

DUTIES OF AND RULES OF PROCEDURES FOR THE COMMITTEE IN CHARGE OF AUDIT OF EMLAK KONUT REAL ESTATE INVESTMENT INCORPORATED COMPANY

I. PURPOSE AND SCOPE

Article 1-

The purpose of this regulation is to identify the duties of and rules and procedures for the Committee in charge of Audit (“the Committee”) which was established within Emlak Konut Real Estate Investment Incorporated Company (“the Company”) by the resolution of Board of Directors dated 08/18/2010 and numbered 43(111).

The Committee operates to ensure that the financial and operational activities of the Company are pursued in a sound manner in accordance with the rules under capital market legislation and this regulation. The purpose of the Committee which operates under Board of Directors is to provide supervision of the accounting system of the Company, disclosing financial information, and of functioning and efficiency of independent audit and internal control system in a manner in accordance with article 17 of the Articles of Partnership; thus, it is responsible for taking all necessary measures for sufficient and transparent implementation of any sort of external or independent audit.

II. LEGAL BASIS

Article 2-

The Committee was established within the framework of regulations, provisions and principles under section 6, article 25 of “Communication on Independent Audit Standards in Capital Markets” numbered Serial: X, No: 22, the “Communication on Identification and Implementation of Corporate Governance” of the Capital Markets Board numbered Serial: IV No: 56, and other capital markets legislation.

III. STRUCTURE OF THE COMMITTEE

Establishment

Article 3-

The Committee is established and authorized by the Board of Directors of the Company. The Committee is re-established at the first meeting of the Board of Directors that is to be held after the annual ordinary General Meeting. By this way, the working period of the Committee becomes parallel with working period of Board of Directors and the Committee is re-established after the pre-defined adaptation process of the new board of directors has been completed.

The Committee operates under its own authority and responsibility and makes recommendations for the Board of Directors.

Membership

Article 4-

The Committee is composed of at least two members and all members are chosen among the independent members of the Board of Directors. Chief Executive Officer, General Manager, members of the Board of Directors that are not independent or miscellaneous third parties cannot have membership within the Committee.

Committee Meetings

Article 5-

The Committee convenes upon the participation of one more than half of the number of members, takes decisions with majority.

The Committee convenes at least once in every three months at the company headquarters and presents the outcomes of these meetings to the Board of Directors. The timing of Committee meetings is as appropriate to the timing of meetings of Board of Directors as possible. All the works undertaken by the Committee and decisions taken at Committee meetings are put in writing, signed by Committee members and kept in an organized manner. The accounts of the works and decisions in question are kept.

The Committee may invite managers, internal and independent auditors whom it considers necessary to its meetings and may take their opinions. The internal auditor reports to the Committee. The independent audit firm participates to Committee meetings for the evaluation of financial statements and informs about its work.

The Committee may benefit from independent experts' opinions that it requires on issues with respect to its activities. The cost of consultancy services that Committee requires shall be covered by the partnership and any other resources and support that may be needed during the Committee performs its duty is provided by the Board of Directors.

The Committee presents its findings and recommendations with respect to its own area of duty and responsibility to the Board of Directors within a written report.

IV. DUTIES AND RESPONSIBILITIES

General

Article 6-

The Committee supervises the accounting system of the partnership, public disclosure and independent audit of financial information, and the functioning and efficiency of internal

control system. The Committee takes necessary measures for the realization of all kinds of internal and independent audit in a sufficient and transparent manner.

The Committee shall due consideration regarding the issues of examination and closure of complaints received by the partnership concerning the accounting and internal control systems and independent audit of the Company, and of evaluation of communications from employees of the Company on the issues of accounting and independent audit of Company within the framework of principle of confidentiality.

Independent External Audit

Article 7-

Selection of the independent audit firm, initiation of independent audit process by preparation or independent audit contracts, and operations of the independent audit firm at any stage are realized under the supervision of the Committee.

The independent audit firm from which the Company will get service, and the services that will be provided by these firms are defined by the Committee and submitted for the Board of Directors' approval.

The independent audit firm immediately communicates in writing to the Committee, important issues related to Company's accounting policies and its applications, alternative practices and disclosure options within the framework of accounting standards and accounting principles of Capital Markets Board that it conveyed to partnership management, possible outcomes of and application proposals for them, crucial correspondence that took place with the management of the Company.

Selection of the independent audit firm from which the Company will get service, and the services that will be provided by this firm are submitted for Board of Directors' approval after they passed the preliminary approval of the Committee. Before the proposal for selection of the independent audit firm is brought, the Committee prepares a report identifying whether any issues that may damage the independency of the independent audit firm exist.

Internal Control

Article 8-

The Committee takes the necessary measures for realization of internal audit activities in an efficient, sufficient and transparent manner. To this end, by revising the works and organization structure of internal audit unit; makes recommendations for Board of Directors with respect to what should be done for setting up of a sound internal audit infrastructure in the Company, identification of authority and responsibilities of the internal audit unit, putting internal control procedures in writing, and operation and supervision of the established body.

The Committee examines and evaluates the internal audit report prepared by Company internal audit unit and presents opinion to board of directors. In addition, it searches whether warnings and recommendations made with respect to internal audit are put into effect.

The Committee is immediately informed on important incidents faced during internal audit activities and emerged within the functioning of internal control system. Issues that limit the activities of internal auditors or constituting barriers to their activities are submitted for Board of Directors' information by the Committee and recommendations are made for elimination of these issues.

The Committee develops recommendations that will make incidents that cause abuse in internal control or similar issues, or discrepancy to or deficiency from laws and regulations revealed. To this end, it revises the surveillance system that the Company developed for compliance to laws and regulation, the disciplinary punishments, the results of investigations and proceedings initiated by the management of the Company; it makes recommendations to the management in order for necessary arrangements and procedures to be done.

Accounting System and Financial Reporting

Article 9-

The Committee monitors the conformity of periodic financial statements and their end notes to be disclosed to current legislation and international accounting standards and submits to the board of directors in a written format by taking opinions of engagement directors of the Company and independent audit firm.

The Committee states in the relevant written opinion whether the information within the activity report to be disclosed are accurate and consistent compared to the information that the Committee has.

The Committee revises important accounting and reporting issues and legal problems and searches for their effects on the financial statements.

Compliance with Internal Regulations

Article 10-

The Committee ensures the putting internal regulations in writing and develops measures for ensuring for them to reach all employees, and assesses whether the internal regulations and acceptable behavior patterns are transferred to employees through an appropriate communication method by the Company management.

The Committee submits the matters on the issues of clash of interests that may arise among members of the Board of Directors, managers and other employees and between units, and of misuse of business secrets of the Company that it detected for Board of Directors' information and makes recommendations on measures for preventing such situation.

Public Disclosure

Article 11-

The Committee carries its responsibilities in close cooperation with managers and officials who are in charge of public disclosure and have authority to sign.

Other Responsibilities

Article 12-

The Committee examines and closes the complaints received from relevant partners and beneficiaries concerning financial statements, internal control system, independent audit activity or subject of activity of the Company. It is Committees' duty to establish the infrastructure that is necessary for these complaints to reach to the Committee and to be evaluated.

Results of audits and investigations conducted by The Turkish Court of Accounts, State Economic Enterprises Commission of the Grand National Assembly of Turkey and other supervisory and regulatory authorities are revised by the Committee, and recommendations concerning corrections that are found necessary are submitted for Board of Directors' information in writing.

The Committee may initiate special audit if it finds necessary and reports the audit results to the Board of Directors. The Committee may appoint experts in one's subject as advisors to help in such audits.

The Committee may bring certain matters to Company General Meeting agenda if it finds necessary.

The Committee further undertakes other supervision and monitoring activities requested by the Board of Directors.

V. BUDGET

Article 13-

Any sort of resources and support that is needed for the Committee to effectively and efficiently carry its duty and its activities are provided by the Board of Directors. To this end, the Committee shall have an annual budget that is approved by the Board of Directors.

VI. ENFORCEMENT

Article 14-

Duties of and rules of procedures for the Committee and hereby amendments come into force with Board of Directors' decision.