

# DECLARATION OF AUDIT COMMITTEE ON INTERNAL CONTROL ENVIRONMENT

İş Finansal Kiralama A.Ş.

## Declaration of Audit Committee on Internal Control Environment

İş Leasing has regulated the fundamental duties, authorities and responsibilities regarding its risk management and internal control activities via the "Internal Control, Risk Management and Internal Audit Activities Procedure", approved and released by the Board of Directors. The Board of Directors has appointed the Audit Committee to monitor, evaluate and manage the activities carried out under internal control and internal audit procedures.

The internal control system of the company targets to establish and maintain a company-wide internal control culture internalized by all employees, as a contributing approach covering all operations. The internal audit system on the other hand, comprises the identification and application of precautions designed to eliminate factors threatening, endangering or having the probability to endanger assets, data, information and personnel safety; and to ensure the compliance of company operations to legal and internal regulations. Through its risk based audit approach, the Internal Audit and Risk Management Department, which is reporting to the Board of Directors via the Audit Committee, assures the implementation of above referred actions by contributing to the formation, development and improvement of a company-wide risk culture.

The procedures regarding company operations, work flows, segregation of duties, authorizations and limits are continually reviewed and updated in parallel with changing conditions, risks and needs. Activity work flows incorporate complete and adequate controls addressing identified risks, hereby allowing a controlled execution of operations. Functional segregation of duties, transaction approval authorizations and limits, system controls, post transaction controls and other transaction specific controls ensure the execution of activities continuously in an efficient, correct and safe manner.

The facts, arguments and suggestions determined through the auditing activity of the Internal Audit and Risk Management Department are first communicated and evaluated with the related executing parties. By this token, preemptive and complementary measures are implemented swiftly while accommodating and applicable solutions are introduced. All this activity is monitored closely and evaluated by the Internal Audit and Risk Management Department as well as the executing parties.

The Audit Committee periodically evaluates the effectiveness of the internal control system and the results of internal control activities through internal audit reports prepared by the Internal Audit and Risk Management Department; and shares its suggestions regarding the measures to be taken in relation to the reported findings with the Board of Directors. In the light of all these considerations, the Committee has not detected any downside effect regarding the efficiency of company's internal control system and results of internal control operations, and has concluded that it is duly acted.

İstanbul, 01 February 2020

President of Audit Committee and Board Member

A. Botan BERKER



Audit Committee and Board Member

Selim YAZICI

