

## **WORKING PRINCIPLES OF RISK MANAGEMENT COMMITTEE**

### **1. FOUNDATION**

Risk Management Committee is established to give advices and suggestions about determining the risk early and constitution of efficient risk management system to the Board of Directors in accordance with the 6102 Turkish Commercial Code and Capital Markets Board Corporate Governance Principles in the General Meeting of our Company in 11.07.2012

### **2. PURPOSE**

To give advices and make suggestions on early determination, evaluation, effect and calculation of the possibilities of strategic, operational, financial, legal etc. risks that can endanger the existence, development and continuity of the company, managing and reporting of these risks in compliance of the corporate risk taking profile of the Company, taking precautions about identified risks, considering in the decision mechanism and constitution of internal control systems within this scope and integration.

### **3. DUTIES AND RESPONSIBILITIES**

The duties of the Risk Management Committee;

- To identify, evaluate and monitor of the present and possible risk elements that can affect to reach the company objectives within the systematic framework of Enterprise Risk Management (ERM), to identify the principles relating to management of the risks in accordance with the risk taking profile of the company and to provide to be used in the decision mechanisms
- To identify the risks that are saved, managed, shared or eliminated according to calculations of possibility and effect.
- To provide integration of risk management and internal control systems to the corporate structure of Company.
- To review the risk management systems and to look after the proper performance of the applications in the relating departments that undertakes the management responsibility of risks according to the committee decisions.
- Early diagnosis of technical bankruptcy and warning the Board of Directors, developing suggestions about precautions
- To perform the other actions that is given or will be given to the committee with Capital Markets Board and Turkish Commercial Code.

The Committee notifies the evaluations and suggestions both written and orally about the aforementioned issues to Board of Directors.

#### **4. STRUCTURE OF COMMITTEE AND MEMBERSHIP CRITERIA**

- The corporate governance committee consist at least two persons. Committee chairman and members are elected among the independent Members of Board of Directors. CEO/General Manager cannot participate in such committee.
- Members of the committee are elected among the ones who are not charged at execution and Member of the Board of Directors.
- When the new Board of Directors is elected in the ordinary annual general meeting, relating board of directors identifies the Risk Management Committee parallel to their term of office. Duties of the former committee members continue until the new committee elected.
- Any kind of required resources and supported is provided by the Board of Directors in order to perform the duties of the committee. The committee can invite any director the meeting if require and can take their opinions.
- The committee is benefited from independent specialist opinions if required. The cost of the consultancy services needed is provided by the company.

#### **5. SUB-COMMITTEES**

Sub-committees can be formed in order to provide efficiency of works Risk Management Committee by the persons who are sufficiently experienced and well knowledge on Risk Management issues among their members or externally.

#### **6. MEETINGS**

- The committee holds meetings when it is required.
- The decree of the Committee is advisory to Board of Directors; ultimate decision maker is Board of Directors.
- The committee provides information to Board of Directors within the content of its authorization and responsibility areas. The Committee reports suggestions on risk and solutions to Board of Directors and Auditor.
- The quorum of meeting and decision is absolute majority of total member number.
- Meetings can be held at headquarter or a place easy to access.

#### **7. REPORTING PROCEDURES**

- The decisions of the committee are kept in a decision book for the committee.
- At least followings have to be placed in the minutes of meeting:

- Time and place of the meeting
  - Agenda
  - Information about the discussed issues in the meeting.
  - Resolutions
- Required resolutions are presented to Board of Directors.
  - The secretary of the board of directors is responsible for preparation and keeping the reports. Prepared minute of meeting is archived after presented to the information of the Committee Members.

## **8. ENFORCEMENT**

Present working principles of Risk Management Committee are approved with 11.07.2012 dated Resolution of Board of Directors. The update of such working principles by a revision is under the authorization of the Board of Directors.