

**İŞ REAL ESTATE INVESTMENT TRUST CO.
(İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.)
REGULATION FOR THE ESTABLISHMENT AND DUTIES OF
THE AUDIT COMMITTEE**

Article 1

Purpose and Scope

This Regulation covers the establishment of an Audit Committee and regulation of the duties and responsibilities of this Committee as well as its operational principles and procedures in order to ensure that the Board of Directors properly fulfills its supervisory and audit duties and responsibilities.

Article 2

Justification

This Regulation has been prepared based on the Corporate Governance Communiqué of the Capital Markets Board.

Article 3

Establishment of the Audit Committee

An audit committee is established by at least two members to be selected from among the Board members.

The members of the Committee elect a Chairman among themselves.

All of the Committee members are elected from among the independent members of the Board.

If possible, at least one of the members of the Audit Committee should be elected from the Board members having a minimum 5 years of experience in audit/accounting and finance topics.

Committee membership automatically ends upon the termination of the Board membership.

Article 4

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee have been outlined below.

- The Audit Committee supervises the operation and efficiency of the company's accounting system, disclosure of its financial information, its independent audit and its internal control and internal audit system.
- The selection of the independent audit firm, commencement of the independent audit process after preparing the independent audit contracts, and the subsequent works of the independent audit firm at all times is conducted under the supervision of the Audit Committee.
- The Audit Committee determines the name of the independent audit firm and the services to be procured from it and submit this list to the approval of the Board of Directors.

- The Audit Committee lays down the methods and criteria to apply to the processing and settling of the complaints sent to the company regarding the company's accounting, internal control and audit system, and the independent audit as well as the treatment of the company's disclosures made by the company's employees on the subjects of independent audit within the framework of the confidentiality principle.
- The Audit Committee submits to the Board of Directors the information on the accounting principles pursued by the company in the preparation of the annual and interim financial statements and its assessments on the accuracy and authenticity of these accounting principles by taking the opinions of the company's managers and independent auditors and adding his own assessments too.
- The Audit Committee also performs other jobs and assignments to be delivered to it by the Board of Managers.

Article 5

The Audit Committee's Operation Principles and Procedures

- Audit Committee meets at least once every three months; i.e. at least four times annually.
- The Committee meets with the presence of all its members and takes its decisions by majority vote.
- The Committee takes an official minute book and the decisions taken in the meeting are recorded in this book under an item number.
- The results of the Committee's meetings are issued as an official report and the assessments and decisions of the Committee are submitted to the Board of Directors within at least one month following the relevant meeting of the Committee.
- The decisions of the Committee take effect upon the approval of the Board of Directors.
- The Audit Committee immediately submits its findings, assessments and suggestions in the areas of its work and responsibility to the Board of Directors in writing.
- An annual activity report is issued about the Committee's activities and the results of the Committee meetings. This annual report also provides how many times the Audit Committee has submitted written notifications to the Board of Directors during the given fiscal period.
- The Audit Committee may invite other people to its meetings as needed to get their opinions on a subject.
- The Audit Group Chairmanship determines the agenda of the meetings, makes the calls for the meetings, ensures the communication between the members of the Committee, keeps the minute book, and fulfills other secretarial works of the Committee.
- The resources and support needed by the Committee during the execution of its duty are provided by the Board of Directors.
- Subject to the approval of the Board of Directors, the Committee may benefit from the opinions of the independent experts as may be needed on subject related with its activities requiring specialization. The charge of the consultancy services needed by the Committee is provided by the Company.
- The members of the Audit Committee conduct their duties within the framework of the principles of independence and neutrality.

Article 6

Effective Date

The clauses of this Regulation take effect on the date approved by the Board of Directors and are executed by the Board of Directors.