

ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.
WORKING PRINCIPLES OF THE AUDIT COMMITTEE

PURPOSE

Pursuant to the article 3 of the Capital Markets Board's Communiqué on the Amendment of the Communiqué Regarding Independent Audit in Capital Markets (Serial X, No:19), an Audit Committee has been established at the Company with the Board decision dated 25.03.2005 and numbered 2005/03. Functioning under the Board of the Directors, the purpose of the Audit Committee is to monitor the functioning and efficiency of the Company's accounting system, public disclosure of financial information, independent audit and Company's internal control and internal audit systems.

STRUCTURE OF THE COMMITTEE

Number of Members: Committee is composed of 2 members.

Chairmanship of the Committee: Chairman of the Committee is selected from amongst the independent Board members. In the selection of the Committee Chairman; criteria such as having relevant prior experience, ability to analyze financial statements, knowledge of accounting standards and high qualifications, are taken into account.

Members: All members of the Audit Committee are elected from amongst the independent members of the Board of Directors.

Independence: Independence criteria contained in the Corporate Governance Communiqué (II-17.1), published in the Official Gazette dated 03.01.2014 and numbered 28871, are taken as the basis for the independency of the Committee members.

Term of Membership: Audit Committee is elected by the Board of Directors for a term of one year. Members whose terms of office expire may be re-elected.

Advisors: Audit Committee resorts to independent expert opinions on matters that it deems necessary regarding its activities. Costs of consultancy services required by the Audit Committee shall be borne by the Company.

Resources: Board of Directors shall provide any and all resources and support necessary for the Audit Committee to perform its duties.

COMMITTEE MEETINGS

Meetings: Audit Committee shall meet at least 4 times a year, at least in 3-month intervals. Audit Committee may invite any executive that it deems necessary to its meetings and obtain his/her opinions.

Secretariat: Keeps and archives the Audit Committee meeting minutes, and ensures that the Committee members are effectively informed.

Reporting: Audit Committee puts all studies conducted in writing and keeps their records. It presents the minutes containing information about its studies and the results of its meetings and records to the Board of Directors, in writing.

DUTIES AND RESPONSIBILITIES

Financial Statements and Public Disclosure

Audit Committee submits in writing to the Board of Directors, its evaluations concerning the compliance of the annual and interim financial statements to be disclosed to public with the accounting principles adopted by the Company as well as their validity and accuracy, by obtaining the opinions of the Company's relevant executives and independent auditors, together with its own evaluations.

Independent Audit Firm

Audit Committee monitors the selection of the independent audit firm, preparation of the independent audit contracts and commencement of the independent audit process as well as all the stages of the independent audit firm's works.

Audit Committee determines and submits to the approval of the Board of Directors, the independent audit firm to be hired by the Company as well as the services to be procured from such firms.

Internal Audit and Internal Control

Audit Committee determines the methods and criteria to be applied to matters such as the evaluation and resolution of complaints received by the Company concerning the Company's accounting and internal control system as well as its independent audit, evaluation of the reportings of the Company's employees regarding the Company's accounting and independent audit issues in line with the principle of confidentiality.

Audit Committee;

- Monitors whether or not the Company's activities are carried out in compliance with the legislation and the Company's internal regulations,
- Conducts studies concerning the efficiency and adequacy of the internal control system and reports these studies to Senior Management,
- Ensures that necessary measures are taken for the transparency of the internal audit,
- Prepares and submits the internal audit report to Senior Management.