

## **Committee of Early Detection of Risks Terms Of Reference**

### **1. Purpose**

This procedure aims to determine the terms of reference of the Committee of Early Detection of Risks, which assists the Board of Directors in terms of early detection of the risks of Egeli & Co. Investment Holding (the "Company"). The Committee for Early Detection of Risks is established for early detection of risks that might endanger the existence, development and perpetuation of the Company and to implement measures required against the risks determined as well as the management of risks.

### **2. Membership**

2.1 The Committee of Early Detection of Risks shall consist of at least two members.

The chairman of the committee shall be selected from among the independent members of the board. In case the committee consists of two members, all members shall be selected from among the non-executive directors, committee chairman being an independent director.

2.2 Members of the committee shall be appointed by the board, one of the members being appointed as the committee chairman.

2.3 Only members of the committee have to right to attend the committee meetings. However, other Company officers or independent advisors may be invited to attend the meetings by the chairman of the committee, when appropriate. The chief executive officer or the general manager of the Company cannot become committee members or attend the committee meetings.

2.4 The Committee members shall appointed for maximum term of office for which they are appointed as the members of the board. The members, who complete their terms of office, may be re-elected as long as they continue to have the required qualifications.

### **3. Quorum**

3.1 The quorum for committee meeting shall be the majority of the total number of members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

### **4. Frequency of Meetings**

**4.1** As a principle, the committee shall meet once each two months. The committee members may organize additional meetings if required.

### **5. Notice of Meetings**

**5.1** Meetings of the committee shall be called by the chairman of the committee.

**5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and other persons required attending the meeting at least three days before the date of the meeting. Supporting papers along with the agenda shall be sent to the committee members at the same time.

## **6. Minutes of Meetings**

**6.1** Minutes of the meeting shall be kept in a documented manner.

**6.2** Minutes of committee meetings shall be signed by all committee members and circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.

## **7. Duties**

**7.1** The Committee shall carry out duties for the identification of any risks that might endanger the existence, development and continuity of the Company, the implementation of required measures and the management of risks.

**7.2** The Committee for Early Detection of Risks shall carry out studies in order to detect the Company's risks, develop methods of measurement, secure reliability of the methods of measurement, create strategies for the risk management, oversee the application of these strategies, determine the maximum limits for the risks of the Company and provide recommendations for the Board of Directors.

**7.3** The Committee for Early Detection of Risks shall share its view with the Board of Directors for creating internal control systems including risk management systems and process of information that will minimize the effects of risks which might affect the stakeholders, particularly the shareholders, of the Company.

## **8. Reporting Responsibilities**

**8.1** The committee shall oversee and advise the Board every two months, in writing, on the current risk exposures of the Company by identifying threats and proposing actions. The report shall be sent to the Auditors.

**8.2** The Risk Detection Committee shall prepare and present to the Board of Directors an annual assessment report, which shall be included in the annual reports, for working principles including its members, frequency of the sessions and executed activities, in order to provide a basis for board's evaluations of its effectiveness.

**8.3** The committee shall ensure that necessary disclosures are made in the annual report with regard to the risk management practices and strategy of the Company.

## **9. Public Disclosures**

**9.1** The committee shall coordinate the preparation of the report included in the annual report.

## **10. Authority**

**10.1** The committee may obtain legal advisory or professional advice on any matter within its terms of reference.

**10.2** The committee is authorized to seek any information it requires from any employee of the company in order to perform its duties.