

2020 Transparency Report

DRT Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

For the period 1 June 2019 - 31 May 2020

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30 September 2020

Public Oversight Accounting and Auditing Standards Authority
Söğütözü Mahallesi, 2177 Sokak No:4

Çankaya-ANKARA

Annual Transparency Report prepared by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the accounting period ended 31 May 2020 is enclosed herewith in the scope of article 36 of the Independent Audit Regulation published in the Official Gazette dated 26 December 2012 and numbered 28509 by Public Oversight Accounting and Auditing Standards Authority (POA).

Best regards,

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**


Ali Çiçekli
Audit and Assurance Business Leader



Message from the Audit and Assurance Business Leader of DRT Bağımsız Denetim ve SMMM A.Ş.

We are pleased to present the Audit Transparency Report of DRT Bağımsız Denetim ve SMMM A.Ş. for the year ended 31 May 2020.



We are going through difficult times due to the unpredictable COVID-19 outbreak. However, Deloitte¹ has made it a priority to ensure that we can recover from the COVID crisis with the people and resources, supporting our clients as business starts to recover and adapt to the post-COVID-19 world without sacrificing our focus areas stated below.

We architect our future to create sustainable value focusing on quality, transformation, and technology, and the highest standards of ethics and integrity. Our unrelenting commitment to quality, transformation, and technology enablement will enable us to achieve balanced growth, protect and enhance our brand, and provide an unrivaled talent experience for all our professionals, as well as building trust by addressing challenges to meet and exceed the expectations of our clients, capital markets and regulators.

Our brand is defined by the high-quality audits we deliver and by our unwavering commitment to continuous improvement. We continuously improve our audit quality, identifying and seizing new opportunities that create value, responding effectively to new and revised rules, standards, and expectations, while strengthening the relevancy of our business and our profession. We are making an impact that matters to our clients and communities by always making quality our top priority.

We are focused on delivering cognitive audit – standardizing how we execute our work to make audits more data-driven, consistent, effective, and valuable. We transform our way to do audit by adopting advanced technologies, keeping up with the changes, and chasing innovations. We are making smart audit with the automation that improves standard tasks, analytics that yields a deeper and more insightful view into the data, which provides an improved audit experience, delivering greater value and fueling marketplace opportunities.

In addition to continuous investment in quality, transformation, and technology, Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior. At Deloitte, we have a shared commitment to integrity, we support each other to do the right thing. We are all aware of our ethical principles and common values, responsibilities, our ethical responsibilities towards clients, our obligations to comply with legal and regulatory authorities, our support to society, and our responsibilities to each other.

Ali Çiçekli

Audit and Assurance Business Leader

¹Throughout this report, the terms “Deloitte, we, us, and our” refer to one or more of Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities. For more information about the Deloitte network, please see <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/about-deloitte.html>

INTRODUCTION

In the scope of the article 36 of the Independent Audit Regulation published in the Official Gazette dated 26 December 2012 and numbered 28509 by Public Oversight Accounting and Auditing Standards Authority ("POA"), audit firms that audited public interest entities in a calendar year are required to submit their Annual Transparency Report to POA and publish the report on their own webpage. In this framework, our Company prepared the Annual Transparency Report related to the accounting period of 31 May 2020, signed by Ali Çiçekli, Audit and Assurance Business Leader, on 30 September 2020, and published on our webpage.

I) LEGAL STRUCTURE AND OWNERSHIP

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("The Company" or "DRT SMMM") is a member firm of Deloitte Touche Tohmatsu Limited ("DTTL" or "Deloitte Global") in Turkey, and provides services of independent audit, information technology audit, risk management audit and accounting services in Turkey.

The Company is entitled to use the right of "Deloitte" name in Turkey. The Company operates in the branches of Istanbul, Ankara, İzmir, Bursa and Adana. The Company has independent audit authorization given by Public Oversight Accounting and Auditing Standards Authority ("POA"), Capital Market Board ("CMB"), and Banking Regulation and Supervision Agency ("BRSA").

The management is executed by the Board of Directors comprising the chairman and the members.

As of 31 May 2020, the Company's shareholding structure is as follows:

Shareholding Structure (As of 31 May 2020)

SHAREHOLDERS	NUMBER OF SHARES	SHARES AMOUNT	SHAREHOLDING PERCENTAGE
HASAN KILIÇ	12,670	12,670.00 TRY	25.34%
ZERE GAYE ŞENTÜRK	8,631	8,631.00 TRY	17.26%
BURÇ SEVEN	5,330	5,330.00 TRY	10.66%
HALİS ERDEM SELÇUK	5,330	5,330.00 TRY	10.66%
ERDAL DİNÇTÜRK	4,502	4,502.00 TRY	9.00%
ALİ ÇİÇEKLİ	4,020	4,020.00 TRY	8.04%
SELÇUK ÜRKMEZ	3,750	3,750.00 TRY	7.50%
ÖZLEM GÖREN GÜÇDEMİR	3,250	3,250.00 TRY	6.50%
ERDEM TAŞ	2,501	2,501.00 TRY	5.00%
ÖZKAN YILDIRIM	1	1.00 TRY	0.00%
MÜJDE ASLAN	1	1.00 TRY	0.00%
IŞIL BİLGİN	1	1.00 TRY	0.00%
YAMAN POLAT	1	1.00 TRY	0.00%
KORAY ÖZTÜRK	1	1.00 TRY	0.00%

I) LEGAL STRUCTURE AND OWNERSHIP (cont'd)**Shareholding Structure (As of 31 May 2020) (cont'd)**

SHAREHOLDERS	NUMBER OF SHARES	SHARES AMOUNT	SHAREHOLDING PERCENTAGE
VOLKAN BECERİK	1	1.00 TRY	0.00%
HAKAN ERTEN	1	1.00 TRY	0.00%
CEM TOVİL	1	1.00 TRY	0.00%
EMREHAN DEMİREL	1	1.00 TRY	0.00%
ERSİN ÇAĞAN	1	1.00 TRY	0.00%
NAZLI İVAK	1	1.00 TRY	0.00%
OKAN ÖZ	1	1.00 TRY	0.00%
OSMAN ARSLAN	1	1.00 TRY	0.00%
ÖZGÜR ÖNEY	1	1.00 TRY	0.00%
MEHMET IŞIKMEN	1	1.00 TRY	0.00%
BORA TANRISINATAPAN	1	1.00 TRY	0.00%
CAPITAL	50,000.00	50,000.00 TRY	100.00%

Changes in the Company's shareholding structure in 1 June 2019-31 May 2020:

İbrahim Koçer, who had shares as of 31 May 2019, left our Company on 29 January 2020. Mehmet Işıkmen and Bora Tanrısınatapan had become shareholders on 22 January 2020 and 29 January 2020, respectively.

Changes in the Company's shareholding structure after 31 May 2020:

Hasan Kılıç, who had shares as of 31 May 2020, left our Company on 9 June 2020 and transferred his shares to the existing shareholders.

II) KEY MANAGEMENT AND PARTNERS**Key Management (As of 31 May 2020)**

HASAN KILIÇ	CHAIRMAN OF THE BOARD OF DIRECTORS
SELÇUK ÜRKMEZ	MEMBER OF THE BOARD OF DIRECTORS
ZERE GAYE ŞENTÜRK	MEMBER OF THE BOARD OF DIRECTORS
BURÇ SEVEN	MEMBER OF THE BOARD OF DIRECTORS
HALİS ERDEM SELÇUK	MEMBER OF THE BOARD OF DIRECTORS
ALİ ÇİÇEKLİ	MEMBER OF THE BOARD OF DIRECTORS

II) KEY MANAGEMENT AND PARTNERS (cont'd)

Partners (As of 31 May 2020)

NAME	TITLE	START DATE OF EMPLOYMENT
SELÇUK ÜRKMEZ	Partner	01.12.1994
HASAN KILIÇ	Partner	01.10.1990
ÖZLEM GÖREN GÜÇDEMİR	Partner	05.09.1994
BURÇ SEVEN	Partner	01.09.1997
ZERE GAYE ŞENTÜRK	Partner	09.09.1996
HALİS ERDEM SELÇUK	Partner	11.09.1995
ALİ ÇİÇEKLİ	Partner	06.01.1998
ÖZKAN YILDIRIM	Partner	01.06.2007
KORAY ÖZTÜRK	Partner	07.09.1999
YAMAN PEYVENT POLAT	Partner	16.09.1999
İŞİL BİLGİN KABAÇALI	Partner	14.09.1998
ERDEM TAŞ	Partner	17.03.2008
VOLKAN BECERİK	Partner	20.02.2012
CEM TOVİL	Partner	08.09.2000
EMREHAN DEMİREL	Partner	03.04.2006
OKAN ÖZ	Partner	30.09.2002
HAKAN ERTEN	Partner	08.09.2000
OSMAN ARSLAN	Partner	12.05.2008
ERSİN ÇAĞAN	Partner	30.04.2009
MÜJDE ASLAN	Partner	14.09.1998
NAZLI İVAK	Partner	20.09.2004
ÖZGÜR ÖNEY	Partner	09.09.2004

III) LEGAL STRUCTURE OF THE AUDIT NETWORK

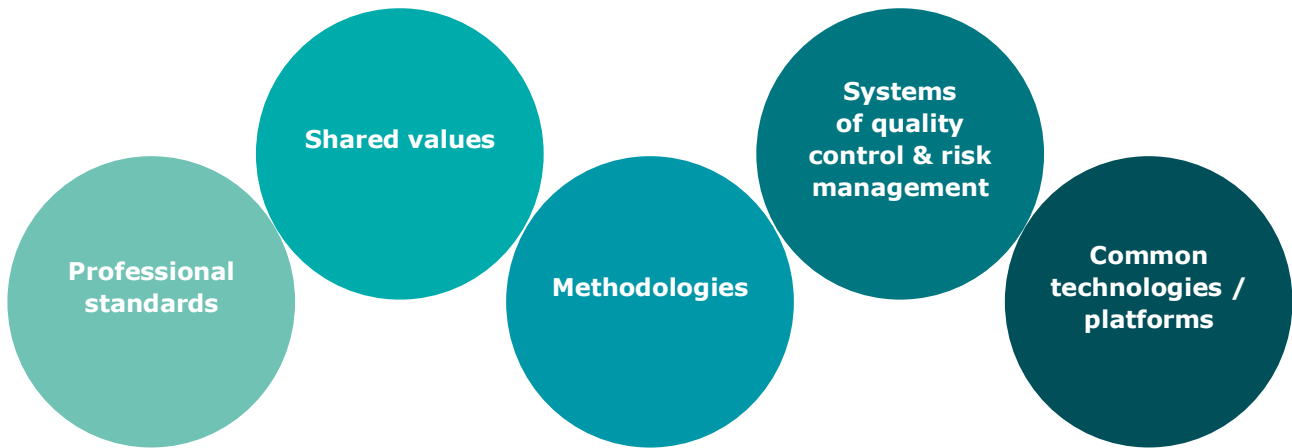
Deloitte Network

The Deloitte network is a globally connected network of member firms and their affiliates operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand.

Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)

Deloitte Touche Tohmatsu Limited is a UK private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their affiliates by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and service across the Deloitte network. DTTL does not provide professional services to clients, or direct, manage, control, or own any interest in any member firm or any member firm's affiliated entities.

III) LEGAL STRUCTURE OF THE AUDIT NETWORK (cont'd)



"Deloitte" is the brand under which approximately 312,000 dedicated professionals in independent firms throughout the world collaborate to provide audit & assurance, consulting, financial advisory, risk advisory, tax, and related services to select clients. These firms are members of DTTL. DTTL, these member firms, and each of their respective related entities form the "Deloitte organization". Each DTTL member firm and/or its related entities provide services in particular geographic areas and is subject to the laws and professional regulations of the particular country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities.

Not every DTTL member firm or its related entities provides all services, and certain services may not be available to attest clients under the rules and regulations of public accounting.

DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm, and their respective related entities, are liable only for their own acts and omissions, and not those of each other. The Deloitte organization is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

IV) ASSOCIATED AUDIT FIRMS AND NATURE OF ASSOCIATIONS WITH OTHER ENTITIES

As the representative of DTTL in Turkey, our Company provides services in audit and, non-audit activities in Turkey with other DTTL member entities stated below. DRT Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş. ("DRT YMM") is entitled to independent audit authorization by POA as of 15 December 2015 and uses the "Deloitte" brand. Principal activity of DRT YMM comprises tax services.

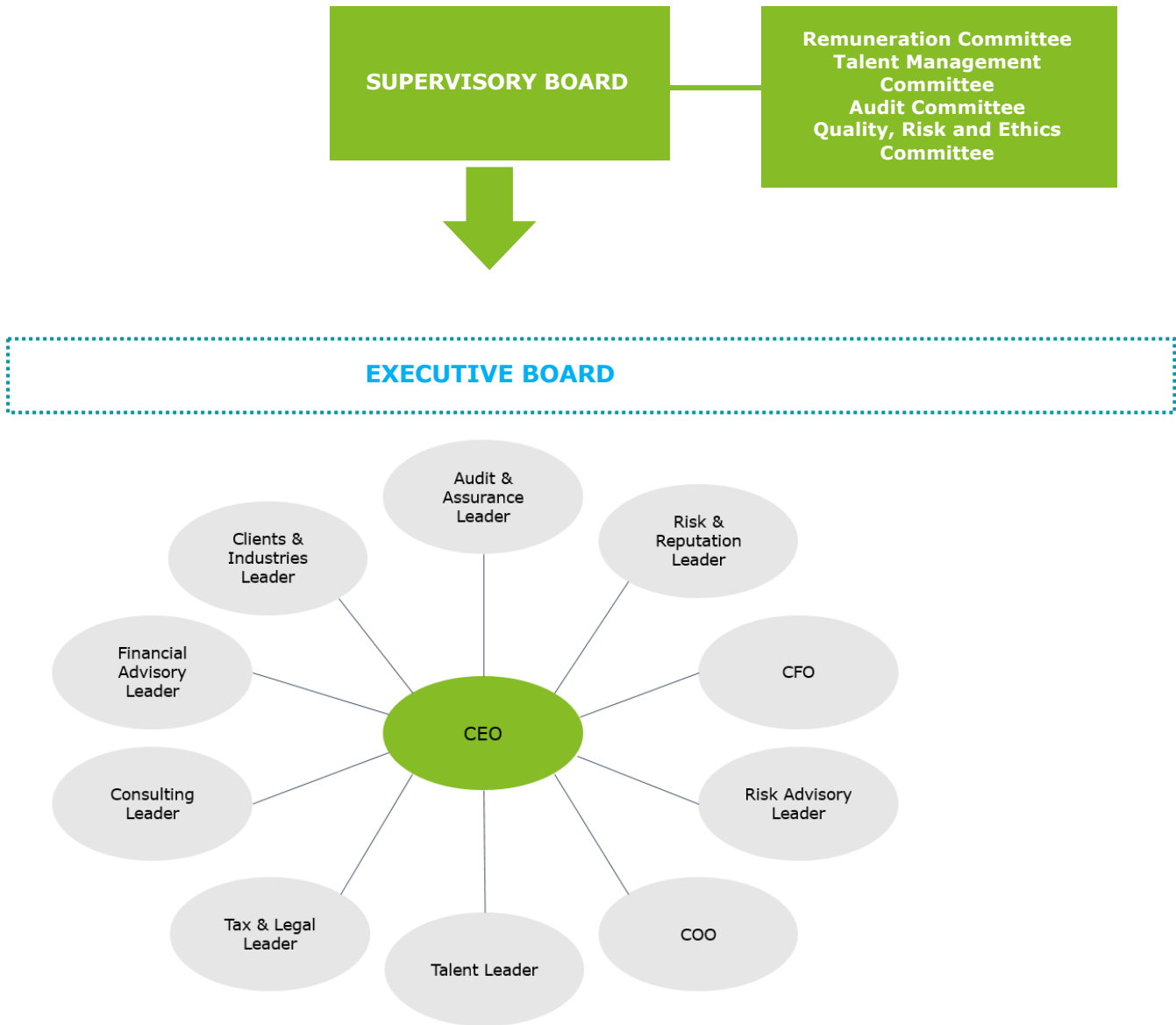
In addition, Deloitte Danışmanlık A.Ş. for consulting services, DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. for Corporate Financing Services, DRT Yönetim Hizmetleri A.Ş. for Management Supporting Services and Etik Hattı Ltd. for Ethical Line Supporting Services use the "Deloitte" brands in their own operations.

Companies stated above do not provide audit service, and their relationship with the Company is restricted to only providing information and opinion in their specialty if required for independent audit services.

In addition, in the processes of acceptance of client and engagement, they are subjected to the independence checks required in order to provide service to clients for which the Company renders audit service, and to independence approvals required to be received in accordance with the rules of DRT SMMM and DTTL.

V) ORGANIZATIONAL STRUCTURE

The Company has the organizational structure below as a group with the other related entities incorporated in Turkey:



V) ORGANIZATIONAL STRUCTURE (cont'd)

Supervisory Board monitors the activities of the CEO ("Chief Executive Officer"). Supervisory Board consists of at least five (5), and at most seven (7) members. The topics discussed in the Supervisory Board are quality and risk, strategy, clients, talent, and financial information. Supervisory Board monitors Remuneration, Talent Management, Audit, Ethics and Quality & Risk with the committees stated below:

- Remuneration Committee
- Talent Management Committee
- Audit Committee
- Quality, Risk and Ethics Committee

The chairman of the executive board is CEO, and the CEO is responsible from the Group's management and its activities. CEO determines all leaders from partners and the Supervisory Board may accept. Each member of the Executive Board has different responsibilities reflecting the team spirit in the committee. As of 31 May 2020, the Executive Board consists of CEO, CFO, COO, Audit & Assurance Leader, Tax & Legal Leader, Consulting Leader, Risk & Reputation Leader, Risk Advisory Leader, Talent Leader, Financial Advisory Leader and Clients & Industries Leader. The Executive Board holds meetings every month regularly.

Ali Çiçekli was assigned as the Audit and Assurance Business Leader by the CEO of Deloitte Turkey. The Audit and Assurance Business Leader and the key management develops and applies required strategies including relevant policies and procedures for audit function. Deloitte Turkey's key management is responsible from the audit quality including compliance with professional standards and legal requirements in all its activities. The strategy of Deloitte Turkey has been developed in line with the general strategies formed for the Deloitte network.

Deloitte Turkey Audit and Assurance Business Leader ensures keeping quality standards at the same level with Global by attending meetings on audit quality standards in Deloitte network.

The Company is managed with the shareholding structure, the management personnel and the organization structure above as detailed in sections II and III. The Company has total of 506 personnel consisting of 22 Partners, 31 Auditors, 419 Assistant Auditors, and 34 Intern Auditors. These engagement teams that perform field activities for the clients which services are provided for are supported by the quality control team, information technology team, risk and independence team, administrative, and information processing team and human resources team.

Our Purpose and Commitment to Audit Quality:

Our purpose is to make an impact that matters. For Audit services, this means a focus on delivering independent high-quality audits and instilling confidence and trust in the capital markets through the services we deliver. This requires us to continuously build capabilities to support the delivery of high-quality audits and make leading contributions to shaping the future of the audit profession.



VI) What Deloitte Audit & Assurance Brings to the Sector

Audit & Assurance Transformation

Being a relevant profession of the future and a sustainable practice that evolves with the pace of change in technology and society is critical. Driving this goal is the Deloitte Audit & Assurance Transformation initiative, which is currently being developed and deployed across the Deloitte network, including Deloitte Turkey.

Audit & Assurance Transformation is an important shift across the network in the way Deloitte professionals work and includes:

The Deloitte Way: standardization of audit processes supported by our global technology suite	Real-time audit quality monitoring
Enhanced talent model which includes learning, rewards and recognition, centers of excellence, and delivery centers	Agile deployment of tools and technologies to respond to changing environments

Deloitte Global leadership

The Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Deloitte Global Audit & Assurance Business Leader. Deloitte Global Audit & Assurance responsibilities include:

- Developing and driving Deloitte Global Audit & Assurance strategy,
- Setting audit methodology standards and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network,
- Driving key audit quality initiatives and policies across the Deloitte network.

Audit engagement acceptance and continuance

As a part of Transformation efforts, global initiatives are underway to foster a standard approach to audit engagement acceptance across the Deloitte network, resulting in consistent decisions and consideration of risks.

Deloitte Turkey has detailed policies and procedures in place for accepting prospective clients and engagements and assessing engagement risk. These policies and procedures are designed with the objective that Deloitte Turkey only accepts engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant ethical requirements and professional standards, including independence and conflicts of interest assessments and considerations.
- Considered the integrity of the potential client’s management team.

VI) What Deloitte Audit & Assurance Brings to the Sector (cont'd)

Coronavirus disease 2019 (COVID-19)

Deloitte's highest priority is the safety and well-being of its professionals. As the impact of COVID-19 unfolds, investors and stakeholders are looking to auditors to provide an independent opinion on companies' financial statements more than ever. Deloitte remains committed to this critical role and delivering the highest quality audits.

Entity management is faced with significant uncertainty in making judgments to project future operating results and cash flows, going concern, and developing valuation analysis, etc. The financial reporting process likely requires careful analysis and further considerations of impact from management and auditors, given the current environment.

All stakeholders of the financial reporting ecosystem must exercise significant judgment in this unprecedented and uncertain environment—governments, when projecting the length of closures; bankers, when deciding if a loan can be repaid in full; management, when evaluating if a company can continue operating as a going concern and audit committees providing oversight of management; auditors, when assessing these judgments; and investors, when analyzing the available financial information in light of these unprecedented uncertainties.

Although the existing accounting frameworks have provisions for uncertainties, it is important for financial statement users and regulators to expect a higher degree of market and economic volatility in the near future.

Deloitte welcomes the public statements and guidance issued by regulators that recognize the current uncertainties and emphasize the importance of high-quality, forward-looking corporate disclosures. Importantly, some regulators have conveyed that good faith attempts to provide investors and other market participants with appropriately framed forward-looking information will not be second-guessed. Deloitte seeks to raise awareness about the areas that pose challenges and require more scrutiny, context-specific judgment, and increased skepticism and documentation. There is benefit to the public for greater transparency from various financial reporting ecosystem stakeholders raising awareness about these issues. This includes providing more clarity on the responsibilities of management, audit committees, companies, auditors, regulators, and other stakeholders.

Deloitte's global technology and infrastructure have allowed for an agile and rapid response to the various impacts of COVID-19. We have prepared for various contingencies in order to support changing client needs and to keep Deloitte professionals informed while working remotely. Deloitte's business continuity plans have been updated and we have affirmed that Audit & Assurance products and solutions have the necessary bandwidth to ensure continuity. We have launched the Deloitte Global Audit & Assurance Technical Delivery Resource Center—a central location for globally relevant and locally adaptable Audit & Assurance COVID-19 related resources. In addition, COVID-19 industry disclosures have been added to the Disclosure Analytics tool to provide example disclosures across several areas, including risk factors, subsequent events, and management's discussion and analysis.

VI) What Deloitte Audit & Assurance Brings to the Sector (cont'd)

Multidisciplinary model (MDM)

MDM is an important contributor to high-quality audits. Auditors increasingly use the work of specialists in a number of areas, including to assist in their evaluation of accounting estimates and fair value measurements when auditing companies' financial statements that are increasingly complex as a result of COVID-19. Further, as big data utilization becomes more pervasive in line with other digital advances, the demand for data analysts and IT specialists will grow accordingly. Among the benefits of the MDM are:

- It is possible to develop industry insights through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audits.
- The audit practice has immediate access to specialized resources and expertise in other business lines. It promotes audit quality because auditors can tap the expertise of advisory professionals who are skilled in subjects that may not be native to auditors.
- A diverse organization helps attract and retain premier talent.
- Intellectual capital is available within the network to innovate audit processes, technologies, etc.
- Different parts of our business grow at different rates during different time periods in different markets. Our MDM provides a hedge against market volatility that is important to long-term viability of the network and makes significant investments in audit quality and innovation possible, even in times of financial pressures on the audit business.

Deloitte's response to COVID-19 demonstrates both resiliency in putting audit quality and the public interest first which is further supported by the significant benefits of the MDM. Negative quality events have the potential to impact the Deloitte brand as a whole. As such, each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives.



The organizational capabilities we build

Deloitte culture and the design of our learning programs place our people at the forefront. Deloitte professionals are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, and are continuously enhancing their skillset and experience.

Deloitte is committed to delivering an unrivaled talent experience, developing our professionals, and furthering their careers by creating a life-long learning environment. We are advancing audit education, skillsets, and flexible career options that appeal to future auditors.

Deloitte professionals bring diverse backgrounds, knowledge, and skillsets that enhance our capability as an organization in delivering the highest quality audits.

In addition, operational discipline, effective management of our business, and the development of a singular approach to doing audits known as The Deloitte Way provide the foundation for our commitment to bring consistency to our audits.

We are driving a sustainable audit and assurance business that recognizes and rewards its people and funds ongoing investment in our business.



Learning and development initiatives

Deloitte's transformed approach to audit delivery is changing the audit experience for our professionals. Audit teams are empowered by more advanced tools and technologies and more extensive use of data analytics within a guided workflow to execute the end-to-end audit cycle. For our professionals, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using forward-looking techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and capabilities. For example, the following skills become more important—enhanced data analytics, project management, critical thinking, communication, enhanced professional judgment, and the application of accounting and auditing principles to work more effectively and deliver higher quality engagements.

Not only do we deliver value in more areas, but as we enhance capabilities and skillsets, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical audit curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, we have a single, global mandatory Audit technical learning curriculum for auditors, targeting learners by level, using a dynamic blend of live instructor-led, and digital on-demand courses and on-the-job activities.
- All client service professionals are required to complete at least 20 hours of continuing professional education (CPE) each year and at least 120 hours every three years, through structured, formal learning programs, such as internal or external courses, seminars, or e-learning covering all areas of the competency model
- All client service professionals have clearly defined role expectations and our global Talent Standards outline the capabilities that are required of practitioners at each level.

Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. Enhanced project management, a key capability for executing audit engagements, has been included in annual development programs. The objective of the Deloitte Turkey professional development program is to help partners and other professionals maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, Deloitte Turkey provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit Curriculum.



The high quality audits we deliver

The experience of a high-quality audit, delivered well, will provide the audit committees, investors, and other stakeholders of the companies with (but not limited to):

- An audit report that is appropriate to the circumstances.
- Innovation in how we do the audit.
- More insights about their company than they had at the outset of the process.



VII) EXTERNAL AND INTERNAL AUDIT QUALITY MONITORING

Audit Quality Monitoring & Measurement

A continued focus on audit quality is of key importance to the Deloitte brand. It is critical that a Deloitte audit is consistently executed and of high quality, wherever in the world, it is performed.

The objectives of the Global Audit Quality Monitoring & Measurement (AQMM) program are to:

- Transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- Enhance the internal system of quality control which all Deloitte network firms follow.

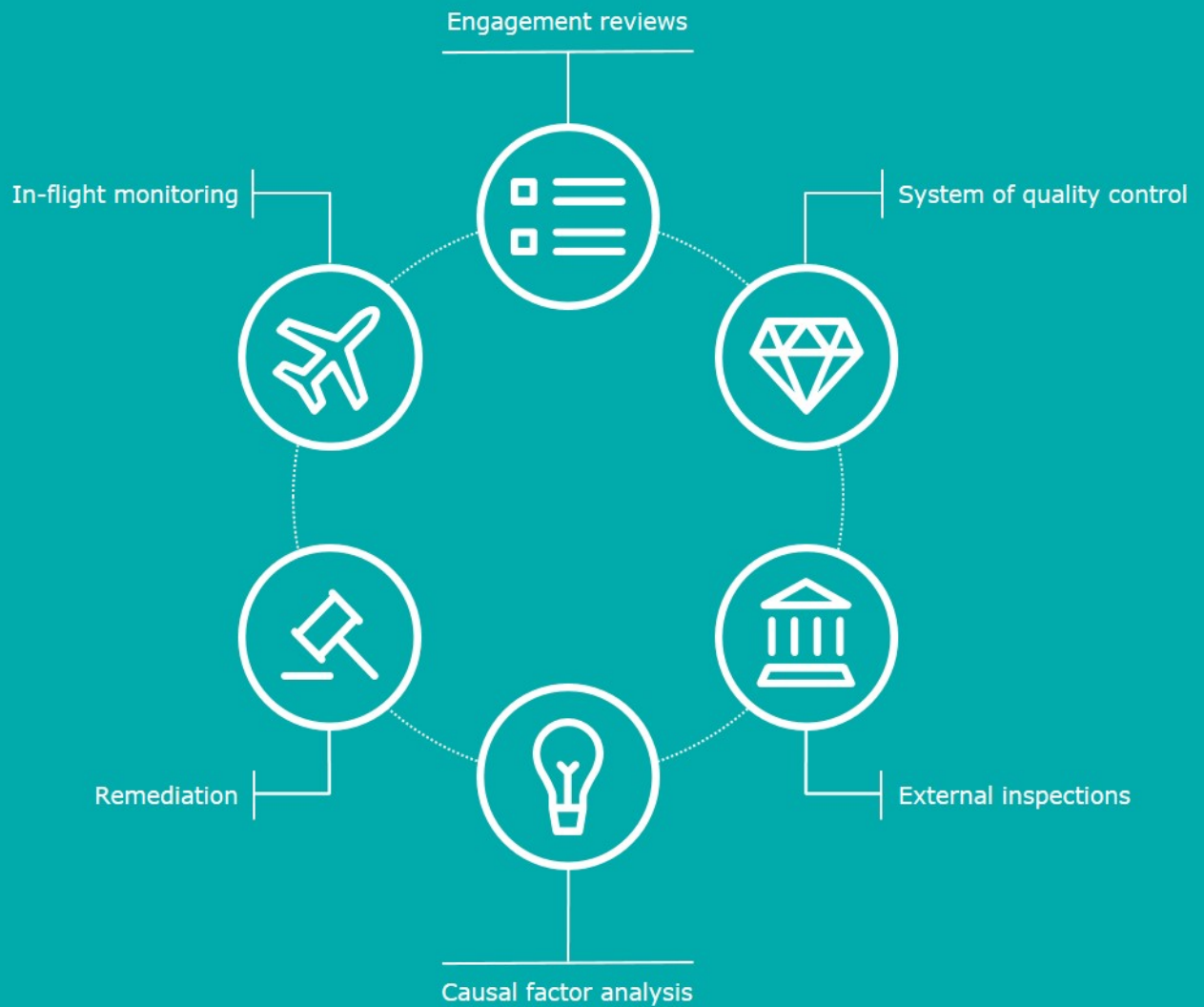
The AQMM program is focused on driving:

- Continuous, consistent, and robust monitoring of completed and in-flight engagements,
- Fundamental understanding of deficiencies and timely execution of corrective actions by all member firms consistently,
- Greater transparency and consistency in reporting key measures of audit quality.

Deloitte Turkey maintains policies and procedures to promote an internal culture based on the recognition that quality is the number one priority. Deloitte Turkey focuses on professional excellence as the foundation for achieving audit quality on a consistent basis.



Audit Quality Monitoring & Measurement



VII) EXTERNAL AND INTERNAL AUDIT QUALITY MONITORING (cont'd)

In-flight monitoring

Continuous audit quality monitoring by Deloitte Turkey drives a faster response to audit issues on “in-flight” engagements, driving identification, timely solutions, and real-time corrective actions achieved by:

- Continuously monitor audit quality and take immediate action by using core Diagnostics reports with engagement partners and teams, as well as audit quality leaders.
- Assess progress and identify potential issues on in-flight engagements in scope of the “health checks” program.

Engagement reviews

Key components of engagement reviews include:

- Risk-based engagement selection by considering all major industries served by Deloitte Turkey.
- Mandatory Moderation Panel to drive consistency in findings and engagement file assessments.
- External partners and deputies who oversee practice reviews to increase global consistency.
- Identifying appropriate resources with the right experience and industry expertise, including establishing central review teams.

System of quality control (SQC)

SQC includes numerous elements such as documenting key areas of the SQC processes and controls and performing procedures for testing the operating effectiveness of the SQC, including the execution of a comprehensive SQC review program.

Used in conjunction with other metrics, Audit Quality Indicators (AQIs) further assist Deloitte Turkey in developing and monitoring audit quality action plans and reporting on the progress in audit quality. AQIs are integrated with ongoing AQMM activities.

In addition, proper timing and sequencing of audit activities, including timely reviews of work performed and the resolution of matters identified, are closely associated with high-quality audits. Audit Quality Milestones are intended to drive consistency of engagement teams in project management, the timing of when work is done, and necessary focus on engagement staffing, including sufficiency and expertise of assigned resources.

Causal factor analysis and remediation

Focusing on continuous improvement is essential to driving improvements in audit quality. Understanding why audit deficiencies occur is essential to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies in the performance of an audit engagement are identified. An Audit Quality Plan is prepared by Deloitte Turkey and provides for effective implementation and monitoring of key audit quality priorities.

VII) EXTERNAL AND INTERNAL AUDIT QUALITY MONITORING (cont'd)

External Inspections

In addition to Deloitte Turkey's own monitoring of audit quality, we are subject to external reviews by regulators.

In July-August 2018, POA inspected two of our audits of non-PIE entities for 2017 years. In October 2019, we are informed by the POA on the issues regarding the compliance of the audits with the independent audit standards. These findings have been identified as improvement areas in our audit activities and necessary actions have been taken by us in order not to repeat these findings.

In October 2019, the POA conducted an inspection on one of our audits of a bank for 2018 year. The final decision by the POA has not yet been finalized.

Quality is the number one priority of our Company and DTTL network. During the development of our quality assurance system, we regard internal and external evaluation processes. We evaluate all comments, suggestions, and findings comprehensively and develop our Audit Quality Plan. The implementation of this plan is monitored regularly.

The Audit Leadership has a continuous communication program with the partners including current issues and feedbacks on monitoring activities. Quality is a permanent agenda item in the monthly partner and manager meetings and meetings with the auditors.

VIII) AUDITED PUBLIC INTEREST ENTITIES

The list of public interest companies, funds, institutions and organizations, whose financial statements of 2019 are examined and which are in the scope of Decree Law No. 660 or which are later included in the scope of PIE by the Board, is provided in Appendix A.

IX) POLICIES ON CONTINUING EDUCATION OF AUDITORS

Our training activities are grouped under two main groups, as classroom trainings and e-learning trainings planned for each level.

1- Classroom trainings

a) Technical trainings:

Legislation, audit techniques, auditing standards and ethical rules are carried out starting from June until September every year for a minimum of 1 week. In addition, the training program is supported throughout the year with additional trainings organized on different dates for special sectors such as financial institutions (banks, insurance companies, etc.) and on special topics such as derivative transactions and consolidation.

b) Managerial competence trainings (soft skill trainings):

It is applied within the “Global Excellence Model (gEm)” of Deloitte aiming the development of managerial competence.

2- E-learning programs

For each title, the total hours of e-learning that must be completed within one year are determined and the completion processes of these learnings of the employees are monitored. It is expected that all of our technical personnel will choose among e-learning programs, register to the selected trainings and perform the trainings in line with the results and interests of the career and performance interviews in order to meet the determined total hours per year.

3- Trainings abroad

The technical team established regarding the relevant financial reporting standards and technical issues that require special expertise attends the trainings abroad and shares their training experience with the other personnel working in Turkey. The team that will attend the trainings for the relevant topics in the year are determined based on the content and intensity of the developments and sufficient number and participation is provided to the relevant trainings. Additionally, the personnel is trained regarding audit, accounting standards, corporate financial management, banking, insurance and individual annuity insurance legislation in the scope of POA legislation.



IX) POLICIES ON CONTINUING EDUCATION OF AUDITORS (cont'd)

The table below summarizes the major technical trainings delivered to auditors including the duration, date and targeted participant for the period 1 June 2019 to 31 May 2020:

Course Subjects	Date	Level of Participants	Time (Period)
2019 Practice Reviewer Training	20 June 2019	Partner - Director - Senior Manager - Manager - Assistant Manager (Selected Individuals)	3 hours
SQC Reviewer Workshop	21 June 2019	Partner - Director - Senior Manager - Manager - Assistant Manager (Selected Individuals)	1 hour
Practice Review Common Findings	23/24/25 October 2019	Supervisor - Experienced Senior - Senior	3 hours
Exam Preparation Training- Independent Auditor License	21 June /30 October / 4 November 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	24 hours
Continuous Professional Development Trainings for Independent Auditors	29-30 November/ 13 December/ 12-14 December 2019	Partner-Director-Senior Manager-Manager – Assistant Manager (POA License Holder)	21 hours
Audit Excellence	24 July/ 9 September/ 21 December 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Supervisor - Experienced Senior	7 hours
IFRS Excellence	25 July/ 10 September 2019	Partner - Director - Senior Manager - Manager - Assistant Manager	7 hours
Audit Technical Trainings	24-29 June /1-6 July/ 2-7 September 2019	Supervisor - Experienced Senior	45 hours
Audit Technical Trainings	17-21 June/ 24-28 June /1-5 July / 2-6 September 2019	Semi-Senior	45 hours
Audit Technical Trainings	24-28 June /1-5 July 2019/ 2-6 September 2019	Senior	45 hours

IX) POLICIES ON CONTINUING EDUCATION OF AUDITORS (cont'd)

Course Subjects	Date	Level of Participants	Time (Period)
Audit Technical Trainings	4-11 October 2019	Assistant	48 hours
Partner & Manager Academy	13 September / 31 October 2019	Partner - Director - Senior Manager - Manager - Assistant Manager	11 hours
Partner & Manager Academy Webcasts	25 December 2019 / 3 January/ 7 January / 15 January 2020	Partner - Director - Senior Manager - Manager - Assistant Manager	4 hours
Covid-19 Webcast Series	25 March /28 April 2020	Partner - Director - Senior Manager - Manager - Assistant Manager	2 hours
Webcast to Audit Teams – Common Errors	16/17 January 2020	Supervisor - Experienced Senior - Senior	1 hour
Covid-19 Webcast	10 April 2020	Audit Team	1 hour
Transformation Trainings	18 September/ 20 September/ 26 September / 2 October / 3 October 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	3 hours
PCAOB Advancing Audit Quality	27 September 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	8 hours
New to PCAOB Training	24 December 2019	Senior Manager	8 hours
PCAOB Webcast Series (7 webcasts)	25 November 5 December/ 19 December/ 9 January/ 28 January/ 20 February/ 19 March 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	7 hours
Trainings for FSI Engagement Teams	6 July /1 October/ 14 October / 18 October/ 23 October/ 24 October 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	28 hours
Trainings for Insurance Engagement Teams	16-17 October 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	12 hours

IX) POLICIES ON CONTINUING EDUCATION OF AUDITORS (cont'd)

Course Subjects	Date	Level of Participants	Time (Period)
Trainings for Factoring & Leasing Teams	18 October 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	3 hours
Ethics Classroom Training	8/27 November 2019	Audit Team	2 hours
Informatory Session for New Performance System	8 October/ 11/18/22 November 2019	Partner - Director - Senior Manager - Manager - Assistant Manager - Audit Team	1 hour
Inventory Count Training	18/21 December 2019	Assistant	2 hours
Project Management and Managing Audit Quality	3 January 2020	Manager - Assistant Manager	9 hours
New Manager Bootcamp	8-9 July /18 July 2019	Assistant Manager	24 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Partner-Director	20 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Senior Manager-Manager	23 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Assistant Manager	29 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Supervisor-Experienced Senior	22 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Senior	30 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Semi-senior	21 hours
Audit and IFRS E-learning	1 June 2019 / 31 May 2020	Assistant	27 hours

X) INDEPENDENCE POLICY COMPLIANCE

Compliance to relevant provisions of Law no. 6102 regarding the independence and the protection of the independence, Article 22 of Independent Auditing Regulation, Turkish Standards on Auditing ("TSA") and regulations of other regulatory Boards and Institutions is monitored regularly and the independence declarations of auditors and partners are obtained in accordance with TSA. Ethical values, risk management and independence are monitored by a central team established within the framework of both the POA legislation and the Company's internal policies/procedures.

Code of Ethics:

Central to our approach to ethics is our Ethics Code, which incorporates The Global Principles of code of conduct. These principles were developed to ensure a consistent approach to ethics across our member firms. The Global Principles of Business Conduct apply across the Deloitte Network and provide the foundation for how all our people behave. Resources on our interactive Ethic Code website and firm-wide communications seek to embed these principles and promote discussion on ethical issues. All our employees have completed their annual ethics trainings.

Our firm-wide ethics courses equip our people with the right skills and knowledge to make appropriate ethical decisions and to promote our desired culture. Ethical challenges are explored using a suite of mails and interactive ethic course to demonstrate how ethical difficulties can be resolved through consultation with others.

Positive actions have been taken to strengthen the links between the firm's motivational (incentives, rewards, performance management) and disciplinary systems and recruitment procedures so they align with the firm's purpose, values, expected behaviors, strategy and desired audit quality culture.

Deloitte expects high standards from all its people, especially in relation to conduct and integrity. Where the behavior of our partners and staff falls short of the standards expected of them, it is dealt with through the firm's investigation procedures and commensurate action is taken.

XI) ALLOCATION OF INCOME

The allocation of income as of 31 May 2020 is as follows;

	TRY'000
Audits of financial statements	102,267
Other audits	6,645
Income from non-audit services	71,051
Total	179,963

XII) BASIS FOR PARTNER REMUNERATION

Execution of high-quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is recognized through reward and recognition programs and is built into performance standards at every level, against which professionals' overall evaluations are measured.

In accordance with global policies, Deloitte Turkey's partners are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account:

- Quality and risk
- Clients
- Financial contribution
- Human resources

All Partners are required to meet the expectations of the Company regarding integrity, independence, risk and quality. While the main quantitative contributions expected from managers are quality and risk, client, financial contributions and human resources, qualitative contributions are determined on a person-by-person basis within the framework of the roles and responsibilities of managers. The degree of these contributions is assessed through mutual negotiations during the performance evaluation process.

Remuneration decisions are made by evaluating the performance of the Company and the Partners, the market dynamics and internal balances. For this purpose, the reports provided by remuneration research companies are carefully evaluated.

XIII) QUALITY CONTROL SYSTEM

The Company is subject to quality control policies, procedures and legislations announced by local regulators (POA, CMB, BRSA, EMRA, R.T. Prime Ministry Undersecretariat of Treasury, R.T. Ministry of Economy, R.T. Ministry of Customs and Trade) and Deloitte Global.

Our quality control system is based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), Independent Audit Regulation (IAR) issued by POA, Independence Audit Standard 220 (IAS 220) and Quality Control Standards 1 (CCS 1) and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the Code of Ethics for Independent Auditors published by the POA.

Statement on the effectiveness of the functioning of the quality control system

We confirm that we are satisfied that our quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.

The quality control system formed consists of the elements below:

- (1) Leadership responsibilities for the quality within the Audit Company
- (2) Relevant ethical and independence provisions
- (3) Performing audit
- (4) Monitoring
- (5) Acceptance and continuance of clients and engagements
- (6) Human resources

(1) Leadership responsibilities for the quality within the Audit Company

The Company supports the prioritization of quality for the company culture by featuring required implementations and rules. The Company believes that professional excellence is the basis of providing a high audit quality at a sustainable level. The management of the Company undertakes every responsibility for quality control system, and the Board of Directors has the final responsibility for the quality control system.

The Board of Directors of the Company authorized a Quality and Risk Leader ("QRL") and a National Professional Practices Director ("NPPD"). QRL and NPPD are supported by the National Office established within the scope of the quality control system.

(2) Relevant Ethical and Independence Provisions

Ethics

The Company is obliged to comply with the code of ethics required by Turkish legislation. Within this framework, it is also obliged to comply with the Code of Ethics for Independent Auditors published by the POA and DTTL rules and procedures. The DTTL rules include the same regulations as the provisions and rules set out in Sections A and B of Code of Ethics for Professional Accountants issued by International Ethics Standards Board for Accountants - "IESBA" which is a regulatory institution of International Federation of Accountants - "IFAC".

The Company has assigned a partner other than the CEO as "Ethics Leader". The Ethics Leader reports directly to the CEO and the Company's executive body.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Ethics (cont'd)

"Deloitte Turkey Code of Conduct" forms the ethical framework which governs all our professional activities. It is the basic principle of how we should approach our business, clients, colleagues and external parties. By forming a framework, it helps our employees when they need a guideline about how professional activities should be carried out. The principles that form the basis of our Company must be understood by everyone. Deloitte Turkey Code of Conduct is vital to achieve this goal. Our Code of Conduct has many different dimensions. Some of these are regulatory or legal conditions affecting our Company and employees and some are the practices of our Company policy. However, all of them are consistent with the personal responsibilities we accept at Deloitte as the Partners and employees.

The Code of Conduct includes:

- Our ethical principles and common values – responsibilities;
- Our ethical responsibilities towards clients; the need to protect our independence
- Our obligations to comply with legal and regulatory authorities;
- Our support to society;
- Our responsibilities to each other; and
- Our responsibilities to ensure the information security.

Everyone in our Company is responsible for knowing, understanding and complying with Deloitte Turkey Code of Conduct. Failure to comply with it may result in serious risks to the Company and its employees furthermore it may result in disciplinary actions including dismissal. In addition, all partners and audit teams declare that they have read, understood and are obliged to comply with Deloitte Turkey Code of Conduct.

The Company provides various communication channels through which its partners and employees can consult and discuss ethical issues. There is also a "Protection against Retaliation" policy to support the consultation process and is also included in this guide. The "Protection against Discrimination and Harassment Policy" came into effect as of 31 December 2019, in order to support the working environment specified in the Code of Conduct guide.

The Company shows the importance it attaches to ethics and independence issues with the communication tools it uses, the training programs it implements, its compliance processes and the policies it has put into effect.

Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior.

Deloitte’s Global Principles of Business Conduct (“Global Code”) outlines Deloitte’s ethical commitments as a network and expectations for Deloitte’s approximately 312,000 people, giving a strong, principled foundation. The foundations of the network’s ethics program is comprised of the following elements:



XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Deloitte Global Independence

Deloitte Global Independence



Sets **independence policies and procedures** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board. Performs full reviews of independence quality controls on a three-year cycle; provides an annual focused review program to be performed by member firms as part of their Audit Practice Review for the off-cycle years; and performs in-depth follow-up reviews as needed.



Performs **on-going monitoring** activities of firms—enabling continuous enhancements to global policies, quality controls, tools, and practice support activities.



Delivers **global systems** to provide professionals with entity information to support compliance with personal and professional independence requirements, including financial interests and scope of service approvals.



Supports **independence awareness** across the Deloitte network through an active engagement with independence and business leadership groups, periodic communications and alerts, and development of guidance, learning and instructions.

Independence

The Company has policies and practices developed to ensure compliance with existing professional standards in relation to independence within a reasonable assurance framework. These policies and procedures are identified based on the rules, and are developed according to more restrictive regional standards, or reflect Deloitte Global policies as appropriate.

The key elements of the system of quality control that Deloitte Turkey implemented in accordance with global policies include the following:

- Independence policies and practices
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Global Independence Monitoring System (GIMS), Confirmation/Notification and Consultation processes
- Business relationship assessments and monitoring
- Independence-related learnings and communications
- Monitoring of independence systems and controls relating to personal independence, engagement and practice reviews
- Disciplinary measures and actions
- Assignment of responsibility for independence systems and controls
- "Tone-at-the-top" culture relating to independence

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Independence (cont'd)

1: Independence Policies and Practices

The Company's independence policies and practices apply to the Company, its shareholders, professional, support staff and their relatives. In some cases, these policies and procedures are more restrictive than global independence rules and include independence rules for the Company's audit clients ("Restricted Company") and its subsidiaries to maintain their independence.

In accordance with these policies, before engaging in any commercial activity with an entity, the Company, its partners and professionals (their spouses and dependents) must know whether the related entity is a restricted company, apart from other relations. The Company, the Company's shareholders and the management professionals/managers record their financial investments and brokerage accounts in "GIMS" which is a monitoring system. GIMS enables monitoring financial investments and brokerage accounts electronically and determining independence compliance related to holding these assets. In order to provide individual compliance to the Company's independence policies, the Company's partners, professionals and support staff makes independence confirmation every year beginning from the first date they started their job in the Company.

The Company's partners, professionals and support staff can access the independence policies and practices of the Company electronically. The changes in these policies and practices are also notified electronically to the Company's partners, professional and support staff. Further information and documents on independence are available on the independence website. Reminders about these policies and other practices are regularly published as part of communication to strengthen awareness and understanding of independence policies and highlight changes in international restricted companies.

There are policies and practices required to ensure that the Company's partner responsible for the audit service takes independence issues into consideration during the audit work and communicates with the audit committee or those responsible for its management, if required.

2: DESC System, GIMS System, Confirmation/Notification and Consultation Processes

There are three practices applied to control the independence of the Company and the individual independence of the Company's partners, professionals and support staff: DESC system, GIMS system, and confirmation/notification processes.

These three applications support each other by (1) enabling the Company's partners and professionals to search in DESC (an international restricted companies database) and/or GIMS (a financial investment instruments and securities database) in order to determine whether an entity is a restricted company or its financial investment instruments or securities are restricted, (2) enabling the Company's partners and directors responsible from its management to record their financial investments and brokerage accounts in their portfolio in the GIMS system and (3) also enabling them to receive annual notifications from the Company's personnel on their compliance with independence policies in order to provide individual compliance to the Company's independence policies and to confirm that the Company and its personnel are in compliance with the Company's independence policies.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Independence (cont'd)

2: DESC System, GIMS System, Confirmation/Notification and Consultation Processes (cont'd)

DESC System

Member firms in the Deloitte network use DESC system. Member firms in the Deloitte network reports its audit clients and their subsidiaries that meet the definition of an international restricted entity, in the DESC system. The definition of international restricted company refers to public audit clients but also other clients that are public interest entities. Such international restricted entity information is recorded in the DESC system. The entity information provided by the Company to Deloitte is continuously updated to help ensure its accuracy and completeness, including periodic validation processes performed by engagement teams and/or the Deloitte member firms. Updates to DESC system's entity information are made based on these processes. The Company's partners and professionals can access DESC system online.

DESC system also has features that are used to request and document approvals related to providing services to a client. In many jurisdictions, a restricted entity's audit committee or others charged with governance must preapprove services that will be delivered within the restricted entity group. Where such features are enabled, DESC system's features establish a standard approval process, whereby service requests are submitted to the Lead Client Service Partner, who is responsible for obtaining and documenting appropriate authorization prior to approving the service request.

GIMS for Financial Investments and Brokerage Accounts

Each Deloitte member firm identifies and reports the publicly available securities and brokerage accounts at financial institutions that are associated with an international restricted entity. Such securities and financial institutions are recorded in GIMS. Deloitte member firms operate GIMS system, and each member firm in Deloitte network administers the related monitoring processes related to its partners and professional staff. Partners and professionals search the DESC and GIMS before acquiring a financial interest or establishing a brokerage account, to determine if restrictions apply that affect them. This includes investments and brokerage accounts of a spouse and/or dependent. Partners and managerial personnel enter defined types of financial interests and brokerage accounts into their individual portfolios in GIMS for monitoring purposes.

In addition, GIMS assists partners and managerial personnel by identifying situations that may not comply with the firm's policies so that they may be reviewed or corrected. When such a situation is detected, the system advises the individual that an Independence-impairing situation may exist, and poses questions that assist the individual in determining whether the item is permitted in particular circumstances. This includes generating notices, which are sent to an individual in situations where a once-permissible holding becomes restricted, so that appropriate and timely action can be taken. The Company monitors and follows up on these notices until the individual resolves the item.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Independence (cont'd)

2: DESC System, GIMS System, Confirmation/Notification and Consultation Processes (cont'd)

Confirmation/Notification Processes

The Company obtains confirmation from all of its partners, professional staff and support staff upon joining the firm, partners before being admitted to the partnership and existing partners when a change in location or role may change their independence requirements. Ongoing confirmations are also obtained on an annual basis from all individuals within the scope of current independence policies. Each Audit Team is required to declare and undertake that they have read and understood Deloitte Turkey's Ethical Provisions, the article 400 of Turkish Commercial Code and Article 22 "Independence and Preserving Independence", Article 26 "Restrictions on Audit Activities" of the Independent Audit Regulation issued by POA, and that there is no situation may harm or jeopardize independence in accordance with these articles.

The Company submits annual reports to Deloitte, confirming that it has taken appropriate steps to obtain sufficient evidence that it and its partners, professional staff and support staff comply with the applicable independence requirements (including that the Company itself is independent of restricted entities).

Consultation Processes

The Company determines the processes and policies to be followed by the Company's partners, employees, and the people to be contacted with regarding the independence matters of the Company's partners and employees. In addition, the Company consults with the Deloitte Independence Team and other member companies in case an opinion or advice is needed on these matters.

3: Business Relationship Assessments and Monitoring

The Company has a business relationship assessment and monitoring process. The objective of this process is to ensure that prior to entering in any business relationship with a restricted entity, its management or its substantial shareholders, it can be determined that the relationship does not impair independence with respect to that restricted entity.

4: Independence Learning

The Company provides independence learnings to its partners and professionals.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Independence (cont'd)

5: Monitoring of independence systems and controls relating to personal independence, engagement and practice reviews

Inspection of Personal Independence

On a periodic basis, the Company inspects for compliance with its independence policies and procedures. The objective of the inspection and testing programme is to determine whether the representations and information submitted by partners and professional staff on Independence matters and the information contained in GIMS is accurate and complete.

In the statutory audits of the financial statements of the entities, the Partner, EQCR and members of the engagement team are subject to the provisions of rotation. They cannot serve more than five years in last seven years. The related Partner and Audit Team, subject to rotation after 5 years of service, may provide audit services to the same client again after at least three years of cooling period has ended. In addition, during this three-year period, the related Partner cannot be assigned as EQCR of that audit work; the Audit Team cannot advise on technical and industry-specific issues and issues that may affect the outcome of the audit work.

The Company, the Partners and audit teams are obliged to be independent and from the audited entity and objective in the audit activities and may not participate in the decision-making mechanisms of the audited entities in any circumstances.

Partners, auditors and all other professionals are obliged to comply with financial independence policies. This obligation forbids the Company, all its employees and their spouses, even if they are divorced, and relatives up to 3rd degree (including 3rd degree) to enter into relations of interest, partnership, business in the capacity of key manager, borrowing or lending relationships except for ordinary economical relationships.

It is allowed to enter into the time/demand deposit and loan relationship which are routine banking transactions in terms of independence if the interest rates are the same as the market conditions and the rates granted to third parties.

Inspection of the Company's Compliance with Independence Rules

Internal independence practices are inspected at certain periods, and they do not exceed three years. These reviews include compliance with independence policies at both the Company and client levels.

6: Disciplinary measures and actions

The Company has disciplinary policies and practices in place to address non-compliance with its independence policies and practices. These policies and procedures are designed to be implemented in the event that the Company partners, professionals and support staff violate these disciplinary policies and practices.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(2) Relevant Ethical and Independence Provisions (cont'd)

Independence (cont'd)

7: Assignment of responsibility for independence systems and controls

The Company has assigned an Independence Leader, who is responsible for implementing and maintaining quality controls over independence. More specifically, the Independence Leader is responsible for taking the lead on all significant independence issues within the firm, including the implementation and maintenance of the firm's business processes related to: (1) independence consultations, (2) independence learning programs, (3) restricted entity information in DESC system, (4) use and monitoring of the features of the DESC system, (5) use and monitoring of GIMS, (6) annual confirmations, (7) testing and inspection programs, and (8) disciplinary processes. Communication channels exist between the Company's Independence Leader, the Company management and the Deloitte independence team. Further, the Independence Leader provides an update to the Company's Board of Directors at least annually about the significant independence matters that are relevant to the Company.

The Company has assigned a senior leader and independence team members who provide access to timely and accurate information designed to facilitate the independence function at the firm level.

8: "Tone-at-the-top" culture relating to independence

The Company's leadership reinforces the importance of compliance with Independence and related quality control standards, thereby setting the appropriate "tone-at-the-top" and instilling its importance into the professional values and culture of the firm. Strategies and procedures to communicate the importance of independence to partners, professional staff and support staff have been adopted, emphasizing each individual's responsibility to understand independence requirements.

Conflicts of Interest

Potential conflicts of interest are considered on all prospective engagements and prior to the Company entering into a financial or business relationship with a third party. The Company has policies and procedures in place to identify potential conflicts of interest arising when the Company either (i) accepts a prospective client/engagement or (ii) enters into certain business or financial relationships with another entity/client.

The Deloitte Conflict Checking System ("DCCS") is designed to support the Company's conflict-checking business process for identifying and managing potential conflicts relating to prospective engagements, business or financial relationships. For each new engagement or relationship opportunity, DCCS captures the principal parties to the engagement, the scope of work, the engagement team, and specific questions that are driven by the proposed service offering. As a part of each conflict check recorded in DCCS, there is an automated search of the DESC system to identify any potential audit/attest relationships. DCCS is also used for the control of conflict of interest between the Deloitte member firms. In general, DCCS is a database system enabling to search for existing services, studies and financial relations for new service requests or business relationships.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(3) Performance of audit

Assignment of Partners and Professionals:

The Company assigns a Partner as responsible for each audit service. The Company's rules and practices define these responsibilities and these responsibilities are communicated to the Partner. At the same time, the role and duty of the Partner are communicated to the management team and decision makers of our clients.

In accordance with the "Audit Quality" procedure numbered 3110 of the Deloitte Policies Manual ("DPM"), at the beginning of every financial year, the Audit Leader receives the information of time budget of projects from all Partners for each client. Then, the Audit Leader has meetings with each Partner and assigns the Partners in the Audit Services continually. Industry experience, progression and planned workloads of the partners are taken into consideration in this task assigning process.

For the new engagements, Audit Leader assigns Partners in these engagements considering their industry experiences and existing workloads and the budget performances planned for their works.

The Partners must ensure that the Audit Team has the skills, competencies and time to perform the Audit Service all together.

The Audit Team is formed according to the size and content of the work and complexity of the operations to be analyzed. All responsibility for the audit service provided and the supervision and control of each Audit Team are the responsibility of the Partner. The Lead Auditor and the Senior Auditor are responsible for the guidance and supervision of the Audit Team in the performance of the audit plan. The Auditor and Assistant Auditors are responsible for performing the audit on a daily basis. Other professionals may also participate in the Audit Team, if required.

In the planning for the Audit Team; the Partner considers many factors such as the competences of the Audit Team, their experiences in accordance with the nature of the engagement and whether there is sufficient time to perform the work. These factors are mainly as follows:

- Extent and complexity of the operation to be audited,
- Financial reporting system used in the preparation of financial statements,
- Probability of any conflict of interest or breach of independence regarding the service,
- Qualifications and experiences of professionals.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(3) Performance of audit (cont'd)

Independent Audit Techniques

Independent Audit techniques are based on the Independent Audit Standards (IAS) that a part of Turkish Standards on Auditing published by POA and include the requirements for the planning and performing of the audit. Common documentation and computer software enabling the common documentation are instruments facilitating the consistent performance of the Company's audit approach and effective and productive working.

The basic elements of the independent audit techniques are as follows:

Understanding the entity and its operations

An understanding of the activities of the entity, including its internal control mechanisms, is vital to ensure the financial statements of the audited entity are accurately prepared. The Company's audit teams accordingly applies the following methods to assess risks of material misstatements of financial statements: analyzing financial information to identify trends and unusual balances; holding in-depth discussions and meetings with the entity management; considering the inherent nature of each component of the financial statements and the associated risks; evaluating the reliability of relevant internal controls; assessing the extent to which technology is used in the financial reporting process, and, if applicable, reviewing the findings of internal audit inspections.

Testing Operating Effectiveness of Controls

The Audit Team collects information on the internal audit of the audited entity within the scope of financial reporting processes. The Audit Team also tests the entity's competence in preventing, detecting and correcting material errors if required by the audited company's financial reporting systems.

Audit Procedures

The Audit Team develops an audit plan to address the risks associated with the entity, the audit engagement, and financial reporting as a whole. Throughout an audit, the audit teams continually assess risk and the effects of their findings on audit procedures. Independent Audit techniques allow Partners and professional staff to modify audit procedures to address issues that arise during the course of an audit. Audit procedures to address risks of material misstatement include substantive procedures, which comprises tests of details and substantive analytical procedures, and tests of the operating effectiveness of controls.

Use of Experts

While the Partner retains responsibility for all aspects of an engagement, there are instances when an Audit Team utilizes an expert. In these instances, the engagement team must first evaluate whether or not the expert has the necessary competencies, capabilities and objectivity. In evaluating an expert's work constitutes appropriate audit evidence in support of financial information, the Audit Team considers:

- The source data used,
- The assumptions and methods used and, if appropriate, their consistency with those used in the prior period,
- The results of the expert's work in light of the Audit Team's overall knowledge of the business and the results of its audit procedures.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(3) Performance of audit (cont'd)

Independent Audit Techniques (cont'd)

Archiving of Engagement Documentation

The Company maintains policies to support the assembly and archiving of audit files, whereby the Audit Team submits the audit files for archiving within the shorter of the following timeframes: (1) 50 days from the date of the report (In case the 50th day is a holiday, the first business day following); (2) 30 days in case of a public company in the United States of America or one of its branch in Turkey. The Company's policies and practices address the retention of documents (in hard copy and electronically), including those that address the confidentiality, safe custody, independence, accessibility of, and the ability to retrieve archived documentation.

The audit engagement documents must be archived for 10 years from the date of the audit report.

Audit Documentation Reviews

A review of audit documentation must be performed by an auditor with more experience than the person who prepared the documentation originally. In some cases, certain elements of the audit documentation may be reviewed by multiple team members.

Engagement Quality Control Review Policies:

An engagement quality control review is performed for all audit services except for some exemptions. The independent audits and examinations related to all financial statements and all other historical financial information of public interest entities, entities determined by POA and entities determined by Deloitte Turkey National Office must be performed with An "Engagement Quality Control Review" ("EQCR") process before the completion of the report regarding other assurance audits and related services.

The EQCR process is performed by a Partner or Auditor who is not directly involved in the engagement, and who has the appropriate experience and knowledge about the applicable accounting and auditing standards and regulations. Appropriate experience and knowledge include experience and knowledge of the entity's industry, economic environment, and accounting principles.

For all public interest entities and engagements with risk level greater than normal or much greater than normal, the EQCR process is performed by a Partner, with sufficient and appropriate experience and professional qualifications to act as an Engagement Partner on the audit of public interest entities.

For each work subject to the EQCR process, a professional is assigned to review quality control of the audit by the NPPD based on criteria stated in the article above.

The reviewer's responsibilities are to perform an objective review of significant auditing, accounting, and financial reporting matters, to document the procedures he/she performs, and to conclude, based on all the relevant facts and circumstances of which he/she is aware, that no matters that have come to his/her attention would cause him/her to suspect that the significant judgments made and conclusions reached were inappropriate, given the circumstances.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(3) Performance of audit (cont'd)

Independent Audit Techniques (cont'd)

Special Reviews

For engagements that have been identified as having “much greater than normal” engagement risk, a Special Review Partner is assigned to provide an additional level of competence and objectivity in planning and performing the engagement. The Special Review Partner is independent of the engagement. Normally this Partner possesses specialized industry and technical skills applicable to the engagement and, in certain situations, independent of the practice unit to enhance objectivity or provide specialized resources.

Consultation Network and Differences of Opinion

In accordance with Deloitte Policies Manual (“DPR”) 35000-Consultation Network, the Member Firms should manage their practices by promoting the consultation culture that projecting the Partners and Professionals to receive support from professionals with information, competence, objectivity, authority and decision-making abilities in the related subjects, if required. This culture should extend throughout the Member Company and to all the function and service channels of the Member Company's professional practices, as well as to the practice management functions (human resources, independence, ethics, etc.).

The necessity of consulting to professionals in or out of the Member Firms for questions on technical accounting and audit related to application, interpretation and reporting of the relevant standards, or for other subjects related to an Audit Service requiring specialty (industry, complex data processing systems, tax, etc.) should be considered by the Partner.

In addition, the Partner is responsible from the issues below:

- Participating in the consultation process for the relevant subjects as required
- Ensuring that the results of the consultation process are properly documented and applied
- Tracking costs arising from receiving support from an expert.

NPPD coordinates all consultation processes regarding accounting and audit for Deloitte Turkey or acts as a focal point in these processes.

There are also policies and procedures in place to resolve differences of opinion among Partners and other members of an Audit Team, including those involved in a consultative capacity.

(4) Monitoring

Annual Quality Assurance Reviews

During the review, it is evaluated that the policies and procedures related to the quality control system are proper and sufficient and operate effectively. The findings are shared with the Audit Team, the Quality and Risk Leader, the National Professional Practices Director and the Board of Directors. The findings are also reported to Deloitte Global. Necessary measures are taken concerning the findings, included the trainings and additional action decisions to improve the quality.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(4) Monitoring (cont'd)

Annual Quality Assurance Reviews (cont'd)

In accordance with DTTL policies, the Company's audit activities are subject to an annual quality assurance review called "Practice Review" and coordinated by Deloitte Global. Compliance with this policy is ensured through annual quality assurance reviews covering audit activities over a three-year cycle.

Annual quality assurance review is carried out in accordance with the provisions of "Practice Review Manual" issued by Deloitte Global. The annual practice review program is designed to cover a number of offices and audit partners each year. Each Partner is subject to periodic quality assurance reviews for not less than three years. Consideration is also given to the performance of the managers. Candidates for Partner nomination would ordinarily be expected to be covered in the most recent practice review prior to their expected admission.

The Company is responsible for the practice review. DTTL provides guidance and oversight regarding practice review plans and procedures. The general coordination and administration of the practice review programme is the responsibility of the Practice Review Director of the related region.

The Practice Review plan, process and results are reviewed and concurred with by a partner from another member firm (the "external partner") each year. The external partner assigned to this responsibility works closely with the Company's Practice Review Director in overseeing and challenging the planning and performance of the practice review.

Types of Engagements Reviewed

Among the projects selected for review are national and international audit projects and a number of high-risk audit projects, including public interest entities. Some sensitive and complex audits are also selected (for example, first year audits, changes in controls, or situations where the financial situation deteriorates). All major industries served by the Company are taken into account in the selection.

Scope of Practice Reviews

Audit files selected by sampling method and elements of the quality assurance system are reviewed annually by partners, directors and senior managers selected by DTTL. The assignment of reviewers is based on skill level, industry knowledge, and experience on international engagements. The reviews of individual engagements consist of discussions with the partner/director and manager(s) responsible for the engagement, as well as a review of related reports, working papers and, where appropriate, correspondence files.

Engagements are reviewed with a view to:

- Determine whether quality control procedures have been properly performed for such engagements,
- Assess the adequacy of the implementation of the audit approach, including compliance with the policies and procedures contained in the firm's policy manuals,
- Monitor compliance with applicable local laws,
- Assess the overall quality of services provided to clients.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(4) Monitoring (cont'd)

Scope of Practice Reviews (cont'd)

The Company's general risk management and quality control policies and procedures are also reviewed, including the following:

- The risk management programme, including engagement acceptance and continuance
- Independence,
- Recruitment and promotion,
- Professional development,
- Public files in other countries,
- Information technology specialist reviews,
- Consultation with in-house experts,
- Consultation with external experts,
- Engagement quality control reviews.

Results of Practice Review

The findings and recommendations resulting from the practice reviews are included in the Company's audit quality plan and presented to Quality and Risk Leader, National Professional Practices Director and Board of Directors. The findings are also reported to Deloitte Global. The purpose of the audit quality plan is to provide suggestions for improvement in response to the findings noted, and to drive audit quality within the firm overall. The Company addresses the findings by conducting a root cause analysis and drawing up a detailed action plan setting out the actions to be taken, the person(s) responsible, and the timeframes for implementing the recommendations.

In addition, the Company communicates deficiencies noted as a result of the practice review (if any) and recommendations for appropriate remedial actions to the relevant partner and other appropriate personnel. The Company also communicates on an annual basis the results of the practice review and ongoing consideration and evaluation of its system of quality control to its partners and other appropriate individuals within the Company.

(5) Acceptance and continuance of clients and engagements

The Company has clear and precise policies that include risk assessment regarding the work to be performed regardless of client acceptance and service to be rendered. These policies have been adopted in order to assure the firm concerning the following issues during the acceptance of engagements: 1) Having the competence, efficiency, resource and time to render the service 2) Compliance with ethical rules, including assessments of independence, conflict of interest and matters, and 3) Evaluation of client reputation and precise information about the client reputation.

Employees may consult to independence team to clarify any problem related to independence during the execution of the procedures concerning the rendering of services. The scope of the services to be rendered to each client is examined in detail to ensure compliance with the International Federation of Accountants (IFAC), POA, CMB, BRSA, and Securities and Exchange Commission ("SEC") and other regulatory authorities. Independence checks are carried out prior to the submission of offers to clients and at the stage of acceptance of services.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(5) Acceptance and continuance of clients and engagements (cont'd)

In the case that issues threatening independence arise during these checks, it is accepted that the independence has been damaged, disappeared and in such cases, clients and engagements are not accepted. Partners and other auditors are obliged to record and keep in writing the threats to independence arising from the audit activities, the measures taken against them and all assessments made in this regard. When the independence is damaged or disappeared, POA shall be notified and the relevant audit contract shall be terminated.

The engagement classification associated with accepting an appointment to serve a client is assessed as "Normal", "Greater Than Normal", or "Much Greater Than Normal" and this risk assessment is made prior to acceptance of clients and engagements. The engagement risk assessment process includes approval by the recommending partner and the concurrence of the Company's Audit Risk Leader in all cases. If the engagement risk is considered to be "greater than normal" or "much greater than normal", the Company's Risk Leader must also provide his/her approval before accepting the engagement.

For international engagements, engagement acceptance and continuance procedures are performed at the level of the firm. The Company does not automatically assume that a client and/or engagement are acceptable on the basis that it has been referred by another member firm.

In assessing the acceptability of an engagement, the Company considers client and professional service risks, which generally include the following factors:

- Management characteristics and integrity,
- Organizational and management structure,
- Nature of the business,
- Business environment,
- Financial results,
- Business relationships and related parties,
- Prior knowledge and experience.

The Company's engagement risk assessment procedures identify related risks and provide a basis for tailoring the audit approach in order to address engagement-specific risks.

The engagement risk assessment begins during the engagement acceptance/continuation process and continues throughout the engagement. Risk assessment tools and programme are included in the audit approach and in common documentation to facilitate a comprehensive risk assessment for planning an audit once an engagement has been accepted.

On an annual basis, engagements in process for more than one year are evaluated to determine if the engagement should be continued. The factors discussed above are revisited to ascertain whether the relationship should continue or not.

In addition, any time an entity undergoes a significant change (e.g. a change in ownership or management, the financial condition or the nature of its business), the decision to continue the relationship is reevaluated. Engagement continuance decisions are evaluated and approved by the Audit Risk Leader.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(6) Human resources

Personnel Requirement Planning and Hiring:

As the Company, our vision is to be the determinant of excellence. Our vision comes to life by being an institution that is respected by our stakeholders. Our mission, to realize this vision, is becoming the first choice of the coveted talents of the world with our reputation, culture and diversity.

Our goal with the recruitment process is to incorporate talents that are appropriate to the relevant role in terms of knowledge, skills and competence and adhere to ethical standards. We develop and implement our recruitment policies and principles accordingly.

"Hiring Procedure" which is one of the Human Resources Procedures of the Company describes hiring process of employees with the Company's corporate vision, core competencies and technical skills.

Career, Performance Evaluation and Promotion Management:

In accordance with the Company's Human Resources Procedures; it is essential that career, performance and promotion processes are managed in an integrated manner with the "DTT Global Competency Model" approach. "DTT Global Competency Model" represents the competencies and common values that drive Deloitte member countries and professionals to success.

- 12 competencies in this model are determined to contribute to our efforts to create value for our clients, our talents and the Company. Each competence is detailed to reflect the progress in knowledge, qualifications and behaviors that the employee is expected to develop throughout his or her career.
- The knowledge, qualifications and behaviors expected from the employees are detailed on a level basis and shared with all employees.
- This approach uses project-based performance evaluation method based on permanent evaluation criteria.

Improving Technical Knowledge and Managerial Skills:

"Improving Technical Knowledge and Managerial Skills Procedure" which is one of the Human Resources Procedures of the Company is designed to improve technical knowledge and skills of the employees by meeting the requirements of professional training determined by regulatory authorities and to ensure the professional and managerial improvement of Company's current and future managers.

Determining Training Needs

- 1- The most important resources in determining the training needs are the findings and recommendations emerging from the investigations made within the regulatory authority and Deloitte Global organization, and current developments in both audit methodology, accounting and reporting standards. These training programs to meet the requirements are determined following the recommendations of the Deloitte Global Training Unit, Deloitte Turkey Training Unit, and NPPD. The created programs are approved by the NPPD and the Audit Department Leader and shared with the Deloitte Global Education Unit.
- 2- The materials used in the trainings are developed by the Deloitte Global organization and adjusted to the conditions in Turkey.

XIII) QUALITY CONTROL SYSTEM (cont'd)

(6) Human Resources (cont'd)

Improving Technical Knowledge and Managerial Skills:

Determining Training Needs (cont'd)

- 3- The training programs include learnings for every level, from new graduates to the Company partner, should take (name of the training, number of participants, training place, date and duration, training type - classroom training, online training, etc.). Annual training budget is prepared.
- 4- Career and performance management processes are another important resources in determining training needs as processes where training needs are revealed on a person-by-person basis.
- 5- The attendance and completion rates of these training programs determined on the basis of level are followed.
- 6- In the implementation of the Company trainings, it is important to use external sources (external trainers) as well as internal resources (Company managers). Therefore, while planning the training, it is planned to identify internal trainers and develop them as trainers.

Salaries and Additional Benefits:

Adjustments related to salaries and benefits are explained in Human Resources Procedures of the Company. In this procedure, salary increases, timing and contents of the benefits are detailed.

XIV) OTHER MATTERS

293 new personnel were recruited, and 178 personnel left their jobs between 1 June 2019 and 31 May 2020. The personnel of the Company are 820 as of 31 May 2020.

İbrahim Koçer, who had shares as of 31 May 2019, left our Company on 29 January 2020. Mehmet Işıkmien and Bora Tanrısinatapan had become shareholders on 22 January 2020 and 29 January 2020, respectively.

Hasan Kılıç, who had shares as of 31 May 2020, left our Company on 9 June 2020 and transferred his shares to the existing shareholders.

APPENDIX A

Public Interest Entities Audited in Fiscal Year 2019
ABC Faktoring A.Ş.
Actus Portföy Yönetimi A.Ş.
Adana Çimento Sanayi T.A.Ş.
Adel Kalemcilik Ticaret ve Sanayi A.Ş.
AG Anadolu Grubu Holding A.Ş.
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.
Arsan Varlık Yönetimi A.Ş.
Aslan Çimento A.Ş.
Ata Gayrimenkul Yatırım Ortaklığı A.Ş.
Ata Portföy Yönetimi A.Ş.
Ata Portföy Yönetimi A.Ş. Analiz Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Ata Portföy Yönetimi A.Ş. Birinci Değişken Fon
Ata Portföy Yönetimi A.Ş. Birinci Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Ata Portföy Yönetimi A.Ş. Çoklu Varlık Değişken Fonu
Ata Portföy Yönetimi A.Ş. Dördüncü Serbest (Döviz) Fon
Ata Portföy Yönetimi A.Ş. Fon Sepeti Serbest Fonu
Ata Portföy Yönetimi A.Ş. İkinci Hisse Senedi Fonu
Ata Portföy Yönetimi A.Ş. İkinci Serbest Fon
Ata Portföy Yönetimi A.Ş. Kısa Vadeli Borçlanma Araçları Fonu
Ata Portföy Yönetimi A.Ş. Para Piyasası Fonu
Ata Portföy Yönetimi A.Ş. Üçüncü Serbest Fon
Ata Yatırım Menkul Kıymetler A.Ş.
Başkent Doğalgaz Dağıtım Gayrimenkul Yatırım Ortaklığı A.Ş.
Bolu Çimento Sanayi A.Ş.
Coca-Cola İçecek A.Ş.
Coface Sigorta A.Ş.
Çelebi Hava Servisi A.Ş.
Denge Varlık Yönetim A.Ş.
Derindere Turizm Otomotiv San. ve Tic. A.Ş.
Ekspo Faktoring A.Ş.
Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
Ereğli Demir ve Çelik Fabrikaları A.Ş.
Fiba Faktoring A.Ş.
Gelecek Varlık Yönetimi A.Ş.
Habib Bank Limited İstanbul Türkiye Merkez Şubesi
Halk Faktoring A.Ş.
Halk Finansal Kiralama A.Ş.
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.
Halk Hayat ve Emeklilik A.Ş.
Halk Hayat ve Emeklilik A.Ş. Altın Katılım Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Başlangıç Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Başlangıç Katılım Emeklilik Yatırım Fonu

Public Interest Entities Audited in Fiscal Year 2019

Halk Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Hisse Senedi Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Kamu Borçlanma Araçları Standart Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Kamu Dış Borçlanma Araçları Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Katılım Dinamik Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Katılım Hisse Senedi Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Katılım Katkı Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Katılım Standart Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Katkı Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Agresif Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Agresif Katılım Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Atak Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Atak Katılım Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Dengeli Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Katılım Standart Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Standart Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. OKS Temkinli Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Para Piyasası Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Temkinli Değişken Emeklilik Yatırım Fonu
Halk Sigorta A.Ş.
Halk Varlık Kiralama A.Ş.
Halk Yatırım Menkul Değerler A.Ş.
İskenderun Demir ve Çelik A.Ş.
Kardemir Karabük Demir Çelik Sanayi ve Ticaret A.Ş.
Karsan Otomotiv Sanayi ve Tic. A.Ş.
Lider Faktoring A.Ş.
Mardin Çimento Sanayii ve Ticaret A.Ş.
Metlife Emeklilik ve Hayat A.Ş.
Migros Ticaret A.Ş.
MLP Sağlık Hizmetleri A.Ş.
Morgan Stanley Menkul Değerler A.Ş.
MUFG Bank Turkey A.Ş.
Nuh Çimento Sanayi A.Ş.
Olmuksan International Paper Ambalaj San.ve Tic. A.Ş.

Public Interest Entities Audited in Fiscal Year 2019

Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Borçlanma Araçları Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Değişken Fonu
Oyak Portföy Yönetimi A.Ş. Birinci Gayrimenkul Yatırım Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Hisse Senedi Fonu(Hisse Senedi Yoğun Fon)
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Katılım Serbest Fon
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Para Piyasası Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Serbest Fon
Oyak Portföy Yönetimi A.Ş. Oyak Portföy İkinci Değişken Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy İkinci Serbest (Döviz) Fon
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Kısa Vadeli Kira Sertifikası Katılım Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Oyak Üyeleri İle Çalışanlarına Yönelik Borçlanma Araçları Özel Fonu
Oyak Portföy Yönetimi A.Ş. Oyak Portföy Birinci Kısa Vadeli Borçlanma Araçları Fonu
Oyak Portföy Yönetimi A.Ş.
Oyak Yatırım Menkul Değerler A.Ş.
Oyak Yatırım Ortaklığı A.Ş.
Pamuk Faktoring A.Ş.
Sasa Polyester Sanayi A.Ş.
Şeker Faktoring A.Ş.
Şeker Finansal Kiralama A.Ş.
Şeker Finansman A.Ş.
Şeker Portföy Yönetimi A.Ş.
Şeker GYO A.Ş. (Eski Unvanıyla Şeker Proje Geliştirme ve Gayrimenkul Yatırım A.Ş.)
Şeker Yatırım Menkul Değerler A.Ş.
Şekerbank T.A.Ş.
Tacirler Portföy Yönetimi A.Ş.
Tacirler Portföy Değişken Fon
Tacirler Portföy Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Tacirler Portföy İstatistiksel Arbitraj Serbest Fon
Tacirler Portföy Kısa Vadeli Borçlanma Araçları Fonu
Tacirler Portföy Özel Sektör Borçlanma Araçları Fonu
Tacirler Portföy Serbest (Döviz) Fon
Tacirler Portföy Sirius Serbest Fonu
Tacirler Yatırım Menkul Değerler A.Ş.
TEB Faktoring A.Ş.
TEB Finansman A.Ş.
TEB Portföy Yönetimi A.Ş.
TEB Portföy ING Bank Özel Bankacılık ve Platinum Değişken Özel Fon
TEB Portföy ING Bank Özel Bankacılık ve Platinum Serbest (Döviz) Özel Fon
TEB Portföy İkinci Serbest (Döviz) Fon

Public Interest Entities Audited in Fiscal Year 2019

TEB Portföy TKT Serbest (Döviz) Özel Fon
TEB Portföy İkinci Değişken Fon (Eski Unvanıyla ING Portföy İkinci Değişken Fon)
TEB Portföy ING Bank Para Piyasası Fonu (Eski Unvanıyla ING Portföy Para Piyasası Fonu)
TEB Portföy Alarko Grubu Değişken Özel Fon
TEB Portföy Altın Fonu
TEB Portföy Birinci Fon Sepeti Fonu
TEB Portföy Birinci Serbest (Döviz) Fon
TEB Portföy Boğaziçi Serbest (Döviz) Fon
TEB Portföy Borçlanma Araçları Fonu (Eski Unvanıyla TEB Portföy Birinci Orta Vadeli Borçlanma Araçları Fonu)
TEB Portföy Eurobond (Döviz) Borçlanma Araçları Fonu
TEB Portföy Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
TEB Portföy PY İkinci Değişken Özel Fon
TEB Portföy Kısa Vadeli Borçlanma Araçları Fonu
TEB Portföy Kira Sertifikaları (Döviz) Katılım Fonu
TEB Portföy KYF Serbest (Döviz) Özel Fon
TEB Portföy Mutlak Getiri Hedefli Değişken Fon
TEB Portföy Özel Sektör Borçlanma Araçları Fonu
TEB Portföy Para Piyasası Fonu
TEB Portföy Pusula Serbest Fon
TEB Portföy TEB Grubu Değişken Özel Fonu
TEB Portföy Yabancı BYF Fon Sepeti Fonu
TEB Yatırım Menkul Değerler A.Ş.
Torunlar Gayrimenkul Yatırım Ortaklığı A.Ş.
Turkland Bank A.Ş.
Türk Ekonomi Bankası A.Ş.
Türkiye Halk Bankası A.Ş.
Ulusoy Elektrik İmalat ve Taahhüt ve Ticaret A.Ş.
Ünye Çimento Sanayi ve Ticaret A.Ş.
VFS Finansal Kiralama A.Ş.
VFS Finansman A.Ş.
Yeditepe Faktoring A.Ş.

Appendix B | EU EEA audit firms

Disclosure in accordance with Article 13.2 (b)(ii)-(iv) of the EU Audit Regulation

EU/EEA Member State (Article 13.2 (b)(iii) EU Audit Regulation: the countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration or principal place of business)

Name of audit firms carrying out statutory audits in each Member State (Article 13.2 (b)(ii) EU Audit Regulation: the name of each audit firm that is a member of the network)

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises CVBA / SCRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	Deloitte Audit Eesti AS
Finland	Deloitte Oy
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Audalian Commissaire
	BEAS
	Cisane
	Constantin Associés
	Constantin Entreprises
	DB Consultants
	ECA Audit
	Jacques Serra et Associés
	Laurens Michel Audit
	Opus 3.14 Audit Et Conseil
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft

	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants S.A.
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva, UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Audyt spółka z ograniczoną odpowiedzialnością
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
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Disclosure in accordance with Article 13.2 (b) (iv) of the EU Audit Regulation

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: € 2.1 billion²

² Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective Member States provide statutory audit services as well as other audit, assurance and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2020, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than Euros is used in the Member State, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2019 to 31 May 2020.

APPENDIX C

Disclosure in accordance with Article 13.2 (k) (i)-(iv) of the EU Audit Regulation

The breakdown of the DRT Bağımsız Denetim ve SMMM A.Ş.'s 2019 turnover:

Turnover	TRY'000
Revenues from audit services for audits of financial statements of non-EU companies with transferable securities admitted to trading on regulated markets in the EU	-
Revenues from permitted non-audit services of non-EU companies with transferable securities admitted to trading on regulated markets in the EU	-
All revenues of the reporting non-EU audit firm	179,963
Total	179,963



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