



KORDSA TEKNİK TEKSTİL ANONİM ŞİRKETİ
COMMITTEES OF THE BOARD OF DIRECTORS
INTERNAL REGULATIONS

AUDIT COMMITTEE
INTERNAL REGULATION

CODE NR	
EFFECTIVE DATE	17.03.2003
DATE AND NR OF BOARD RESOLUTION	17/03/2003 - 743
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DATE AND NR OF BOARD RESOLUTION	26.03.2021-2021/10

1. DECISION OF FOUNDATION

Audit Committee was established in accordance with the relevant regulations of the Capital Markets Board with the decision of the Board of Directors of Kordsa Teknik Tekstil A.Ş. dated March 17, 2003 and numbered 743.

2. STRUCTURE

The Board of Directors appoints at least two independent members from among its members as Audit Committee Members. It is obligatory that the members consist of the members of the Board of Directors, who do not undertake a direct executive function and do not have the title of executive director in management matters.

3. MEETING PLACE AND TIME

The Audit Committee meets at least four times a year, at least once every three months, and reports the meeting results to the Board of Directors.

4. MAIN FUNCTIONS OF THE AUDIT COMMITTEE

The areas in which the Audit Committee undertakes the main audit functions are:

- 4.1 The company's accounting system
- 4.2 Disclosure of the company's financial information to the public
- 4.3 Independent audit of the company
- 4.4 Operation and effectiveness of the company's internal control system

5. DUTIES OF THE AUDIT COMMITTEE

The Committee fulfills the following duties within the framework of the main oversight functions in the previous article:

- 5.1 Supervises the selection of the independent audit firm, the preparation of independent audit contracts and the initiation of the independent audit process, and the work of the independent audit firm at every stage.

Determines the independent audit firms that will receive services and the services to be received from these institutions and submits them to the approval of the Board of Directors.

Evaluates the reports prepared by independent audit firms and informs the Board of Directors.

- 5.2 Receives the opinions of the company's responsible managers and independent auditors regarding the adequacy and accuracy of the annual and interim financial statements to be disclosed to the public, with the accounting principles followed by the company, and submits them to the Board of Directors in writing, together with their own assessments.
- 5.3 Determines the methods and criteria to be applied in the subjects of examining the complaints which are received to the company regarding the accounting and internal control system of the company and its independent audits, concluding them, and evaluating the notifications of the company employees regarding the accounting and independent auditing of the company within the framework of the principle of confidentiality.
- 5.4 Immediately notifies the Board of Directors in writing about the findings and suggestions it has reached regarding its duties and responsibilities.
- 5.5 Benefits from unity of practice and synergy by collaborating with Sabancı Holding Audit Committee.
- 5.6 Benefits from the opinions of independent experts on the issues it needs regarding its activities.

6. **TENURE**

Tenure of the Committee members is the same as the tenure of the Members of the Board of Directors. Following the re-election of the Board of Directors, new Committee Members are determined by the Board of Directors.

In the last term of the committee members, a transition/transfer meeting is held between the current and new members before/after the General Assembly.

The Committee Membership of a member whose Board Membership terminates for any reason also ends. In this case, the Board of Directors appoints another member to the vacant membership at first Board of Directors meeting.

7. **REGULATIONS OF THE CAPITAL MARKETS BOARD**

The current and future regulations of the Capital Markets Board regarding the audit committee will be primarily taken into account.

8. **BUDGET**

All kinds of resources and support required for the Audit Committee to fulfill its duties are provided by the Board of Directors.

9. ENFORCEMENT AND EXECUTION

This Internal Regulation, was approved and put into practice with the resolution of the Board of Directors of Kordsa Teknik Tekstil A.Ş. dated March 17, 2003 and numbered 743,

It has been revised and approved with the decision dated November 15, 2018 and numbered 2018/30 and the members of the Audit Committee are responsible for its execution.

The Board of Directors of Kordsa Teknik Tekstil A.Ş. is authorized to make the necessary changes in the Internal Regulation.
