

## **TÜMOSAN MOTOR VE TRAKTÖR SAN. A.Ş. EARLY DETECTION OF RISK COMMITTEE'S DUTIES AND WORKING PRINCIPLES**

### **1. PURPOSE**

The purpose of the Early Detection of Risk Committee is to make suggestions and recommendations to the Board of Directors to assess the existing and potential strategic, operational, financial, and legal risks that may endanger the existence, development, and continuation of the company within the scope of this regulation and legislation, to manage such risk in line with the corporate risk-taking profile of the company, to take necessary measures related to the risks identified, to take the decision mechanisms into consideration, and to create and integrate internal control systems accordingly.

### **2. COMMITTEE STRUCTURE**

The Early Detection of Risk Committee is composed of at least two members. The Committee President is elected among the independent members. The chief executive officer/general manager cannot take charge in the committee. In case the committee consists of two members, both of them are elected among the non-executive Board members, and in case there are more than two members, the majority of the members are elected from non-executive Board members. When necessary, specialists who are not members of the Board of Directors may be included in the committee. When the new Board of Directors is elected at the Ordinary General Assembly meeting, the members of the Risk Management Committee are determined by the Board of Directors in parallel with the term of office of the relevant Board of Directors. The duties of the former committee members continue until new members are selected.

Any resources and support required for the Committee to fulfill its duties are provided by the Board of Directors. The committee may invite any manager it deems necessary to its meetings and take their opinions. The Committee benefits from the opinions of independent specialists on the issues it deems necessary regarding its activities. The cost of consultancy services required by the committee is covered by the company.

### **3. COMMITTEE MEETINGS**

The committee convenes as often as required by the task assigned to it. The decisions of the Committee are advisory to the Board of Directors, and the final decision maker on related matters is the Board of Directors. In its report to be submitted to the Board of Directors every 2 (two) months, the Committee assesses the situation, points out the dangers, if any, and shows the solutions. It reports its suggestion on risks and solutions to the Board of Directors and the auditor. It is possible to hold committee meetings by physical or electronic means (either electronically or by conference call). Physical meetings can be held at the company headquarters or any other place where committee members have easy access. Minutes of the meetings held by physical or electronic means are signed by the Committee members. In addition, it is possible to take committee decisions by handing them around, and the decisions signed by all the members on the same or different papers are valid.

### **4. DUTIES AND RESPONSIBILITIES**

The duties of the Early Detection of Risk Committee are as follows:

- To carry out studies to define, assess and monitor the existing and potential risk factors that may affect the achievement of the company's activities and goals, and to determine the principles for the management of the relevant risks in accordance with the company's risk-taking profile.

- To review the risk management system at least once a year.
- To assess the risk reports prepared within the scope of the risk measurement criteria determined by the company.
- To assess the risk management and internal control systems and processes.
- To fulfill the other duties that may be assigned to the committee by CMB regulations and Turkish Commercial Code.
- To examine the important complaints received by the company regarding the management, to ensure that they are resolved, and to ensure that the notifications of the employees on this matter are submitted to the management within the framework of the confidentiality principle.

The committee provides the Board of Directors with the committee's assessments and recommendations, either verbally or in writing, on the above issues.

## **5. ENFORCEMENT**

This regulation took its final form with the changes made on July 4, 2023 related to the Risk Management Committee. The Board of Directors is authorized to review and update the working principles in question, when necessary.