

THE AUDITING COMMITTEE OF KIZILBÜK GAYRİMENKUL YATIRIM ORTAKLIĞI
ANONİM ŞİRKETİ (KIZILBÜK REAL ESTATE INVESTMENT TRUST (REIT) CORPORATION)
DUTIES AND PRINCIPLES OF OPERATION

PURPOSE

As part of the regulations, provisions and principles provided under the Capital Market Regulation and Capital Market Board Corporate Governance Compliance, this document has been issued by the Board of Directors in order to identify the organization and structure of the Audit Committee which shall consist of members to be elected from among the members of the Board of Directors so as to assist with the observation and audit activities.

AUTHORITY and SCOPE

The committee responsible for audit is created and authorized by the Board of Directors. The committee takes action in line with the authorities and responsibilities assigned thereto; makes recommendations to the Board of Directors; and, when necessary, issues and submits reports to the Board of Directors. However, final decision is always taken by the Board of Directors.

ORGANIZATION

The audit committee consists of 2 members at the least. Where the committee consists of two members, the members are elected from among independent board members. If there are more than two members, the majority of the members consist of the board members who do not directly undertake executive roles like director general and executive committee member.

The audit committee convenes 4 times in a year with quarterly meetings at the least. The audit committee records all the activities in written. The audit committee submits reports to the Board of Directors with the activity information and meeting results included therein.

ROLES and RESPONSIBILITIES

Financial Statements and Public Disclosure

- The audit committee examines the compliance of periodical financial statements and footnotes to be publicly disclosed with the regulations and international accounting principles in effect.
- The audit committee examines, together with independent auditing company, the accounting policies and international accounting standards which may significantly affect the financial statements and the regulatory amendments which may significantly affect the company's operations.
- The audit committee reviews the activity report to be publicly disclosed and checks whether the information therein is accurate and consistent with the information acquired by the committee.

Independent Auditing Company and Rating Agency

- The audit committee observes the assignment and dismissal of independent auditing companies as well as the commencement of auditing process upon the issuance of an auditing contract and the activities of independent auditing companies at all stages.
- The auditing committee evaluates whether there is any circumstance which may harm the independence of independent and external auditing companies and the performances of the auditors thereof.
- The auditing committee ensures that important issues, which may be identified during and after audits by an independent auditing company, and the recommendations

to their solution are timely conveyed to and discussed by the auditing company.

- The auditing committee observes the selection and the contractual and business processes with Corporate Governance Rating and Credit Rating Agencies.

Internal Audit

- The auditing committee ensures the measures necessary for transparent internal audits.
- The auditing committee informs and makes recommendations to the Board of Directors as to the efficiency of the internal audit system and the matters which restrict or prevent the activities of internal auditors.
- The auditing committee ensures that important issues, which may be identified during and after the audits by the internal auditing committee and the recommendations to their solution are timely conveyed to and discussed by the auditing company.

Compliance with the Regulations Prescribed with the Law

- The auditing committee checks whether the company activities and financial statements and footnotes comply with the legal and internal regulations.
- The auditing committee reviews the audit and investigation results produced by regulatory authorities and submits information and makes recommendations to the Board of Directors thereto.
- The auditing committee observes the compliance with internal regulations and policy which prevent conflict of interests among Board members, managers and other employees and the misuse of trade secrets.

EFFECT

This duties and principles of operation was accepted and entered into effect upon agreed as per the Board Resolution no. 2021-3 dated 03.04.2021. The provisions of this Regulation are regulated by the Chair of the Auditing Committee.