

**ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.**  
**TASKS AND WORKING PRINCIPLES FOR AUDIT COMMITTEE**

**I. PURPOSE**

The purpose of this document is to establish the tasks and working principles for the Audit Committee (the Committee) formed by the Board of Directors of ODAŞ Elektrik Üretim Sanayi Ticaret A.Ş. (the Company). The Committee shall assist the Board of Directors in the monitoring of the Company's accounting system, disclosure to the public of the financial information, the operation and efficiency of the independent audit and internal control system, assess the issues determined within the framework of such assessments, and report these and make recommendations to the Board of Directors.

**II. AUTHORITY AND RESPONSIBILITIES**

The Committee is formed and authorized by the Board of Directors and works under the Board of Directors. The Committee is authorized to obtain information through inviting the Company employees or representatives of persons and institutions related to the company including the subsidiaries, internal and external auditors (the Auditors), and people without are experts in their fields to their meetings and to receive external legal and professional consultancy when needed. The costs of the consultancy services required by the committee are paid by the company.

The committee acts within its own power and responsibilities and makes recommendations to the Board of Directors; however, the responsibility of the final decisions lies with the Board of Directors.

**III. ORGANIZATION**

The Committee is formed in accordance with the Company's Articles of Association. The committee consists of at least two members. The Chairman and the members of the Committee are selected from the independent members of the Board of Directors. At least one of the Audit Committee should have 5 years of experience in audit, accounting, and finance.

People who are directly in charge of executive functions such as the Chairman of the Executive Board, the General Manager and the Vice General Manager responsible for Financial Affairs cannot be assigned to this committee. People who have provided consultancy to the Company previously cannot be elected as members to the Audit Committee. The Committee can invite to their meetings and take opinions of any directors as required.

The Committee is reestablished in the first meeting of the Board of Directors to be held after the Ordinary General Assembly every year.

The Company's Board of Directors assign the members of the Audit Committee at the first Board meeting following the Ordinary General Assembly in which they have been elected. The Audit Committee remains in charge until the election of the next members of the Board of Directors. The members whose commissions have expired can be elected again. The meetings of Audit Committee are held at least every three months in a year. The timing of the Committee meetings should be

consistent with the timing of the Board meetings when possible. When required, the independent audit institutions participate in the meetings of the Audit Committee and give information on their assessments of the financial statements. The Committee meetings are held with the participation of the Committee members at a number one more than the half of the number of members; the decisions are taken with majority vote and recorded in writing. These reports are signed by the Committee members in the next meeting and archived. The secretarial works of the Committee are carried out by the secretariat of the Board of Directors.

#### **IV. TASKS AND RESPONSIBILITIES**

##### **Independent External Audit**

To establish the scope of the services to be provided from the independent audit institution with the same institution, to examine the independent audit agreements, and to submit these to the Board of Directors for approval. To review the independent audit agreements and to ensure the commencement of the independent audit process.

To ensure effective operation of the independent audit institution and to track their work at every stage.

To ensure that the material issues determined during or as a result of the audits carried out by independent external auditors and the recommendations to correct such issues are received and discussed by the Board of Directors in time.

The Audit Committee submits in writing to the Board of Directors the assessments related to the compliance of the annual and interim financial tables to be disclosed to the public to the accounting principles adopted by the company and to the facts and their correctness together with the opinions of the company directors and external auditors as well as their own assessments.

The Audit Committee monitors the rotation of the independent audit company as per the relevant legislations.

##### **Internal Audit and Internal Control**

The Committee reviews the works, competency, effectiveness, and organization structure of the internal control unit; provides recommendations and reports to the Board of Directors on establishment of a healthy internal audit substructure within the Company, documenting the internal audit processes, and the actions to be taken with regards to the operation and monitoring of the established structure.

It examines, assesses and submits their opinion to the Board of Directors on the internal audit report issued by the internal audit unit.

It reviews the crisis plans on the accountability of the management with regards to the reliability and operation of the computer system and on documenting and maintaining the processes in cases where the computer system becomes inoperable.

It ensures that the measures required to carry out the internal audits transparently and investigates whether or not the warnings and the recommendations made by the auditors related to the internal audit are implemented.

##### **Accounting System and Financial Reporting**

The Committee audits the compliance of periodical financial statement to be disclosed to the public and the footnotes thereto to the accounting principles adopted by the Company and to the directly relevant applicable legislations and international accounting standards and reports in writing to the

Board of Directors together with the opinions of the Company's directors in charge and the independent audit institution.

The Committee reviews the activity report to be disclosed to the public and its correctness and consistency of the information contained therein relative to the information known to the Committee.

It investigates the impact of the changes in the accounting policies, control system and legislations that may significantly affect the issuance of the Company's financial statements on the financial statements and reports to the Board of Directors. The Committee reviews the material accounting and reporting matters and legal issues and ensures that their impact on the financial statements are investigated.

### **Other Responsibilities**

It reviews the results of the audits and investigation carried out by regulatory bodies and submits the recommendations related to the required corrections in writing to the Board of Directors.

It ensures the compliance within the Company with the legal regulations and in-house regulations and the adaptation of the changes in the legal arrangements related to the Company activities to the Company structure.

The Committee commences special audits if it deems fit and reports the audit results to the Board of Directors as well as assigning people who are experts in their fields as consultants in such audits.

It carries out the other monitoring and tracking activities required by the Board of Directors.

It investigates the complaints received by the Company in relation to accounting, internal audit and independent audit within the framework of confidentiality principle.

A statement related to the activities and meeting results of the Audit Committee is included in the annual activity reports. It is also stated in the annual activity reports how many times the Audit Committee submitted written reports to the Board of Directors within the accounting period.