



KORDSA TEKNİK TEKSTİL ANONİM ŞİRKETİ

**COMMITTEES OF THE BOARD OF DIRECTORS
INTERNAL REGULATIONS**

**EARLY DETECTION OF RISK
COMMITTEE
INTERNAL REGULATION**

CODE NR	
EFFECTIVE DATE	02.08.2013
DATE AND NR OF BOARD RESOLUTION	02/08/2013 - 2013/15
REVISION NR	2-5
REVISION DATE	11.05.2021
DATE AND NR OF BOARD RESOLUTION	11.05.2021-2021/15

1. DECISION OF FOUNDATION

The Early Detection of Risk Committee (“Committee”) was established to take charge and be authorized based on the Board of Directors Resolution dated **02 August 2013** and **numbered 2013/15** of Kordsa Teknik Tekstil A.Ş., and in accordance with the provisions of the Article 378 of the Turkish Commercial Code No. 6102 and the Corporate Governance Principles Communiqué of the Capital Markets Board (CMB).

2. PURPOSE

This Committee was created by the Board of Directors of Kordsa Teknik Tekstil A.Ş. for the purpose of early detection of any strategic, operational, financial and other risks that may endanger the existence, development and continuation of the company.

3. DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE COMMITTEE

- 3.1.** The committee works to identify risks that may endanger the existence, development and continuation of the Company, to establish early detection and detection models, to create crisis prevention models and management systems, to implement necessary precautions regarding risks and to manage the risks.
- 3.2.** The committee reviews risk management systems at least once a year, monitors the implementation of risk management practices in accordance with Committee Decisions.
- 3.3.** The committee may invite any manager to its meetings and take their opinions in case of any necessity.
- 3.4.** The Committee benefits from the opinions of independent experts on the issues it needs regarding its activities. The cost of consultancy services required by the Committee is covered by the Company.
- 3.5.** The Resolutions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision maker on related matters. The Committee notifies its assessments and recommendations regarding to the aforementioned issues in writing to the Members of the Board of Directors with a report to be submitted every 2 months.
- 3.6.** The Committee fulfills other duties and responsibilities given/to be assigned pursuant to the Turkish Commercial Code and the Capital Markets Legislation.

4. STRUCTURE

The Committee has been established to be in charge and authorized in accordance with the provisions of Article 378 of the Turkish Commercial Code No. 6102 and the Corporate Governance Principles Communiqué of the Capital Markets Board.

The members of the committee are determined by the Company's Board of Directors and disclosed to the public.

The Committee consists of at least two members, including the Chairman appointed by the Company's Board of Directors.

4.1. Chairman

The Chairman of the Committee is appointed from among the independent members by the Company's Board of Directors.

4.2. Members

There is at least one member elected by the Company's Board of Directors except for the Chairman in the Committee. The committee member is preferably elected among the non-executive Board members.

4.3. Reporter

The Company's Assistant General Manager of Finance acts as the Reporter of the Committee.

5. MEETINGS AND REPORTING

5.1 The committee convenes as often as its task requires for the effectiveness of its work. Meeting and decision quorum is the absolute majority of the total number of Committee members.

5.2 All work done by the Committee is written down by the reporter and a record is kept. Reports containing information about the work of the Committee and the meeting results are submitted to the Company's Board of Directors after they are approved by the Committee Members.

5.3 The reporter is responsible for communicating the resolutions and meeting minutes to the Members of the Board of Directors.

6. DETERMINATION OF THE AGENDA

The meeting agenda is determined by the Committee Chairman.

Members of the Board of Directors and Committee notify the issues they want to be included in the agenda to the Chairman of the Committee.

7. MEETING PLACE AND TIME

Meetings are held at least four times a year on dates deemed appropriate by the Chairman. The annual meeting schedule of the Committee is determined by the

Committee Chairman and announced to all members at the beginning of each year.

8. DUTIES OF THE CHAIRMAN

- 8.1 Chairs the Early Detection of Risk Committee and manages the meetings.
- 8.2 Determines the meeting agenda.
- 8.3 Provides information flow and coordination between the Company's Board of Directors and the Committee.
- 8.4 Invites the relevant expert or experts to the meeting when necessary during the discussion of certain issues.
- 8.5 Takes the necessary precautions for the Committee to fulfill its duties and responsibilities effectively.

9. DUTIES OF COMMITTEE MEMBERS

- 9.1 It is the primary duty of each member to attend the Early Detection of Risk Committee meetings. The member informs the Chairman of the Committee about the meeting that s/he cannot attend.
- 9.2. Closely follows national and international developments in Corporate Governance and keeps himself/herself updated in this field and shares this with other members, while fulfilling the duty.
- 9.3. Takes part in the subjects that need to be worked on within the committee.
- 9.4. Conveys his/her views on the agenda to the Chairman of the Committee.

10. DUTIES OF THE REPORTER

- 10.1. Assists the Chairman of the Committee in the preparation of the agenda regarding the subjects.
- 10.2. Delivers the meeting agenda and related documents to the Committee Members before the meeting.
- 10.3. Presents the resolutions and meeting minutes of the Committee to the Chairman of the Committee by immediately making them written after each meeting.
- 10.4. Sends the opinions and recommendations of the Committee to the Company's Board of Directors, together with the Chairman and Members of the Committee.
- 10.5. Sets up the administrative organization of the meetings. Coordinates the participation of the people whom the Chairman of the Committee wants to attend the meeting.

11. TENURE

Tenure of committee members is the same as the tenure of the Members of the Board of Directors. The Corporate Governance Committee is re-formed following the election of the Members of the Board of Directors.

In the last term of the committee members, a transition/transfer meeting is held between the current and new members before/after the General Assembly.

12. ENFORCEMENT AND EXECUTION

This Internal Regulation, was approved and put into practice with the resolution of the Board of Directors of Kordsa Teknik Tekstil A.Ş. dated August 2, 2013 and numbered 979,

It was revised, approved and put into practice with the resolution dated September 21, 2018 and numbered 2018/26.

The Chairman of the Committee is responsible for its execution. The Board of Directors is authorized to make the necessary changes in the Internal Regulation.
