

# **WORKING PRINCIPLES OF OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. AUDIT COMMITTEE**

## **1. ESTABLISHMENT**

The Company's Board of Directors established the Audit Committee at the Board meeting of April 29, 2003, pursuant to the provisions of the regulations of the Capital Markets Board (CMB). Following that meeting, the working principles of the Audit Committee have been reviewed in accordance with revisions in the regulations of the Capital Markets Board, with the decisions of the Board of Directors on April 26, 2012, April 1, 2019 and latest on April 25 2022.

## **2. PURPOSE**

To monitor the implementation of the accounting and reporting systems pursuant to the relevant laws and regulations, the disclosure of financial information to the public, and the effectiveness of the independent audit and internal audit system within our Company.

## **3. DUTIES AND RESPONSIBILITIES**

The duties of the auditing committee;

- To appoint an independent audit firm, to define the scope of services to be provided by the independent audit firm, to prepare independent auditing contracts, to initiate the independent audit process and to monitor the progress of the independent audit firm at each stage.
- To assess the status of the independent auditor according to the criteria regarding independent auditors, its declaration of independence, and any additional services that may be received from the independent audit firm.
- To evaluate the reports of the independent auditing process provided to the Committee by the independent audit firm, important subject matters related to accounting policy and implementations by the Company, the accounting and disclosure alternatives raised by the independent auditor that may be utilized in accordance with the CMB standards the potential results of such alternatives, any implementation recommendations and important correspondences with the management of the Company.
- To supervise the system applied in the assessment of any complaints submitted to the Company with regards to accounting, reporting, or internal auditing systems as well as the independent auditing process; any statements made by the Company's staff about accounting, reporting, internal auditing and independent auditing pursuant to the confidentiality principles.

- To seek the opinions of the directors responsible and independent auditors on the accuracy of annual and quarterly financial statements that are to be disclosed to public and their fair presentation and compliance with the accounting principles of the Company and to submit those to the Board of Directors in writing along with their own assessment.
- To carry out the duties as may be assigned to the Committee under CMB regulations and the Turkish Commercial Code.

The Committee must submit its evaluation and recommendations to the Board verbally or in writing.

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

- The Audit Committee is comprised of at least two members. The Chairman and the members of the Committee are elected from among the independent members of the Board.
- The Board of Directors elects the members of Audit Committee following the election of the new Board itself at the ordinary meeting of the general assembly, in parallel with the term of office of the relevant Board of Directors. The members of the previous Committee remain in office until a new Committee member is elected.
- All of the resources and support necessary to the Committee's are provided by the Board of Directors. The Committee may invite any manager it deems necessary to its meetings and request his/her opinions.
- The Committee may obtain guidance from independent experts on subjects requiring extra diligence. The fee for such consultancy services will be paid for by the Company.

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

The Audit Committee can establish sub-committees consisting of members elected from among its own members and/or from among third persons having experience in financial reporting and independent auditing.

#### **6. MEETINGS**

- The Audit Committee meets at least four times a year, and the outcome of the meetings are recorded in the minutes and submitted to the Board of Directors. The Committee thereafter submits its findings and recommendations about its duties and responsibilities in writing to the Board.
- The decisions of the Committee are of an advisory nature to the Board and the Board's decision on the relevant matter is final.

- The Committee shall ensure that the Board of Directors is informed on matters that are within its scope of authority and responsibility.
- The meeting and decision quorum is the absolute majority of the total number of members.
- The Committee can meet physically or via electronic means (such as through conference calls or electronic portals) without the physical attendance of all members. The physical meetings can be held at the Company's headquarters or another location that is easy to access for the members. The minutes for both physical meetings and on-line meetings shall be signed by the Committee Members. Furthermore, Committee resolutions can be taken by circulation of resolutions among Committee members. In that case, the resolutions signed by all Committee members as one or several counterparts shall be valid.

## **7. REPORTING PROCEDURES**

- The resolutions of the Committee are kept in a resolution register.
- At least followings have to be placed in the minutes of meeting:
  - o The date of the meeting
  - o Information on the agenda of the meeting
  - o Resolutions
- Resolutions required by the Committee are submitted to the Board of Directors.
- The secretariat of the board of directors is responsible for preparing and keeping the reports. Meeting minutes are submitted for the convenience of the Committee members and archived.

## **8. EFFECTIVENESS**

The working principles of the Audit Committee have initially been approved by the Board resolution of April 1, 2019 and recently amended by the Board resolution of April 25, 2022. The Board of Directors can revise and update the working principles as necessary.