AUDIT COMMITTEE DUTIES AND WORKING PRINCIPLES

Article 1: Scope and Legal Basis

These Working Principles (the "**Working Principles**") set forth the scope of authority and working principles of the Audit Committee (the "**Committee**") of the Board of Directors of Koton Mağazacılık Tekstil Sanayi ve Ticaret A.Ş. (the "**Company**").

The Committee was established by a resolution of the Board of Directors of the Company (the "**Board of Directors**") in accordance with the Capital Markets Law No. 6362 (the "**CML**"), the Turkish Commercial Code No. 6102 (the "**TCC**"), the Corporate Governance Communiqué No. II-17.1 (the "**Communiqué**"), the Corporate Governance Principles set forth in the annex thereto, the regulations of the Capital Markets Board of Türkiye (the "**CMB**"), and the relevant provisions of the Company's Articles of Association (the "**Articles of Association**").

Article 2: Purpose

The primary purpose of the Committee is to oversee the Company's accounting system and accounting practices, the public disclosure of the Company's financial information, the Company's independent audit, the operation and effectiveness of the Company's internal control and internal audit systems, and the Company's compliance with the applicable legislation. The Committee shall also perform the duties assigned to it under the Articles of Association and the Communiqué. In this context, the Committee shall perform the duties and responsibilities set out in these Working Principles.

Through its oversight function and recommendations regarding implementation, the Committee aims to contribute to the continuous improvement of the level of compliance with the applicable legislation and the Company's internal regulations, and to promote transparency, accountability, fairness, predictability, and effectiveness throughout the Company.

The Committee shall also be responsible for:

i. subject to the approval of the Board of Directors, recommending the selection of the independent audit firm, overseeing the preparation of the independent audit engagement agreement and the commencement of the independent audit process, and supervising the independent audit process and the activities of the independent auditor;

ii. reviewing and resolving complaints received by the Company relating to its accounting, internal control system, and independent audit; and establishing the methods and criteria for evaluating, in accordance with the principle of confidentiality, reports submitted by the Company's employees concerning the

Company's accounting and independent audit matters;

iii. obtaining the views of the Company's responsible executives and independent auditors regarding the fairness and accuracy of the accounting principles and procedures applied by the Company in connection with its annual and interim financial reports, and submitting the Committee's own evaluation together with such views to the Board of Directors in writing.

The Committee shall also perform such other duties as may be required of it under the CML, the TCC, the Communiqué, and other applicable legislation.

Article 3: Establishment and Membership

The Committee shall consist of at least two members and shall be composed exclusively of the independent members of the Board of Directors.

It is preferable that at least one member of the Committee has a minimum of five years of experience in auditing, accounting, and finance.
Following the election of a new Board of Directors at the Company's ordinary General Assembly meeting, the Board of Directors shall appoint the members of the Committee for a term corresponding to the term of office of the Board of Directors. The current Committee members shall continue to serve until their successors are appointed. Committee members whose terms have expired may be reappointed.

Article 4: Meetings

The Committee shall meet and adopt resolutions with the presence of a simple majority of its members. Resolutions may also be adopted without holding a meeting, provided that all members unanimously approve such resolutions.

The Committee shall meet at least four times each year and, in any event, at least once every three months. To the extent practicable, Committee meetings shall be scheduled to coincide with meetings of the Board of Directors and shall be held prior to each scheduled meeting of the Board of Directors, at the Company's headquarters or at another location where the Committee members are present.

The Committee shall prepare written records of all its activities, maintain such records, and report to the Board of Directors on its activities and the outcomes of its meetings. The Committee shall promptly submit its findings and recommendations relating to matters within its scope of responsibility to the Board of Directors in writing. The minutes of Committee meetings shall be approved by the Committee members and maintained together with the Committee's resolutions.

No one other than the Committee members may attend the Committee’s meetings unless invited by the Committee’s chairperson.

Article 5: Oversight of Reports, Documents, and Financial Information

The Committee shall obtain the views of the Company's responsible executives and the independent auditor regarding the annual and interim financial statements (including the notes thereto) to be publicly disclosed, with respect to their compliance with the accounting principles adopted by the Company and their fairness and accuracy, and shall submit its own evaluation together with such views to the Board of Directors in writing. In addition, the Committee shall review, in accordance with the principles set out above, any other reports or financial information submitted by the Company to administrative authorities or disclosed to the public (excluding information derived from the financial statements that have been reviewed and approved by the Committee).

Article 6: Independent Audit

The selection of the independent audit firm, the preparation of the independent audit engagement agreement and the commencement of the independent audit process, as well as the activities of the independent audit firm at every stage of the audit, shall be carried out under the supervision of the Committee.

The Committee shall determine the independent audit firm to be engaged by the Company and the services to be obtained from such firm, and submit its proposal to the Board of Directors for approval and to the shareholders for their consideration. The Committee shall obtain from the independent auditor a written confirmation of its independence and, before recommending the appointment of the independent auditor to the Board of Directors, shall report to the Board of Directors its assessment of any matters that may threaten the auditor's independence.

The Committee may invite the independent auditor to attend its meetings for the purpose of discussing matters relating to the financial statements and obtaining information regarding the independent auditor's activities.

The Committee shall oversee the independent auditor's compliance with its obligation to communicate to the Committee significant matters relating to the Company's accounting policies and practices, alternative accounting treatments and disclosure options previously communicated to the Company's management under the applicable accounting standards and accounting principles, the potential effects of such alternatives and the auditor's preferred treatment, as well as any significant correspondence between the independent auditor and the Company's management.

The Committee shall take into consideration the restrictions under the applicable legislation concerning the reappointment of the independent auditor.

Article 7: Internal Control System

The Committee shall submit its views and recommendations regarding the Company's internal control system to the Board of Directors, taking into consideration the relevant communications from the Company's senior management and the independent auditor.

The Committee shall ensure that all necessary measures are taken to enable the Company's internal control and internal audit functions, as well as the independent audit, to be carried out adequately and transparently.

The Board of Directors shall take the necessary measures to ensure that the officers required to sign the financial statements and the annual report have access to all material information relating to the Company and to its subsidiaries, affiliates, and jointly controlled entities included within the scope of the consolidated financial statements. The officers required to sign the financial statements and the annual report shall report to the Board of Directors, the Committee, and the independent audit firm conducting the Company's independent audit any comments or recommendations they may have regarding both the Company's internal control system and the systems through which they obtain such information, and to provide information regarding the internal control system they used in the course of their review of the annual report.

Article 8: Other Responsibilities

The Committee shall establish the methods and criteria to be applied in reviewing and resolving complaints received by the Company relating to its accounting system, internal control system, and independent audit, as well as in evaluating, in accordance with the principle of confidentiality, reports submitted by the Company's employees concerning the Company's accounting and independent audit matters.

The Committee shall establish the necessary mechanisms to enable stakeholders to report transactions of the Company that are contrary to the applicable legislation or are unethical. The Committee shall have full authority to conduct investigations in relation to such complaints.

Upon the request of the Board of Directors, the Committee shall undertake such other duties and responsibilities as may fall within the scope of its authority.

The Committee shall ensure that the Board of Directors is adequately informed on matters falling within the scope of its duties and responsibilities. The Committee's resolutions are advisory in nature, and neither the Committee's activities nor its recommendations shall relieve the members of the Board of Directors of their responsibilities under the TCC.

The Board of Directors shall be responsible, within the framework of the applicable legislation, for the preparation and presentation of the financial statements and reports in accordance with the applicable financial reporting standards and for ensuring their fairness and accuracy.

Article 9: Resources and Access to Information

The Board of Directors shall provide the Committee with the resources and support necessary for the performance of its duties and responsibilities.

The Committee may obtain information from the Company's executives and employees (where necessary, subject to confidentiality requirements) regarding matters under its review or whenever it considers such information necessary, and may invite the relevant individuals to attend Committee meetings.

The Committee may, where necessary, seek the opinions of independent experts on matters relating to its activities. The cost of any advisory services required by the Committee shall be borne by the Company.

Article 10: Amendments

Any amendments to these Working Principles shall be subject to the approval of the Board of Directors.

Article 11: Effective Date

These Working Principles were approved by the Board of Directors pursuant to Resolution dated 5 February 2024 and numbered 2024/12, and entered into force on that date.