

## **WORKING PRINCIPLES OF THE AUDIT COMMITTEE**

### **1. FOUNDATION**

An Audit Committee has been founded in line with our company's Board Resolution No. 525 dated 21.03.2003 and under the provisions included in the regulations made by Stock Exchange Commission. Afterwards, the working principles of this Audit Committee has been reviewed and revised as in the following in line with the Board Resolution dated 22.06.2012 according to the developments taking place in Stock Exchange Commission's regulations.

### **2. OBJECTIVE**

The objective of this regulation is to monitor the functioning of our company's accounting and reporting systems pursuant to the relevant laws and regulations, disclosure of financial information as well as the functioning and efficiency of the independent audit and internal control systems.

### **3. DUTIES AND RESPONSIBILITIES**

Duties of the Audit Committee;

- Choosing an independent audit institution, initiating the independent audit process by preparing independent audit agreements, supervising independent audit institution's studies in all stages,
- Evaluating independent auditor's independence declaration and attitude against independence criteria as well as the additional services to be provided by this independent audit institution,
- Evaluating the detections to be obtained under the independent audit report submitted to the Committee; important issues relevant to partnership's accounting policy and applications; Stock Exchange Commission's accounting standards submitted earlier to the Company management by the independent auditor; alternative application and disclosure options pursuant to accounting principles; possible outcomes of these options; the application proposal as well as important correspondences made between the independent auditor and our company;
- Reviewing company's accounting, reporting and internal audit systems as well as the complaints delivered to the company in relation with independent audit processes; determining the methods and criteria to be applied for evaluating company employees' notifications about the accounting, reporting, internal audit and independent audit issues pursuant to the confidentiality principle,
- Notifying to the Board of Directors in writing the annual and interim financial reports to be disclosed by adding their own evaluations and taking the opinions of Company's engagement directors and independent auditors about Company's accounting principles, their precision and accuracy,
- Fulfilling Stock Exchange Commission's regulations and other duties assigned/to be assigned to the committee by Turkish Trade Law.

The committee will inform the Board of Directors about its evaluations and recommendations related to the above issues in writing.

#### **4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA**

- The Audit Committee consists of at least two members. Committee chairman and members are selected among the independent Board Members.
- Related Board of Directors determines Audit Committee's members in parallel with its duty term when a new Board of Directors is selected at annual Ordinary General Meetings. Previous committee members continue to perform their duties until new ones are selected in place of them.
- All sorts of sources and support necessary for the Committee to perform its duties are provided by the Board of Directors. The Committee may invite to its meetings any administrator it deems necessary and take their opinions.
- The Committee resorts to independent experts' opinions for the issues it needs in relation to its activities. The Company covers the cost of all consultancy services needed by this Committee.

#### **5. SUB-COMMITTEES**

In order to ensure the efficiency of its activities, the Audit Committee may organize sub-committees consisting of persons experienced enough in financial reporting and independent audit issues who it will select among its own members and/or from external sources according to the current needs.

#### **6. MEETINGS**

- The Audit Committee convenes at least four times a year, at least once in every three-month period, and meeting results are submitted to the Board of Directors by being written down in a report. The Committee immediately notifies to the Board of Directors in writing all detections and suggestions it obtains in relation to its own duty and responsibility area.
- Committee's resolutions are advisory for the Board of Directors and the Board of Directors acts as the final resolution maker for all issues.
- The Committee ensures the Board of Directors to be informed about all issues within its responsibility and authority area.
- Meeting and resolution quorum is the absolute majority of Committee's total member number.
- Meetings can be held at the head office or anywhere else easy to be reached by Committee members.

#### **7. REPORTING PROCEDURES**

- Committee resolutions are preserved in the decision book.
- The following minimum issues must be specified in the meeting minutes:
  - Place and date of the meeting
  - Agenda
  - Information about the issues to be discussed at the meetings
  - Resolutions taken
- The resolutions deemed necessary by the Committee are submitted to the Board of Directors.
- The Board Secretariat will be responsible for preparing and keeping the meeting minutes.

The meeting minutes are archived after being submitted for the information of Committee Members.

## **8. EFFECT**

These working principles of the Audit Committee have been approved with the Board Decision dated 22.06.2012 The Board of Directors is authorized to revise and update these working principles whenever needed.