

PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
THE WORKING PRINCIPLES OF THE RISK MANAGEMENT COMMITTEE

DEFINITION AND SCOPE:

PURPOSE: The purpose of this directive is to determine the duties, authorities, responsibilities and working principles of the Risk Management Committee, which was established by the Board of Directors' decision dated September 12, 2013 within the scope of Article 378 of the Turkish Commercial Code No. 6102, in accordance with the regulations set forth in the Turkish Commercial Code and the Capital Markets Law Corporate Governance Communiqué.

SCOPE: It covers the work and activities to be performed by the Risk Management Committee and/or the employees of the Company who are not members of the Committee to be assigned by the Committee within the framework of the Turkish Commercial Code and the Corporate Governance Principles.

AUTHORIZATION:

The authorization of the Risk Management Committee is as follows;

- 1- The establishment of effective internal control systems in order to identify, assess, monitor and manage the risk factors in a multidimensional manner that may affect the achievement of the Company's objectives,
- 2- Ensuring compliance of risk management and internal control systems with the Company's corporate structure and to monitor their effective functioning,
- 3- The Committee was established to work on the issues of the measurement and reporting of risk factors through appropriate control methods, and their use in decision-making mechanisms by the Company's risk management and internal control systems.
- 4- The Committee acts within the framework of its authority and responsibility and makes recommendations to the Board of Directors, and the responsibility for final decision always belongs to the Board of Directors.

ESTABLISHMENT OF THE COMMITTEE:

- 1- The Committee is established and authorized at the first meeting of the Board of Directors held after the Company's annual Ordinary General Assembly Meeting in accordance with the Turkish Commercial Code and Capital Markets Board regulations.
- 2- The Committee is comprised of at least two members. If the Committee is comprised of two members, both of them, and if it is comprised of more than two members, majority of the members, shall be elected from amongst the non-executive members of the Board of Directors. If necessary, members may also be selected from among third parties who are experts in their fields.
- 3- The Chief Executive Officer/General Manager cannot be a member of the Committee.
- 4- The Committee's clerical procedures are fulfilled by the secretariat of the Board of Directors.
- 5- The Committee convenes with the attendance of one more than half of the number of its members, and takes decisions with the majority of the attendees.
- 6- Except where mandatory, the Committee shall meet at the Company's headquarters upon the invitation of the Chairman of the Committee whenever necessary, in principle at least twice a year.
- 7- Decisions taken at committee meetings are documented in writing and presented to the Board of Directors at its first meeting.

RESPONSIBILITIES:

- 1- To identify, analyze, measure, monitor and report the risks faced by the Company, and be alert to reduce risks that can be and cannot be controlled,
- 2- To identify and ensure compliance to risk management policies and implementation procedures in line with the views of the Board of Directors in accordance with risk management methods,
- 3- To participate in the process of designing, selecting, implementing and approving risk measurement models, to review the models regularly, to perform scenario analysis and to make necessary changes,
- 4- To request information, opinions and reports from the appropriate units as deemed necessary to ensure the effective performance of the risk monitoring function.

ENTRY INTO FORCE:

The working principles of the Risk Management Committee enter into force as of the date of approval by the Board of Directors. It is announced by the secretariat of the Board of Directors. It is published on the Company's website under the Corporate Governance heading.