

WORKING PRINCIPLES OF THE AUDIT COMMITTEE

Article 1: Scope and Legal Basis

These working principles ("Working Principles") determine the scope of duties and working principles of the Audit Committee ("Committee") of the Board of Directors of SUN TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ ("Company").

The Committee was established by the decision of the Company's Board of Directors ("Board of Directors") within the framework of the Capital Markets Law No. 6362, Turkish Commercial Code No. 6102 ("TCC"), "Corporate Governance Communiqué" numbered II-17.1 ("Communiqué") and the relevant provisions of the Company's Articles of Association ("Articles of Association") and the Capital Markets Board of Prime Ministry ("CMB") regulations, including the Corporate Governance Principles ("CGP") contained in its annex.

Article 2: Purpose

To ensure that the Company's accounting and reporting systems, accounting and reporting practices function within the framework of relevant laws and regulations, public disclosure of financial information, independent audit/ external audit and internal audit, and the functioning and effectiveness of the internal control system. It also aims to oversee the Company's compliance with the relevant legislation and the corporate Code of Ethics.

The Committee aims to contribute to the continuous improvement of the level of compliance with the legislation and internal regulations within the Company, and to the strengthening of transparency, accountability, fairness, predictability and efficiency through its oversight function and recommendations regarding implementation.

Article 3: Definitions

"Balance sheet": Refers to the balance sheet in the financial statements.

"Code of Ethics": Refers to the Company's code of ethics.

"General Assembly": The general assembly of the Company.

"Internal Control": Internal control refers to a process that is influenced by the management and other employees of an organization and provides reasonable assurance that:

- compliance of the business and actions of the organization with the legislation,
- reliability of financial and managerial reporting,
- the effectiveness and efficiency of those activities and
- protection of assets

"Profit and Loss Statement": Profit and loss statement in the financial statements.

"Control": Controls refer to all kinds of practices to manage events that may affect the achievement of the Company's objectives.

"Risk": Factors that may affect the achievement of the Company's objectives and refers to the probability of occurrence of an event that will have an impact on the achievement of the objectives.

Article 4: Duties and Responsibilities

Committee tasks are summarized below:

Financial Statements, Annual Reports and Announcements:

- To receive the opinions of the Company's responsible executives and independent auditors regarding the accuracy and compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the Company, and to report to the Board of Directors in writing together with its own assessments,
- To review the annual and interim reports prepared and to check whether the information contained within them is correct and consistent with the information available to the Committee,
- Reporting to the Board of Directors any changes in accounting policies, internal control system and legislation that may have a significant impact on the preparation of the financial statements,
- To review significant accounting, reporting and legal issues and to investigate their impact on the financial statements,

Independent Audit:

- To determine the scope of services to be received from the independent audit firm, to select the independent audit firm, to prepare independent audit contracts, to propose them to the Board of Directors for the approval of the General Assembly, to initiate the independent audit process and to supervise the work of the independent audit firm at every stage,
- To evaluate the independent auditor's status against the independence criteria, independence declaration and additional services that may be obtained from the independent audit firm,
- To evaluate the findings to be reached within the scope of independent audit, important issues related to the Company's accounting policy and practices communicated to the Committee by the independent audit firm; alternative application and public disclosure options within the framework of the CMB's accounting standards and accounting principles previously communicated to the Company management by the independent auditor; their possible results and implementation proposal; important correspondences between the Company management and the Company management,
- To examine the audit scope and audit process proposed by the independent auditors, and to inform the Board of Directors about the issues that hinder their work,
- To assess the performance and independence of independent auditors,
- To examine all kinds of fees and compensation related to the independent audit company and submit them to the Board of Directors for approval.

Internal Audit and Internal Control

- To conduct studies on the effectiveness and adequacy of the internal control system and report to the Board of Directors,
- To ensure that necessary measures are taken to ensure the transparency of internal audit and the independence and impartiality of internal audit activities,
- To review the work and organizational structure, duties and working principles of the Internal Audit department, to inform the Board of Directors about the issues that limit or hinder the work of the internal auditors and the effectiveness of their activities and to make recommendations,
- To approve the Internal Audit Guide and to assure the Board of Directors on the following matters regarding the continuation of the internal audit activity within the framework of the procedures and principles specified in the Regulation:

- Compliance of activities with the Corporate's policies, plans, procedures and legal regulations, effectiveness and added value of activities
 - Protection of corporate assets
 - Effective and efficient use of resources
 - Achievement of desired objectives of operations and programs in accordance with established principles
- To make assessments for the review of audit performance,
 - To examine and evaluate the determinations regarding deficiencies in the effectiveness of risk management, internal control and corporate governance processes reported by the Internal Audit department, and special purpose review and consultancy reports,
 - To evaluate the scope of the consultancy activities of the Internal Audit department, to examine the effectiveness of the activities and their compliance with the principle of independence,
 - To evaluate the scope and appropriateness of the service to be received by the Internal Audit department in matters requiring scientific, technical and specialized expertise in cases deemed necessary due to audit, review and special purpose review.

Compliance with Legal Legislation and Regulations:

- To monitor whether its activities are carried out in accordance with the legislation and internal regulations of the Company, and to determine the rules to be applied in case of violation of the regulations,
- Determining the methods and criteria to be applied in the examination and finalization of the complaints received by the Company regarding the Company's accounting, reporting and internal control systems and independent audit processes, and the evaluation of the notifications of the Company employees regarding accounting, reporting, internal control and independent audit within the framework of the confidentiality principle,
- To examine and finalize complaints from stakeholders that are significant enough to affect the financial statements.

Other:

- To fulfill other responsibilities assigned/to be assigned to the committee in accordance with the CMB regulations and the Turkish Commercial Code,
- To undertake the duties assigned to it by the Articles of Association and the Communiqué.
- The Committee establishes the necessary mechanisms for stakeholders to inform the Company about the Company's transactions that are contrary to the legislation and unethical. The Committee is fully authorized to conduct investigations regarding such complaints,
- Upon the request of the Board of Directors, the Committee undertakes other duties and responsibilities that may be considered within the scope of its mandate,
- The Committee ensures that the Board of Directors is adequately informed on matters falling within its duties and responsibilities. The Committee's decisions are advisory to the Board of Directors and the Committee's work and recommendations do not eliminate the responsibilities of the members of the Board of Directors arising from the TCC.
- The Board of Directors is responsible for the preparation and presentation of financial statements and reports in accordance with financial reporting standards and for their fairness and accuracy in accordance with applicable legislation.

Article 5: Establishment, Committee Structure and Membership Criteria

- The Committee consists of at least two members and all members are elected among the independent members of the Board of Directors.
- At least one of the Committee members must have five years of experience in audit/accounting and finance.
- When the new Board of Directors is elected at the ordinary general assembly meeting, the members of the Audit Committee are appointed by the Board of Directors in line with the term of office of the relevant Board of Directors. Board members whose term of office expires may be reappointed.
- All kinds of resources and support required for the Committee to fulfill its duties are provided by the Board of Directors. The Committee may invite the manager it considers necessary to its meetings and receive their opinions.
- The Committee shall benefit from the opinions of independent experts on the issues it considers necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.

Article 6: Sub-Working Groups

In order to ensure the effectiveness of its activities, the Audit Committee may form sub-working groups consisting of persons with sufficient experience and knowledge in internal audit, internal control, information technologies audit, fraud investigation, financial reporting and independent audit, to be selected among its own members and/or from outside, as required.

Article 7: Meetings

The Committee convenes at least four times a year, at least quarterly. The Committee meetings shall be held at the Company's headquarters or at another location where the members of the Committee are present, prior to each scheduled Board of Directors meeting, in line with the Board of Directors meetings to the extent possible in terms of timing. It is also possible for the Committee meetings to be organized via electronic means (electronic media or conference call) without actually coming together.

The Committee convenes and takes decisions with the presence of the absolute majority of its members. It is possible to take decisions outside the meeting with the unanimous vote of the members. The Committee shall immediately notify the Board of Directors in writing of its findings and recommendations in relation to its duties and responsibilities. The Committee ensures that the Board of Directors is informed about the matters falling within its area of authority and responsibility. The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-making authority on related matters.

The Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information on the Committee's activities and the results of the Committee meetings. The Committee shall immediately notify the Board of Directors in writing of any findings and suggestions related to its duties and responsibilities. Minutes of the Committee meetings are approved by the Committee members and kept together with the Committee decisions. The minutes of the meetings held via electronic methods without coming together in person shall be signed by the members of the Audit Committee. In addition, it is also possible to take committee decisions by circulation, and decisions signed by all members on the same or different papers are valid.

No one other than the members of the Committee may attend the meetings of the Committee unless invited by the Chairperson of the Committee.

Article 8: Reporting Procedures

- The decisions of the Committee are kept in a decision book.
- The minutes of the meeting must include at least the following matters:
 - Date of the meeting
 - Information on the issues discussed at the meeting
 - Decisions taken
- Decisions that the Committee finds necessary are submitted to the Board of Directors.
- The Committee Secretary is responsible for the preparation and storage of the reports. The prepared meeting minutes are archived after being submitted to the information of the Committee Members.

Article 9: Resources and Access to Information

The Board of Directors provides the necessary resources and support for the Committee to fulfill its duties and responsibilities.

The Committee may receive information from the Company's managers and employees (within the framework of confidentiality, if necessary) regarding the issues subject to its examination or when necessary, and may invite the relevant persons to the Committee meetings.

Article 10: Enforcement and Amendment

These working principles of the Audit Committee were approved by the Board of Directors Resolution dated 06.06.2022 and numbered 2022/23 and revised with the Board of Directors Decision dated 21 May 2024. The Board of Directors is authorised to review and update the aforementioned working principles when necessary.