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- Arçelik A.Ş.- Company outlook
- Rules of origin applied – Regulations in Turkey
- Business Effects - Practices
Koç Group
&
Arçelik
Koç Holding ranks among the world’s top 350 companies.
- 2015 consolidated revenues: USD 25.5 billion
- Total combined revenues that make up about 8% of Turkey’s GDP (As of 2013 year-end)
- Exports that make up 10% of Turkey’s total exports (As of 2013 year-end)
- Total share in BIST Market Capitalization is 17% (As of 2014 year end)
- The Group consists of over 100 companies in 33 countries
- Over 80,000 employees worldwide
- Over 11,000 dealers and after-sales services, 978 bank branches in Turkey
- 10% of private sector R&D investments
- According to Turkish Patent Institute’s 2013 Turkey’s Patent Applications ranking 4 of
  the top ten companies are Koç Group companies
- The Top Turkish company in EU Industrial R&D Investment Scoreboard ranked 614th place.
Koç Group

Leading positions with strong competitive advantages in several business segments

**Consumer Durables**
Arçelik A.Ş.
Arçelik LG
International Alliance: LG Electronics

**Energy**
Tüpraş, Opet, Aygaz, Entek, Aygaz Doğal Gaz, Akpa, Demir Export

**Other Sectors**
Food, DIY Retailing, Tourism, Marinas, IT, Ship & Yacht Construction

**Finance**
Yapı Kredi Bank and subsidiaries
Koç Finans
International Alliance: Unicredit

**Automotive**
Tofaş, Ford Otosan, Türk Traktör, Otokar, Otokoç Otomotiv
Since 1955, 60 years of experience

Production, marketing and after-sales services of consumer durable goods, consumer electronics and components

27,000 employees

Consolidated net sales
2016 1H : 7.5 billion TL
(2.3 billion EUR / 2.6 billion USD)
2015: 14.1 billion TL
(4.7 billion EUR / 5.2 billion USD)

10 brands

32 sales and marketing offices around the world

15 production plants in 6 countries
(China, Romania, Russia, South Africa, Turkey and Thailand)
Products and services in more than 130 countries
<table>
<thead>
<tr>
<th>Brands</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>arçelik</strong></td>
<td>The leading brand in Turkish household appliances industry</td>
</tr>
<tr>
<td><strong>beko</strong></td>
<td>One of the leader brands in Turkey and a global brand preferred in more than 100 countries</td>
</tr>
<tr>
<td><strong>Blomberg</strong></td>
<td>A brand of household appliances, combining aesthetic design and technological with environment friendly features</td>
</tr>
<tr>
<td><strong>elektra bregenz</strong></td>
<td>A strong, prestigious brand of household appliances in Austria</td>
</tr>
<tr>
<td><strong>arctic</strong></td>
<td>The leading brand in the Romanian household appliances market</td>
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<tr>
<td><strong>LEISURE</strong></td>
<td>The traditional brand for solo cooking appliances in the UK</td>
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<tr>
<td><strong>FLAVEL</strong></td>
<td>One of the strongest household appliances brand in the UK and Ireland</td>
</tr>
<tr>
<td><strong>ALTUS</strong></td>
<td>The household appliance and television brand of price conscious consumers</td>
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<tr>
<td><strong>GRUNDIG</strong></td>
<td>A well known brand in Turkish and Western European market with wide range of product portfolio of consumer electronics and personal care appliances</td>
</tr>
<tr>
<td><strong>DEFY</strong></td>
<td>The leader of South Africa’s white goods market</td>
</tr>
</tbody>
</table>
Product Range

- Built-in & Freestanding Appliances
  - Refrigerators
  - Freezers
  - Washing Machines
  - Dryers
  - Dishwashers
  - Ovens
  - Hobs
  - Hoods
  - Warming Drawers
  - Microwave Oven
  - Water Dispensers & Water Filtration

- Small Household Appliances
  - Vacuum Cleaners
  - Kitchen Appliances
  - Personal Care
  - Garment Care
  - Fans
  - Steam Cleaners

- Consumer Electronics
  - TVs
  - Home theatre systems
  - Hi-Fi Systems
  - Portable audiosystems
  - Dect phones
  - Mobile Phones
  - Notebooks & Desktop PCs
  - POS Cash Register

- Heating-Ventilation- AC
  - Air Conditioners
  - Combi Boilers
  - Water Heaters
  - Room Heaters

- Components
  - Hermetic Compressors
  - Industrial Motors
  - Appliances Motor-pumps

+ Ready-made Kitchen
Global Network
Strong Growth in Global Marketplace

Arçelik A.Ş. is the second largest company in white goods industry in Europe. Arçelik A.Ş. is the undisputed leader of home appliances sector in Turkey, in Romania with Arctic brand and in South Africa with Defy brand.

Consolidated Sales Revenue: EUR 4.7 billion
60% of turnover from international sales
Non- Preferential Origin Practice in Turkey

Regulations in Turkey
What is non-preferential origin?

Non-preferential origin merely confers an "economic" nationality on goods and does not confer any benefit on them. Non-preferential origin is obtained either by the goods being "wholly obtained" in one country or, when two or more countries are involved in the manufacture of a product, origin is obtained in the country where the last substantial, economically justified working or processing is carried out. Non-preferential origin is used, for example, in determining whether or not goods are subject to anti-dumping measures or quantitative restrictions and for statistical purposes.
Turkish Legislation - Articles related to ‘obtaining origin’

- Custom Legislation
  Legislation Number: 4458
  Accepted: 27 October 1999
  Official Gazette print date: 04.11.1999/23866
  Related Articles: 17,18,19,20,21

and

- Custom Regulations
  defining implementation of main principles of custom legislation in 10 articles
  (articles 33,34,35,36,37,38,39,40,41,42)
Based on Turkish Legislation - Articles related to ‘obtaining origin’

- Custom Legislation
  Additional printing at Official Gazette
  print date & number: 07.10.2009/27369
  annex 5 and 6

Annex 5: Related to textile products

Annex 6: Related to non-textile products
1- Products wholly obtained or produced in the country is considered as originating in the Country.

2- The following shall be considered as wholly obtained in the Country:
   a. mineral products extracted within country
   b. vegetable products harvested there;
   c. live animals born and raised there;
   d. products from live animals raised there
   e. products obtained by hunting or fishing conducted there;
Article 18:

f. products of sea fishing and other products taken from the sea outside the territorial waters of the Country by their vessels;

g. products made aboard their factory ships exclusively from products referred to in (f);

h. products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil

i. used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;

j. goods produced there exclusively from the products specified in (a) to (i).

3. In the application of article 2, Country term covers also related Seabed of the country
Turkish Custom Legislation –

In modern manufacturing it is quite common for two or more different sources in different countries to be involved in the production of goods.

**Article 19:**

To consider a product as ‘originating’ in a country when two or more countries are involved in the manufacture of a product, a new product shall be manufactured in the country or the product shall undergone sufficient working or process in that country and the last substantial, economically justified working or processing shall be carried out in that country.
Article 34: Insufficient working or processing

a. preserving operations to ensure that the products remain in good condition during transport and storage;
b. washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
c. breaking-up and assembly of packages;
d. sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles)
e. simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
f. a combination of two or more operations specified in (a) to (e)
Article 35:

Defining origin of products (except textile products)

Products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Annex VI in column 3 are fulfilled. Those conditions indicate, for all products covered, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials.

The products that are not covered in Annex VI, are evaluated based on General Rules note # 5. That is they will be evaluated under General Rules article 19.
## Annex V - Application example

| 5902 | Tire cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon. | Manufacture from yarn |
### Annex V - Application example - Arcelik

| 8528 | Television reception apparatus (excluding monitors and projectors) | Added value due to manufacture or assembly, in which the value of all originating materials of manufacturing country used is minimum 45 per cent of the ex works price of the product. | - If 45% is not obtained, providing the materials used originating from single country is exceeding 35 % of ex works price of product, the product is accepted origin of that country.  
- If 35% is valid for two countries, the product is accepted country of origin having more per cent. |
Certificate of origin

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<td>4.</td>
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<td>7.</td>
<td>Miktar Quantity</td>
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**MENŞE ŞAHADETNAMESİ**
**CERTIFICATE OF ORIGIN**
**CERTIFICAT D'ORIGINE**

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**NoMM**: 0000116

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**Original**

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**Koc**

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**Arçelik A.Ş.**
Business Effects - Practices

Decision Matrix
Arçelik trade matrix

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<thead>
<tr>
<th>Production</th>
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<tbody>
<tr>
<td>Direct Sales</td>
</tr>
<tr>
<td>Sales Organisation</td>
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</tbody>
</table>

Üretim İşletmeleri TR
- Ankara Bulaşık
- Beylikdüzü TV
- Bolu Pişirici Gıhazlar
- Çayırova Çamaşır Makinası
- Çerkezköy Kurutucu ve Motor
- Eskişehir Buzdolabı ve Kompresör

Üretim İşletmeleri/Ydışı
- Romanya
- Rusya
- Çin
- Defy
- Tayland

Grup Şirketleri
- Beko Australia
- Elektra Bregenz AG
- Beko S.A. Czech Republic
- Beko France S.A.
- Beko Deutschland GmbH
- Grundig Intermedia GmbH
- Defy
- Beko Italy
- Grundig Nordic
- Beko Poland
- Beko Slovakia S.R.O.
- Beko España
- Beko Ukraine
- Beko China
- SC Arctic SA
- Beko LLC
- Beko PLC (IE & UK)
- Beko Egypt
- Beko Balkans
- Beko Thai
- Beko Malaysia
# Arçelik trade matrix – decision inputs

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<tr>
<th>Grp</th>
<th>Destination Country</th>
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