

**BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI ANONİM ŞİRKETİ (“COMPANY”)  
COMMITTEE FOR EARLY IDENTIFICATION OF RISKS:  
WORKING PRINCIPLES**

## **1. Purpose**

The Company established the Committee for Early Identification of Risks (“Committee”) with the Board of Directors Decision dated 01/03/2021 and numbered 2021/8 in accordance with the Capital Markets Law No. 6362 (“CML”), Turkish Commercial Code No. 6102 (“TCC”), the Corporate Governance Communiqué of the Capital Markets Board (“CMB”) numbered II-17.1, which can be amended time to time, and the applicable Corporate Governance Principles stipulated therein.

The main goal of the Committee is the early identification of risks (including environment, social and governance (ESG) risks and climate-related risks and opportunities) that may jeopardize the existence, development and survival of the Company, taking necessary measures against and managing these risks. The Committee makes proposals and recommendations to the board of directors on identifying and describing strategic, financial, operational, ESG, climate-related and other risks that may affect the Company’s operations, calculating the impact and possibilities, prioritizing and reviewing the risks; reporting on these risks and ensuring that they are taken into account by decision-making mechanisms. A member of the Committee shall have specific responsibility for ESG and climate-related risks and opportunities, including policy formulation, incorporating considerations on these risks and opportunities into the Company’s strategy, reporting and provision of relevant information.

## **2. Structure of the Committee**

The Committee must consist of at least two members. If it consists of two members, both of them, if there are more than two members, the majority of the members must be non-executive board members. The chairman of the committee is elected from among the independent board members. Individuals specialized in their fields but are not members of the board of directors may become members of the Committee.

Chief executive officer, general manager, other executives or employees of the Company cannot be assigned to the Committee.

The board of directors decide who will be the members of the Committee and disclose them on PDP.

The Committee is formed as follows:

Chairman: Independent Board Member  
Member: Independent Board Member

The Committee can receive administrative support (e.g. corporate secretary) to perform its functions.

## **3. The Duties and Responsibilities of the Committee**

The duties and responsibilities of the Committee are:

- Developing and reviewing the effectivity and efficiency of risk management systems to assess, identify, evaluate, monitor and manage all risks that may jeopardize the existence, development and survival of the Company (including ESG risks and climate-

related risks as a subset of those risks), and the likelihood of occurrence of such risks and impacts in line with the Corporate Risk Management approach,

- Developing risk measurement models and risk management systems and reviewing their effectiveness at least once a year,
- Oversee and advise the Board on the current risk exposures and future risk appetite, including in relation to ESG and climate-related risks,
- Informing the Board of Directors and making necessary warnings regarding the measurement and monitoring of risks and the use of risk elements in decision processes,
- Advising the Board of Directors on the likelihood and the impact of principal risks (including ESG and climate-related risks) materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact,
- Carrying out or commissioning necessary studies on the adoption and implementation of risk management policies and practices by all Company units and employees,
- Integrating risk management and internal control systems into the corporate structure of the Company and monitoring their effectiveness,
- Designing the necessary precautions and actions regarding the identified risks and monitoring their implementation,
- Designing effective internal control systems based on risk management strategies, in line with the opinions of the Board of Directors, in order to determine, implement and comply with risk management policies, implementation methods and systems,
- Ensuring that correction/viewing authorizations in the risk management in the approval hierarchies are monitored through the system,
- Reviewing (and recommending to the Board of Directors) the statements to be included in the annual report concerning internal control and risk management.

#### **4. Works and Meetings of the Committee**

The Committee for Early Identification of Risks convenes at least once in every three months. The meetings should be convened by the Chairman of the Committee. The notice of each meeting confirming the venue, time and date with an agenda and any supporting materials shall be sent to the members of the Committee at least five calendar days prior to the scheduled date of the meeting.

The Committee writes down and keeps a record of all the work done, which is circulated to and confirmed by the Committee members. The Committee submits reports containing information about its activities and meeting results to the Board of Directors. The Board of Directors may convey the report of the Committee to the Audit Committee.

The Committee may invite any person it deems necessary to its meetings and consult them. The Committee is authorized to request information, opinion and reports from relevant units when deemed necessary in order to perform the risk monitoring function effectively.

The Committee also consults independent experts on issues it deems necessary regarding its activities. The cost of the consultancy services required by the Committee is covered by the Company. However, in such case, the information about the person/organization from which the service is provided, and whether this person/organization has any relationship with the Company is disclosed in the annual report.

#### **5. Amendments to the Working Principles of the Committee**

The Committee shall carry out an annual evaluation of its performance and effectiveness, and report conclusions and recommendations to the Board of Directors. Proposals for amendments

to these working principles are submitted to the Board of Directors by the Committee. The proposals are put on the agenda at the first meeting of the Board of Directors.

## **6. Validity**

These working principles and related amendments and updates come into force with the decision of the Board of Directors.