

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.**AUDIT COMMITTEE CHARTER****I. PURPOSE:**

The purpose of this regulation is to set down the duties and responsibilities of Audit Committee (the "Committee") of Pinar Süt Mamulleri Sanayii A.Ş. (the "Company").

The Committee supervises the Company's accounting system, public disclosure of financial data and information, independent audit, and efficiency and functioning of internal control system. Selection of the independent audit firm, preparation of the independent audit contract and initiation of the independent audit process and all works of independent audit firm at all stages are carried out, under supervision of the Committee.

II. GROUNDS:

This document has been prepared within the frame of provisions and principles set forth in the Capital Markets Legislation and the Capital Markets Board's Corporate Governance Principles.

III. COMPOSITION OF COMMITTEE:

- (a) The Committee is formed and authorized by the Board of Directors.
- (b) The Committee is composed of minimum two members. All members of the Committee are composed of independent members of the Board of Directors.
- (c) Term of office of the Committee is parallel to term of office of the Board of Directors. The Committee Chairman is elected by the General Assembly of Shareholders from among independent directors following the date of election of independent directors.
- (d) The Committee may make use of independent expert opinions on all and any matters needed with respect to its activities. In this case, the cost of consulting services needed by the Committee is borne and paid by the Company.
- (e) All kinds of sources and supports needed by the Committee for performance of its duties will be provided by the Board of Directors. The Committee may, if and when deemed necessary, invite any manager to its meetings and take opinions of him/her.
- (f) The Committee acts within the frame of its own powers and responsibilities, and makes suggestions to the Board of Directors, but the Committee's duties and responsibilities do not relieve the Board of Directors from its liabilities arising out of the Turkish Commercial Code.

IV. COMMITTEE MEETINGS AND REPORTING:

- (a) The Committee meets at least four times a year on quarterly basis. Decisions taken in the Committee meetings are documented in writing, and signed by the Committee members, and regularly archived.

- (b) The Committee makes sure that the Board of Directors is kept informed about all issues within its areas of authorization and responsibility.

V. DUTIES AND RESPONSIBILITIES:

Basic duties and responsibilities of the Committee are as listed below:

- (a) Selection of the independent audit firm and the context of the services to be received therefrom, are presented to the Board of Directors following the approval of the Committee.
- (b) Independent audit firm is required to immediately report to the Committee in writing the material issues relating to the Company's accounting policies and practices, and alternative practices and public disclosure options within the frame of the Board's accounting standards and principles which have already been reported by the firm to the Company management, and their probable results, and its practical advices, and the material correspondences between the firm and the Company management.
- (c) It is the responsibility of this Committee to formulate and designate the methods and criteria to be applied for examination, review and conclusion of complaints submitted to the Company with regard to the Company's accounting and internal control systems and independent audit, and for assessment and checking within the confidentiality principle of the information given by the Company employees about the Company's accounting system and independent audit.
- (d) The Committee presents to the Board of Directors in writing, together with its own assessments and in due consultation with the responsible managers and independent auditors of the Company, its opinions on compliance of the Company's annual and interim financial statements to be disclosed to public with the accounting principles of the Company, and on truth and accuracy of them.

VI. EFFECTIVE DATE:

This regulation pertaining to duties and responsibilities of the Committee, and all and any changes herein, become effective upon a relevant decision of the Board of Directors.