

## **WORKING PRINCIPLES OF AUDIT COMMITTEE**

### **1. FOUNDATION**

Auditing Committee is established within the scope of the provisions in the arrangements of Capital Markets Board (CMB) in the Meeting of Board of Directors in 29.04.2003. Then the working principles of the Auditing Committee have revised according to the developments of the arrangements of the Capital Market Board as following with the decree of the Board of Directors in 26.04.2012.

### **2. PURPOSE**

The purpose of the committee is making the observation of the operation of accounting and reporting systems within the frame of relating law and arrangements, declaration of the financial information to the public and operation and efficiency of independent audit and internal control system.

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

The duties of the auditing committee;

- Election of independent audit firm, beginning independent audit process by preparing independent audit agreements and observation of the works of independent audit firm at every phase.
- To evaluate the situation of independent auditor against the independence criteria, independence declaration and additional services that can be provided by the independent audit firm.
- To evaluate findings within the scope of Independent audit delivered to Committee by the independent audit firm, important issues about accounting policy of the company and applications, accounting standards of Capital Markets Board delivered to Company governance by the independent auditor and alternative application choices within the framework of accounting principles and public declaration choices; possible results and application suggestion of these, performance of important negotiations between the company governance.
- To investigate and result the complaints delivered to the Company relating to the independent audit processes with accounting, reporting and internal control systems of the Company; to identify the criteria and methods for the application on evaluation of the notification within the content of privacy policy relating to the independent audit processes with accounting, reporting and internal control systems of the Company.
- To notify annual and interim financial report which is declared to public to the Board of Directors in written by taking the opinions of the persons in charge and independent auditor relating to accounting policy, authenticity and accuracy.

- To perform the other actions that is given or will be given to the committee with Capital Markets Board and Turkish Commercial Code.

The Committee notifies the evaluations and suggestions both written and orally about the aforementioned issues to Board of Directors.

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

- The audit committee consist at least two persons. Committee chairman and members are elected among the independent Members of Board of Directors.
- When the new Board of Directors is elected in the ordinary annual general meeting, relating board of directors identifies the Audit Committee parallel to their term of office. Duties of the former committee members continue until the new committee elected.
- Any kind of required resources and supported is provided by the Board of Directors in order to perform the duties of the committee. The committee can invite any director the meeting if require and can take their opinions.
- The committee is benefited from independent specialist opinions if required. The cost of the consultancy services needed is provided by the company.

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

Sub-committees can be formed in order to provide efficiency of works audit committee by the persons who are sufficiently experienced and well knowledge on financial reporting and independent audit issues among their members or externally.

#### **6. MEETINGS**

- Audit Committee holds meeting at least four times a year at least once a trimester and meeting results are presented to Board of Directors. The committee notifies the findings and suggestions to Board of Directors immediately within the scope of their duty and obligation area.
- The decree of the Committee is advisory to Board of Directors; ultimate decision maker is Board of Directors.
- The Committee provides information within the scope of duty and responsibility area to the Board of Directors.
- The quorum of meeting and decision is absolute majority of total member number.
- Meetings can be held at headquarter or a place easy to access.

## **7. REPORTING PROCEDURES**

- The decisions of the committee are kept in a decision book for the committee.
- At least followings have to be placed in the minutes of meeting:
  - o Time and place of the meeting
  - o Agenda
  - o Information about the discussed issues in the meeting.
  - o Resolutions
- Required resolutions are presented to Board of Directors.
- The secretary of the board of directors is responsible for preparation and keeping the reports. Prepared minute of meeting is archived after presented to the information of the Committee Members.

## **8. ENFORCEMENT**

Present working principles of Audit Committee are approved with 26.04.2012 dated Resolution of Board of Directors. The update of such working principles by a revision is under the authorization of the Board of Directors.