

## ANNEX-1 AUDIT COMMITTEE WORKING PRINCIPLES

### Article 1: Scope and Legal Basis

These working principles (the "**Working Principles**") set forth the scope of duties and the Working Principles of the Audit Committee of the Board of Directors (the "**Committee**") of Aydem Yenilenebilir Enerji A.Ş. (the "**Company**").

The Committee has been established upon the resolution of the Company's Board of Directors ("**Board of Directors**") in accordance with the provisions of the Capital Markets Law No. 6362, the Turkish Commercial Code No. 6102 (the "**TCC**"), the regulations of the Capital Markets Board of the Republic of Turkey (the "**CMB**"), including the "Corporate Governance Communiqué" No. II-17.1 (the "**Communiqué**") and the Corporate Governance Principles (the "**CGP**") attached thereto, and the provisions of the Company's Articles of Association (the "**Articles of Association**").

### Article 2: Definitions

"**Balance Sheet**" shall mean the balance sheet included in the financial tables.

"**General Assembly**" shall mean the Company's general assembly. "**Related Party Transaction(s)**" shall have the meaning ascribed to such term in the Communiqué.

"**Principles Regarding Related Party Transactions**" shall mean the principles adopted by a resolution of the Board of Directors.

"**Profit and Loss Statement**" shall mean the profit and loss statement included in the financial tables.

"**Continuous Related Party Transaction(s)**" means the Related Party Transactions within the course of the Company business that are of a continuous nature.

"**One-Off Related Party Transactions**" means the Related Party Transactions within the course of the Company business that are of a one-off nature.

### Article 3: Purpose

The main purpose of the Committee is the supervision of the Company's accounting system and accounting practices, the operations of the company's internal control systems, public disclosure of the Company's financial information, the operation and efficiency of the internal and external audit of the Company and the compliance of the Company with the applicable legislation. The Committee also performs the duties imposed on it under the Articles of Association and the Communiqué. Within this context, the Committee fulfils the duties and responsibilities indicated in the Working Principles.

The Committee aims to contribute to the constant improvement of the Company's compliance with the applicable legislation and the internal regulations, internal control systems and the enhancing of the transparency, accountability, fairness, predictability and efficiency within the Company.

The Committee provides contribution to the Board of Directors and also in charge in respect of the following:

- i. Election of the independent auditor subject to the approval of the Board of Directors, supervision of the independent audit process and the work of the independent auditor
- ii. Approval of annual audit plans
- iii. Supervision of the effectiveness and adequacy of internal audit and internal control management systems
- iv. Submitting its written evaluation to the Board of Directors to ensure the accuracy of the annual and interim reports and accounting procedures of the Company;
- v. Supervision of the Company's compliance to the applicable laws and regulations;
- vi. Supervision of the Company's compliance with the Principles Regarding Related Party Transactions, performing of the obligations imposed on it within the scope of the relevant principles and in particular, fulfilment of the duties and obligations under Article 8 of these principles.

### Article 4: Organization and Membership

The Committee shall consist of at least two members and the members of the Committee shall be elected from among the independent members of the Board of Directors. At least one of the members of the Committee must have a minimum experience of five years in the fields of audit/accounting and finance. In the event that any of the members

of the Committee ceases to be a member of the Board of Directors or lose its title as an independent member according to the capital market legislation, the membership of the Committee ends accordingly.

Members and the Chairman of the Committee are appointed by the Board of Directors Term of office shall not exceed three years and the Committee members whose term of office expired may be re-appointed.

#### **Article 5: Meetings**

The Committee convenes with the participation of the simple majority of its members and passes decisions with the majority of the members present at the meeting.

Except for the urgently held meetings of the Committee within the scope of the Principles Regarding Related Party Transactions, the Committee meets at least quarterly and for a minimum of four times per year. Committee meetings shall be timed to coincide with the Board meetings to the extent possible and shall be held prior to each Board meeting at the Company's headquarters or at another location where the members of the Committee are present.

The Committee shall put all its work in writing, keep records thereof and report to the Board of Directors regarding the results of the work conducted and the and meetings held by the Committee. The findings and recommendations of the Committee within the scope of its duties and responsibilities shall be immediately reported to the Board of Directors in writing. The minutes of the Committee meetings shall be approved by the Committee members and kept together with the decisions of the Committee.

The Company's internal audit manager or a member appointed by the committee takes the responsibility as a Rapporteur under the Chair of the Committee. The Rapporteur ensures the participation of the people whose chairperson wants to attend the meeting and is responsible for facilitating the meetings through, preparation of the agenda, informing the participants of the meetings, keeping meeting minutes and sharing the relevant documentation.

The Secretariat of the Board of Directors is responsible for the administrative organization of the meetings and the distribution of meeting minutes to the members of the Board of Directors and keeping the records.

No one other than the members of the Committee shall attend the meetings of the Committee unless invited by the chairman of the Committee.

#### **Article 6: Supervision of the Reports, Documents and Financial Data**

The Committee shall receive the opinions of the Company's managers and independent external auditor regarding the accuracy, correctness and compliance with the Company's accounting principles of the annual and interim financial tables (including the footnotes) to be disclosed to the public and report to the Board of Directors in writing, along with its own analysis. Furthermore, other reports and financial information disclosed by the Company to the public or administrative authorities (except for the information derived from the financial tables already examined and approved by it) shall also be examined by the Committee in accordance with the principles set forth above.

#### **Article 7: Independent Audit**

Election of the independent audit firm, drafting of the independent audit agreements and initiation of the independent audit process as well as the work conducted by the independent audit firm at any and all stages of the audit shall be carried out under the supervision of the Committee.

The independent audit firm whose services shall be sought by the Company and the scope of the services to be obtained from such firm shall be determined by the Committee and submitted to the approval of the Board of Directors in order to be presented to the shareholders of the Company. The Committee shall obtain a written statement from the independent external auditor confirming its independence in respect of the independent audit activities, examine the issues (if any) which might jeopardize the independence of the external auditor prior to recommending the election of such independent auditor to the Board of Directors and report its analysis on the matter to the Board of Directors.

The Committee may invite the independent external auditor to its meetings for discussing their analysis of the financial tables and receiving information on the activities of the independent external auditor. The Committee supervises the fulfilment by the independent external auditor of its obligations to share with the Committee the major issues regarding the accounting policies and practices of the Company, alternative practices and public disclosure options in line with the accounting standards and accounting principles previously communicated to the Company and the potential consequences thereof, the recommendations of the independent external auditor in respect of the foregoing and the material communication between the Company's management and the independent external auditor.

The Committee shall consider the restrictions under the applicable legislation relating to the reappointment of the independent external auditor.

#### **Article 8: Duties Regarding the Related Party Transactions**

The Committee shall organize extraordinary meetings to examine the terms and conditions of each One-Off Related Party Transaction of the Company exceeding %3 of the net sales in the previous year's Profit and Loss Statement or the total assets in the Balance Sheet for the previous year and submit a report to the Board of Directors in respect of each One-Off Related Party Transaction that exceeds the applicable threshold.

To the extent the preparation of an independent valuation report is required under the Communiqué or other rules and regulations, the Committee shall ensure that such independent evaluation report is obtained and references to such independent evaluation report are attached to the report of the audit committee.

During the meetings to be held by the Committee following the announcement of the relevant quarter financial tables, the Committee shall examine the Related Party Transactions entered into within the scope of the Continuous Related Party Transactions, in respect of which the annual approvals (in other words, the Board resolution of a general nature) have been obtained. Following its examination of the Related Party Transactions, the Committee shall submit a report to the Board of Directors, which will later on be included in the annual activity reports of the Company.

#### **Article 9: Internal Audit**

The Committee shall make sure that all kinds of measures are taken in order to ensure the sufficient and transparent conduct of the Internal Audit. It constantly reviews Internal Audit responsibilities, resources, activities and performance. It reviews and approves the regulations and procedures in which Internal Audit authorities, responsibilities and processes are defined. It reviews and approves the Internal Audit organization, operating principles, annual audit plan and possible updates to these matters.

It supervises the difficulties that may be encountered in the execution of Internal Audit activities, including restrictions on access to the necessary information within the scope of the audit principles. It reviews the reports, findings, actions and action situations prepared by the internal audit department.

The special review requested by the Board of Directors or required by the Committee shall be carried out through the internal audit department.

#### **Article 10: Internal Control System**

The Committee shall submit its opinions and recommendations regarding the internal control system to the Board of Directors, also taking into account the feedback of the Company's senior management and independent external auditor.

The Committee shall make sure that all kinds of measures are taken in order to ensure the sufficient and transparent conduct of the internal audit and the independent external audit.

The Board of Directors is responsible to take the measures necessary to ensure that officers who are in charge of signing the financial tables and annual reports have access to the material information relating to the Company, the subsidiaries and affiliates within the scope of the consolidated financial tables and the entities which are under common control with the Company. The officers in charge of signing are required to report to the Board of Directors, the Committee and the independent external audit firm engaged by the Company their comments and recommendations regarding the Company's internal control system and the mechanism that grants them access to the relevant information, and they are also required to provide information regarding the internal control system used by them when examining the annual reports.

#### **Article 11: Compliance**

The Committee shall also examine whether or not a system that is sufficient, complete and in accordance with the legal requirements has been established within the Company in relation to the communication of the financial tables, reports and other financial information disclosed to the public or the administrative authorities. The Committee shall monitor the compliance with the Company's internal regulations aimed at preventing conflicts of interest between the Board members, senior managements or other related parties, and the abuse of commercial secrets or information which may influence the value of the Company's shares.

Where necessary, the Committee shall examine, together with the independent external auditor, the acts of the officers performing material tasks in the accounting and internal control system of the Company, which violate the regulations hereunder, and share its findings and recommendations on the matter with the Board of Directors.

The Committee reviews and ensures the implementation of policies and procedures, which are related to ethically inappropriate transactions and abuse. It supervises the establishment of the necessary mechanisms to convey the relevant issues to the committee.

The Committee shall receive reports from the Company's Legal and Compliance Department regarding regulations in compliance with the legislation.

#### **Article 12: Other Duties**

The Committee shall determine the methods and criteria to be applied when examining and resolving on the complaints communicated to the Company in relation to the Company's accounting system, internal control system and independent audit, and evaluating the feedback of the Company's employees regarding the Company's accounting and independent audit.

Upon the request of the Board of Directors, the Committee undertakes other duties and responsibilities, which could be considered to fall within the scope of its duties.

The Committee shall evaluate the effectiveness of the risk management system carried out within the Company and for this purpose, it shares information with other committees established by the Board of Directors and works in cooperation.

The Board of Directors is responsible for the preparation of financial statements and reports in accordance with the financial reporting standards, their presentation and accuracy within the framework of the applicable legislation.

The Committee shall ensure that the Board of Directors is sufficiently informed about the matters which fall within the scope of the Committee's duties and responsibilities. Decisions of the Committee are treated as recommendations to the Board of Directors and the activities and recommendations of the Committee do not release the liability of the members of the Board of Directors under the TCC.

In the event that the Company's shares are offered to the public, the Committee shall, for the two years period following the date on which the relevant shares are first traded at the stock exchange, prepare a report analyzing whether or not the assumptions relied on when determining the public offering price have materialized, and if not, the reason thereof.

In the event of public offering of the Company's shares through a capital increase, the Committee shall, in addition to the report indicated above, prepare a report on whether or not the funds generated through the capital increase have been utilized as contemplated, which report shall be prepared within ten business days following the first two financial tables disclosed to the public after the trading of the Company's shares at the stock exchange and inclusive of the results of the capital increase.

The aforementioned reports are published on the Company's website and the Public Disclosure Platform.

#### **Article 13: Access to Resources and Information**

The Board of Directors shall provide the Committee with the resources and support it needs in order to perform its duties and obligations.

The Committee may obtain information from the managers and employees of the Company (subject to confidentiality, if needed) in relation to the issues it examines or to the extent it deems necessary and may also invite such persons to the meetings of the Committee.

The Committee may resort to the opinions of independent experts if it deems necessary in connection with its activities. Costs of the consultancy services needed by the Committee shall be borne by the Company.

#### **Article 14: Amendments**

Amendments to the Working Principles of the Audit Committee are subject to the approval of the Board of Directors.