

RAY SIGORTA A.Ş.  
EARLY IDENTIFICATION OF RISK COMMITTEE DIRECTIVE

**1. LEGAL BASIS**

This Early Inspection of Risk Committee Directive (the "Directive") of Ray Sigorta A.Ş. (the "Company") has been drafted and issued in order to set down the operational procedures and principles of the Early Inspection of Risk Committee (the "Committee") in compliance with the "Communiqué on Corporate Governance Principles", Serial II, No. 17.1, of the Capital Markets Board and within the frame of principles stated in article 378 of the Turkish Commercial Code no. 6102.

**2. RESPONSIBILITY**

The Committee shall be obliged to detect and determine at an early stage the risks which may endanger the existence, development and continuity of the Company, to take actions for the measures required to be taken upon diagnosis of these risks and for the management of risks, to make suggestions to the Board of Directors in connection therewith, to regularly review the risk management system, and if deemed necessary, to make suggestions to the Board of Directors for further development of this system.

**3. DUTIES AND POWERS**

In accordance with the provisions of the Turkish Commercial Code and subject to the limitations thereof, the Board of Directors delegated its managerial and representation duties and powers assigned to it to persons in charge of management and representation of the Company (the "Management Board"). In compliance with legal provisions in force the Board of Directors conducts high - level supervision of the Management Board with a view to determine that whether these persons act particularly in accordance with laws, Articles of Association of the Company, internal bylaws and written instructions of the Board of Directors.

As a part of the Board of Directors and in a view of delegation mentioned above the powers and the duties of the Early Identification of Risk Committee are as follows:

- a. To review any risks identified and reported to the Risk Committee by the Management Board, which may jeopardize the existence, development and continuity of the Company, at an early stage and to analyse the proposals of the Management Board which are aimed to ensure that the required actions are taken in case any such risk is detected, and to supervise if the Management Board carried out activities and operations in order for the management of such risk, and based on the report and proposals of the Management Board make suggestions to the Board of Directors in connection therewith,
- b. To review the risk management systems at least once a year, to regularly review the report of the Management Board regarding risk management system and, if deemed necessary, i.a. based on the proposals of the Management Board to make suggestions to the Board of Directors for further development of the system, and
- c. Whenever it is required to do so, to request additional reports and opinions of the Management Board to be presented in the meetings of the Committee, and

- d. To receive consultancy services from external sources whenever the opinions of independent experts are needed, and
- e. To ensure that the minutes of the meetings are kept and recorded, and to submit the meeting minutes and such other written materials and information including any determinations, assessments and proposals of the Committee, if any, to the Board of Directors.

#### **4. APPOINTMENT**

The Committee members shall be elected among the non-executive members of the board of directors, and shall be appointed by the resolution of the Board of Directors in accordance with the regulations of the Capital Markets Board of Turkey, provided that the Chairman of the Committee shall be an independent member. Any specialized persons, who are not the members of the Board of Directors, may be appointed to act as the members of the Committee, when and if required.

#### **5. NUMBER OF MEMBERS**

The Committee is composed of up to 4 (four) members.

#### **6. TERM OF OFFICE AND CHANGES IN COMMITTEE**

Upon the election of the new Board of Directors at the ordinary general assembly of the shareholders, such newly elected Board of Directors shall, parallelly to its own term of office, appoint among its members the Committee members and determine the duty distribution between these members. Any and all kinds of changes in relation to the committee members, the term of office of the same and the duty distribution between the members shall be performed by and upon the resolution of the Board of Directors. The members, who wish to resign from the Committee, shall declare their resignation in writing to the Chairman, or if permanently unavailable to the Vice Chairman of the Board of Directors observing a 14 days notice period.

#### **7. ORGANIZATION**

The Committee shall carry out and perform its activities by reporting to the Board of Directors.

Any and all kinds of resources and support required for the performance and the fulfillment of the duties of the Committee shall be provided by the Board of Directors. The cost of the consultancy services needed by the Committee shall be covered and met by the Company.

#### **8. RECORDING SYSTEM**

Any and all kinds of internal and external correspondence forwarded and received by the Committee shall be recorded in, and shall be monitored through a records book, to be kept and administrated by the Company, and the minutes of the meetings held by the Committee and assessment reports attached to minutes shall be recorded in, and shall be monitored through a book of resolutions, to be kept and administered by the Company, both under a numbering order.

The minutes of the meetings shall include the date and the time of the meetings, the agenda, the details and information about the matters discussed at such meetings, and also the resolutions adopted thereby. The responsibility for the preparation and retention of the minutes of the meetings shall belong to the Secretary of the Board of Directors.



#### 9. QUORUM FOR MEETING AND RESOLUTION

The meetings of the Committee shall be held upon the attendance of majority of the committee members. The resolutions of the Committee shall be taken by the affirmative votes of the majority of the members attending the meeting and shall be recommendatory for the Board of Directors.

#### 10. NUMBER AND DATES OF MEETINGS

The Committee convenes bimonthly.

The meetings shall be held at the principal office of the Company, or at any other location in or outside of Turkey to which the members of the Committee have agreed upon.

#### 11. AMENDMENTS

The articles of this Directive may be amended upon the proposal of the Committee, and upon the resolution of the Board of Directors. The Board of Directors shall be entitled for any amendments ex officio.

#### 12. EFFECTIVE DATE

This Directive shall take effect on the date on which it is approved by the Board of Directors.