

TORUNLAR REAL ESTATE INVESTMENT COMPANY
REGULATION ON TASKS AND WORKING PRINCIPLES OF AUDIT COMMITTEE

1. PURPOSE

The purpose is to ensure the implementation efficiency, value added and functioning and competence of internal systems related to accounting, financial reporting and internal control,

2. DUTIES AND AUTHORITIES OF THE AUDIT COMMITTEE

Audit Committee;

- audits the accuracy, transparency, compliance with the legislation and international accounting standards of the financial statements, footnotes and other financial information and notifies the Board of Directors in writing by taking the opinion of the independent auditor.
- examines the independence and competence of the independent auditor and its employees and notifies the Board of Directors.
- Oversees the company's accounting system, disclosure of financial information, independent audit and the functioning and efficiency of the internal control mechanism.
- Monitors the selection of independent auditor, initiates the independent audit process by preparing the audit agreements and supervises all of the activities of the independent auditor.
- Inspects whether the company personnel take into account the law, other related legislation, articles of association, the decisions of the general assembly and the Board of Directors and act in accordance with those during the performance of their duties.
- Monitors the compliance with the legal regulations and in-house regulations.
- The Committee acts within its own authority and responsibility and gives recommendations to the Board of Directors, the final decision responsibility always falls on the Board of Directors.
- The committees carry out their activities independently and give recommendations to the Board of Directors, they are not authorized to take executive decisions regarding the corporate activities, the authority to take decisions with respect to the Committees' recommendations is vested with the Board of Directors.

3. APPOINTMENT OF AUDIT COMMITTEE

Audit Committee consists of two members, who will be selected from among the members of the independent Board of Directors.

A Committee Chairman is appointed by an election from among the independent Board of Directors members. The term of the Committee is the period until the date of the Ordinary Meeting of the General Assembly. Members of the Auditing Board will be selected in the first Board of Directors meeting following the Ordinary Meeting of the General Assembly.

Committee members, whose term expired, can be elected again.

- The secretariat activities of the Committee are performed by the secretariat of the Board of Directors.

4. COMMITTEE MEETINGS AND REPORTING

- Audit Committee gathers at least every 3 months and submits the meeting results to the Board of Directors.
- Decisions, which are taken in the committee meetings, are written and archived by the secretariat of the Board of Directors.

5. RESPONSIBILITIES

a) Financial Statements and Disclosure

- The committee notifies the Board of Directors in writing the conformity of the financial statements and footnotes with the accounting principles pursued by the Company, and their fair presentation and accuracy, by taking opinions of the company's managers in charge and those of independent auditors along with their own consideration.
- The committee reviews the activity report, which will be disclosed to check whether mentioned information is accurate and consistent according to information available to the Committee.
- The committee reports to the Board of Directors the amendments in the accounting policies, internal control system and current legislation, which will materially affect the preparation of the company's financial statements.
- The committee reviews the legal questions related to important accounting and reporting issues and ensures the investigation of their influence on the financial statements.
- The committee analyses complaints of the shareholders and shareholders which can materially affect the financial statements and brings them to a conclusion.
- The committee reviews the transactions, such as asset and source valuation, warranty and guarantees, performance of the social responsibilities, provision for legal charges, other liabilities and contingencies, which are left to the assessment and discretion of the company management for the transfer to the accounting records of the company.

b) Independent Auditing Company

- Election, change of the independent audit company, initiation of the audit process, track and evaluation of its activities are performed under the supervision of the Audit Committee.
- The Committee analyses the audit scope and the audit process, which are recommended by the independent external auditors and notifies the Board of Directors of the issues, which constitute an impediment to its activities.
- The Committee evaluates the performance of the independent external auditors in respect of their independence.
- The Committee ensures that significant problems, which are determined by the independent external auditors and their recommendations to overcome those problems, are submitted for the Committee's information and discussed in a timely manner.
- The Committee analyses all kinds of fees and compensation to the independent auditing company and submits its opinion to the Board of Directors in writing.

c) Internal Audit and Internal Control

- The Audit Committee carries out its activities for the efficiency and competence of the internal control system and reports to the Board of Directors.
- The Audit Committee ensures to take necessary precautions to enable the transparent performance of the internal audit.
- The Audit Committee reviews the activities of the Internal Audit department and the organization structure, duties and working principles, notifies the Board of Directors of the issues, which limit or constitute an impediment to the activities of internal auditors and their operating efficiency and gives recommendations.

- The Audit Committee ensures that significant problems, which are stated in the audit report of the Internal Audit department and recommendations to solve these problems are submitted for the Committee's information, discussed and responded.

d) Conformity with the regulations laid down by the laws

- It monitors whether company's activities are performed in accordance with the legislation and in-house regulations. It determines the rules in case of acting against the regulations.
- It provides the examination of the complaints regarding the accounting, internal control and independent audit, which are received by the company, with full respect of the confidentiality principle.

6-ENFORCEMENT

This regulation is entered into force by the approval of the Board of Directors.

7. IMPLEMENTATION

This regulation is hereby implemented by the Board of Directors.