

GENERAL CONDITIONS OF INDEPENDENT AUDITOR PROFESSIONAL LIABILITY INSURANCE

(Approval Date: 16/5/2013)

A. SCOPE OF INSURANCE

A.1. Subject of Insurance

With this insurance, the independent audit institutions and independent auditors authorized by the Public Oversight, Accounting and Auditing Standards Authority are provided with coverage against Losses arising from reasons such as conducting independent audits contrary to all kinds of legislation and audit standards, including information systems audits, preparing independent audit reports, including incomplete, incorrect, misleading information and opinions in their reports, within the contract period, in accordance with Article 24 of the Decree Law No. 660 on the Organization and Duties of the Public Oversight, Accounting and Auditing Standards Authority dated 26/9/2011, up to the amount specified in the contract, including reasonable expenses, litigation expenses and attorney fees.

If the insured is an independent auditing company, unless otherwise provided in the contract, this insurance also covers the liability of the insured's representative performing the independent auditing activity.

A.2. Geographical Limit of Insurance

This insurance is valid for the professional activities performed by the insured within the borders of the Republic of Türkiye; However, the parties may agree to include the professional activities of the insured abroad in the insurance coverage.

A.3. Cases Excluded from Coverage

The following cases are excluded from the coverage:

- a) Compensation claims arising from the insured's activities outside of his/her professional activities specified in the policy and the limits of which are determined by legal rules or ethical rules,
- b) Any incident or behavior intentionally caused by the insured during the performance of his/her professional activity,
- c) Misuse by the insured of any document delivered to the insured for the purpose of independent auditing, whether stored in a computer-based or electronic environment, written, printed or reproduced by any method.

A.4. Cases Excluded from Coverage, Compensation Claims and Payments, Unless There is a Contract to the Contrary

A.4.1 Cases Excluded from Coverage, Unless There is a Contract to the Contrary

- a) Compensation lawsuits and arbitration filed in a court other than the courts of the Republic of Türkiye;
- b) Destruction of the document delivered to the insured for the purpose of independent auditing without being linked to the loss certificate;

c) All kinds of unfair competition.

A.4.2 Claims Excluded from Coverage Unless There is a Contract to the Contrary

- a) Claims arising from any patent, copyright, trade name, trademark and similar intellectual property rights violations belonging to the customer;
- b) Claims for moral Losses.

A.4.3 Payments Excluded from Coverage Unless There is a Contract to the Contrary

- a) All kinds of penalties and penal terms, including administrative and judicial fines;
- b) In the event that criminal proceedings are initiated against the insured, all other expenses arising from such proceedings;
- c) Expenses exceeding the insurance amount related to the claim.

A.5. Start and End of Insurance

Insurance begins at 12:00 noon Turkish time on the days written as start and end dates in the policy, unless otherwise agreed upon, and ends at 12:00 noon.

B.1. Occurrence of Risk

The risk is deemed to have occurred when the insured learns that a claim for compensation has been made against him/her in relation to the subject of the insurance contract or when the injured party directly applies to the insurer.

B.2. Obligations of the Policyholder and the Insured Regarding Risk

The insured and the policyholder are obliged to fulfill the following.

- a) Notify the insurer immediately that the risk has occurred as soon as they become aware of it,
- b) Notify the insurer of the events that will necessitate the insured's liability within ten days,
- c) Take all necessary measures to prevent, reduce and prevent the increase of the damage as if there was no insurance contract, to the extent possible, and to comply with reasonable instructions regarding insurance, other than professional activities, to be given by the insurer for this purpose,
- d) Upon the request of the insurer, determine the cause of the event and damage, the circumstances and conditions under which it occurred and its consequences; to provide information and documents that can be obtained within a reasonable time, regarding the compensation obligation and amount and the right of recourse,
- e) In cases where a compensation claim is made through lawsuits or other means due to the damage or a criminal prosecution is initiated against the insurer, to immediately inform the insurer of the situation and to provide the insurer with all the notifications, invitations and similar documents it has received regarding the compensation claim and criminal prosecution without delay,
- f) To inform the insurer of any other insurance contracts related to the subject of the insurance.

B.3. Rights, Obligations and Liabilities of the Insurer Regarding the Risk

B.3.1. Payment of Expenses

The insurer shall compensate the reasonable expenses incurred by the insured for preventing, reducing, preventing the increase of the loss and protecting the recourse rights, separately from the insurance compensation, even if these have been rendered useless.

The insurer must pay the necessary amount as an advance payment upon the request of the policyholder in order to cover the expenses.

B.3.2. Advance Payment Regarding Compensation

The insurer must provide an advance payment for the expenses related to the compensation claim upon the request of the insured.

B.3.3. Payment of Compensation

In the event of the occurrence of the risk, the documents to be requested, except for special cases, must be clearly and understandably stated in the annex of the policy.

The insurance compensation shall become due and payable after the insurer completes its investigations regarding the performance of the risk after the documents related to the risk are submitted to the insurer and in any case, forty-five days after the notification of the realization of the risk is made. If the investigation is delayed due to a fault that cannot be attributed to the insurer, the period shall not run.

If the investigations are not completed within three months from the notification of the realization of the risk or from the direct application of the injured party to the insurer; the insurer shall pay at least fifty percent of the amount of damage to be determined promptly according to the results of the preliminary appraisal to be conducted by the court upon the agreement of the parties or in case of disagreement, as an advance payment to be deducted from the compensation.

When the debt becomes due and payable, the insurer shall go into default without the need for a notice.

Contract provisions that provide for the insurer to be relieved of the obligation to pay default interest are invalid.

B.3.4. Assistance to the Insured

The insurer shall, within five days of the insured making a proper notification or a direct request from the injured party, notify the insured whether it will undertake to carry out the necessary legal procedures and make decisions regarding the demands of the injured party and on behalf of the insured, but with all the responsibility and expenses being borne by the insured party, and also to assist in the defense. The insured shall carry out the procedures that must be carried out until the end of this period.

The insurer shall take into consideration the rights and interests of the insured in the procedures it carries out.

If the insurer has not made a notification, it shall pay the compensation finalized against the insured. However, the settlement agreement made by the insured without the approval of the insurer shall be invalid against the insurer if approval is not given within fifteen days of the notification; the insurer cannot refrain from approving the settlement for unjustified reasons.

B.3.5. The Insurer's Right to Obtain Information from the Injured Party

The insurer may request information from the injured party in order to determine the event that caused the damage and the amount of the damage. The injured party must provide the insurer with all relevant documents that are likely to be provided and whose request may be justified. In the event that the injured party fails to comply with this obligation, the insurer's liability is limited to the amount it would have had to pay if the obligation had been fulfilled, provided that the situation has been notified to the injured party in writing.

B.3.6. Performance Obligation in Relation to the Injured Party

Even if the insurer is completely or partially relieved of its performance obligation towards the insured, the performance obligation in terms of the injured party continues up to the amount of compulsory insurance.

The termination of the insurance relationship shall only become effective against the injured party one month after the insurer notifies the competent authorities that the contract has ended or will end.

The insurer's liability ends to the extent that the damage is covered by social security institutions.

B.4. Subrogation

The insurer legally replaces the insured party to the extent of the compensation it has paid.

B.5. Right to Direct Action

The injured party may request compensation for the portion of the damage suffered up to the insured amount directly from the insurer, provided that it remains within the statute of limitations applicable to the insurance contract.

C. MISCELLANEOUS PROVISIONS

C.1. Payment of Insurance Premium and Commencement of Insurer's Liability

The insurer's liability begins with the payment of the premium. Unless otherwise agreed, in the event of non-payment of the premium, the insurer's liability does not begin even if the policy has been delivered, and this condition is written into the policy.

C.2. Declaration Obligation of the Insured and Policyholder at the Time of Making the Contract

The policyholder is obliged to inform the insurer of all important matters that he/she knows or should know at the time of making the contract. Matters not notified to the insurer, incompletely or incorrectly reported are considered important if they require the contract to be made under different conditions. Matters asked by the insurer in writing or verbally are considered important until proven otherwise.

If the insurer has given the policyholder a list of questions to answer, no liability can be imposed on the policyholder regarding matters other than the questions included in the list provided; unless the policyholder has concealed an important matter in bad faith.

If an important issue for the insurer is not reported or is reported incorrectly, the insurer may withdraw from the contract within fifteen days or request a premium difference. If the requested premium difference is not accepted within ten days, the contract is deemed to have been withdrawn. The fact that the important issue was not learned due to the fault of the policyholder or was not considered important by the policyholder does not change the situation. However, if the real situation of an issue or fact that was not reported or reported incorrectly is known by the insurer, the insurer cannot withdraw from the contract by claiming that the disclosure obligation has been violated. The burden of proof lies with the policyholder.

The insurer cannot withdraw from the contract if it has expressly or implicitly waived the exercise of the right of withdrawal or if it has caused the violation that led to the withdrawal or if it has made the contract despite some of its questions being left unanswered.

In the event of withdrawal, if the policyholder is intentional, the insurer is entitled to premiums for the period during which it carried the risk.

C.3. Obligation to Declare During the Continuation of the Contract

The insured cannot, after the conclusion of the contract, engage in behaviors and transactions that would aggravate the risk or the current situation and increase the compensation amount without the permission of the insurer.

If the insured or someone else with his/her permission engages in transactions that increase the probability of the risk occurring or aggravate the current situation, or if one of the issues explicitly accepted as aggravation of the risk occurs when the contract is made, he/she shall immediately notify the insurer; if these transactions were made without his/her knowledge, within ten days at the latest from the date of learning about this issue.

If the insurer learns of the possibility of the risk occurring or the aggravation of the current situation or the existence of events that can be accepted as aggravation of the risk in the contract during the term of the contract, he/she may terminate the contract or request a premium difference within one month from this date. If the difference is not accepted within ten days, the contract shall be deemed to have been terminated. Unless the increase in the risk is caused by a matter related to the insurer's interest or an event for which the insurer is responsible or the fulfillment of a humanitarian duty.

If the insurer learns that the policyholder has intentionally breached the declaration obligation before the risk occurs, even if it terminates the contract in accordance with the first paragraph, it shall be entitled to the premium for the insurance period in which the change occurred.

C.4. Status of the Policyholder and the Insured

In cases where legal consequences are attached to the knowledge and behavior of the policyholder, the knowledge and behavior of the insured and the beneficiary shall also be taken into account, provided that they are aware of the insurance.

C.5. Notifications and Notices

Notifications of the policyholder and the policyholder shall be made to the headquarters of the insurance company or to the agency that concludes or mediates the conclusion of the insurance contract.

Notifications of the insurer shall be made to the last notified address of the policyholder if they are to be made against the policyholder, or to the last notified address of the policyholder if they are to be made against the policyholder, by notary or by registered mail.

Notifications made to the parties by hand or by telegram against signature shall also be deemed registered mail.

Notifications made electronically using secure electronic signatures and that can be proven to have reached the insurer, the insured and the policyholder are also considered valid.

C.6. Termination of the Insurance Contract

The insurance contract is terminated in the event of termination of the professional activity defined in the policy, bankruptcy of the insurer, termination of the contract and withdrawal from the contract.

Subject to special provisions arising from the legislation, in the event of termination of the contract, the premium for the days not processed is returned to the policyholder.

C.7. Special Reasons for Termination

The policyholder may withdraw from the contract by paying half of the agreed premium before the insurer's liability begins.

In cases such as the insurer declaring a composition, cancellation of its license for the relevant insurance branch or removal of its authority to conclude contracts; the policyholder may terminate the insurance contract within one month from the date on which it learns these facts.

The policyholder may request a guarantee from the insurer that its commitment will be fulfilled if it becomes insolvent or if the legal proceedings against it are unsuccessful. If the guarantee is not provided within one week from this request, the policyholder may terminate the contract. 5

C.8. Keeping Commercial and Professional Secrets

The insurer and those acting on behalf of the insurer are responsible for the Losses arising from the failure to keep secrets that they will learn about the insured and the policyholder due to the conclusion of this contract.

C.9. Statute of Limitations

All claims arising from the insurance contract become time-barred two years from the date the receivable becomes due, and claims regarding insurance compensation become time-barred ten years from the date the risk occurs in any case.

C.10. Special Conditions

The parties may agree on special conditions that are not to the detriment of the policyholder and the insured.