

**BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI ANONİM ŞİRKETİ (“COMPANY”)
AUDIT COMMITTEE
WORKING PRINCIPLES**

1. Purpose

The Company established the Audit Committee (“Committee”) with the Board of Directors Decision dated 01/03/2021 and numbered 2021/8 in accordance with the Capital Markets Law No. 6362 (“CML”), Turkish Commercial Code No. 6102 (“TCC”), the Corporate Governance Communiqué of the Capital Markets Board (“CMB”) numbered II-17.1, which can be amended time to time, and the applicable Corporate Governance Principles stipulated therein.

The purpose of the Committee is the oversight of the functioning and efficiency of the Company's accounting system, disclosure of financial information to the public, independent auditing, and Company's internal control and internal audit system.

2. Structure of the Committee

The Committee must consist of at least two members and all members shall be independent members of the board of directors.

At least one of the committee members should have 5 years of experience in audit / accounting and finance and the committee members should have competences relevant to the Company's main business.

The Committee is formed as follows:

Chairman:	Independent Board Member
Member:	Independent Board Member
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The members of the Committee are disclosed on PDP.

The Committee can receive administrative support (e.g. corporate secretary) to perform its functions.

3. The Duties and Responsibilities of the Committee

The duties and responsibilities of the Committee are:

Accounting, Internal Control System and Risk Management

- Overseeing the functioning and efficiency of the Company's accounting system, disclosure of financial information to the public, independent audit, and the Company's internal control and internal audit system,
- Identifying methods and criteria for reviewing and responding to complaints sent to the Company related to its accounting and internal control system, and reviewing the notices given by the company employees on the accounting and independent audit of the Company in compliance with confidentiality principle,
- Assessing whether the annual and interim financial statements to be announced to the public are true, correct and in compliance with the accounting principles adopted by the Company, consulting the Company's responsible officers and independent auditors and submitting them in writing together with the assessments of the Committee to the board of directors,

- Monitoring the integrity of the financial statements of the company, including its annual and half-yearly reports, preliminary announcements and any formal statements relating to its financial performance; and in particular, reviewing and challenging where necessary:
 - The application of, and any changes to, significant accounting policies;
 - The methods used to account for significant or unusual transactions where different approaches are possible;
 - Whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements;
 - The clarity and completeness of disclosure in the Company's annual report and the context in which the statements are made;
 - All material information presented with the annual report and other financial statements; and
 - Compliance with applicable legal and regulatory requirements.
- Reporting its views to the Board of Directors where the committee is not satisfied with any aspect of the proposed financial reporting by the Company, having regard to matters communicated to it by the external auditor,
- Developing measures together with the auditors to uncover any event that may lead to any misconduct, breach of laws and regulations, or deficiencies in relation to internal control or similar matters; reviewing such events to opine on any identified weaknesses which were exploited or controls that did not function, and agreeing on recommendations to Board of Directors about strengthening internal controls, where appropriate,
- Observing compliance with internal regulations and policies that prevent conflicts of interest that may arise between the members of the board of directors, officers and other employees and the misuse of trade secrets,
- In line with the policy on related party transactions, reviewing the transactions with a value exceeding USD 500.000 with related parties before they are proposed to the Board of Directors and providing to the Board of Directors its opinion on their appropriateness,
- Receiving and evaluating reports from management on the effectiveness of the risk management and internal control systems established by the Company as part of its day-to-day business process, and commenting on conclusions of any testing carried out by internal or external auditors, reporting conclusions to Board of Directors
- Taking necessary measures to ensure that internal audit activities are carried out adequately and transparently, including:
 - Reviewing and submitting for approval to the Board of Directors the role and mandate of internal audit, and ensure that the internal audit function has unrestricted scope, is adequately resourced, has appropriate access to information and appropriate standing within the Company to enable it to perform its function effectively and in accordance with relevant professional standards;
 - Submitting for approval to the Board of Directors the Internal Audit Charter and any changes, ensuring that it remains appropriate to the current needs of the Company and is compatible with the applicable legal framework;
 - Ensuring the independence of the internal audit function;
 - Proposing for approval to the Board of Directors the appointment or termination of appointment of the head of internal audit;
 - Conducting an annual evaluation of the effectiveness of internal audit's work, including its independence, the planning process in relation to risks, the quality and scope of audits conducted and related audit reports, and the audit processes and systems;

- Reviewing and submitting for approval to the Board of Directors the annual or multi-year internal audit plans, ensuring that they are aligned to the principal risks of the Company; and receiving regular reports on the work carried out;
- Discussing key findings, risks and recommendations of each internal audit assignment;
- Monitoring at each meeting the status and implementation of recommendations made by internal audit;
- Meeting regularly with the head of internal audit, at least annually, without management present, to discuss his or her remit and any issues resulting from internal audits;
- Considering whether an independent, third party review of processes is appropriate;
- Evaluating the reports submitted to the Committee by the internal auditor,
- In coordination and cooperation with the Early Detection of Risk Committee, determining the financial risks of the current and potential risks of the Company and monitoring the management of these risks,
- Reviewing the accountability of the management in relation to security and operation of the Company's computer system, and contingency plans for recording transactions and protecting records in the event the computer systems become inoperable,
- Reviewing the Company's processes for the prevention and detection of fraud, bribery and corruption (policies, systems and controls, training), and receiving reports on outcomes of investigations and instances of non-compliance,
- Reviewing the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, ensuring that there is proportionate and independent investigation of such matters, appropriate escalation to the Board of Directors and follow up action,
- Overseeing the coordination of internal audit and independent audit.

Independent Audit

- Oversight of the operation and efficiency of the Company's independent audit,
- Selecting the independent audit firm (to be conveyed to the Board of Directors for submission to the approval of the General Assembly of Shareholders), preparing independent audit contracts and initiating the independent audit process, and overseeing the work of the independent audit firm at every stage,
- Preparing a report before the selection of the independent audit firm stating whether there is any matter that may damage the independence of the independent audit firm and submitting it to the board of directors,
- Determining the independent audit firm from which the Company will receive services and the nature of services to be received from such firms and submitting them to the approval of the board of directors,
- Identifying methods and criteria for reviewing and responding to complaints sent to the Company related to independent audit, and reviewing the notices given by the company employees on the accounting and independent audit of the Company in compliance with confidentiality principle,
- Taking necessary measures to ensure that independent audit is carried out adequately and transparently,
- Reviewing and concluding key issues notified by the independent audit firm to the Committee in writing related to the accounting policy and practices of the Company, alternative practices under the accounting standards and accounting principles that were submitted to the board of directors beforehand, and their potential consequences and proposed applications and important correspondence with the Company management,

- Identifying methods and criteria to be adopted for responding to accounting and independent audit notices of the Company subject to principles of confidentiality,
- Overseeing the coordination of internal audit and independent audit.

Findings, assessments, and proposals related to duties and responsibilities of the Committee are immediately notified in writing to the board of directors.

4. Works and Meetings of the Committee

The Committee convenes at least every two months, at least six times a year. The meetings should be convened by the Chairman of the Committee. The notice of each meeting confirming the venue, time and date with an agenda and any supporting materials shall be sent to the members of the Committee at least five calendar days prior to the scheduled date of the meeting.

The results of the meeting are recorded in the minutes, circulated to and confirmed by the Committee members and the decisions taken are presented to the Board of Directors. Activities of the committee and the results of the meeting should be disclosed in the annual report. The number of written notices given to the board of directors by the Committee during the fiscal period is also stated in the annual report.

The Committee may invite any person it deems necessary to its meetings and consult them. In case of need, the independent audit firm is invited to the evaluation meetings regarding the financial statements, and information about its work is obtained. The Committee has the authority to investigate any matters within its responsibilities and to obtain such information as it may require from any employee of the Company. It may call any employee of the Company to attend any meeting of the Committee as and when required.

The Committee also consults independent experts on issues it deems necessary regarding its activities. The cost of the consultancy services required by the Committee is covered by the Company. However, in such case, the information about the person/organization from which the service is provided, and whether this person / organization has any relationship with the Company is disclosed in the annual report.

5. Amendments to the Working Principles of the Committee

The Committee shall carry out an annual evaluation of its performance and effectiveness, and report conclusions and recommendations to the Board of Directors. Proposals for amendments to these working principles are submitted to the Board of Directors by the Committee. The proposals are put on the agenda at the first meeting of the Board of Directors.

6. Validity

These working principles and related amendments and updates come into force with the decision of the Board of Directors.