

## **Norm Holding Early Risk Detection Committee Operating Principles**

### **1. Objective and Scope**

- 1.1 This regulation determines the duties, authorities, responsibilities, working procedures and principles of the Early Detection of Risk Committee (Committee) established within Norm Holding in order to fulfill the duties and responsibilities of the Norm Holding Board of Directors in a healthy manner. The Committee monitors the compliance of Norm Holding and its companies with the Corporate Governance Principles of the Capital Markets Board, the Turkish Commercial Code and other legislation in terms of management, and offers suggestions for remedial activities to the Board of Directors when necessary.
- 1.2 It makes suggestions for Norm Holding and its companies to implement the methods and practices deemed necessary for Corporate Risk Management, and for its audits and evaluations of the systems and processes created.

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

- 2.1 Committee consists of at least three members selected from among Norm Holding Board of Directors members and Board Advisors, and Norm Holding senior executives to be determined. It is ensured that the majority of the committee members are not executive members.
- 2.2 Committee members are determined annually.
- 2.3 The chairman of the Committee is preferably chosen among the independent members of the Norm Holding Board of Directors.
- 2.4 Norm Holding and its companies' Chairman of the Board and CEO cannot be members of the Committee.

- 2.5 Norm Holding executives who are not part of the board of directors and experts in their fields who are not within the body of Norm Holding may also take part in the Committee temporarily when necessary.
- 2.6 Committee may invite the management and employees of the Norm Holding companies, representatives of the companies and organizations and those who are experts in their fields to receive their knowledge and opinions.
- 2.7 Committee may obtain external professional consultancy and benefit from the opinions of independent experts on the issues it deems necessary regarding its activities. The cost of the consultancy services provided is covered by the company.
- 2.8 Committee, if deems it necessary, may conduct special inspections on managerial issues and appoint experts as consultants to assist it in these examinations.
- 2.9 All resources and support required for Committee to fulfill its duties are provided by the Norm Holding Board of Directors.
- 2.10 Committee's decisions are advisory to the Norm Holding Board of Directors, and the final decision maker on related matters is the Norm Holding Board of Directors.
- 2.11 Secretarial operations of the committee are carried out by a manager with management and reporting competence.

### **3. Duties and Responsibilities**

- 3.1 Norm Holding is not subject to Capital Market legislation, as it is not a publicly traded company. It only implements good management practices on subjects that comply with Norm Holding Management codes and whose boundaries have been approved by the Norm Holding Board of Directors.
- 3.2 Committee is responsible for monitoring the compliance of Norm Holding and its companies with the Corporate Governance Communiqué II-17.1 of the Capital Markets Board and the issues specified in Articles 207, 378, 398, and 625 of the Turkish Commercial Code No. 6102.
- 3.3 It plays a leading role on behalf of the Board of Directors in ensuring effective communication between Norm Holding and its companies and shareholders, in resolving any disputes that may arise.

- 3.4 Committee establishes systems for prioritized and sustainable oversight of Norm Holding and companies in Risk Management. It makes recommendations to the Board of Directors on the healthy functioning of Norm Holding and its companies and all its subsidiaries, their understanding and adoption by the employees and their support by the management.
- 3.5 It determines the risks to be followed by Norm Holding and its companies under the headings of Financial Risks, Strategic Risks, Operational Risks and External Environmental Risks.
- 3.6 It ensures the establishment of Risk Teams under Norm Holding and its companies' Corporate Risk Management. It monitors the Risk Map created within the system.
- 3.7 It makes regular evaluations and makes remedial suggestions to the Norm Holding Board of Directors about the Corporate Risk Management of Norm Holding and its companies.
- 3.8 It monitors whether the Risk Management of Norm Holding and its companies is carried out in accordance with the legislation and in-house regulations. It determines the rules to be applied in case of violation of the regulations.
- 3.9 When deemed necessary, Committee may set up sub-working groups by submitting them to the Norm Holding Board of Directors.
- 3.10 Committee meets at least once every three months. This can be increased by Committee's decision, depending on the effectiveness of its efforts and the intensity of the required agenda.
- 3.11 The meeting agenda is created by the Chairman of the Committee and distributed to the members by the Committee secretary.
- 3.12 Committee members can convey the issues they want to be included in the meeting agenda to the Chairman of the Committee.
- 3.13 The work of the Committee is written down and recorded. It submits reports containing meeting results to the board of directors.
- 3.14 Once a year, Committee prepares a report on its work, reviews the committee's duties and working principles document, and submits what needs to be updated to the Norm Holding Board of Directors.
- 3.15 Committee acts under its own authority and responsibility and makes recommendations to decision-making mechanisms where it deems necessary; however, the responsibility for the final decision always rests with the Norm Holding Board of Directors, and the work and responsibilities of the Committee do not

abolish the duties and responsibilities of the Norm Holding Board of Directors that comes from the Turkish Commercial Code.

#### **4. Enforcement and Implementation**

- 4.1 This regulation regarding the duties and working principles of the Committee and the related amendments come into effect with the decision of the Norm Holding Board of Directors.
- 4.2 The Norm Holding Board of Directors is responsible for the enforcement of this regulation.