

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

NOTICE OF MEETING

to the holders of

**Arçelik A.Ş. (the "Issuer")**

*(incorporated under the laws of the Republic of Turkey)*

**U.S.\$500,000,000 5.000% Notes due 2023 (the "Notes")**

*(of which U.S.\$500,000,000 is outstanding)*

*(Restricted Global Certificate – CUSIP: 03938HAA1; Common Code: 091093332; ISIN: US03938HAA14)*

*(Unrestricted Global Certificate – ISIN: XS0910932788; Common Code: 091093278)*

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement (as defined below) made between, amongst others, the Issuer and Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**"), a meeting (the "**Meeting**") of the holders of securities convened by the Issuer will be held on 4 November 2016 at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 9:30a.m. (London time) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (the "**Extraordinary Resolution**") which will be proposed as a resolution in accordance with the provisions for meetings of holders of Notes set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement.

NOTICE IS ALSO HEREBY GIVEN that, if the necessary quorum for the Extraordinary Resolution is not obtained, an adjourned Meeting of the holders of the Notes convened by the Issuer will be held on 21 November 2016 at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 9:30a.m. (London time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution, which will be proposed as a resolution in accordance with the provisions for meetings of holders of Notes set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement.

Unless the context otherwise requires, terms used in this notice shall bear the meanings given to them in the Agency Agreement or, as applicable, the consent solicitation memorandum dated 12 October 2016 (the "**Consent Solicitation Memorandum**").

**EXTRAORDINARY RESOLUTION**

"THAT THIS MEETING (the "**Meeting**") of the holders of Arçelik A.Ş.'s (the "**Issuer**") U.S.\$500,000,000 5.000% Notes due 2023 (Restricted Global Certificate – CUSIP: 03938HAA1; Common Code: 091093332; ISIN: US03938HAA14; Unrestricted Global Certificate – ISIN: XS0910932788; Common Code: 091093278) (the "**Notes**"), pursuant to the fiscal agency agreement dated 3 April 2013 made between, amongst others, the Issuer and Citibank, N.A., London Branch as fiscal agent in respect of the Notes (the "**Agency Agreement**"), by Extraordinary Resolution HEREBY:

- (1) agrees to the Issuer's proposal to modify the terms and conditions of the Notes by inserting a new Condition 17 as follows:

**"17. The Proposed Reorganisation**

Notwithstanding any other provision of these Conditions, the Proposed Reorganisation (as defined in the Consent Solicitation Memorandum dated 12 October 2016) does not and if effected will not amount to a breach of any of the Conditions or amount to an Event of Default under Condition 10."

The modification shall be effected by way of a supplemental agency agreement which will be entered into between, amongst others, the Issuer and the Fiscal Agent (the “**Supplemental Agency Agreement**”).

- (2) authorises, directs and requests the Issuer to: (i) give effect to the amendment referred to in paragraph (1) of this Extraordinary Resolution by way of execution and delivery of the Supplemental Agency Agreement (substantially in the form of the draft produced to the Meeting, with such amendments (if any) requested by the Issuer); and (ii) enter into and do all such other agreements, deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;
- (3) sanctions and assents to every abrogation, amendment, modification, compromise or arrangement in respect of the rights of the holders of the Notes against the Issuer or against any of its property whether such rights shall arise under the Agency Agreement or otherwise involved in or resulting from the convening of the Meeting, the Proposal, this Extraordinary Resolution, the Supplemental Agency Agreement or their implementation and/or the amendments to the Agency Agreement or their implementation;
- (4) acknowledges and agrees that the Supplemental Agency Agreement and the amendments to the Agency Agreement will each become effective from the date of the execution of the Supplemental Agency Agreement, which may occur prior to the payment of the Consent Fee;
- (5) acknowledges that the payment of the Consent Fee shall be conditional on the Meeting being quorate and validly held, the Extraordinary Resolution being passed at such Meeting and the Supplemental Agency Agreement in respect of the Notes being executed;
- (6) authorises, directs, requests and empowers the Fiscal Agent, the Transfer Agent and the Registrar to (and authorises, directs, requests and empowers the Issuer to direct the Fiscal Agent, the Transfer Agent and the Registrar to) execute the amendments referred to in paragraph (1) of this Extraordinary Resolution and, in order to give effect to and implement such amendments, on or shortly after the passing of this Extraordinary Resolution execute the Supplemental Agency Agreement (substantially in the form of the draft produced to the Meeting, with such amendments (if any) requested by the Issuer); and
- (7) discharges and exonerates the Fiscal Agent from all liability in consenting to the Proposal and in respect of any act or omission for which it may have become responsible under the Agency Agreement and/or the Notes in connection with the Proposal, this Extraordinary Resolution or its implementation.

Unless the context otherwise requires, capitalised terms used in this Resolution shall bear the meanings given to them in the Agency Agreement, or as applicable, the Consent Solicitation Memorandum prepared by the Issuer and dated 12 October 2016.”

The Issuer has convened the Meeting for the purpose of enabling holders of Notes to consider the Proposal set out in the Consent Solicitation Memorandum and, if they think fit, to pass the Extraordinary Resolution set out above.

## **Background to the Proposal**

### ***The Proposed Reorganisation***

The Group is a leading producer of white goods and consumer electronics. The Group has strong market positions in the Middle East, the Commonwealth of Independent States countries and Africa, in addition to its very strong market position in Turkey, and is now expanding its business into Asia. The Issuer is the listed parent company for the Group and currently owns substantially all the Group's production operations and the Turkish sales, distribution and aftersales functions. The Group's international subsidiaries are mainly responsible for sales, marketing, distribution and aftersales operations in the relevant markets outside Turkey. The Group has grown to become the third largest white goods company in Europe.

The Group's overarching strategic goal is to continue to improve its leading positions both domestically and internationally through sustainable and profitable growth. As part of this strategy, the Group has sought to structure its operations so that its production businesses are separate to its sales, marketing, distribution and aftersales businesses: 28 subsidiaries are already in operation across a number of jurisdictions in which the Group operates.

In 2000, the Turkish business accounted for a large proportion of the operations of the Group, representing more than 80 per cent. of its revenues in that year. As a result, production, sales, exports, marketing and aftersales functions were all managed within the same entity. As the Issuer has evolved into a global player over the last two decades, the operations of the Group have expanded into different geographies with international sales representing 59.6 per cent. of consolidated Group revenues in the year ended 31 December 2015. However, the majority of the Group's global production operations, as well as the sales, marketing, distribution and aftersales functions for the Turkish market continue to be carried out by the Issuer, which causes inefficiencies. The Issuer therefore intends to separate its Turkish sales, marketing, distribution and aftersales functions from its other operations (such as its production and research and development operations) and transfer these functions to a new wholly-owned subsidiary (the "**Proposed Reorganisation**"). The Proposed Reorganisation will be effected by dividing the balance sheet of the Issuer through a partial spin-off (using a procedure for restructurings provided for under Turkish law), with the relevant assets and liabilities of the sales, marketing, distribution and aftersales functions of the Issuer being transferred to Arçelik Pazarlama A.Ş., a new wholly-owned direct subsidiary of the Issuer ("**Newco**").

Following the Proposed Reorganisation, Newco will be responsible for the following parts of the Group's business in Turkey:

- management of domestic dealers in Turkey. Newco will purchase products from the Issuer and sell these to dealers. Such sales will be carried out in accordance with transfer pricing rules and on arm's length terms
- managing the Group's relationships with dealers in the Turkish market, including by monitoring inventory and receivables
- managing related logistic operations
- carrying out risk management in relation to Turkish customer receivables
- sales and marketing activities in Turkey and
- after sales service in Turkey.

The Proposed Reorganisation will include the transfer of around 1,500 employees to Newco. The Issuer will remain jointly and severally liable with Newco for the obligations arising from the relevant employment contracts, including compensation for any termination of such contracts, for two years after the Proposed Reorganisation is implemented.

The Proposed Reorganisation is subject to the approval of the Capital Markets Board of Turkey and approval by the shareholders of the Issuer. It is necessary to obtain the approval of the Capital Markets Board before holding the meeting of shareholders, and it is currently expected that a meeting of the shareholders of the Issuer to approve the Proposed Reorganisation will take place in December 2016 and the Proposed Reorganisation is expected to become effective from 1 January 2017. The Proposed Reorganisation may become effective at a date later than 1 January 2017 if, for example, there is a delay in obtaining regulatory approvals that are not within the control of the Issuer, in which case it may become necessary to publish updated pro forma financial information for Newco compared to that appearing in this document.

As Newco will be a wholly-owned subsidiary of the Issuer, the Proposed Reorganisation is not expected to have any impact on the presentation of the Group's consolidated financial reports.

### ***Benefits of the Proposed Reorganisation***

The principal benefits of the Proposed Reorganisation for the Issuer and the Group will be operational and management efficiencies, which are expected to include:

- the ability to streamline, rationalise and focus the Turkish sales and marketing functions, following its separation from the production operations. This is particularly important given the different product range and brand positioning strategies that the Group pursues in domestic and international markets.

In the domestic market, almost all sales are conducted under the Arçelik, Beko and Altus brands, and out of this portfolio, Arçelik and Altus are specific to the domestic market. In Turkey, Arçelik is a premium brand and Altus is a value segment brand. In international markets, the major brand is Beko, which is attracting value and quality conscious customers, while Grundig is targeting the premium segment as part of the Group's new strategy.

Similarly, in line with the Group's brand strategy, the product range sold in the domestic market under the Arçelik and Beko brands are more at a premium level. In addition to that, the product range sold in the Turkish market is wider, covering white goods, consumer electronics, information technology, heating, ventilation and air-conditioning, small home appliances and kitchen furniture segments. In international markets, however, white goods and television account for almost all sales.

- the ability to organise logistics management more efficiently. Turkish domestic sales, marketing and distribution activities are carried out in different geographical regions with different specifications. Unlike the Group's foreign subsidiaries, the Turkish sales organisation is managed through a dealer network of around 3,000 sales points, located across Turkey, to better meet swiftly changing customer needs and provide appropriate financing solutions to the customer base. The dealer network, and the financing thereof, requires a different risk, customer and financial management approach compared to foreign sales and marketing activities. Dealer satisfaction, which is strategically important, is expected to be maintained in a more effective and focused way after the Proposed Reorganisation.
- the new structure based on subsidiaries will give the Group a modern organisational format that aligns it to its global peers.
- managed with 10 regional offices in 9 cities and an extensive network of 565 service points across Turkey, the customer relations focus of the Group is viewed by its customers as one of the core values of the brand in Turkey. After sales service for the Turkish market needs to be managed in a different

organisational context. After the Proposed Reorganisation, the Newco after sales network will directly report to the Issuer, as do the other sales subsidiaries in the current structure. This is expected to increase the quality and efficiency of the after sales service and ensure a more manageable and measurable structure.

- in the Turkish market, sales are often structured using instalment payments spread over up to 12 months, resulting in higher levels of receivables and greater working capital requirements than in other markets. After the Proposed Reorganisation, the Turkish business is expected to have ability to run a leaner working capital management, which will contribute to the profitability of the Group, largely due to a focused and dedicated management of receivables and inventory.
- operational profitability and efficiency are expected to increase in terms of sales and marketing reorganisation after the new structure has been launched. Focus on the specific Turkish business model, quicker decision making processes, combined with focused organisation, will enable Newco and the Group to benefit from sales opportunities and respond to customer needs and feedback more efficiently in Turkey.

### ***Newco financial information***

The unaudited pro forma statement of net assets set out below has been prepared in accordance with generally accepted accounting principles in Turkey to illustrate the pro forma unaudited statement of net assets of Newco as if the Proposed Reorganisation had taken place on 30 June 2016. The pro forma unaudited statement of net assets of Newco has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent Newco's actual financial position or results. The pro forma unaudited statement of net set assets of Newco is compiled on the basis set out below from the published convenience translation of the Group's unaudited condensed interim consolidated financial statements for the six months ended 30 June 2016 and the accounting records of the Group.

	30 June 2016 (K TL)				
		Historical		Adjustment	
Unaudited pro forma statement of net assets	Arçelik Group Consolidated <sup>(1)</sup>	Subsidiaries and consolidation adjustments <sup>(2)</sup>	Arçelik stand alone <sup>(3)</sup>	Arçelik <sup>(4)</sup>	Pro forma Arçelik Pazarlama A.Ş.
<b>Current assets:</b>					
Cash and cash equivalents.....	2,467,275	1,618,841	848,434	539,212	309,222
Trade receivables					
-Due from related parties.....	31,550	(1,396,518)	1,428,068	1,428,068	—
-Trade receivables, third parties.....	4,995,907	1,347,700	3,648,207	3,594,622	53,585
Inventories.....	2,311,029	930,879	1,380,150	964,601	415,549
Prepaid expenses.....	111,404	12,845	98,559	87,830	10,729
Other current assets.....	200,165	91,577	108,588	87,240	21,348
<b>Total current assets.....</b>	<b>10,117,330</b>	<b>2,605,324</b>	<b>7,512,006</b>	<b>6,701,573</b>	<b>810,433</b>
<b>Non-current assets:</b>					
Associates.....	208,643	(1,521,953)	1,730,596	2,463,618	—
Property, plant and equipment.....	2,131,098	785,444	1,345,654	1,242,077	103,577
Intangible assets.....	1,204,655	575,855	628,800	579,031	49,769
Other non-current assets.....	413,778	98,097	315,681	316,378	—
<b>Total non-current assets.....</b>	<b>3,958,174</b>	<b>(62,557)</b>	<b>4,020,731</b>	<b>4,601,104</b>	<b>153,346</b>
<b>Total assets.....</b>	<b>14,075,504</b>	<b>2,542,767</b>	<b>11,532,737</b>	<b>11,302,677</b>	<b>963,779</b>

30 June 2016 (K TL)

Unaudited pro forma statement of net assets	Historical			Adjustment	Pro forma Arçelik Pazarlama A.Ş.
	Arçelik Group Consolidated <sup>(1)</sup>	Subsidiaries and consolidation adjustments <sup>(2)</sup>	Arçelik stand alone <sup>(3)</sup>	Arçelik <sup>(4)</sup>	
<b>Current liabilities:</b>					
Financial liabilities .....	2,078,096	480,438	1,597,658	1,597,658	—
Trade payables					
-Due to related parties.....	394,635	(109,715)	504,350	504,350	—
-Trade payables, third parties .....	2,011,360	705,837	1,305,523	1,135,326	170,197
Employee benefit obligations.....	183,047	45,738	137,309	125,979	11,330
Other payables					
-Due to related parties.....	13,513	332	13,181	13,181	—
-Other payables, third parties.....	147,373	105,885	41,488	39,951	1,537
Provisions					
-Other provisions.....	378,411	143,666	234,745	229,207	5,538
Other current liabilities.....	333,104	193,403	139,701	134,509	5,192
<b>Total current liabilities .....</b>	<b>5,539,539</b>	<b>1,565,584</b>	<b>3,973,955</b>	<b>3,780,161</b>	<b>193,794</b>
<b>Non-current liabilities</b>					
Financial liabilities .....	3,077,735	469	3,077,266	3,077,266	—
Provisions					
-Provision for employee benefits.....	203,865	7,939	195,926	159,660	36,266
-Other provisions .....	133,694	46,573	87,121	87,121	—
Deferred tax liabilities .....	154,290	154,290	—	—	697
Other non-current liabilities .....	83,911	31,668	52,243	52,243	—
<b>Total non-current liabilities.....</b>	<b>3,653,495</b>	<b>240,939</b>	<b>3,412,556</b>	<b>3,376,290</b>	<b>36,963</b>
<b>Total liabilities .....</b>	<b>9,193,034</b>	<b>1,806,523</b>	<b>7,386,511</b>	<b>7,156,451</b>	<b>230,757</b>
<b>Net assets .....</b>	<b>4,882,470</b>	<b>736,244</b>	<b>4,146,226</b>	<b>4,146,226</b>	<b>733,022</b>

Notes:

- (1) The financial information has been extracted, without material adjustment, from the published convenience translation of the unaudited condensed interim consolidated financial statements of the Arçelik Group as of 30 June 2016.
- (2) The financial information has been extracted, without material adjustment, from the consolidation working trial balance of Arçelik A.Ş. as of 30 June 2016.
- (3) Arçelik Group consolidated less subsidiaries and consolidation adjustments.
- (4) Adjustment to reflect net assets that would not be transferred to Newco. This information has been derived from the accounting records of Arçelik A.S.

As a result of the Proposed Reorganisation:

- approximately 6 per cent. of the total consolidated assets of the Issuer will be transferred to Newco, comprised principally of cash, trade receivables and inventory.
- approximately 3 per cent. of the total consolidated liabilities of the Issuer will be transferred to Newco, comprised principally of trade payables to third parties and some provisions.
- the Issuer will contribute TRY 626,059,040.00 of equity to establish Newco.

None of the Group's financial liabilities will be transferred to Newco. As Newco starts to trade, it will purchase goods from the Issuer and sell these to third party customers. The Group intends to minimise

Newco's working capital requirements by aligning payables to the Issuer and receivables from dealers and customers as closely as possible in order to minimise the amount of external working capital financing that Newco may incur from time to time.

The below unaudited EBITDA percentages have been prepared in accordance with generally accepted accounting principles in Turkey to illustrate the EBITDA represented by the business to be transferred to Newco as a percentage of the Issuer's EBITDA on a non-consolidated and a consolidated basis. The Group defines EBITDA as profit for the relevant period before income tax expense, financial income, financial expense, income from associates (net) and depreciation and amortisation. This has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent Newco's actual financial position or results.

For the year ended 31 December 2015, the business which the Issuer is to transfer to Newco through the Proposed Reorganisation represented 18.8 per cent. of the Issuer's EBITDA on a non-consolidated basis and 14.6 per cent. of its EBITDA on a consolidated basis.

### ***Rating agencies***

As of the date of the Consent Solicitation Memorandum, the Issuer is rated BB+ by Fitch Ratings and BB+ by S&P Global. In press releases dated 12 October 2016 by Fitch Ratings and 12 October 2016 by S&P Global, they confirmed that the Proposed Reorganisation is not expected to result in any change to the current credit ratings of the Issuer or the Notes.

A credit rating is not a recommendation to buy, sell or hold the Notes and may be revised or withdrawn by the rating agency at any time.

### ***The Proposal***

The Issuer does not consider that the Proposed Reorganisation breaches the terms of the Notes or would result in an event of default under them when effected. For the reasons set out above, the Proposed Reorganisation is considered to be beneficial to the Issuer and its stakeholders. It is, however, seeking the agreement of Noteholders to the inclusion of a new Condition in the Notes confirming that the Proposed Reorganisation will not cause any such breach or event of default as the Issuer recognises that any dispute with any Noteholder on this point would incur expense and expend management time. The Issuer is entitled to proceed with the Proposed Reorganisation in the event that the Extraordinary Resolutions are not passed.

If the Proposal is agreed to by Noteholders, an agreement will have been reached with the Noteholders that no claim may be asserted, instigated or pursued by any party in connection with the Proposed Reorganisation.

The implementation of the Extraordinary Resolution in respect of one Series of the Notes is not conditional on the passing and implementation of the Extraordinary Resolution in respect of the other Series of Notes.

### ***Financial Results of the Issuer for the nine months ended 30 September 2016***

On or around 24 October 2016 Arçelik will publish its consolidated third quarter results.

### ***Supplemental Agency Agreement***

The Proposal will be documented by, and will become effective upon, the execution and delivery of the Supplemental Agency Agreement, a draft of which is available for inspection by holders, all as more fully set out under "*Documents Available for Inspection*" below.

### **Documents Available for Inspection**

Holders of the Notes may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of the Consent Solicitation Memorandum up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the office of the Fiscal Agent specified below and at the registered office of the Issuer:

- (a) the fiscal agency agreement dated 3 April 2013 made between, amongst others, the Issuer and the Fiscal Agent (the “**Agency Agreement**”);
- (b) the form of the Supplemental Agency Agreement; and
- (c) the Consent Solicitation Memorandum.

### **Consent Fee**

The Issuer will pay to each Beneficial Owner of the Notes (other than where such Beneficial Owner is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the Extraordinary Resolution is received at or prior to 5:00p.m. (London time) on 27 October 2016 (the “**Consent Fee Deadline**”) (and not revoked) a Consent Fee of U.S.\$5.00 for each U.S.\$1,000 in principal amount in respect of the Notes (the “**Consent Fee**”). The Consent Fee will be paid as consideration for the Beneficial Owners of the Notes' agreement to the Extraordinary Resolution and is subject to the Meeting being quorate and validly held, the Extraordinary Resolution in respect of the Notes being passed and the Supplemental Agency Agreement being executed. Only Beneficial Owners of the Notes who deliver, or arrange to have delivered on their behalf, valid Consent Instructions at or prior to the Consent Fee Deadline (and who do not revoke such Consent Instructions, in the limited circumstances in which revocation is permitted) will be eligible to receive the Consent Fee.

No Consent Fee shall be payable to any Beneficial Owner to the extent that the Extraordinary Resolution set out above in respect of the Notes is not duly passed at the Meeting or, as the case may be, adjourned Meeting, and/or the Supplemental Agency Agreement in respect of the Notes is not executed.

Beneficial Owners of the Notes will not be eligible for the Consent Fee if they (i) appoint a proxy other than the Tabulation Agent (or its nominee) to attend and vote at the Meeting or are not represented at the relevant Meeting, (ii) attend the Meeting in person, (iii) submit a Consent Instruction against the Proposal or in favour of the Proposal but after the Consent Fee Deadline, or do not vote at all, (iv) revoke their Consent Instructions or unblock their Notes before the Meeting (in the limited circumstances permitted), or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Notes under the Terms and Conditions, the Meeting Provisions and the Agency Agreement in respect of the Notes to arrange for the appointment of a proxy to attend and vote at the Meeting entitling them or their nominee to attend and vote at the Meeting in accordance with the provisions of the Terms and Conditions, the Meeting Provisions, the Agency Agreement and this Notice.

Following the Meeting (or the adjourned Meeting) being held, the passing of the Extraordinary Resolutions and the execution of the Supplemental Agency Agreement, Beneficial Owners of the Notes will be notified through the Clearing Systems of the date on which the Consent Fee will be paid to eligible Beneficial Owners of the Notes.

Where payable, the Consent Fee shall be paid to each eligible Beneficial Owner's cash account (or the account through which they hold the Notes) in Euroclear or Clearstream, Luxembourg, as the case may be (except for the Notes held through DTC, the “**2023 USD DTC Notes**”), or into the account specified in the Form of Sub-Proxy (in respect of the 2023 USD DTC Notes), in either case, by no later than the fifth Business



Day following (i) the announcement of the results of the Meeting; (ii) the Extraordinary Resolution in respect of the Notes being passed; and (iii) the Supplemental Agency Agreement being executed.

In respect of the Notes (except for the 2023 USD DTC Notes), each relevant Direct Participant must look solely to Euroclear or Clearstream, Luxembourg, as the case may be (or, in the case of Beneficial Owners of the Notes that are not Direct Participants, the Direct Participant or other intermediary through which they hold their Notes) for its share of the aggregate payments made by the Issuer to Euroclear and Clearstream, Luxembourg, respectively, in respect of the Consent Fee. Under no circumstances will any interest be payable because of any delay by Euroclear or Clearstream, Luxembourg, or any other party in the transmission of funds to Beneficial Owners of the Notes.

In respect of the 2023 USD DTC Notes, each relevant Beneficial Owner of Notes must look solely to the DTC Direct Participant or other intermediary through which they hold their 2023 USD DTC Notes for its share of the aggregate payments made by the Issuer to the relevant DTC Participant, in respect of the Consent Fee. Under no circumstances will any interest be payable because of any delay by the relevant DTC Participant or any other party in the transmission of funds to Beneficial Owners of the Notes.

### **General**

The attention of Beneficial Owners of the Notes is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "*Voting and Quorum*" below. Having regard to such requirements, Beneficial Owners of the Notes are strongly urged either to submit valid Consent Instructions in accordance with the Consent Solicitation Memorandum, the Terms and Conditions, the Meeting Provisions and the Agency Agreement or to attend or to take steps to be duly represented at the Meeting, as referred to below, as soon as possible.

**In accordance with normal practice, neither the Solicitation Agent nor the Tabulation Agent expresses any view as to the merits of the Proposal or the Extraordinary Resolution. Neither the Solicitation Agent nor the Tabulation Agent has been involved in negotiating the Proposal or the Extraordinary Resolution or makes any representation that all relevant information has been disclosed to the Beneficial Owners of the Notes in or pursuant to the Consent Solicitation Memorandum and the Notice of Meeting. Furthermore, neither the Solicitation Agent nor the Tabulation Agent makes any assessment of the impact of the Proposal presented to Beneficial Owners of the Notes in the Consent Solicitation Memorandum on the interests of the Beneficial Owners of the Notes or makes any recommendations on the Consent Solicitation relating to the Notes or whether agreement to the Proposal should be made. Accordingly, Beneficial Owners of the Notes who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.**

Beneficial Owners of the Notes wishing to attend in person have the right to attend in accordance with the provisions set out in the Consent Solicitation Memorandum and the Meeting Provisions.

Euroclear/Clearstream Direct Participants, by submission of Electronic Voting Instructions, authorise such Clearing System to disclose their identity to the Issuer, Citigroup Global Markets Limited (the "**Solicitation Agent**"), the Fiscal Agent, the Tabulation Agent and the Registrar (and their respective legal advisers).

Only Direct Participants may submit or deliver Electronic Voting Instructions or a Form of Sub-Proxy (as applicable). Noteholders whose Notes are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Electronic Voting Instructions or a Form of Sub-Proxy (as applicable) on their behalf sufficiently in advance of 5:00p.m. (London time) on 1 November 2016 (the "**Voting Deadline**") (or sufficiently in advance of the Consent Fee Deadline in order to be eligible

for the Consent Fee) in order for such Electronic Voting Instructions or Form of Sub-Proxy (as applicable) to be delivered in accordance with any deadlines as described in the Consent Solicitation Memorandum.

If Electronic Voting Instructions or Forms of Sub-Proxy (as applicable) are not received from or on behalf of a Noteholder in accordance with the voting instructions set out herein (and such Noteholder does not otherwise make arrangements to vote at the Meeting or to attend in person by appointing a proxy also in advance of the Voting Deadline), such Noteholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

### **Voting and Quorum**

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement, a copy of which is available for inspection as referred to above. A Beneficial Owner of the Notes who has delivered or procured the delivery of a Consent Instruction (as defined in the Consent Solicitation Memorandum) need take no further action.

#### **(A) For Notes held through Euroclear or Clearstream, Luxembourg**

This paragraph (A) only applies to Notes held through Euroclear or Clearstream, Luxembourg

**IMPORTANT:** The Notes (except for the 2023 USD DTC Notes) are currently represented by a global certificate registered in the name of a nominee of Citibank Europe plc as common depositary (the “**Common Depositary**”) of Euroclear Bank, SA/NV (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**” and, together with Euroclear, the “**Clearing Systems**” and each a “**Clearing System**”). Only persons shown in the records of Euroclear, Clearstream, Luxembourg or their respective account holders as a holder of the Notes (“**Euroclear/Clearstream Direct Participants**”) may deliver Consent Instructions or be issued with a form of proxy or otherwise give voting instructions in accordance with the procedures described below.

- (1) A Euroclear/Clearstream Direct Participant may by an instrument in writing in the English language (a “**Form of Proxy**”) in the form available from the specified office of the Fiscal Agent specified below signed by such Euroclear/Clearstream Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by its attorney or by its duly authorised officer and delivered to the Fiscal Agent not less than 48 hours before the time fixed for the Meeting (or an adjourned Meeting), appoint any person (a “**proxy**”) to act on his or its behalf in connection with the Meeting (or an adjourned Meeting).
- (2) A proxy so appointed shall so long as such appointment remains in force be deemed, for all purposes in connection with the Meeting, to be the holder of the Notes to which such appointment relates.
- (3) Any Euroclear/Clearstream Direct Participant which is a corporation may by delivering to the Fiscal Agent not later than 48 hours before the time fixed for the Meeting (or an adjourned Meeting) a resolution of its directors or other governing body authorise any person to act as its representative (a “**representative**”) in connection with the Meeting (or an adjourned Meeting).
- (4) Beneficial Owners or their Euroclear/Clearstream Direct Participants must have made arrangements to vote with the relevant Clearing System by not later than 48 hours before the time fixed for the Meeting (or an adjourned Meeting) and within the relevant time limit specified by the relevant Clearing System (who may set a significantly earlier deadline) and request or make arrangements for the relevant Clearing System to block the Notes in the relevant Euroclear/Clearstream Direct Participant’s account and to hold the same to the order or under the control of the Fiscal Agent.

- (5) A Euroclear/Clearstream Direct Participant whose Notes have been blocked in its account with Euroclear or Clearstream, Luxembourg, as applicable, may thereby procure that an electronic voting and blocking instruction (an “**Electronic Voting Instruction**”) is given in accordance with the procedures of the relevant Clearing System to instruct the relevant Clearing System that the vote(s) attributable to the Notes which are the subject of the Electronic Voting Instruction should be cast in a particular way (either in favour of or against) in relation to the Extraordinary Resolution in respect of the Notes, which instructions shall require the Fiscal Agent to appoint a proxy as described above.
- (6) Any Note(s) so held and blocked will not be released to the Euroclear/Clearstream Direct Participant, until the earlier of (a) the Implementation Date and (b) upon the giving of a valid Revocation Instruction (in the limited circumstances in which a Revocation Instruction may be given) and such Note(s) ceasing in accordance with the procedures of Euroclear or Clearstream, as applicable, to be held to its order or under its control, provided, however, in the case of (b) above, that if the Beneficial Owner or Direct Participant has caused a proxy to be appointed in respect of such Note(s), such Note(s) will not be released to the relevant Direct Participant unless and until the Issuer has received notice of the revocation or amendment to such proxy.
- (7) Any Electronic Voting Instructions or other instructions given may not be revoked in any circumstances during the period starting 48 hours (in the case of revocation by a holder of Notes) or 24 hours (in the case of revocation by the Fiscal Agent) before the time fixed for the Meeting and ending at the conclusion of such Meeting.

**(B) For Notes held through DTC**

This paragraph (B) only applies to Notes held through DTC.

**IMPORTANT:** The 2023 USD DTC Notes are currently represented by a registered global security registered in the name of Cede & Co. as Registered Holder (the “**Registered Holder**”). Only persons shown in the records of DTC or DTC’s participants (“**DTC Direct Participants**”) may deliver Consent Instructions in accordance with the procedures described below.

- (1) The procedures under this paragraph assume that in accordance with its usual procedures, DTC will appoint the DTC Direct Participants as at 5:00p.m. (New York time) on 25 October 2016 (the “**Record Date**”) as its proxies under an omnibus proxy (the “**Omnibus Proxy**”) in respect of the principal amount of the Notes shown on its records as being held by them on the Record Date (in each case, their “**Recorded Principal Amount**”).

*DTC Direct Participants*

- (2) DTC Direct Participants may, in respect of their Recorded Principal Amount, either (i) attend and vote at the Meeting if they are individuals or (ii) appoint any employee of the Tabulation Agent (nominated by the Tabulation Agent) as their sub-proxy to attend and cast their votes at the Meeting in a particular way on their behalf or (iii) appoint any other person (including Beneficial Owners of the Notes) as sub-proxies (each, together with the sub-proxy referred to in subparagraph (ii), a “**Sub-Proxy**”), to attend and vote at the Meeting on their behalf, in the case of (ii) and (iii) by an instrument in writing in the form available from the specified office of the Registrar (which form is also contained in the Annex to this Notice), and signed by such DTC Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation which should be medallion guaranteed as described in the form of sub-proxy and the Consent Solicitation Memorandum and then delivered to the Tabulation Agent at the address set out in the Consent Solicitation

Memorandum, not later than 48 hours before the time fixed for the Meeting (or, in order to be eligible for the Consent Fee, not later than the Consent Fee Deadline).

*Beneficial Owners*

- (3) A Beneficial Owner who is not a DTC Direct Participant and who does not wish to attend the Meeting may arrange for the votes relating to the Notes of which he is a Beneficial Owner to be cast at the Meeting by requesting the DTC Direct Participant through whom he holds his Notes to issue a form of sub-proxy, as described in paragraph (2) above, to a third person (including the Tabulation Agent) to attend and vote at the Meeting in accordance with the Beneficial Owner's instructions, *provided that* the Notes in respect of which the form of sub-proxy is to be given are Notes in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date. Such person must produce the form of sub-proxy to the Meeting.
- (4) A Beneficial Owner who is (a) not a DTC Direct Participant and who wishes to attend and vote at the Meeting in person or (b) the representative of a DTC Direct Participant who is not an individual but who wishes its representative to attend and vote at the Meeting in person must produce to the Meeting a form of sub-proxy issued by the DTC Direct Participant through whom he holds Notes appointing him as a Sub-Proxy, *provided that* the Notes in respect of which the sub-proxy is to be given are Notes in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date.
- (5) Beneficial Owners should contact the DTC Direct Participant through whom they hold their Notes in sufficient time to enable votes to be cast on their behalf and Sub-Proxies to be appointed.

**DTC Direct Participants or Beneficial Owners should direct any questions regarding appointing proxies or the voting procedures to the Tabulation Agent.**

*Forms of sub-proxy*

- (6) Sub-proxies may be appointed using the form of sub-proxy available from the Registrar at its offices specified below. Duly completed forms of sub-proxy must be delivered to and received by the Tabulation Agent at least 48 hours before the time fixed for the Meeting (or, in order to be eligible for the Consent Fee, not later than the Consent Fee Deadline), which may only be revoked upon the giving of a valid Revocation Instruction (in the limited circumstances in which a Revocation Instruction may be given) and may not be revoked in any circumstances later than 24 hours or 48 hours prior to the Meeting as applicable pursuant to the terms of the Agency Agreement.
- (7) The Registrar has agreed that employees of the Tabulation Agent (to be identified by them) may be appointed as Sub-Proxies for the purposes of attending and voting at the Meeting.
- (8) In respect of the Notes, only those DTC Direct Participants shown in DTC's records on the Record Date as holding the Recorded Principal Amount will be entitled to vote on the Extraordinary Resolution or appoint Sub-Proxies to do so and shall remain so entitled notwithstanding any transfer of such holders of Notes after the Record Date, *provided that* votes submitted by any one DTC Direct Participant and any Sub-Proxies appointed by it shall not exceed the holding of such DTC Direct Participant as evidenced by the Omnibus Proxy issued as of such Record Date. **In the event that such votes do exceed the holding of such DTC Direct Participant (alone or when aggregated with any Sub-Proxy previously issued by the DTC Direct Participant and not validly withdrawn), any Sub-Proxy appointed by it which**

**exceeds such holding shall be invalid and any Consent Fee which may otherwise have been payable will not be paid. Transferees of the Notes after the Record Date will not be entitled to vote on the Extraordinary Resolution. Only a Beneficial Owner who procures that its DTC Direct Participant appoints the Tabulation Agent (or one of more of its employees nominated by it) as Sub-Proxy will be entitled to the Consent Fee.**

**(C) General**

- (1) The Meeting of the holders of Notes shall be entitled to pass the Extraordinary Resolution if one or more persons holding or representing more than half in principal amount of the Notes for the time being outstanding are present, and the Extraordinary Resolution shall be passed if a majority of not less than three quarters of the votes cast at the Meeting are in favour of the Extraordinary Resolution. In the case that one or more persons holding or representing more than half in principal amount of the Notes for the time being outstanding are not present within 15 minutes (or such longer period not exceeding 30 minutes as the chairman of the relevant Meeting may decide) from the time initially fixed for the Meeting, an adjourned Meeting in respect of the Notes will be convened to be held on 21 November 2016 at 9:30 a.m. (London time) and will be validly constituted if a person or persons holding or representing any of the aggregate principal amount of the outstanding Notes is or are present at the adjourned Meeting and the Extraordinary Resolution shall be passed if a majority of not less than three quarters of the votes cast at the adjourned Meeting are in favour of the Extraordinary Resolution.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Beneficial Owners of the Notes in the manner contemplated in the Consent Solicitation Memorandum as well as the Meeting Provisions.

If a quorum is not present within 15 minutes (or such longer period not exceeding 30 minutes as the chairman of the relevant adjourned Meeting may decide) at any adjourned Meeting, such adjourned Meeting shall be dissolved.

- (2) If passed, the Extraordinary Resolution shall become effective upon signing by the Chairman of the Minutes of the Meeting at which the Extraordinary Resolution was passed. The Extraordinary Resolution once passed will be binding on the holder of Notes and all Beneficial Owners of the Notes whether or not represented at the Meeting and whether or not voting.
- (3) This notice and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. By submitting a Consent Instruction or any other instruction including requesting the issue of a sub-proxy a Beneficial Owner of the Notes irrevocably and unconditionally agrees for the benefit of the Issuer, the Solicitation Agent and the Tabulation Agent that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Consent Solicitation or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.
- (4) Beneficial Owners of the Notes whose Notes are held by Clearstream, Luxembourg or Euroclear or DTC (as applicable) should contact the Tabulation Agent.

The Tabulation Agent with respect to the Proposal is:

**Citibank, N.A., London Branch**

13<sup>th</sup> Floor, Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Attention: Exchange Team  
Tel: +44 (0)20 7508 3867  
Email: exchange.gats@citi.com

The Solicitation Agent with respect to the Proposal is:

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Attention: Liability Management Group  
Tel: +44 (0)20 7986 8969  
Email: liabilitymanagement.europe@citi.com

The Fiscal Agent with respect to the Notes is:

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

The Registrar with respect to the Notes is:

**Citigroup Global Markets Deutschland AG**

Reuterwef 16  
60323 Frankfurt am Main  
Germany

**Investor Relations**

**Arçelik A.Ş.**

Attention: Hande Saridal and Orkun İnanbil  
Email: investorrelations@arcelik.com

**This notice is given by:**

**Arçelik A.Ş.**

**12 October 2016**

**ANNEX**

**Form of Sub-Proxy**

**Arçelik A.Ş. (the “Issuer”)**

for use in connection with a meeting of the holders of the Issuer’s outstanding

**U.S.\$500,000,000 5.000% Notes due 2023**

(Restricted Global Certificate – CUSIP: 03938HAA1; Common Code: 091093332; ISIN: US03938HAA14)  
(the “**2023 USD Notes**”)

*(To be completed by a DTC Direct Participant only)*

*This form of sub-proxy should be completed and signed by a DTC Direct Participant and delivered to the Tabulation Agent by e-mail to Citibank, N.A., London Branch, 13<sup>th</sup> Floor, Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom, Attention: Exchanges Team, Email: exchange.gats@citi.com, Tel: +44 (0)20 7508 3867 at or prior to the Voting Deadline (5:00p.m. (London Time) on 1 November 2016) (or at or prior to the Consent Fee Deadline (5:00p.m. (London Time) on 27 October 2016) in order to be eligible for the Consent Fee) to appoint the Tabulation Agent, the relevant Beneficial Owner, or another nominee as a sub-proxy, to attend and vote at the Meeting or adjourned Meeting. A pdf version will be accepted. Original hard copy versions are not required.*

*If this Form of Sub-Proxy is delivered in advance of the Record Date, please indicate the expected principal amount of such Notes as at the Record Date on the assumption that such Notes will still be held by the DTC Participant on behalf of the Noteholder as at the Record Date.*

We hereby certify that:

- (1) The total principal amount of Notes held by the DTC Participant specified below as at 5:00 p.m. (New York time) on 25 October 2016, being the Record Date, in respect of which the votes attributable to them should be cast are:

	CUSIP: 03938HAA1 / ISIN: US03938HAA14
Principal Amount of Notes:	U.S.\$

- (2) We appoint:

**Tick only ONE of the boxes below**

- the Tabulation Agent; (tick box if appropriate) or  
 the following individual (tick box if appropriate and fill in the details immediately below)

(Name):

(Address):

(Passport number):

(Issuing State):

*or failing him:*

(Name): (“**Alternate 1**”)

(Address):

(Passport number):

(Issuing State):

*or failing Alternate 1:*

the Tabulation Agent,

to act as our sub-proxy in respect of the Notes described above and to attend the Meeting on our behalf and we wish our sub-proxy to vote:

**Tick only ONE of the boxes below.**

- IN FAVOUR OF THE EXTRAORDINARY RESOLUTION
  - AGAINST THE EXTRAORDINARY RESOLUTION
  - AT THEIR DISCRETION (this option is not available if the Tabulation Agent is being appointed)
- (3) No other person has been appointed as a sub-proxy in respect of the above Notes and no voting instruction has been given in relation to such Notes.
- (4) Having submitted the Form of Sub-Proxy before the Consent Fee Deadline, appointed the Tabulation Agent as our sub-proxy and selected "IN FAVOUR OF" in the above paragraph, we hereby include our account details for the payment of any Consent Fee for which we may be eligible.

Account Name:

Account Number:

Swift Code of Correspondent Bank:

Name of Correspondent Bank:

Address of Correspondent Bank:

ABA:

Contact details of relevant DTC Direct Participant for Queries:

Capitalised terms used but not defined in this form of sub-proxy shall have the meanings given to them in the Notice of Meeting in respect of the Notes dated 12 October 2016.

\_\_\_\_\_  
Signed by a duly authorised officer on behalf of the DTC Direct Participant

Name of DTC Direct Participant: \_\_\_\_\_

Date: \_\_\_\_\_

Place MEDALLION SIGNATURE GUARANTEE here