WORKING PRINCIPLES OF RISK MANAGEMENT COMMITTEE

1. FOUNDATION
The Risk Management Committee was established by decision of our Company's Board of Directors dated 16.07.2010 and numbered 701. Then the structure of the Risk Management Committee was reviewed and revised upon the Board of Directors’ decision dated 26.04.2012, in order to make suggestions and recommendations to the Board of Directors with the purpose of developing corporate governance practices of our Company; detecting risks earlier and establishing an effective risk management system, by considering new provisions included in the Turkish Commercial Code numbered 6102 and the Corporate Governance Principles of the Capital Markets Board.

2. PURPOSE
The purpose is to make suggestions and recommendations to the Board of Directors for early detection, evaluation, effect and possibility calculation of all kinds of strategic, operational, financial, legal and other risks that might damage the Company's existence, development and continuity; management and reporting of these risk in compliance with the Company's corporate risk-taking profile; implementation of necessary measures concerning the detected risks; consideration of decision making mechanism and creation and integration of internal control system with this regard.

3. DUTIES AND RESPONSIBILITIES
Duties of the Risk Management Committee are:
- To define, evaluate and monitor the existing and potential risk factors that might affect achieving the company objectives, within the framework of Enterprise Risk Management; and to determine principles on risk management in compliance with the company's risk taking profile and to ensure that these principles are used in decision mechanism,
- To detect the risks that will be kept and managed, shared or completely eliminated in the Company according to the possibility and effect calculations,
- To ensure integration of risk management and internal control system with Company's corporate structure,
- To supervise whether practices in respective departments, which are responsible for reviewing risk management systems at least once a year and for risk management, are executed in compliance with committee decisions,
- To ensure early detection of technical bankruptcy and to warn the Board of Directors with this respect; and to develop suggestions concerning relevant measures,
- To accomplish other tasks assigned/to be assigned to the Committee under CMB regulations and Turkish Commercial Code.

The Committee advises the Board of Directors in writing or orally of its evaluations and recommendations on the abovementioned matters.

4. STRUCTURE AND MEMBERSHIP CRITERIA OF COMMITTEE
- The Risk Management Committee consists of at least two members. Committee President shall be elected among independent members. Chief Executive Officer/General Manager may not take office in the committee.
- In case of consisting of two members, both members of the Committee, and in case of consisting more than two members, majority of the members of the Committee shall be elected from Members of the Board of Directors who do not undertake any executive function. Persons who are expert in their own subject but not a Member of Board of Directors may be included in the Committee when needed.
- Upon election of new Board of Directors in the Ordinary General Assembly, members of the Risk Management Committee shall be determined in parallel with the Board’s term of office. Former committee members shall continue their duties until new committee members are elected.
- All kinds of resources and support necessary for the Committee to fulfill its duties shall be provided by the Board of Directors. The Committee may invite any manager it deems necessary and receive their opinions.
- The Committee may benefit from independent expert opinions with regard to its activities when needed. Costs of consultancy services required and needed by the Committee shall be borne by the Company.

5. SUB-COMMITTEES
Sub-committees consisting of persons to be selected among the Risk Management Committee’s own members and/or externally, who have enough experience and knowledge in corporate governance, may be formed to ensure effectiveness of works and studies of the Risk Management Committee.

6. MEETINGS
- The Committee shall convene as often as required by its duties assigned to it.
- The Committee’s decisions are advisory for the Board of Directors; and the final decision regarding the respective matter shall be made by the Board of Directors.
- The Committee shall ensure that the Board of Directors is informed about subjects within its authorization and responsibility. It shall report its recommendations on risk and solutions to the Board of Directors and the auditor.
- Quorum shall be absolute majority of total number of committee members.
- Meetings may be held in person or through electronic methods (on electronic media or via conference calls) without actually gathering. Actual meetings may be held in company’s registered office or another place easily accessible by committee members. Minutes of meetings held through electronic methods without actually gathering shall be signed by the members of the Risk Management Committee. Moreover, committee decisions can also be taken through the circular decision method; decisions signed on the same or different papers by all members shall be valid.

7. REPORTING PROCEDURES
- Committee decisions are maintained in a decision book.
- Meeting minutes are required to include at least the following:
  o Date of meeting
  o Information concerning the matters discussed in the meeting
  o The decisions made
- Decisions deemed necessary by the Risk Management Committee shall be submitted to Board of Directors.
- Secretary of Board of Directors shall be responsible for preparing and retaining the reports. Meeting minutes prepared shall be archived following its submission to the Committee Members.

8. EFFECT
These working principles of the Risk Management Committee were approved by the decision of Board of Directors dated 26.04.2012, and finalized with the amendments made on 28.03.2019. The Board of Directors is authorized to revise and update the aforementioned working principles when needed.