

ÜLKER BİSKÜVİ SANAYİ A.Ş.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee was established pursuant to a Board of Directors resolution dated May 22, 2006. The Audit Committee is responsible for the vigorous supervision of financial and operational activities. Reporting to the Board of Directors, the Committee is responsible for the oversight of the audit and public disclosure of the company's accounting system and financial information, as well as for the operation and effectiveness of the internal audit system.

The Audit Committee performs the following duties:

- Ensure that financial statements, footnotes and other financial information are accurate and transparent, and that they comply with the legislation and international accounting standards.
- Prepare a report and submit it to the Board of Directors on whether the independent audit company and its employees are independent and capable.
- Carry out activities to institute, supervise and improve the effectiveness of the internal audit system.
- Ensure compliance with legal and internal regulations.

STRUCTURE OF THE COMMITTEE:

Number of members: The Committee is made up of two members.

Committee chair: This duty is carried out by the persons selected among the independent members. The committee chair shall have previously served in a similar position, possess the know-how to be able to analyze financial statements, understand accounting standards, and be highly qualified.

Members: The second member of the Audit Committee is being elected from one of independent board members at the board.

Independence: The independence of the Committee members is based on the Independence Criteria of the Corporate Governance Principles of the CMB.

Tenure of Membership: The Audit Committee is commissioned by the Board of Directors without a time limitation. The Board of Directors is authorized to change the Audit Committee members and the number of members at any time under the condition that it complies with the related CMB communique.

Consultants: As part of its operations, the Audit Committee may consult independent consultants paid by the company and commission experts to serve on the Committee.

COMMITTEE MEETINGS

Meetings: The Audit Committee convenes at least four times a year. The meetings are held each quarter before the financial statements are disclosed.

Secretariat: The secretariat of the Board of Directors keeps the Audit Committee's meeting minutes, archives them and actively provides information to the Committee members.

Reporting: Upon the completion of each meeting, the Committee Chair submits the meeting summary and a written report on the Committee's activities to the Board of Directors.

CRITERIA REGARDING THE COMMITTEE MEMBERS

- Hold at least a Bachelor's degree
- At least one member with accounting and finance management experience
- Able to analyze financial statements and reports (capable of reading financial statements)
- Possess high ethical standards and have time to work with the company

Those with the aforementioned qualifications may be elected to the Audit Committee.

Those who have previously served as consultants to the company may not be elected to the Audit Committee. However, they may be employed to assist the Independent Members in their duties.

DUTIES and RESPONSIBILITIES

Financial Statements and Public Disclosure

1. Audit to ensure that periodic financial statements and their footnotes comply with the current legislation and international accounting standards.
2. Provide reports to the Board of Directors regarding changes to the accounting policies, internal control system and public disclosures which may significantly affect the preparation of the company's financial statements.
3. Review and bring to a conclusion any shareholder or stakeholder complaints that may be critical enough to affect the financial statements.
4. Working with the independent audit company, perform reviews on the accounting policies and principles that may significantly affect the financial statements, and on legislation changes that may significantly affect the company's operations.

Independent Audit Company

1. The Audit Committee appoints, changes and assesses the independent audit company as well as monitors its activities.
2. Prepares and submits to the Board of Directors an **assessment report** that also includes an analysis of independence regarding the independent audit company.
3. Ensures effective operation of the independent audit company and monitors its work at every stage.
4. Approves all kinds of fees and compensations related to the independent audit company.
5. Creates written rules on the selection of the independent audit company and auditors.

Internal Audit and Internal Control

1. Performs work and reports to the Board of Directors regarding the effectiveness and sufficiency of the Audit Committee's internal control system.
2. Takes the necessary measures to ensure the internal audit is performed in a transparent manner.
3. Prepares an internal audit report and submits it to upper management.
4. Monitors the operations of the internal control system and ensures its effective operation.
5. Reviews and brings to a conclusion any shareholder or stakeholder complaints regarding the company's internal control system.

Monitoring Risk Management

1. Identifies the company's current and potential financial, operational and legal risks, and oversees the risk management function.

2. Prepares and submits to the Board of Directors a **Risk Management Report** every six months regarding the measures that have been taken or that are planned to be taken against the risks pursuant to the company's risk management policy.
3. When deemed necessary, establishes a Risk Committee to ensure effectiveness in **Risk management**.

Compliance with Regulations Required by the Law

1. Monitors whether the company's operations are carried out in compliance with the legislation and internal regulations. Sets the rules to be implemented in cases of actions against regulations.
2. Receives and inspects, according to the confidentiality principle, any complaints sent to the company regarding accounting, internal controls and/or independent audits, as well as regarding accounting and audit-related notifications which the company employees believe to be questionable.
3. Ensures compliance with internal regulations and policies so that conflicts of interest, which may arise between the Board Members, executives and other employees, as well as trade secrets are not disclosed.