

2019 Transparency Report

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

For the period 1 June 2018 - 31 May 2019

Audit & Assurance



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30 September 2019

Public Oversight Accounting and Auditing Standards Authority
Söğütözü Mahallesi 2177 Sok. 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 2019 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**

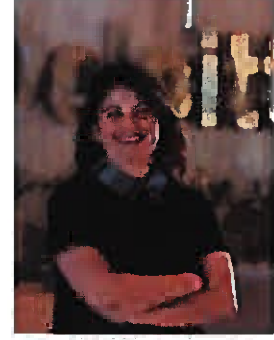


Hasan Kılıç

Chairman of the Board

Message from the Audit 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. as of 31 May 2019. Our missions and priorities related to the Company will be stated in this report. Our mission is to create a persistent impact on audit, and this mission constitutes the basis of our works. In this process, quality is the key factor of making sound judgements and ensuring all the right steps are taken. But at Deloitte quality means even more. It is never ending quest to do today's work better and deliver more in every single engagement. We see every client as an opportunity to go further and create ever firmer foundation on our audit.



We understand that our environment is continually changing, resulting in increasing expectations in audit process. We respond these changes, by raising the standards of audit quality through innovation and transformation. In addition to the assurance on financial reporting and regulatory requirements, we seek to provide a view on key risks to the execution of our clients' business strategies.

As a member firm of the Deloitte global network, we benefit from global investments in innovation and quality and access to global resources. These global resources, along with local, multidisciplinary expertise, assists us to provide high quality audit to our clients.

We consider this report provides you with an insight to our practices and process, demonstrating our commitment to an investment in audit quality.

A handwritten signature in blue ink, which appears to read 'Zere Gaye Şentürk'.

Zere Gaye Şentürk

Audit Business Leader

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 2019, signed by a member of the Board of Directors Hasan Kılıç on 30 September 2019, and published on our webpage.

I) LEGAL STRUCTURE AND OWNERSHIP

DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. ("The Company") 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 operating in the branches of Ankara, İzmir, Bursa, Adana and in the headquarter of İstanbul has independent audit authorization for 2018 year given by Public Oversight Accounting and Auditing Standards Authority ("POA"), Capital Market Board ("CMB"), Banking Regulation and Supervision Agency ("BRSA"), Energy Market Regulatory Authority ("EMRA") and General Directorate of Insurance of R.T. Prime Ministry Undersecretariat of Treasury.

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

As of 31 May 2019, the Company's shareholding structure is as follows:

Shareholding Structure (As of 31 May 2019)

SHAREHOLDERS	NUMBERS OF SHARE	SHARE AMOUNT	SHAREHOLDING PERCENTAGE
HASAN KILIÇ	12.670	12.670,00 TRL	25,34%
ZERE GAYE ŞENTÜRK	8.632	8.632,00 TRL	17,26%
BURÇ SEVEN	5.330	5.330,00 TRL	10,66%
HALİS ERDEM SELÇUK	5.330	5.330,00 TRL	10,66%
ERDAL DİNÇTÜRK	4.502	4.502,00 TRL	9,00%
ALİ ÇİÇEKLİ	4.020	4.020,00 TRL	8,04%
SELÇUK ÜRKMEZ	3.750	3.750,00 TRL	7,50%
ÖZLEM GÖREN GÜÇDEMİR	3.250	3.250,00 TRL	6,50%
ERDEM TAŞ	2.501	2.501,00 TRL	5,00%
ÖZKAN YILDIRIM	1	1,00 TRL	0,00%
MÜJDE ASLAN	1	1,00 TRL	0,00%
IŞIL BİLGİN	1	1,00 TRL	0,00%
YAMAN POLAT	1	1,00 TRL	0,00%
KORAY ÖZTÜRK	1	1,00 TRL	0,00%

VOLKAN BECERİK	1	1,00 TRL	0,00%
HAKAN ERTEN	1	1,00 TRL	0,00%
CEM TOVİL	1	1,00 TRL	0,00%
İBRAHİM KOÇER	1	1,00 TRL	0,00%
EMREHAN DEMİREL	1	1,00 TRL	0,00%
ERSİN ÇAĞAN	1	1,00 TRL	0,00%
NAZLI İVAK	1	1,00 TRL	0,00%
OKAN ÖZ	1	1,00 TRL	0,00%
OSMAN ARSLAN	1	1,00 TRL	0,00%
ÖZGÜR ÖNEY	1	1,00 TRL	0,00%
CAPITAL	50,000	50,000.00 TRL	100.00%

Changes in the Company's shareholding structure in 1 June 2018-31 May 2019:

Nazlı Ivak and Özgür Öney are appointed as partner in the current year due to the decision taken on 1 August 2018 by Board of Directors. Sibel Yorohan, Gülin Günce, Faruk Berberoğlu and Hasan Ali Bekçe who had shares in 2017 year left our company on 9 July 2018, 21 December 2018, 21 December 2018 and 3 May 2019 respectively.

II) KEY MANAGEMENT AND PARTNERS

Key Management (As of 31 May 2019)

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

II) KEY MANAGEMENT AND PARTNERS (Continued)**Partners** (As of 31 May 2019)

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	1.06.2007
KORAY ÖZTÜRK	Partner	07.09.1999
YAMAN PEYVENT POLAT	Partner	16.09.1999
IŞIL 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 AND STRUCTURAL SPECIFICATIONS OF THE AUDIT NETWORK

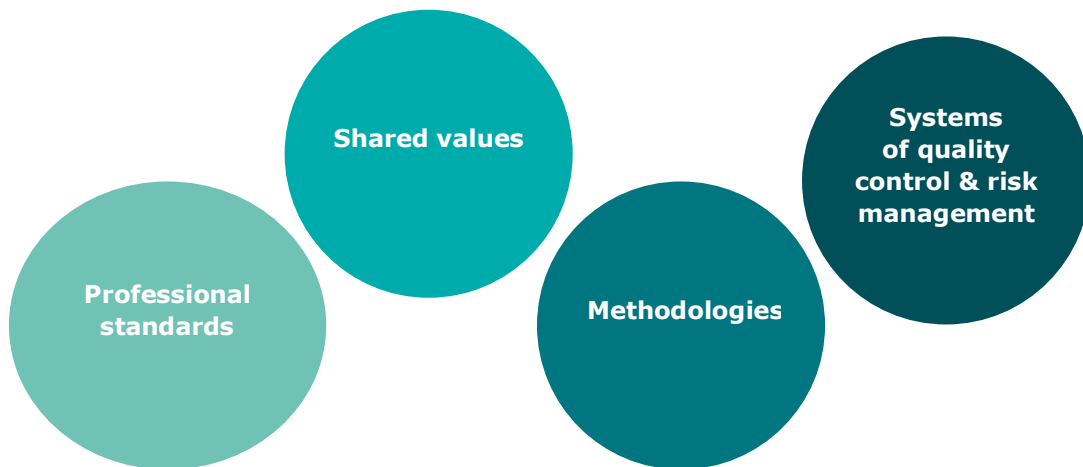
Deloitte Network

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)

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.

Deloitte refers to the company of DTTL incorporated in accordance with the England regulations, some or more of the companies in the network of member firms and related legal entities. DTTL and each member firm are separate and independent legal entities. DTTL, (also referred as "Deloitte Global") does not provide services to clients. Member firms operate under the common brand of Deloitte and with the names including "Deloitte", "Deloitte&Touche", and "Deloitte Touche Tohmatsu".



Member firms provide professional services in different geographical territories and are subject to laws and regulations and professional requirements of the territory in which they operate. Each member firms has different structures according to the local laws, regulations and financial practices.

Member firms are not subsidiaries or branches of DTTL and do not act as representatives of DTTL or other member firms. On the contrary, member firms are entities that accept to be a member of Deloitte network voluntarily as independent from DTTL and incorporated locally with its own ownership structure and to coordinate approaches to client services, professional standards, shared values, methodologies and systems of quality control & risk management.

III) LEGAL AND STRUCTURAL SPECIFICATIONS OF THE AUDIT NETWORK (Continued)

This structure has a significant power including insight on domestic markets, sense of responsibility and initiatives of the professionals which have direct shares on magnitude and integrity of its own practices.

Deloitte provides service in audit, consultancy, financial consultancy, risk management, tax and related other related fields to clients from both public and private sectors operating in various industries. The network of Deloitte is a globally connected network of member firms operating in more than 150 countries in different territories across the world, and Deloitte provides world class high quality services in order to support its clients to overcome difficulties in business and to contribute their successes.

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 for independent audit authorization by POA as of 15 December 2015 and uses the "Deloitte" brand. Principal activity of DRT YMM comprises tax services.

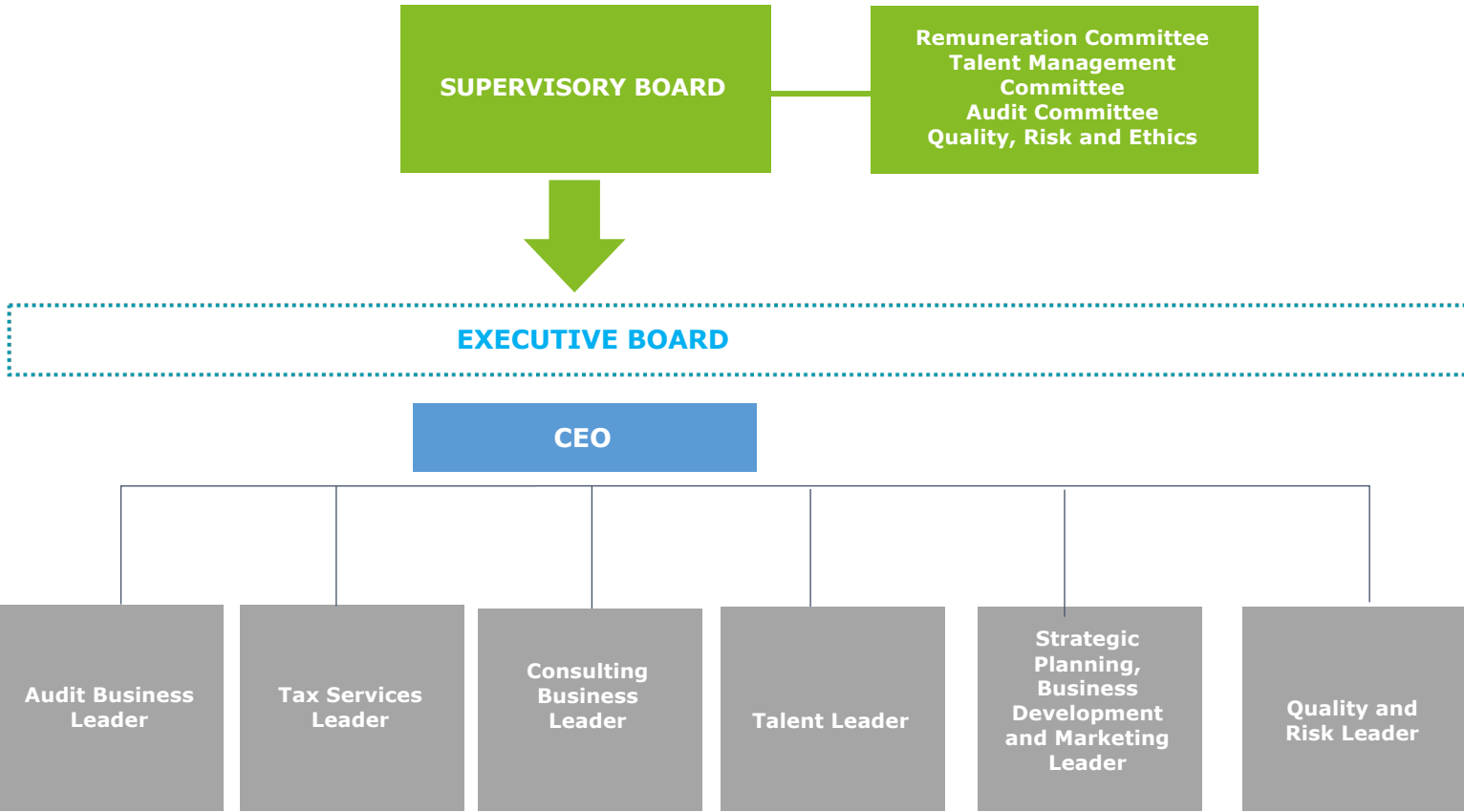
In addition, Deloitte Danışmanlık A.Ş. for consulting services, DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. for Corporate Financing Services, DRT Yönetim Hizmetleri A.Ş. for Management Supporting Services and Etik Hattı Ltd. for Ethical Line Supporting Services use the "Deloitte" brands in their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

Supervisory Board monitors activities of 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
- Ethics Committee
- Quality and Risk Committee

The chairman of the executive board is CEO, and CEO is responsible from the Group's management and its activities. CEO determines all leaders from partners and Supervisory Board may accept. Each member of the Executive Board has different responsibilities reflecting the team spirit in the committee. As of 31 May 2019, the Executive Board consists of CEO, Functional Leaders (Audit Services Leader, Tax Services Leader, Consulting Business Leader), Strategic Planning, Business Development and Marketing Leader, Quality and Risk Leader, Talent Leader and Finance and Operation Support Department Director. The Executive Board holds meetings every month regularly.

Zere Gaye Şentürk was assigned as the Head of Audit Department by the CEO of Deloitte Turkey. The Head of Audit Department and the key management develops and applies required strategies including relevant policies and procedures for audit function. Deloitte Turkey key management is responsible from 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 Deloitte network.

Deloitte Turkey Audit Leaders ensure 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 459 personnel consisting of 22 Partners, 35 Auditor, 372 Assistant Auditor and 30 Intern Auditor. 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 dedication to continuously pursuing opportunities to support auditor's role in the capital markets. 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.



What Deloitte Assurance&Advisory 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, Global Managing Director Audit & Assurance. Global Audit & Assurance responsibilities include:

- Developing and driving 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.

Learning and development initiatives

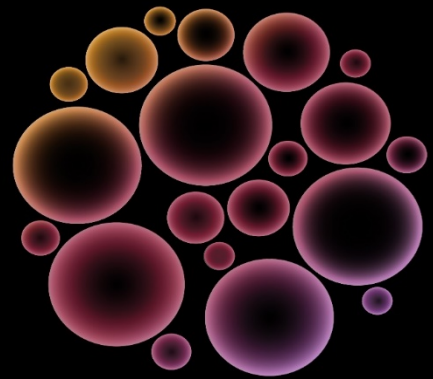
Central to the Audit & Assurance Transformation initiative are various enhancements to the Deloitte talent and learning experience:

Deloitte's transformed approach to audit delivery is enabling our professionals to use more advanced analytics, apply the latest tools, technologies and more critical thinking, spend more time applying professional judgment, and gain a deeper understanding of a client's business and industry—all contributing to enhanced audit quality and an improved experience for our people.

Deloitte has made substantial investments in our talent and learning strategies and transformed our technical audit curriculum to build the 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

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.



VI) 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 audit is consistently executed with high quality, wherever in the world it is performed.

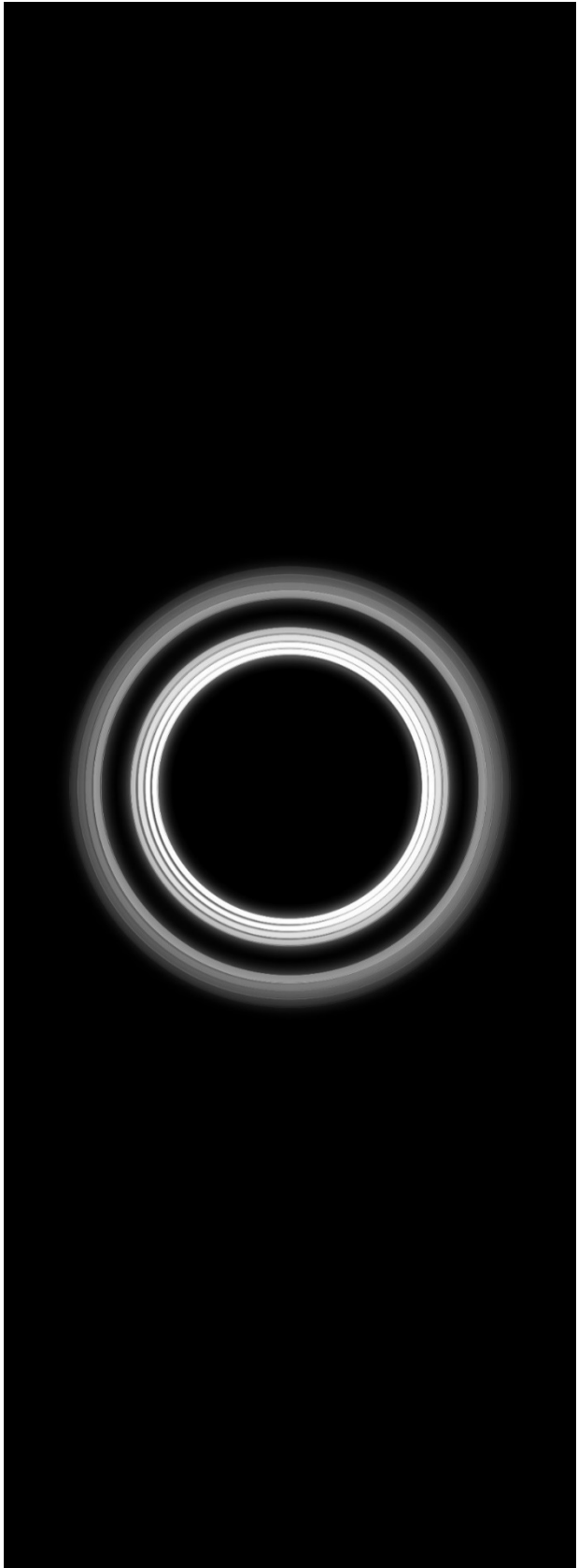
The objectives of the Global Audit Quality Monitoring & Measurement (AQMM) program are to:

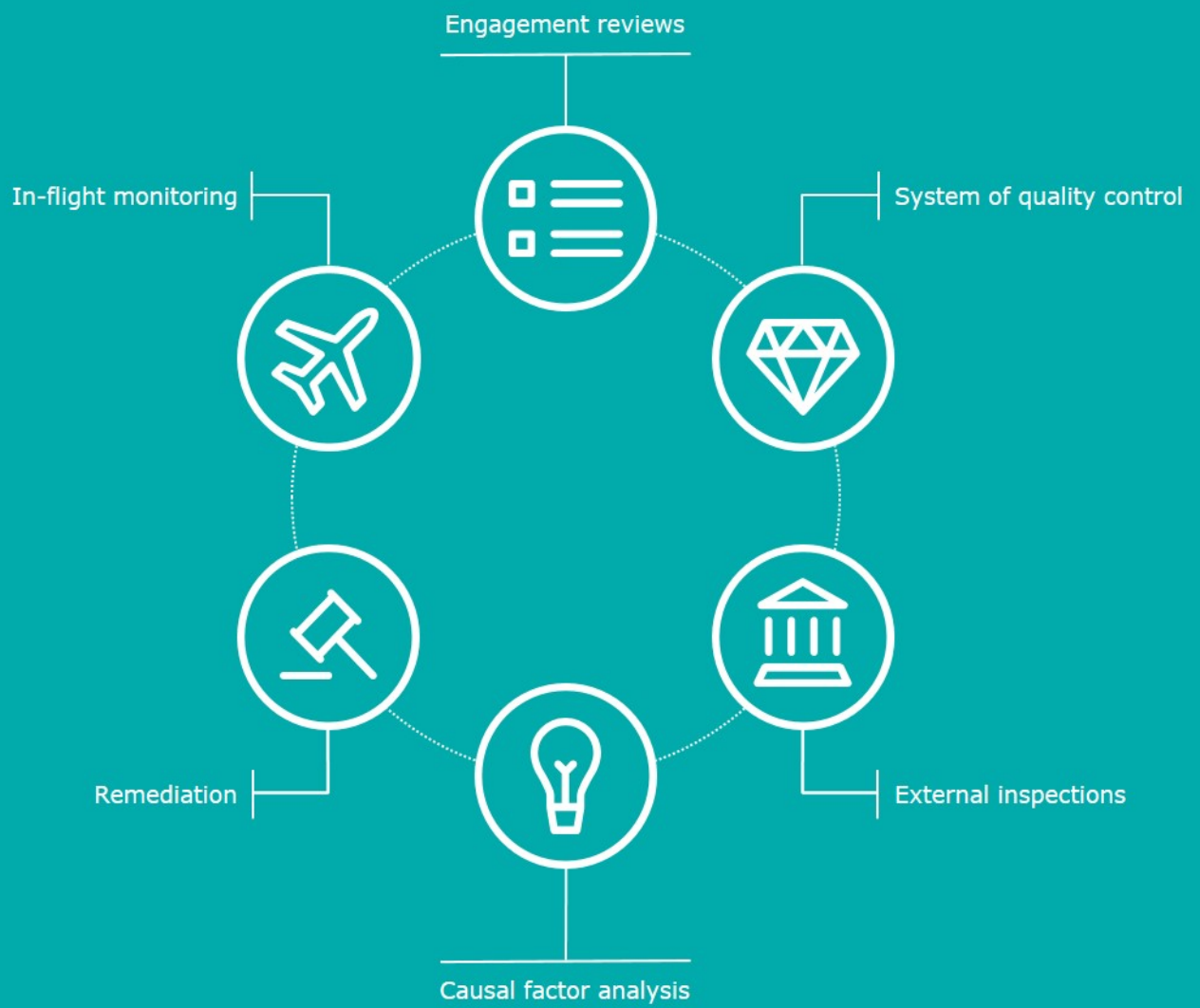
- Transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- Enhance the internal system of quality control.

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

Our Entity 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.





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 leader(s).
- Assess progress and identify potential issues on in-flight engagements in scope of “health checks” program.
- Apply an integrated approach to execution of the audit methodology enhancements.

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.
- Involvement of external partners to practice reviews with the intent of increasing global consistency and maintaining audit quality.
- 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 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, 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.

VI) EXTERNAL AND INTERNAL AUDIT QUALITY MONITORING (Continued)

External Inspections

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

In November 2017, POA inspected one of our audits of a publicly traded entity for 2016 year. As a result of the inspection, we are informed on the issues regarding the compliance of the audit 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 the period of July - September 2018, the POA conducted file reviews of the 2017 audits of three companies. As a result of the examination, the compliance of the audit with the independent audit standards and the issues to be considered were stated regarding one of these audit files. The final decision by the POA has not yet been finalized.

In November 2017, an inspection was conducted by the Public Company Accounting Oversight Board ("PCAOB"), an oversight agency of the U.S. Securities and Exchange Commission, and the final review results were sent to us in January 2019.

PCAOB published its review report for our Company in April 2019. You can access the public part of PCAOB's 2017 Review Report and our Company's responses to this report on the following website of PCAOB:

http://pcaobus.org/Inspections/Reports/Documents/2019_DRTBagimsiz.pdf

In the non-public part of the review report, the observations regarding the audit performance of the audit company and quality control systems are included.

The findings of the report and disclosed by PCAOB were evaluated by our Company. Accordingly, necessary measures have been taken in line with PCAOB standards and additional training and surveillance practices focusing on these issues.

Quality is 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.

VII) AUDITED PUBLIC INTEREST ENTITIES

The list of public interest companies, funds, institutions and organizations, whose financial statements of 2018 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.

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 level of ethics, integrity, professional skepticism, and objectivity, and continuously enhancing.

Deloitte is committed to developing its people and accelerating their careers by creating a life-long learning environment. We are advancing audit education, skillsets, and flexible career options that appeal to future auditors.

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

We are driving a sustainable audit and assurance business that compensates its people fairly and funds ongoing investments in our business.



VIII) 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

Technical team established regarding the relevant financial reporting standards and technical issues that require special expertise, attends the trainings abroad and share their training experience with the other personnel working in Turkey. 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.

VIII) POLICIES ON CONTINUING EDUCATION OF AUDITORS (Continued)

The table below summarizes the courses delivered to auditors including the duration, date and targeted participant for the period 1 June 2018 to 31 May 2019:

Course Subjects	Date	Level of Participants	Time (Period)
LCSP Onboarding	31 October 2018	Partner	16 hour
LCSP Development Program – SII	6 June 2018	Partner	16 hour
FSI TRAINING (BANKING + FACTORING LEASING SESSION)	27 November 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	8 hour
FSI TRAINING (BANKING SESSION)	22 November 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	8 hour
IFRS 17 Training	6 July 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	8 hour
POA	26-27 October 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	16 hour
PCAOB Advancing Audit Quality - Session 1	16 January 2019	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	4 hour
PCAOB Advancing Audit Quality - Session 2	16 January 2019	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	4 hour
POWER BI Training	10 January 2019	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	8 hour
INSURANCE Training	6 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	8 hour
BRSA Process Management Trainingİ	25-26 Eylül 2018	Partner-Director-Senior Manager-Manager – Assistant Manager-Audit Team	16 hour
POA Continuing Education (ANKARA)	6-7-10 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager (POA Licence Holder)	21 hour
POA Continuing Education (İSTANBUL)	29 November 2018, 1 December 2018, 4 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager (POA Licence Holder)	24 hour
POA Continuing Education (İZMİR)	30 November - 2 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager (POA Licence Holder)	24 hour
TRAIN THE TRAINER	2-3 August 2018	Partner-Director-Senior Manager-Manager – Assistant Manager	16 hour
IFRS & AUDIT EXCELLENCE 2018	26-27 July 2018, 2-3 August 2018	Partner-Director-Senior Manager-Manager – Assistant Manager	16 hour

Practise Review Common Findings	8 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager	6 hour
Partner & Manager Academy	20 September 2018, 16 October 2018, 21 November 2018, 24 December 2018	Partner-Director-Senior Manager-Manager – Assistant Manager	32 hour
Remediation	20 November 2018	Partner-Director-Senior Manager-Manager – Assistant Manager	2 hour
GCMG Workshop	15 January 2019	Partner-Director-Senior Manager-Manager – Assistant Manager	4 hour
Business Continuity Training	23 July 2018	Partner-Director-Senior Manager	1 hour
E-learning	Within the year according to the education plan	Partner-Director	39 hour
Be a Director @ Deloitte	26 November 2018	Director	24 hour
FS Delivering Industry Foresight (Insurance)	10 April 2018	Director	16 hour
FS Delivering Industry Foresight (Real Estate)	15 October 2018	Director	24 hour
D. Manager, Management Development Program	Within the year according to the education plan	Director-Senior Manager-Manager –Assistant Manager	16 hour
E-learning	Within the year according to the education plan	Senior Manager-Manager	43 hour
Consumer - Industry Simulation (Automotive)	8 April 2019	Manager	16 hour
NEW MANAGER BOOTCAMP	12-13 July 2018	Assistant Manager	16 hour
E-learning	Within the year according to the education plan	Assistant Manager	47 hour
ACCELERATE THE PACE + FRAUD AT ENGAGEMENT LEVEL + INDEPENDENCE + EXCEL ANALYTIC + AUDIT EXCELLENCE	10-14 September 2018, 17-21 September 2018, 25-26 September 2018	Supervisor-Experience Senior	40 hour
E-learning	Within the year according to the education plan	Supervisor-Experience Senior	26 hour
Financial Rep. & Performing Component Audit	12 January 2019	Audit Team	8 hour
E-learning	Within the year according to the education plan	Senior	35 hour
GO THE DISTANCE + EXCEL ANALYTIC + INDEPENDENCE	3-7 September 2018, 10-14 September 2018, 17-21 September 2018	Senior	40 hour
E-learning	Within the year according to the education plan	Semi-senior	24 hour
RAISE THE BAR + EXCEL ANALYTIC + INDEPENDENCE	25-29 June 2018, 16-20 July 2018, 10-14 September 2018, 24-28 September 2018	Semi-senior	35 hour

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E-learning	Within the year according to the education plan	Assistant	24 hour
EMS TRAINING (JUNIORS)	5 October 2018	Assistant	8 hour
FY19 JR. ORYANTASYON	1-2 October 2018	Assistant	16 hour
JUMP IN	24-28 September 2018, 8-12 October 2018	Assistant	40 hour
SMMM Question Solving Session (Assistants)	3-4-5 October 2018	Assistant	8 hour
Inventory Count Trainin	23 November 2018 1 December 2018 8 December 2018, 15 December 2018	Assistant	1 hour
Orientation and Technical Training	2-4 July 2018	Assistant	24 hour
SMMM Course	10-21 September 2018 veya 8 September - 7 October 2018	Assistant	80 hour

IX) INDEPENDENCE POLICY COMPLIANCE

Compliance to relevant provisions of Law no. 6102 regarding the independence and the protection of 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 Ethic 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 firmwide communications seek to embed these principles and promote discussion on ethical issues. All our employees have completed their annual ethics trainings.

Our firmwide 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 behaviours, strategy and desired audit quality culture.

Deloitte expects high standards of 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.

X) ALLOCATION OF INCOME

The allocation of income as of 31 May 2019 is as follows;

	Thousand TL
Audits of financial statements	91,550
Other audits	890
Income from non-audit services	67,426
Total	159,886

XI) 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.

XII) 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).

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 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 quality within the Audit

The Company supports the prioritisation 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 in 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 is supported by National Office established within the scope of the quality control system.

XII) QUALITY CONTROL SYSTEM (Continued)

(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 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.

"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 and
- Our responsibilities to each other.

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 each year.

The firm provides communication channels through partners, other professionals and support staff can consult on and discuss ethical issues. In addition, the Company reinforces the importance it attaches to ethical and independence issues by means of communication tools, training programs and compliance processes.

Deloitte Global Ethics and Integrity Imperative

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 264,000 people, giving a strong, principled foundation. The Deloitte Integrity Imperative amplifies the Global Code across the network by empowering leaders to set a strong tone from the top; encouraging people to speak up when they witness anything that runs counter to the

The Deloitte Global Ethics team work closely with senior Deloitte leaders to build and enhance the foundations of the network's ethics program, which is comprised of the following elements:

Elements of the Deloitte ethics program



Global principles of business



Global ethics policies



Reporting channels and non-retaliation policy



Annual ethics survey







Practice-review program



Ethics learning programs

XII) QUALITY CONTROL SYSTEM (Continued)**(2) Relevant Ethical and Independence Provisions (Continued)****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 and the independence standards of POA. Performs full reviews of independence quality controls on a three-year cycle; annual focused reviews for the off-cycle years; and 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 information for professionals 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 active engagement with independence and business leadership groups, periodic communications and alerts, and development of guidance, learning and instructions.

Independence

Deloitte Turkey has policies and procedures designed to address compliance with applicable professional standards that relate to independence. 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. Deloitte Turkey 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 Deloitte Turkey. Strategies and procedures to communicate the importance of independence to partners, other professionals and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

Independence (Continued)

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

- Engagement acceptance and monitoring
- Monitoring of rotation requirements
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Global Independence Monitoring System (GIMS), annual independence confirmations, and consultation procedures, to monitor compliance with independence requirements
- Procedures to identify and analyze non-compliance with independence requirements and apply related disciplinary measures and actions
- Independence-related learning and communications
- Assignment of responsibility for independence systems and controls
- Annual internal audit for compliance with independence requirements
- Precautions to be taken on discipline and disciplinary actions
- Importance given by the key management of company management and their approach on independence, company culture in this regard

1: Independence Policies and Practices

The Company's independence policies and practices apply to the Company, its shareholders, professional and 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 and its partners and professionals (their spouses and dependents) must know whether the related entity is a restricted company, apart from other relations.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

1: Independence Policies and Implementations (Continued)

The Company, the Company 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 Company's independence policies and practices electronically. Changes in these policies and practices are also notified electronically to the Company's partners, professional and support staff and updated. Further information and documents on independence are available on the independence website. Reminders of these policies and other practices are regularly published as part of communication to strengthen awareness and understanding of independence policies and to 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 whether 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

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

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 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 authorisation 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

GIMS for Financial Investments and Brokerage Accounts (cont'd)

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 aid 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.

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. As of 31 December 2018, each Audit Team is required to declare and undertake that they have read and understood 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 jeopardise 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).

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 into 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 learning to its partners and professionals.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

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 managers 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 can not 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. In addition, the quality control reviewer may not participate in the audit work of the related client.

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.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

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 disciplinary policies and procedures are designed to provide an appropriate response to breaches of said policies and procedures by partners, professional staff and support staff

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 group. 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, emphasising 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(2) Relevant Ethical and Independence Provisions (Continued)

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

Conflicts of Interest (Continued)

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.

(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.

XII) QUALITY CONTROL SYSTEM (Continued)

(3) Performance of audit (Continued)

Assignment of Partners and Professionals (Continued):

Audit Team cannot be less than three auditors. At least one substitute auditor is appointed for the titles of partner and other. In addition, the Audit Team is formed according to the size and content of the work and complexity of the operations to be analysed. 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

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 of the audit 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(3) Performance of audit (Continued)

Independent Audit Techniques (Continued)

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 assesses 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 utilises 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 whether or not 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

XII) QUALITY CONTROL SYSTEM (Continued)

(3) Performance of audit (Continued)

Independent Audit Techniques (Continued)

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) 60 days from the date of the report (2) 30 days in case of a public company in 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 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(3) Performance of audit (Continued)

Independent Audit Techniques (Continued)

Engagement Quality Control Review Policies (Continued):

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.

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 specialised industry and technical skills applicable to the engagement and, in certain situations, is independent of the practice unit to enhance objectivity or provide specialised 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 also extend 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(3) Performance of audit (Continued)

Consultation Network and Differences of Opinion (Continued)

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.

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 managers. Candidates for Partner nomination would ordinarily be expected to be covered in the most recent practice review prior to their expected admission.

XII) QUALITY CONTROL SYSTEM (Continued)

(4) Monitoring (Continued)

Annual Quality Assurance Review (Continued)

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”) every 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

The engagements selected for review include both national and inbound/outbound transnational engagements (audits of financial statements that are or may be used across national borders), with the greatest level of focus on public interest entities and high risk, sensitive or complex audit engagements. Additionally, certain attest engagements are selected, including reviews, agreed-upon procedure engagements and engagements where the result is the issuance of a comfort letter on a debt/securities transaction. All major industries served by the Company are considered.

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 from different countries. 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(4) Monitoring (Continued)

Scope of Practice Reviews (Continued)

The overall risk management and quality control policies and procedures applied by offices within the Company are also reviewed, including the following:

- The risk management programme, including engagement acceptance and continuance
- Independence,
- Recruitment and advancement,
- Professional development,
- Public files in other countries,
- Information technology specialist reviews,
- Consultation with in-house experts,
- Consultation with outside 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 firm.

(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.

XII) QUALITY CONTROL SYSTEM (Continued)

(5) Acceptance and continuance of clients and engagements (Continued)

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.

In the case that issues threatening independence arise during these checks, it is accepted that the independence has been damaged and 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 "much greater than normal" the firm'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, we consider client and professional service risks, which generally include the following factors:

- Management characteristics and integrity
- Organisational 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.

XII) QUALITY CONTROL SYSTEM (Continued)

(5) Acceptance and continuance of clients and engagements (Continued)

The engagement risk assessment begins during the engagement acceptance/continuation process and continues throughout the engagement. Risk assessment tools and programmes 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 approved by the Audit Risk Leader.

(6) Human resources

Personnel Requirement Planing and Hiring:

Our vision as the Company 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 equipment.

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.

XII) QUALITY CONTROL SYSTEM (Continued)

(6) Human Resources (Continued)

Career, Performance Evaluation and Promotion Management (Continued):

- 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 resource in determining training needs would be creating the program which implements training requirements (duration, training content, training type etc.) set out by Deloitte Global Training Unit, regulatory authorities and Deloitte Turkey Training Unit. The programs are approved by NPPD and shared with the Deloitte Global Training Unit.
- 2- Additionally, the training materials developed by Deloitte Global organization are used as they are or rearranged according to the conditions in Turkey so that the firm implements DTTL audit approach successfully.
- 3- Career and performance management processes in which individual training needs are put forward are another important resource in determining the training needs.
- 4- All these resource, training needs at the manager and employee levels are revealed and followed up within the determined plan.
- 5- A training plan and budget is prepared at all levels from partner level to new graduate level (name of the training, number of participants, training place, date and duration, type of training, on-the-training, online training etc.).
- 6- The Company attaches importance to the use of internal resources (company managers) as well as external resources (external trainers) in the conduct of the trainings. Therefore, it is planned to identify the internal trainers and develop them as trainers while planning the training. The employees of the firm assigned for this purpose, provide the necessary knowledge and competence development by attending regional trainings organized by Deloitte Global.

XII) QUALITY CONTROL SYSTEM (Continued)

(6) Human Resources (Continued)

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.

XIII) OTHER MATTERS

373 new personnel started to work and 387 personnel quitted work between 1 June 2018 and 31 May 2019, the personnel of the Company is 705 as of 31 May 2019.

Nazlı İvak and Özgür Öney were appointed as partners to our Entity between 1 June 2018 and 31 May 2019 in accordance with the decision of Board of Directors on 1 August 2018. Sibel Yorohan, Gülin Günce, Faruk Berberoğlu an Hasan Ali Bekçe who had shares in 2017 year left our company on 9 July 2018, 21 December 2018, 21 December 2018 and 3 May 2019 respectively.

APPENDIX A

Public Interest Entities Audited in Fiscal Year 2018
ABC Faktoring A.Ş.
Aciselsan Acıpayam Selüloz San. ve Tic. A.Ş.
Actus Portföy 2018 Yatırım Dönemli Değişken Fon
Actus Portföy Borçlanma Araçları Fonu
Actus Portföy Greenone Yenilenebilir Enerji Girişim Sermayesi Yatırım Fonu
Actus Portföy Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Actus Portföy Hitit Serbest Fon
Actus Portföy Lidya Serbest (Döviz) Fon
Actus Portföy Yönetimi A.Ş. Gaziantep Entegre Sağlık Kampüsü PPP Girişim Sermayesi Yatırım Fonu
Actus Portföy Yönetimi A.Ş. Logo Ventures Girişim Sermayesi Yatırım Fonu
Actus Portföy Yönetimi A.Ş.
Adana Çimento Sanayii T.A.Ş.
Adel Kalemcilik Ticaret ve Sanayi A.Ş.
AG Anadolu Grubu Holding A.Ş.
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.
Alarko Holding A.Ş.
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.
Arena Bilgisayar Sanayi ve Ticaret A.Ş.
Aslan Çimento A.Ş.
Ata Gayrimenkul Yatırım Ortaklığı A.Ş.
Ata Portföy Birinci Değişken Fon
Ata Portföy Birinci Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Ata Portföy Çoklu Varlık Değişken Fonu
Ata Portföy Dördüncü Serbest (Döviz) Fon
Ata Portföy Fon Sepeti Serbest Fonu
Ata Portföy İkinci Hisse Senedi Fonu (Hisse Senedi Yoğun Fon)
Ata Portföy İkinci Serbest Fon
Ata Portföy Kısa Vadeli Borçlanma Araçları Fonu
Ata Portföy Para Piyasası Fonu
Ata Portföy Üçüncü Serbest Fon
Ata Portföy Yönetimi A.Ş.
Ata Yatırım Menkul Kıymetler A.Ş.
Başkent Doğalgaz Dağıtım Gayrimenkul Yatırım Ortaklığı A.Ş.
Bolu Çimento Sanayii A.Ş.
Coca Cola İçecek A.Ş.
Coface Sigorta A.Ş.

Public Interest Entities Audited in Fiscal Year 2018
Çelik Motor Ticaret A.Ş.
Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.
Diler Yatırım Bankası A.Ş.
Ekspo Faktoring A.Ş.
Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.
Evkur Finansman A.Ş.
Fiba Faktoring A.Ş.
Fiba Portföy Şekerbank Kısa Vadeli Borçlanma Araçları Fonu
Fiba Portföy Şekerbank Para Piyasası Fonu
Gelecek Varlık Yönetim A.Ş.
Güven Varlık Yönetim 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
Halk Hayat ve Emeklilik A.Ş. Dinamik Değişken Emeklilik Yatırım Fonu
Halk Hayat ve Emeklilik A.Ş. Emanet Para Piyasası 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

Public Interest Entities Audited in Fiscal Year 2018
Halk Portföy Yönetimi A.Ş.
Halk Sigorta A.Ş.
Halk Varlık Kiralama A.Ş.
Halk Yatırım Menkul Değerler A.Ş.
İC İçtaş Enerji Yatırım Holding A.Ş.
İskenderun Demir ve Çelik A.Ş.
Karsan Otomotiv Sanayi ve Ticaret A.Ş.
Klimasan Klima Sanayi ve Ticaret A.Ş.
Koçtaş Yapı Marketleri Ticaret A.Ş.
Körfez Gayrimenkul Yatırım Ortaklığı A.Ş.
KT Kira Sertifikaları Varlık Kiralama A.Ş.
KT Sukuk Varlık Kiralama A.Ş.
Kuveyt Türk Katılım Bankası A.Ş.
Makina Takım Endüstrisi A.Ş.
Mardin Çimento Sanayii Ticaret A.Ş.
Metlife Emeklilik ve Hayat A.Ş.
Mlp Sağlık Hizmetleri A.Ş.
Morgan Stanley Menkul Değerler A.Ş.
MUFG Bank Turkey A.Ş.
Neova Sigorta A.Ş.
Nuh Çimento Sanayi A.Ş.
Olmuksan International Paper Ambalaj San. ve Tic. A.Ş.
Pamuk Faktoring A.Ş.
Panora Gayrimenkul Yatırım Ortaklığı A.Ş.
Sasa Polyester Sanayi A.Ş.
Strateji Faktoring A.Ş.
Şeker Faktoring A.Ş.
Şeker Finansal Kiralama A.Ş.
Şeker Finansman A.Ş.
Şeker Portföy Altın Fonu
Şeker Portföy Serbest Fonu
Şeker Portföy Yönetimi A.Ş.
Şeker Yatırım Menkul Değerler A.Ş.
Şekerbank T.A.Ş.
Şok Marketler Ticaret Anonim Şirketi
Torunlar Gayrimenkul Yatırım Ortaklığı A.Ş.
Turkland Bank A.Ş.
Türkiye Halk Bankası A.Ş.
Ulusoy Elektrik İmalat Taahhüt ve Ticaret A.Ş.
Ünye Çimento Sanayi ve Ticaret A.Ş.

Public Interest Entities Audited in Fiscal Year 2018
Verusa Holding A.Ş.
Verusaturk Girişim Sermayesi Yatırım Ortaklığı A.Ş.
VFS Finansal Kiralama A.Ş.
VFS Finansman A.Ş.
Yatırım Finansal Kiralama 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 Regulation¹

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 ²	Name of audit firms carrying out statutory audits in each Member State ³
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
	Deloitte Marque Gendrot
	Audalian Commissaire
	BEAS
	Cisane
	Constantin Associés
	Constantin Entreprises
	Consultants Auditeurs Associés
	DB Consultants
	Durand & Associés
	ECA Audit
	Jacques Serra et Associés
	Laurens Michel Audit
	Opus 3.14 Audit Et Conseil
	Pierre-Henri Scacchi et Associés

¹ EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities

² EU transparency reporting requirement: 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.

³ EU transparency reporting requirement: the name of each audit firm that is a member of the network.

	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants SA
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP - Republic of Ireland
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 S.R.L.
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB
United Kingdom	Deloitte LLP
	Deloitte Gibraltar Limited
	Deloitte NI Limited

Disclosure in accordance with Article 13.2 (b) (iv) of the EU Audit Regulation⁴

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 billion⁵

⁴ EU transparency reporting requirement: 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.

⁵ 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 2019, 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 2018 to 31 May 2019.

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 2018 turnover:

Turnover	TL
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	159,886
Total	159,886



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