

**DUTIES AND RULES OF PROCEDURE OF COMMITTEE FOR EARLY  
DETECTION OF RISKS  
OF  
AYEN ENERJI ANONIM SIRKETI**

**1. FOUNDATION**

The Board of Directors of our company resolved to establish a Committee for Early Detection of Risks to make recommendations to the Board of Directors to ensure effective risk management within the company in accordance with requirements set out in Communiqué (No. 56, Serial No.: IV) on Setting out and Implementation of Principles of Corporate Governance issued by the Capital Market Board and relevant provisions of the Turkish Code of Commerce No. 6102 on 28.05.2013.

**2. PURPOSE**

The purpose of the Committee for Early Detection of Risks is to carry out works with the objective of early detection of risks which may jeopardise existence, prosperity, and sustainability of the company, of taking necessary measures related to risks identified, and of managing such risks.

**3. DUTIES AND RESPONSIBILITIES**

Duties and responsibilities of the Committee for Early Detection of Risks are as follows:

- To identify, assess, and monitor existing and potential risks which may affect company's ability to attain its objectives with the help of risk management systems, and to set out risk management principles;
- To integrate risk management and internal control systems with the corporate governance of the company;
- To remind the Board of Directors to review risk management systems at least once a year, and to ensure that practices carried out by units entrusted with the risk management are in accordance with resolutions passed;
- Proceedings of the Committee shall be documented and maintained. The Committee shall meet as frequent as necessary for effectiveness of its duties and as specified in the rules of procedure. The Committee shall submit a report containing information on its works and results of its meetings to the Board of Directors.
- The Committee shall perform duties assigned/to be assigned to the Committee under regulations of the CMB and under the Turkish Code of Commerce.

#### **4. STRUCTURE AND ORGANISATION OF COMMITTEE**

- The Committee for Early Detection of Risks shall be composed of at least two members. The chairman and members of committee shall be appointed among independent directors. CEO/general manager may not be a member to this Committee.
- The Board of Directors shall provide every resources and assistance to the committee so that it can perform its duties. The Committee may summon any relevant executive to attend its meeting when it deems necessary.
- The committee may consult to independent experts in relation to its duties when it deems necessary. Fees and charges of such consultants shall be paid by the company.
- The Board of Directors shall appoint members of the Committee for Early Detection of Risks at the first meeting to be held after the ordinary general meeting of each year. Existing committee members shall stay at the office until they are replaced.
- The committee may procure consultancy services from competent experts in relation to its duties when it deems necessary. Fees and charges of such consultants shall be paid by the company

#### **5. MEETINGS AND RESOLUTIONS**

- The Committee meets as frequent as necessary for duties entrusted with it.
- The resolutions of the committee are recommendation only. The Board of Directors shall be the final authority on any matter considered.
- The committee meets and resolves with the absolute majority of its total number of members.
- Meetings may be held at the headquarters of the company or some other place where members would have easy access.

#### **6. MINUTES OF MEETINGS AND REPORTS**

All proceedings of the Committee shall be documented and kept in a resolution book to be maintained. The resolutions must contain the following:

- Location and time of meeting
- Agenda
- Resolutions taken.

Relevant resolutions and reports of the Committee shall be submitted to the Board of Directors. The Secretary of the Board of Directors shall perform secretarial duties for the Committee.

#### **7. ENFORCEMENT**

These rules of procedure for the Committee for early Determination of Risks are approved by the Board of Directors on 28.05.2013. The Board of Directors has the authority to update these rules whenever necessary.