

# **SASA POLYESTER SANAYİ A.Ş.**

## **BOARD OF DIRECTORS COMMITTEES INTERNAL REGULATIONS**

### **AUDIT COMMITTEE**

<b>NO</b>	<b>DNT 2016/2</b>
<b>REVISION NO</b>	<b>REV 1</b>
<b>EFFECTIVE DATE</b>	<b>01.06.2011</b>
<b>REVISED ON</b>	<b>31.01.2017</b>

## **1. CONFIRMATION OF VALIDATION**

The validity of this regulation regarding the Audit Committee, which carries out its activities in line with the Corporate Governance Principles of the Capital Markets Board was approved by the decision of Sasa Polyester San. A.Ş. Board of Directors dated 18.05.2011 and numbered 14.

## **2. PURPOSE**

The purpose of the Audit Committee is to supervise the public disclosure of the company's accounting and reporting system and financial information, the independent audit, the operation and effectiveness of the company's internal control and internal audit system.

The Audit Committee presents its activities, findings, and suggestions regarding its duties and responsibilities to Sasa Board of Directors.

## **3. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE**

The Audit Committee has the following duties and responsibilities within the scope of its function in the purpose article:

### **3.1. As per the Corporate Governance Communiqué, the Audit Committee performs and fulfills the following;**

- 3.1.1. It supervises the company's accounting system, public disclosure of financial information, independent auditing, and the functioning and effectiveness of the company's internal control and internal audit system. The selection of the independent audit firm, the preparation of independent audit contracts, the initiation of the independent audit process, and the work of the independent audit firm at every stage are carried out under the supervision of the audit committee.
- 3.1.2. The independent audit firm that the company will receive services from and the services to be received from these institutions are determined by the audit committee and submitted to the approval of the Board of Directors.
- 3.1.3. The methods and criteria to be applied regarding the examination and resolution of the complaints received by the company regarding the accounting and internal control system and the independent audit of the company and the evaluation of the company employees' reports on accounting and independent audit matters within the framework of the confidentiality principle are determined by the audit committee.

3.1.4. The audit committee submits its evaluations of the annual and interim financial statements to be disclosed to the public regarding the accuracy and compliance with the accounting principles followed by the company to the truth, taking the opinions of the company's responsible managers and independent auditors, along with its own evaluations, to the Board of Directors in writing.

3.1.5. The committee responsible for the audit convenes at least four times a year, at least once every three months, and the meeting results are recorded in the minutes, and the decisions taken are presented to the Board of Directors. The activities of the audit committee and the meeting results should be disclosed in the annual report. The number of times the audit committee made written notifications to the Board of Directors during the accounting period is stated in the annual report.

3.1.6. The audit committee immediately notifies the Board of Directors in writing of its findings regarding its field of duty and responsibility, as well as its evaluations and recommendations on the subject.

## **3.2. Internal Control System**

3.2.1. Evaluates the effectiveness of the Company's internal control system, including information technology security.

3.2.2. Evaluates the findings and suggestions of the internal and independent external auditors regarding the financial reporting and internal control system, and the opinions and actions of the management on this issue.

## **3.3. Internal Audit**

3.3.1. Evaluates the Internal Audit Department Regulation with the Internal Audit Manager; as well as the audit guide, plan, reports, activities, and internal audit organizational structure within the framework of the principle of impartiality.

3.3.2. Evaluates the effectiveness of the internal audit function and its compliance with generally accepted internal auditing standards.

3.3.3. Periodically meets with the Internal Audit Manager to discuss the issues related to the adequacy of the internal control system and evaluate the situation.

### **3.4. Independent Audit**

- 3.4.1. Evaluates the reports prepared by the independent audit institutions.

### **3.5. Compliance/Conformity**

- 3.5.1. Evaluates the effectiveness of the surveillance system that ensures that Sasa's activities comply with company policies, procedures and regulations, laws, and relevant legal regulations. Enables studies investigating this situation; evaluates the results of the study.
- 3.5.2. Reviews the results of the examinations made by the official authorities.
- 3.5.3. Reviews the appropriateness of corporate governance policies through internal or independent external audit. Supervises the company's compliance with corporate governance principles.

### **3.6. Reporting**

- 3.6.1. The Audit Committee presents the reports containing the activities, the work they have done regarding their duties and responsibilities, the findings and suggestions they have reached, and the meeting results to Sasa Board of Directors.
- 3.6.2. In accordance with the Capital Markets Legislation, takes the opinions of Sasa responsible managers and independent auditors regarding the annual and interim financial statements to be disclosed to the public, regarding the accounting principles followed, truthfulness and accuracy, and notifies Sasa Board of Directors in writing with their own evaluations.

### **3.7. Miscellaneous**

- 3.7.1. If necessary, they can conduct a special investigation and follow-up.
- 3.7.2. They evaluate every year that all responsibilities in the regulation are fulfilled.
- 3.7.3. By reviewing the Audit Committee Regulation on an annual basis or as needed; they evaluate it within the framework of the relevant legislation and the developments in the world in this regard and submit it to the Board of Directors for approval regarding the changes deemed necessary.
- 3.7.4. They may benefit from the opinion of an independent expert on the issues deemed necessary regarding their activities and may appoint a consultant on this issue.

### **4. STRUCTURE**

- 4.1. The Audit Committee consists of the Chairman and the member(s). All members of the audit committee must be independent board members. The committee consists of at least two members. When the new Board of Directors is elected at the general assembly meeting, the members of the audit committee are determined.
- 4.2. In case the membership becomes vacant for any reason, a new member is appointed at the first Board of Directors meeting.
- 4.3. The Rapporteurship of the Audit Committee is carried out by the Internal Audit Department.
- 4.4. The Board of Directors provides the necessary resources and all kinds of support for the Audit Committee to do its job.
- 4.5. The Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year. Information on the functioning and effectiveness of the internal audit system is given in the annual report.

## **5. MEETING PLACE AND DATE**

- 5.1. The Audit Committee meets at least four times a year, at least once every three months, in Sasa Adana or elsewhere upon the invitation of the Chairman of the Audit Committee.
- 5.2. Each year, the annual meeting calendar is announced to all members by the Chairman of the Committee. The Chairman of the Committee may revise the meeting calendar if he deems it necessary.
- 5.3. Committee members are expected to attend all meetings.
- 5.4. The Committee may be called to an extraordinary meeting by the Chairman of the Committee.
- 5.5. The Committee may invite Sasa Senior Management, auditors, and relevant consultants to meetings to obtain information on matters deemed necessary. Meetings can be held with the auditors and managers with a special agenda.

## **6. DETERMINATION OF THE AGENDA**

The meeting agenda is determined by the Chairman of the Committee. Committee members submit the topics they want to be included in the agenda and the information and documents related to them to the Chairman of the Committee or the Reporter 10 days before the meeting date. The agenda is communicated to the Committee Members one week before the meeting.

## **7. DUTIES AND AUTHORITIES OF THE CHAIRMAN**

- 7.1. Chairs the Committee and manages the meetings.
- 7.2. Sets the meeting agenda.
- 7.3. Provides information flow and coordination between the Board of Directors and the Committee.
- 7.4. During the discussion of certain issues, he may invite the relevant expert or experts to the meeting when necessary.
- 7.5. Takes the necessary measures for the Committee to fulfill its duties and responsibilities effectively.
- 7.6. Shares his knowledge, skills, and experience with Committee Members.

## **8. DUTIES AND RESPONSIBILITIES OF THE MEMBERS**

- 8.1. It is the primary duty of each member to attend the Committee meetings.
- 8.2. The member informs the Chairman of the Committee about the meeting that he cannot attend.
- 8.3. They convey their views on the agenda to the Chairman of the Committee or the Reporter.
- 8.4. They compile the information and documents requested by the Chairman of the Committee.
- 8.5. Fulfill other duties requested by the Chairman of the Committee regarding the work of the Committee.

## **9. DUTIES AND RESPONSIBILITIES OF THE REPORTER**

- 9.1. They assist the Chairman of the Committee in the preparation of the agenda regarding their subjects.
- 9.2. They deliver the meeting agenda and related documents to the Committee Members before the meeting.
- 9.3. He makes the necessary preparations to send the opinions and recommendations made by the Committee to the Board of Directors by the Chairman of the Committee.
- 9.4. Takes the necessary measures for the administrative organization of the meetings.
- 9.5. Performs other duties assigned by the Chairman of the Committee.

## **10. TERM OF OFFICE**

The term of office of the Committee Members is the same as the term of office of the Members of the Board of Directors. Following the re-election of the Board of Directors, the new Chairman of the Committee and Members are determined by the Board of Directors.

The Committee Membership of the Member whose Sasa Board Membership terminates for any reason is also terminated. In this case, Sasa Board of Directors appoints the vacant membership at its first meeting.

## **11. CAPITAL MARKETS BOARD REGULATIONS**

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

## **12. ENFORCEMENT AND EXECUTION**

This regulation has been approved and put into practice with the decision of the Sasa Board of Directors dated 31.01.2017 and numbered 7, and the Chairman of the Committee is responsible for its execution. Sasa Board of Directors is authorized to make necessary changes in this regulation.