

EARLY RISK DETECTION COMMITTEE

WORK PRINCIPLES

1. SCOPE

These work principles set forth the duties and work principles of the Early Risk Detection Committee ("Committee") established by the Board of Directors (the Board) of Eczacıbaşı Yatırım Holding Ortaklığı A.Ş. (the "Company").

2. FOUNDATION

During the Board meeting dated 17 May 2013 of our Company, The Early Risk Detection Committee, which carries out studies for early detection of risks likely to endanger the existence, development and continuity of the Company, implementation of the necessary measures in relation to the identified risks and management of the risk, was established as per the provisions of Turkish Commercial Code numbered 6102 ("TCC") and Capital Markets Board ("CMB") Corporate Governance Principles.

3. PURPOSE

To make suggestions and recommendations to the Board of Directors on conducting in-situ analyses and studies and reporting the results of the studies conducted, taking necessary measures with respect to the identified risks, taking the risks and their effects into consideration in the decision-making mechanisms and creating and integrating effective internal control systems accordingly for the purposes of early detection, assessment of any and all strategic, operational, financial risks, those risks related to compliance and sustainability and other risks, which may affect the presence of the Company, its ability to reach its targets, and endanger its development and continuity.

4. DUTIES AND RESPONSIBILITIES

The duties and work principles of the Early Risk Detection Committee have been set out as follows within the framework of the Capital Market Legislation, the Turkish Commercial Code and the regulations in Capital Markets Board's "Corporate Governance Principles"; relevant provisions of the Company's Articles of Association:

- To define, evaluate and monitor the existing and potential risk factors that may affect the achievement of the Company's objectives within the framework of the Corporate Risk Management systematic, and to determine the principles regarding management of the relevant risks in accordance with the risk taking profile of the Company and ensure that they're used in decision-making mechanisms.
- To work in coordination with the Corporate Risk Management Department, which was set up within Eczacıbaşı Holding A.Ş. Financial Affairs and Finance Group Department and provide information and opinions when necessary.
- To identify the risks to be kept in the Company and managed, shared or completely removed from the Company according to the risk management system, probability and impact calculations.
- To submit opinions to The Board of Directors for development and improvement of internal control systems which will include risk management, information systems and processes that are capable of minimizing the effects of the risks that may affect the Company's stakeholders, primarily including the shareholders.
- To ensure integration of risk management and internal control systems into the Company's corporate structure and monitor their effectiveness.
- To request information, opinions and reports from the relevant departments, when deemed necessary for the purposes of reviewing the effectiveness of risk management systems at least once a year and monitoring that the practices in the relevant departments assuming the responsibility of managing risks are carried out in accordance with Committee decisions.

- To identify technical bankruptcy early and to warn the Board of Directors in this regard, to develop suggestions for the measures required to be taken.
- To carry out necessary procedures so that risk management policies and practices are adopted and implemented by the units and employees of the Company.
- In the report to be submitted to the Board of Directors every two months, to evaluate the situation, point out the dangers, if any, and show the remedies, and send this report to the auditor.
- To prepare an annual evaluation report, as an attachment to the annual financial report, which will include the Committee's work principles, including the members, frequency of meetings, the activities conducted, and which will provide the basis for the Board's assessment of the Committee's efficiency, and to submit it to the Board.
- To fulfill other duties assigned/to be assigned to the Committee under CMB regulations and Turkish Commercial Code.

The Committee submits its assessments and recommendations about the abovementioned issues to the Board in writing or verbally.

5. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- Early Risk Detection Committee is composed of at least two members. Committee chairman is chosen among independent Board Members. Chief executive officer/general manager cannot be assigned to the Committee.
- Both members in case that the Committee consists of two members or the majority of members in case there are more than two members are chosen among the Board members who do not have a post in execution. When required, those who are experts on their fields and who are not Board members may be assigned to the Committee.
- When a new Board is assigned for duty in ordinary meeting of the general assembly, the respective Board, in line with its own office term, designates the members of Early Risk Detection Committee and discloses them to the public. Former committee members continue to serve until new committee members are assigned.
- The Board of Directors may change the members of the Committee, appoint a new member to complete their term of office in case of termination, resignation or death, and decrease/increase the number of members.
- All kinds of source and support required by the Committee to perform its duties are provided by the Board. The Committee may invite any executive it deems necessary to the meetings and consult them.
- The Committee benefits from opinions of independent experts on matters it deems necessary with respect to its activities. The cost of consultancy services required by the Committee is covered by the Company.

6. SUB-COMMITTEES

Early Risk Detection Committee may establish sub-committees consisting of people with adequate knowledge and experience on Risk Management, who will be selected by the committee among its own members and/or outside the Company according to the respective need, in order to ensure efficiency in its activities.

7. MEETINGS

- The Committee convenes as often as deemed necessary for the fulfillment of the task assigned to it and the effectiveness of the works.
- The committee acts in accordance to its powers and responsibilities; the committee's decisions serve as recommendations to the Board of Directors, and the ultimate decision maker is the Board of Directors on related topics.

- The Committee ensures that the Board of Directors is informed about the issues falling under its authority and responsibility. The committee reports its suggestions about risks and remedies to the Board of Directors and the auditor.
- The Committee may hold meetings with the Company managers either collectively or separately, where necessary, and may invite any executive it deems necessary to the meetings and consult them.
- The quorum for meeting and decision is the absolute majority of total number of the Committee members; any oppositions, if any, are recorded.
- The Committee may be called for a meeting upon the request of the Chairman of the Committee or a Committee member.
- Meetings may be held in headquarters or any other place which is easily accessible to the Committee members.
- Committee members can also hold meetings among themselves using technological facilities such as conference calls or other communication tools.

8. REPORTING PROCEDURES

- All work done by the committee is written down and recorded.
- Committee decisions are kept in a resolution book to be maintained for the Committee.
- It prepares a report every 2 (two) months under Article 378 of the Turkish Commercial Code.
- At least, the following issues should be included in the meeting minutes:
 - Place and time of meeting
 - Agenda
 - Information on topics discussed during the meeting
 - Decisions taken
- Decisions considered as necessary by the Committee are submitted to the Board.
- The committee makes an annual self-assessment regarding its objectives, duties and performance and reports the results of this assessment to the Board of Directors.
- The minutes of the Committee meetings are approved by the Committee members and kept together with the Committee decisions.

9. ENFORCEMENT

The work principles of the Early Risk Detection Committee have been updated with the Board decision dated 20.02.2020, and any amendments to these principles are subject to authorization by the Board.

Any proposal for amendment to these work principles are submitted to the Board of Directors by the Committee. The suggestions prepared are put on the agenda at the first meeting of the Board of Directors.

These work principles, any amendments to and updates of these work principles come into force on the date of their publication upon the decision of the Board of Directors and are applied by the Early Risk Detection Committee.