

İZOCAM TİCARET VE SANAYİ A.Ş.

DUTIES AND WORKING PRINCIPLES OF THE EARLY DETECTION OF RISK COMMITTEE

1. FOUNDATION

On 3rd April 2013, the Board of Directors of our Company resolved that an Early Detection of Risk Committee be established for the purpose of giving advice and suggestions to the Board of Directors for the purpose of early risk identification and developing an efficient risk management system, in consideration of the provisions stipulated by the Turkish Code of Commerce with the number 6102 and Corporate Governance Principles of the Capital Markets Board.

2. PURPOSE

Early detection, defining, assessment and monitoring of the existing and probable risk factors which might have an impact on the company reaching its targets and defining the rules related to the risk management in compliance with the company's risk taking profile.

3. DUTIES AND RESPONSIBILITIES

The duties of the Early Detection of Risk Committee are;

- Identification, assessment, monitoring of existing and possible risk elements, that may affect the Company to reach its objectives, within the systematic of the Enterprise Risk Management (ERM) and determining the principles on the management of the risks according to the risk taking profile of the company and ensuring the use decision making mechanisms.
- Identification of the risks which may be kept and managed in the Company, shared or totally eliminated according to probability and effect calculations,
- Ensuring the integration of risk management and internal control systems to the corporate structure of the Company,
- Reviewing the risk management systems and supervising that the implementation in the respective departments undertaken the risk management responsibility is carried out in conformity with the committee decisions,
- Early diagnosis of the technical bankruptcy and warning the Board of Directors with this regard, developing suggestions on the possible actions,
- Carrying out other tasks that have been/will be assigned to the committee with the CMB regulations and the Turkish Code of Commerce.

The Committee informs the Board of Directors about its assessments and advices on the abovementioned matters either orally or in written form.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- The Early Detection of Risk Committee is formed by at least two members. The Chairman of the Committee is selected from among the Independent Board Members.CEO/ General Director shall not take part in the committee.
- The committee members are selected preferably from among the non-executive Board of Directors members or the specialists who are not members of the Board of Directors.
- When the new Board of Directors is elected during the Ordinary General Assembly Meeting, the duty periods of the members of the Early Detection of Risk Committee are determined in line with the duty period of the Board of Directors. The old members continue to carry out their tasks until a new member is elected to his/her place.
- Any resources and support that are necessary for the Committee to perform its tasks are provided by the Board of Directors. The Committee may invite and take the opinions of the executive who may be deemed necessary.
- The Committee benefits from the opinions of the independent experts for the matters needed in relation to its activities. The fees of the consultancy services needed by the Committee are covered by the Company.

5. SUB-STUDY GROUPS

The Committee may form sub study groups which consist of people having the adequate experience and knowledge on Risk Management, to be selected from among its own members and/or outside depending on the need in order to ensure the efficiency of the works.

6. THE MEETINGS

- The Committee assembles at the frequency as required by the appointed tasks. The resolutions of the Committee are advisory only and the decision making authority in the relevant issues is the Board of Directors.
- The Committee ensures that the Board of Directors is informed about the matters under its area of authority and responsibility
- The meeting and decision quorum is the absolute majority of the number of total members of the committee.
- The meetings may be held at the company's headquarters or any other place where it is easy to arrive by the committee members.

7. REPORTING PROCEDURES

The resolutions of the committee are kept in the minute book to be kept for the committee.

The minute of the meeting must contain at least the following information:

- Place and date of the meeting
- Information on the matters discussed in the meeting
- Resolutions advised

The resolutions considered necessary by the Early Detection of Risk Committee are submitted to the Board of Directors.

The secretariat of the Board of Directors is responsible for the preparation and keeping the reports. The meeting minute issued is archived after submitted to the information of the Committee Members.

8. EXECUTION

The execution principles of the Early Detection of Risk Committee as stipulated herein have been approved with the Board of Directors Resolution dated 3rd April 2013. The Board of Directors is authorized to update such execution principles by making revisions when and where necessary.