

## **BOARD OF DIRECTORS AUDIT COMMITTEE TERMS OF REFERENCE**

### **ESTABLISHMENT AND LEGAL BASIS**

The Audit Committee (“Committee”) was established on March 25, 2022, with the Board Resolution No. 2022/14, in accordance with the Turkish Commercial Code No. 6102, the Capital Markets Law No. 6362, and the Corporate Governance Communiqué No. II-17.1 issued by the Capital Markets Board. The Committee operates within the provisions of the company's Articles of Association and relevant regulations.

### **PURPOSE**

The purpose of the Committee, operating under the Board of Directors, is to oversee the company’s accounting system and practices, ensure the accuracy and transparency of financial disclosures, monitor the functioning and effectiveness of independent audits, and ensure the effectiveness of internal control systems. The Committee is also responsible for overseeing the company’s compliance with relevant legislation and corporate ethics rules.

### **AUTHORITY AND SCOPE**

This document defines the duties and working principles of the Committee.

- The Committee is established and authorized by the Board of Directors.
- It operates within its own authority and responsibility, providing recommendations to the Board and submitting reports when necessary. However, the final decision-making power and responsibility rest with the Board.

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

- The Committee consists of at least two members appointed by the Board. If the Committee has two members, both must be Board members. If more than two members, the majority must be selected from the Board.
- The Chair of the Committee is appointed from among the independent Board members.
- The Executive Chairperson/CEO cannot serve as a member of the Committee.
- Experts with professional experience in areas such as accounting, finance, audit, law, corporate governance, sustainability, and human resources may be appointed to the Committee.
- The Committee is reappointed annually at the first Board meeting following the general assembly.
- A Committee member may resign by submitting a written notice to the Board. If a member’s Board tenure ends, their membership on the Committee also terminates.
- The Committee meets as frequently as required.

### **DECISION-MAKING PROCESS**

- Decisions are advisory to the Board, with the final authority resting with the Board.
- The Committee ensures that the Board is adequately informed on matters within its authority.
- The Committee may seek external expert opinions when necessary during its activities.
- Meeting schedules are aligned with the Board’s meetings where possible.
- A quorum is achieved with the majority of the Committee members present.

- The secretariat of the Board is responsible for maintaining the Committee’s meeting minutes and ensuring effective communication among members.

## **DUTIES AND RESPONSIBILITIES**

### **Financial Statements and Public Disclosure**

- Review the financial statements and their footnotes to ensure compliance with applicable accounting principles, accuracy, and reliability.
- Obtain opinions from the company’s responsible manager and independent auditor regarding the financial statements.
- Submit the reviewed financial statements along with its evaluation to the Board.
- Review accounting policies and changes in legislation affecting financial reporting in coordination with the independent auditor.
- Oversee the content of the company’s annual reports and confirm their consistency with other known information.

### **Independent Audit**

- Supervise the selection, change, and initiation of independent audit processes and contracts.
- Obtain written confirmation of independence from the independent auditor.
- Report any potential threats to auditor independence to the Board.
- Review significant matters related to accounting practices and alternative approaches discussed between management and the auditor.

### **Internal Audit and Control**

- Ensure impartiality and transparency in internal audits.
- Approve the internal audit methodology, annual plan, and any necessary changes.
- Monitor the effectiveness of internal controls, including IT security measures.
- Ensure timely reporting of significant findings and recommendations from internal audits.
- Monitor compliance with internal control policies related to financial reporting.

### **Compliance with Legal Regulations and Ethical Standards**

- Ensure the company’s activities comply with applicable laws and internal regulations.
- Review audit reports from regulatory authorities and provide recommendations to the Board.
- Monitor compliance with policies to prevent conflicts of interest and misuse of insider information.
- Investigate significant compliance issues in collaboration with the internal audit department and external auditors.

## **MEETINGS AND REPORTING**

- The Committee’s decisions are documented by the Committee Secretary.
- The Committee Secretary assists in preparing meeting agendas, maintaining minutes, and facilitating coordination among members.
- Meetings are held as needed, with the following details recorded in the minutes:
  - Meeting date and time
  - Agenda

- Key discussion points
  - Decisions taken
- Decisions require the majority of the total members' approval.
- The Committee may convene physically or through electronic means, such as video conferencing.
- Decisions may also be taken by circulating written resolutions signed by all members.

## **BUDGET**

The Committee is provided with the necessary resources and support by the Board to perform its duties efficiently.

## **EFFECTIVE DATE**

These working principles became effective on March 25, 2022, with the adoption of Board Resolution No. 2022/14. Any amendments to these terms must be approved by the Board of Directors.