

Alarko Carrier Sanayi ve Ticaret A.Ş. Duties and Working Principles of the Audit Committee

PURPOSE:

Article 1. This regulation is issued to define the duties and working principles of the Audit Committee.

SCOPE:

Article 2. This regulation regulates the implementation procedures and principles of the Audit Committee of Alarko Carrier Sanayi ve Ticaret A.Ş.

FORMATION and STRUCTURE:

Article 3. The Audit Committee consists of a minimum two members appointed by the board of directors among its members. All of the members of the Audit Committee are elected among the independent members of the board of directors.

Article 4. Members of the Committee are elected for an office term of maximum 3 years. If one of the members resigns, the board of directors will appoint a new member at latest within 3 months.

Article 5. The member who will chair the Committee will be designated by the board of directors.

Article 6. One of the members of the Committee will carry out the secretarial duties.

WORKING PRINCIPLES

Article 7. The Audit Committee will meet once quarterly, at least four times in a year. Times of meetings of the Committee will be determined in conformity with the schedule of the meetings of the board of directors as much as possible.

Article 8. Extraordinary meeting may be held when necessary upon the call of the chairman or any member of the Committee or of the chairman of the Board of Directors.

Article 9. The member of the Committee who carries of the secretarial duties will prepare the agenda of the meeting and send it to the members 2 days before the meeting.

Article 10. Members of the Committee may not be represented by proxy by another member of the Committee. The meetings of the Committee will be held by attendance of the members in person or through modern communication means. In the meetings, resolutions taken at the previous meeting and the implementation stage of such resolutions will be reviewed. Minutes will be issued, signed and filed at the end of each meeting.

Article 11. When deemed necessary, the Committee may request attendance of the executives of the company to the meeting and request opinions from them.

Article 12. The Committee will take its resolutions by majority of votes. Counter views can be recorded if requested by the respective member.

Article 13. When the Committee performs its duty, every kind of source and support will be provided by the board of directors. The Committee can use the facilities of the company to the extent necessary for carrying out of the secretarial duties of the Committee.

Article 14. After the meeting of the Committee, the chairman of the Committee will submit a written report about the activities of the Committee and report a summary of the meeting of the Committee in writing to the members of the board of directors.

DUTIES AND RESPONSIBILITIES

Article 15. Duties and responsibilities of the Audit Committee are as follows:

a) The Audit Committee will obtain opinions of the responsible executives and independent auditors of the company about the accuracy and compliance of the annual and interim financial statements of the company to be disclosed to the public with the accounting principles adopted by the company and with the facts and report such opinions, together with its own evaluations, to the board of directors in writing. The Audit Committee will also review the other relevant reports or financial data reported by the company to the regulatory authorities and the public.

The Audit Committee may invite the representatives of the independent audit firm to its meetings where the financial statements of the company are reviewed, to obtain information from them.

b) Selection of the independent audit firm, preparation of the audit contracts, starting of the independent audit process and works of the independent audit firm at every stage will be carried out under the supervision of the Audit Committee.

In this regard, selection of and services to be received from the independent audit firm will be preliminarily approved by the Audit Committee and then submitted to the approval of the board of directors. Before submission of the proposal as to the selection of the independent audit firm, the Audit Committee will issue a report stating whether there is any matter which may affect the independence of the independent audit firm or not.

c) The Audit Committee will monitor whether the independent audit firm is fulfilling its obligation to notify the Audit Committee in writing of any important matters related with the accounting policy and practices of the company, of any alternative practices and public disclosure options in accordance with the accounting standards of the Capital Market Board and with the generally accepted accounting principles which were previously communicated by them to the management of the company, of potential consequences thereof, of any recommendation of them as regards to the implementation, of any important correspondence between them and the management of the company, and will submit its opinions and recommendations about the actions deemed necessary by it to the board of directors and top management of the company as well as to the independent audit firm.

d) The Audit Committee will review the activities, organizational structure and qualification of the internal audit function and give recommendations and evaluations to the board of directors. Such evaluations will cover such issues as the responsibilities, budget and human resources of the internal audit function.

e) By reviewing and evaluating the reports issued by the management of the company, the independent audit firm and the internal auditors, the Audit Committee will report its opinions and recommendations regarding the internal control system to the board of directors. The

Audit Committee will take the actions necessary for ensuring that all internal and independent audits are carried out adequately and transparently.

Persons who are in charge of signing the financial statements and the annual reports are obliged to submit their critics and recommendations regarding the internal control system of the company and the mechanism in place for their access to the information to the Audit Committee.

The Audit Committee will evaluate the reports issued by any independent advisors, accountant or other persons who have been hired or invited to give advice to the management, the independent audit firm, the internal auditors and the Audit Committee or recommendation to the Board of Directors for initiation of an investigation and about the internal control system.

f) The Audit Committee will periodically review with the internal audit manager of any material difficulties encountered by them, any difference of opinion with the management, any restrictions imposed on the scope of an audit.

g) Methods and criteria to be used in reviewing and resolution of any complaints received by the company regarding the accounting, internal control system and independent audit of the company and in reviewing and evaluation of the notifications of the employees of the company regarding the accounting and independent audit of the company in accordance with the principle of secrecy will be established by the Audit Committee.

h) The Audit Committee will also carry out the other works required by the relevant regulations.

OTHER ISSUES:

Article 16. Duties and responsibilities of the Audit Committee will not release the Board of Directors from its responsibility arising from the Turkish Commercial Code.

IMPLEMENTATION:

Article 17. This regulation will come in effect by the resolution of the Board of Directors and be implemented by the Audit Committee.

ENFORCEMENT:

Article 18. The Board of Directors is responsible for the enforcement of this regulation.