

# **EARLY DETECTION of RISK COMMITTEE ROLE and WORKING PRINCIPLES REGULATION**



## **1.0 PURPOSE**

The purpose of this regulation is to define the roles, responsibilities and working principles of the Early Detection of Risk Committees (Committee) established by the Boards of Directors of Naturel Holding and Naturel Holding's publicly traded companies, in accordance with the provisions of the Capital Markets Law No. 6362, Article 378 of the Turkish Commercial Code No. 6102 and the Corporate Governance Communiqué (No. II-17.1) issued by the Capital Markets Board.

## **2.0 SCOPE**

This regulation applies to Naturel Holding and all publicly held companies (Companies) within its structure.

The scope of this regulation is to evaluate strategic, political, financial, operational, ESG (Environment, Social and Governance) etc. risks that may affect the company's activities, to report the identified issues to the Board of Directors and to make suggestions and recommendations to the Board of Directors in accordance with the Capital Markets Legislation and the principles included in this regulation.

## **3.0 PRINCIPLES**

This regulation is prepared in accordance with the relevant provisions of the Turkish Commercial Code, Capital Market Legislation, and the Corporate Governance Principles announced by Capital Market Board.

### **3.1 Organization**

The Committee is established and authorized by the Board of Directors.

The Committee may consult independent experts on matters related to its activities.

The Committee is authorized to invite company employees, representatives of affiliates or related parties of the Holding, internal and external auditors, and subject-matter experts to meetings, to obtain information and, when needed, seek external legal or professional consultancy.

The cost of consultancy services required by the Committee shall be covered by the company.

The term of office of the Committee begins with the determination of the members and is parallel and limited to the term of the Board of Directors.

The Committee acts within its authority and responsibility and makes recommendations to the Board of Directors. However, the duties and responsibilities of the Committee does not relieve the Board of Directors from its responsibilities under the Turkish Commercial Code.

## **EARLY DETECTION of RISK COMMITTEE ROLE and WORKING PRINCIPLES REGULATION**



### **3.2 Membership**

The committee consists of at least two members, with the majority of its members elected from among the board members. The chairman of the committee is elected from among the independent board members.

The elected members are publicly disclosed through the Public Disclosure Platform.

### **3.3 Committee Meetings**

The Committee meets at least six times a year, once every two months, at the Holding Headquarters. However, meetings may also take place at the Istanbul Office, provided that prior notice is given.

Meetings may be held physically or through electronic means (via online conference call). The timing of Committee meetings shall align as much as possible with the timing of Board meetings. Decisions taken during Committee meetings shall be documented, signed by Committee members, and filed properly.

## **4.0 DUTIES and RESPONSIBILITIES**

The Committee works to establish a corporate risk management system in order to identify, monitor, reduce and re-evaluate the risks, their probabilities and effects that may endanger the existence, development and continuity of the company.

The Committee informs and warns the Board of Directors about risky issues that may affect the Board's decisions.

The Committee ensures that the risk management system is integrated into the company's corporate structure and its efficiency is monitored.

The Committee ensures that the necessary work is carried out to ensure that risk management policies and practices are adopted and implemented by all company employees.

The Committee reviews the risk management system at least once a year.

The Committee prepares a report on its findings and recommendations regarding its duties and areas of responsibility and presents it to the Board of Directors.

## **5.0 BUDGET**

All resources and support necessary for the Committee to fulfill its duties are provided by the company with the approval of the Board of Directors.

**EARLY DETECTION of RISK COMMITTEE  
ROLE and WORKING PRINCIPLES  
REGULATION**



**6.0 ENFORCEMENT and REVIEW**

This regulation concerning the duties and working principles of the Committee, along with any amendments, shall come into effect upon the decision of the Board of Directors. The regulation shall be reviewed annually by the Board of Directors, and any necessary changes shall be incorporated accordingly.