

AUDIT COMMITTEE WORKING PRINCIPLES

1. FOUNDATION

At Ford Otomotiv Sanayi A.Ş.'s (in short “**Company**”) meeting held on March 26, 2012, the Company’s Board of Directors founded an Audit Committee (in short “**Committee**”) as required by the provisions of Capital Markets Board regulations. The working principles of the Committee were reviewed at the meeting of the Board of Directors on September 25, 2012, in accordance with the developments in the Capital Markets Board regulations and the principles have been last updated on April 01, 2020.

2. PURPOSE

To supervise the functioning and efficiency of how the Company’s accounting and reporting systems operate under the relevant laws and regulations, how the Company’s financial data is disclosed to public and how the Company’s independent audit and internal control systems operate.

3. ROLES AND RESPONSIBILITIES

The roles of Audit Committee are as follows;

- a. To supervise the election of the independent audit company, to determine the scope of the services to be taken from the independent audit company, to prepare the independent audit contracts, to initiate the independent audit process and to review the activities of the independent audit company at every stage.
- b. To assess the status of independent auditor under independence criteria, its statement of independence, and the additional services as may be obtained from independent audit company.
- c. To assess independent audit findings which are submitted to Committee by independent audit company, the Company’s accounting policy and important issues effecting this policy; alternative practices and public disclosure options within the scope of Capital Markets Board accounting standards and principles, which independent auditor has notified to the Company’s management previously; their possible results and suggestion for implementation; and major correspondences made between independent audit company and Company management.
- d. To inspect and conclude complaints delivered to the Company with respect to the Company's accounting, reporting internal control systems and independent audit processes; to define the methods and criteria for treating the Company employees’ notices regarding accounting, reporting, internal control and independent audit with confidentiality.
- e. To notify the Board of Directors in writing of annual and interim financial statements to be disclosed to public, including Committee’s own opinion thereon, by consulting to the Company’s relevant responsible executives and independent auditors, with respect to adherence to the Company’s accounting principles, authenticity and correctness.
- f. To fulfil duties assigned/that will be assigned to the Audit Committee under the Capital Markets Board regulations and Turkish Commercial Code.
- g. To review and approve annual audit plans.
- h. Committee members may meet privately with the Company’s internal audit management on such confidential sensitive subjects as they deem appropriate.

- i. Committee monitors important legal subjects and legal compliance processes concerning the Company and submits its advices and warnings to the Board of Directors if it deems necessary.
- j. Committee members may invite two Board members, one nominated by Ford Motor Company and one by Koç Holding to the Committee meetings in order to review the matters that are brought to the agenda of the Committee. Invited Board members shall not have any voting right.
- k. Board secretary arranges the agenda content to be provided to the Committee members and the invited Board members pursuant to paragraph (j) above, for a preliminary review and discussion reasonably in advance of the Committee meeting.

With respect to the subjects defined above, Committee submits its written evaluations and recommendations to the Board of Directors.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- Committee consists of at least two members. Committee chairperson and members are elected among the independent members of the Board of Directors.
- Each Board of Directors elected at the ordinary General Assembly determines the members of Committee in parallel to its term of office. Former Committee members hold office until the new members are elected.
- The Board of Directors provides all types of resources and assistance required for the Committee to fulfil its duties. Committee may invite any manager it may deem fit to obtain his/her view.
- Committee uses independent expert opinion in such subjects as it may deem necessary in relation to its field of activity. Fees of the consultancy services that are needed by Committee are paid by the Company.

5. SUB-COMMITTEES

In order to ensure the efficiency of its activities, Committee may establish sub-committees consisting of people either among its members and/or from outside with sufficient experience and know-how on financial reporting and independent audit.

6. MEETINGS

- Committee gathers at least four times a year unless legislation stipulates otherwise. In cases where necessary, Committee may take decision without meeting by making necessary evaluations through teleconference, e-mail or other electronic means. Meeting minutes are submitted to the Board of Directors. Committee notifies the Board of Directors in writing of its findings and suggestions within its field of responsibilities and duties immediately.
- Committee resolutions are recommendatory whereas the Board of Directors makes the final decision.
- Committee ensures that the Board of Directors is informed on the subjects within Committee's field of responsibilities and duties.
- Committee convenes with the attendance of all members and resolves unanimously. If no unanimity is achieved on any subject, its negotiation is postponed to the next meeting. If no unanimity is achieved during the next meeting, the suggestion is deemed as rejected and the situation is notified to the Board of Directors.

- Committee meetings can be held either by physically coming together or by electronic means (either electronically or through a conference call) without actually coming together. Meetings may be held at the Company's headquarter or any other location where Committee members may access easily. Minutes of the meetings held by electronic methods without actually coming together shall be signed by the members of the Committee. Additionally, it is possible to obtain the decisions of the Committee by circulating and signing the same paper or different copies.

7. REPORTING PROCEDURES

- Committee decisions are recorded in Committee Book of Resolution through meeting minutes.
- The meeting minutes should contain at least the following points:
 - Date of meeting
 - Agenda
 - Information regarding the subjects discussed at the meeting
 - Decisions made
- Any decision which Committee deems necessary is submitted to the Board of Directors.
- Secretary of the Board of Directors is in charge of preparing and safekeeping the reports. Meeting minutes are submitted to Committee members, and then signed and archived.

8. ENFORCEMENT

These working principles, which were approved under the Board of Directors Resolution No. 2012/22 dated September 25, 2012, have been revised by the Board of Directors resolution dated April 01, 2020. The Board of Directors is authorized to review and revise these working principles as deemed necessary.