairs	1 Year	0.00	0.00

Hakan Hamdi BULGURLU	Member General Manager	Member of the Board, General Manager	1 Year	0.00	0.00
Kamil Ömer BOZER	Independent Member	Independent Member of the Board, Chair of the Audit Committee	1 Year	0.00	0.00
Müzeyyen Münire Gülay BARBAROSOĞLU	Independent Member	Independent Member of the Board, Chair of the Corporate Management Committee, Member of the Audit Committee	1 Year	0.00	0.00
Mehmet Cem KOZLU	Independent Member	Independent Member of the Board, Member of the Corporate Management Committee, Member of the Audit Committee, Chair of the Risk Management Committee	1 Year	0.00	0.00
Kadri Kaynak KÜÇÜKPINAR	Independent Member	Independent Member of the Board, Member of the Audit Committee, Chair of the Risk Management Committee	1 Year	0.00	0.00

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ

Board Members of Wat Motor Sanayi ve Ticaret A.Ş. are given in the table below.

Full Name	Duty	Duties and positions assumed by the member at the Company in the last five years	Term of Duty/Remaining Term of Duty	Capital Share	
				(TRY)	(%)
Mustafa Rahmi KOÇ	Chair		3/3	0.00	0.00
Mehmet Ömer KOÇ	Vice Chair		3/3	0.00	0.00
Semahat Sevim ARSEL	Member		3/3	0.00	0.00
Yıldırım Ali KOÇ	Member		3/3	0.00	0.00
Levent ÇAKIROĞLU	Member		3/3	0.00	0.00
Fatih Kemal EBİÇLİOĞLU	Member		3/3	0.00	0.00
Hakan Hamdi BULGURLU	Member		3/3	0.00	0.00
Cemal Şeref Oğuzhan ÖZTÜRK	Member		3/3	0.00	0.00

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

Board Members of Token Finansal Teknolojiler A.Ş. are given in the table below.

Full Name	Duty	Duties and positions assumed by the member at the Company in the last five years	Term of Duty/Remaining Term of Duty	Capital Share	
				(TRY)	(%)
Mustafa Rahmi KOÇ	Chair		3/3	0.00	0.00
Mehmet Ömer KOÇ	Vice President		3/3	0.00	0.00
Semahat Sevim ARSEL	Member		3/3	0.00	0.00
Yıldırım Ali KOÇ	Member		3/3	0.00	0.00
Levent ÇAKIROĞLU	Member		3/3	0.00	0.00
Fatih Kemal EBİÇLİOĞLU	Member		3/3	0.00	0.00
Hakan Hamdi BULGURLU	Member		3/3	0.00	0.00
Polat ŞEN	Member		3/3	0.00	0.00
Erkan DUYSAL	Member		3/3	0.00	0.00

6. MAIN SHAREHOLDERS

6.1. The shareholding structures of the companies that are parties to the demerger as of their latest general assembly meeting dates and last statuses, provided that each individual or entity directly or indirectly holding a 5% shareholding or more in the capital or in the total voting rights:

DEMERGED COMPANY:

The table showing the direct shareholding in ARÇELİK ANONİM ŞİRKETİ is as follows.

Information about the Direct Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/Full Name	19.03.2018		09.04.2018	
	(TRY)	(%)	(TRY)	(%)
KOÇ HOLDİNG A.Ş.	273,742,027.02	40.51	273,742,027.02	40.51
TEKNOSAN A.Ş.	81,428,336.95	12.05	81,428,336.95	12.05
KOÇ FAMILY	58,590,762.03	8.67	58,590,762.03	8.67
BURLA A.Ş.	37,571,663.05	5.56	37,571,663.05	5.56
KOÇ HOLDING PENSION	34,721,920.21	5.14	34,721,920.21	5.14
TEMEL TİCARET A.Ş.	18,576,870.00	2.75	18,576,870.00	2.75
VEHBİ KOÇ FOUNDATION	1,136,574.89	0.17	1,136,574.89	0.17
PUBLICLY TRADED PORTION	169,960,050.86	25.15	169,960,050.86	25.15
TOTAL	675,728,205.00	100	675,728,205.00	100

The table showing the indirect shareholding in ARÇELİK ANONİM ŞİRKETİ is as follows.

Information about the Indirect Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/Full Name	19.03.2018		9.04.2018	
	(TRY)	(%)	(TRY)	(%)
KOÇ FAMILY	253,153,997.09	37.46	253,153,997.09	37.46
KOÇ HOLDING PENSION FOUNDATION	40,179,805.90	5.95	40,179,805.90	5.95
VEHBİ KOÇ FOUNDATION	21,022,080.15	3.11	21,022,080.15	3.11
BURLA GROUP	118,995,736.90	17.61	118,995,736.90	17.61
PUBLICLY TRADED PORTION	242,376,584.96	35.87	242,376,584.96	35.87
TOTAL	675,728,205.00	100.00	675,728,205.00	100.00

COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER THROUGH THE ASSOCIATE MODEL:

The table showing the direct shareholding in WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ is as follows.

Information about the Direct Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/ Full Name	09.04.2018			
			(TRY)	(%)
ARÇELİK A.Ş.			130,000,000.00	100
TOTAL			130,000,000.00	100

The table showing the indirect shareholding in WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ is as follows.

Information about the Indirect Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/Full Name	9.04.2018			
			(TRY)	(%)
KOÇ FAMILY			48,703,042.70	37.46
KOÇ HOLDING PENSION FOUNDATION			7,729,993.70	5.95
VEHBİ KOÇ FOUNDATION			4,044,333.80	3.11
BURLA GROUP			22,893,000.00	17.61
PUBLICLY TRADED PORTION			46,629,629.80	35.87
TOTAL			130,000,000.00	100.00

The table showing the direct shareholding in TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ is as follows.

Information about the Direct Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/ Name and Surname:	09.04.2018			
			(TRY)	(%)
ARÇELİK A.Ş.			18,000,000.00	100
TOTAL			18,000,000.00	100

The table showing the indirect shareholding in **TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ** is as follows.

Information about the Indirect Shareholding				
Shareholder's;	Capital Share / Voting Rights			
Trade Name/ Full Name			9.04.2018	
			(TRY)	(%)
KOÇ FAMILY			6,743,498.22	37.46
KOÇ HOLDING PENSION FOUNDATION			1,070.306.82	5.95
VEHBİ KOÇ FOUNDATION			559,984.68	3.11
BURLA GROUP			3,169,800.00	17.61
PUBLICLY TRADED PORTION			6,456,410.28	35.87
TOTAL			18,000,000.00	100.00

6.2. Next of kin relations between individual shareholders who hold 5% shareholding or more in the capitals or total voting rights of the companies that are parties to the demerger:

Koç Family members indirectly hold a 39.06% shareholding in the capital. Teknosan Büro A.Ş. and Burla Ticaret A.Ş. shareholders are also defined as the Burla Group, and the Burla Group has no relationship with the Koç Family or the Koç Group.

6.3. Information about the shares representing the respective capitals of the companies that are parties to the demerger:

**DEMERGED COMPANY:
ARÇELİK A.Ş.**

Group	Name/Type of Privileges	to the Name/Bearer (Holder)	Nominal value of a Share (TRY)	TOTAL (TRY)	Ratio to the Capital (%)
None	REGISTER ED TO THE NAME	None	0.01	675,728,205.00	100
		TOTAL		675,728,205.00	100

**COMPANIES TO BE INCORPORATED BY WAY OF PARTIAL DEMERGER
THROUGH THE ASSOCIATE MODEL: WAT MOTOR SANAYİ VE TİCARET
ANONİM ŞİRKETİ**

Group	Name/Type of Privileges	to the Name/Bearer (Holder)	Nominal value of a Share (TRY)	TOTAL (TRY)	Ratio to the Capital (%)
None	REGISTER ED TO THE NAME	None	1.00	130,000,000.00	100
		TOTAL	1.00	130,000,000.00	100

TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ

Group	Name/Type of Privileges to the	Name/Bearer (Holder)	Nominal value of a Share (TRY)	TOTAL (TRY)	Ratio to the Capital (%)
None	REGISTER	None	1.00	18,000,000.00	100
		TOTAL	1.00	18,000,000.00	100

7. INFORMATION ABOUT THE DEMERGER

7.1. Date of financial statements underlying the demerger: 31.12.2017

7.2. Decisions by Management Bodies

Board Decision dated 09.04.2018 and no. 953 is attached as Annex: 1.

7.3. Type of the Transaction

Partial demerger via facilitated procedure through the associate model.

7.4. Transaction Terms and Conditions

Approvals by the Capital Markets Board and the General Assembly are required. As the transaction suits the definition for the “Material Transactions” under the CMB regulations, pursuant to Article 29 of the Capital Market Law no 6362, resolutions may be accepted at the general assembly only if two-third of the shares holding voting rights and present in the company’s general assembly shall cast affirmative votes without seeking for the meeting quorum unless more aggravated quorums are required under the articles of association provided that the ratio should be expressly specified. But in the event that at least half of the shares with voting rights representing the capital are present in the meeting, a resolution may be adopted with the majority of the shares with voting rights and present in the meeting unless more aggravated quorums are expressly required under the articles of association.

7.5. Projected Stages

- ✓ Application to Capital Markets Board
- ✓ Review Right Announcement
- ✓ Approval from the Capital Markets Board
- ✓ Publication of the Announcement Text
- ✓ Call to the creditors
- ✓ Meeting call to the General Assembly
- ✓ General Assembly approval
- ✓ Incorporation of the Company by way of partial demerger pursuant to the General Assembly Resolution
- ✓ Registration and publication with Istanbul Trade Registry

7.6. Reasoning

ARÇELİK is engaged in the manufacture, marketing, sales and after-sales services of durable consumable goods, consumer electronics, small household appliances and kitchen accessories.

Manufacturing sites and fields of manufacture, R&D and Design Centers of Arçelik A.Ş. deployed in Turkey are given below:

Manufacturing Facilities

Item	Manufacture	Place
Washing Machine Plant	Washing Machines	Tuzla/İstanbul
Refrigerator Plant	Refrigerators	Organize Sanayi/Eskişehir
Dryer Plant	Dryer	Çerkezköy Organize Sanayi/TEKİRDAĞ
Dishwasher Plant	Dishwasher	Sincan/Ankara
Cooking Appliances	Cooker and Oven	Bolu
Compressor Plant	Compressor (Oily and Dry Type)	Organize Sanayi/Eskişehir
Electric Motors Plant	White Goods/ General Purpose Motors, Turkish Coffee and Tea Maker	Çerkezköy Organize Sanayi/TEKİRDAĞ
Electronics Plant	TV sets, Music Systems and Cash Registers	Beylikdüzü/İstanbul

R&D and Design Centers

R&D and Design Center Name	Item	Place
R&D Center	To develop pioneering technologies for the global market	Tuzla/İstanbul
Washing Machine R&D Center	Washing Machines	Tuzla/İstanbul
Refrigerators and Compressors R&D Center	Refrigerators and Compressors	Organize Sanayi/Eskişehir
Motor and Dryer R&D Center	White Goods/General Purpose Motors, Turkish Coffee Maker, Tea Maker, Dryer	Çerkezköy Organize Sanayi/TEKİRDAĞ
Dishwasher R&D Center	Dishwasher	Sincan Organize Sanayi/Ankara
Cooking Appliances R&D Center	Hob and Oven	Bolu
Electronics R&D Center	TV sets, Music Systems and Cash Registers	Beylikdüzü/İstanbul
Arçelik ITU Arı Kent R&D Centre	Payment systems, natural language comprehension, video analytics and medical technologies as well as software-based services offered with these technologies	Sarıyer/İstanbul
Arçelik METU Teknokent R&D Center	Smart home solutions and relevant server and mobile solution software, big data analytics and artificial intelligence application software.	Çankaya / Ankara
Arçelik Design Center	Design activities to increase, improve or diversify the product functionality or products that can provide added value or competitive advantage for areas of activity where Arçelik carries out business	Tuzla/İstanbul

Apart from the production of white appliances and components, which is the company's main area of activity, Arçelik wishes to manage the general purpose motor production, services and related R&D activities as well as payment systems and the related R&D activities under a different legal person. This way, it aims to ensure flexible and efficient management and efficient, increasing the market share and competitive power, and fast action-taking by tracking the market conditions in place.

The low voltage asynchronous motor business line, which we call general-purpose motor production, constitutes part of the business carried out ARÇELİK A.Ş. ÇERKEZKÖY ŞUBE 1 registered with number 3214 of Çerkezköy Trade Registry at Tekirdağ, Çerkezköy, Organize Sanayi Bölgesi, Atatürk Caddesi, 8 Sokak No: 4. Annual turnover of our Low-Voltage Asynchronous motor has been fluctuating between 50 and 60 m€ for long years as per the TFRS principles. Although this turnover is high compared to many industrial companies, it is low amongst the turnovers of Arçelik Beyaz Eşya products. While our business line was one of the two manufacturers domestically in the past, today the number of players in the domestic competition is 9.

Differently from the past, industrial motor business line is improving more in terms of solutions that require motor motion control in parallel with the technological needs and include electronics. Competition is not only in motors anymore, but it is also increasing for all components (driver, detector etc.) of industrial automation equipment. Arçelik's great interest in maintaining the growth in the area of white appliances does not allow to spare enough time or resource to create strategic decisions and policies required for the industrial motor business line that has different requirements. For production, sales, marketing and financial performance departments, which are the main functions of a company, strategic decisions are taken at different directorates. Investment decisions are taken as per the standards for white appliances. This causes new and long term projects, potential collaboration-joint production and development possibilities to remain at a limited level.

ARÇELİK carries out design and software processes for cash registers (next-generation cash register devices) at ITU Arı Teknokent as the R&D Center, as per the Law No. 5746 on Supporting Research, Development and Design Activities and the relevant secondary legislations. Produced at ARÇELİK's manufacturing site, these products are sold to commercial and corporate customers through the dealership network managed by ARÇELİK PAZARLAMA A.Ş. After the sale; installation, repair and maintenance services of these products are provided by Arçelik authorised service providers. In addition to this, Arçelik also generates revenue over the finance applications and services with added value it created on the cash registers it developed. R&D, software development, business development, test and approval processes created for these services, which are in a very different business line than the durable consumer goods offered, are carried out by expert teams specialized only in this area. Quick decision making is required for these processes. A flexible and efficient structure that can adapt to quick change is required. Due to the quick working method, a structure that runs with the start-up culture is needed since the competition in the sector is directed by start-up companies.

Partial demerger is expected to bring about the following benefits:

For the motor business:

- Decision-making mechanism related to general-purpose motor business will accelerate, and efficiency and profitability will be positively affected. The holding company will be able to focus on its main area of activity more easily. Resources will be used more efficiently.
- The standard product range will be improved to offer a broader range with high-power motor series and special motors; solutions specific to market needs will be developed; target sectors and areas will be reached.
- The company will become a system provider while it is a motor manufacturer now.
- Remote access systems and status tracking equipment and software will be developed. Efficiency of the R&D activities will be increased and compatibility with the developing world markets will be easier.

For the payment systems business:

- The sales channel, where brand and product communication is increased, will be structured.
- A flexible and efficient structure that adapts to the quick change in the area of payment systems will be created.
- A company structure that works with the start-up culture will be created.
- Many services will be developed such as mobile payment services, mobile applications, sales operation solutions and digital wallet.
- Opportunities will be sought for management and growth together with companies with a similar structure.
- Studies will be carried out to ensure that domestically developed applications and solutions are used abroad as well.
- Innovative retail and payment services will be created in parallel with developing customer habits.

7.7. Information Supply to Shareholders and Their Right of Review,

The demerger plan, demerger report, the balance sheet and income statement as of 31.12.2017 underlying the partial demerger as well as financial reports and annual reports for the last 3 (three) years which are prepared by the company titled ARÇELİK ANONİM ŞİRKETİ for partial demerger under Article 171 of Turkish Code of Commerce will be made available at the head office of ARÇELİK ANONİM ŞİRKETİ, the Public Disclosure Platform and the web site of Arçelik A.Ş. for the inspection and review of the shareholders two months prior to the general assembly meeting in which the demerger will be approved.

Moreover, a set of documents including the demerger plan and demerger report issued by ARÇELİK ANONİM ŞİRKETİ for the partial demerger, and the articles of association of the company to be incorporated by way of demerger, and the balance sheet and income statement as of 31.12.2017 underlying the demerger and the financial reports of the last 3 (three) years as well as the announcement text approved by the CMB shall be made available at the Public Disclosure Platform and the web site of Arçelik A.Ş. for the inspection and review by the shareholders at least 30 (thirty) days in advance prior to the general assembly meeting in which the demerger will be approved.

7.8. Information about the management body decisions for the capital decrease/increase and amendments to the Articles of Association,

There is no capital increase/decrease and the company will be incorporated by means of partial demerger. Articles of Association of the companies to be founded is hereby attached as ANNEX 2.

7.9. Obligations and liabilities undertaken by the parties as a result of the transaction, and consequences that the Parties may suffer in case said obligations are not fulfilled,

All obligations and liabilities that may arise in connection with the incorporation of the companies by means of partial demerger under Turkish Code of Commerce, the Corporate Tax Code, the Capital Markets Legislation and other applicable legislation. The Party which fails to fulfil its obligations arising from the demerger plan shall indemnify the other Party against all losses that the latter may suffer due to such failure.

8. MISCELLANEOUS ISSUES ABOUT THE DEMERGER

8.1 Status of the demerger in light of the legislation for Material Transactions and Demergers

The said demerger falls within the scope of material transactions under the "Communiqué no II-23.1 on Common Terms and Quittance Right for Material Transactions" which came in force upon its publication in the Official Gazette issued on 24.12.2013 under no 28861, there is no right of quittance pursuant to the paragraph "e" of Article 12 of the Communiqué since the demerger shall be carried out through 100% associate. The fact that no Quittance Right has arisen in connection with the demerger shall be submitted for the information of the General Assembly along with the Board of Directors statement.

9. ANNEXES

9.1. Financial statements of the companies to the demerger which were prepared on a comparative basis pursuant to the Board regulations:

Balance sheet and income statement of ARÇELİK ANONİM ŞİRKETİ as of 31.12.2017 which were prepared in accordance with the Tax Procedure Code and its financial statements as of 31.12.2017 which were issued according to the Capital Market Board regulations are submitted here as ANNEX 3.

9.2. Opening balance sheet following the demerger:

The estimated opening balance sheet of WAT MOTOR SANAYİ VE TİCARET ANONİM ŞİRKETİ and TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ be incorporated by way of partial demerger as of 31.12.2017 is attached hereto as ANNEX 4.

9.3. Financial Advisor reports dated 05.04.2018 and numbered 1440-633/1275-46 and 1440-633/1276-47 with regards to the partial demerger are given as ANNEX-5.

ARÇELİK ANONİM ŞİRKETİ

Name: Hakan Hamdi Bulgurlu

Title: Member of the Board
and General Manager

Signature:



Name: Fatih Kemal

Title: EBİÇLİOĞLU
Member of the Board

Signature:

