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DUTIES AND WORKING PRINCIPLES OF EARLY DETECTION OF RISK COMMITTEE

1. PURPOSE

Risk Management Committee, which has been formed upon the resolution of the Board of Directors, no. 56-121 and dated 22/01/2010 under the Company based on the Capital Market Board's Corporate Governance Principles, was renamed as Early Detection of Risk Committee in accordance with the Communiqué Serial IV No: 56 changed with Serial IV No: 57 For Definition And Enforcement of The Corporate Governance Principles issued by Capital Markets Board. The objective of the committee, which acts under the Board of Directors, is to determine and to define the strategical, financial, operational...etc. risks and opportunities that may affect the activities of the Company, to prioritize, to monitor and to review them by calculating their impact and possibilities, to assist the Board of Directors in monitoring risk exposures and opportunities and developing guidelines and policies to govern, to report and to consider in the decision making processes in line with the Company's risk profile and risk appetite.

2. SUPPORT

The principles about the task and work of the Risk Management Committee have been determined based on the arrangements, provisions and principles stipulated in the Legislation about Capital Market, Articles of Association of the Company and "Corporate Governance Principles" of the Capital Market Board.

3. POWER and SCOPE

Early Detection of Risk Committee is formed to work on;

- To constitute an efficient internal control system in order to define, evaluate, monitor and manage the risk factors and opportunities in line with Enterprise Risk Management (ERM) approach that may affect on achieving the company its objectives according to the impacts and possibilities,
- To integrate the risk management and internal control systems to the institutional structure of the company and monitoring its efficiency,
- To measure and report the risk factors by the risk management and internal control systems of the company by using the proper checks, and using them in the decision-making mechanisms.

Committee acts within its power and liability limits and provides the recommendations to the Board of Directors; however, the responsibility for final decision shall always be assumed by the Board of Directors.

4. STRUCTURE OF THE COMMITTEE

- The Chairman of the Committee is elected from among the independent members of the Board of Directors.
- The persons, who are experienced about the areas such as accounting, finance, auditing, law, management, etc., may be charged in the committee.
- “Committee” shall be formed by minimum two members who are assigned by the Board of Directors among its members, when necessary, among those who are not members of the Board of Directors but are experts on their subjects. When necessary, the persons, who are not member of the Board of Directors and are expert in their subject, may also be charged in the Committee.
- The committee is reformed during the first meeting of the Board of Directors to be held immediate after the Ordinary General Meeting every year.

5. MEETING AND REPORTING

- Early Detection of Risk Committee meets minimum 3 times in a year and with the participation of minimum two members, and takes the decision unanimously. The resolutions, taken in the meetings, are issued in written, signed and maintained by the committee members.
- Committee submits its decisions to the Board of Directors.
- Reviews risk management systems at least once in a year.
- Committee informs the Board of Directors about the matters under its power and liability area.

6. TASKS AND LIABILITIES

- To detect the risks at early stages which endangers the existence, the improvement and the continuity of the Company, to apply necessary precautions for the detected risks and to make studies for the management of risk,
- To determine the opportunities which increases the profitability and operational efficiency of the Company, to make studies for the detected opportunities and to report them to the Board of Directors on time,
- To determine the risk management policies and implementation procedures according to the opinions from the Board of Directors based on the risk management strategies, causing them implemented and observed,
- To participate in the design, selection, application and pre-approval processes of the risk measurement models which is a fundamental instrument during the risk management process, revise the models regularly and realize the scenario analyses and make necessary changes,

- To obtain information, opinion and report from the related departments, when necessary, in order to effectively fulfill the risk follow-up functions.
- To revise the risks that are explained in the financial statements and annual activity reports of the company that are duly issued according to the financial reporting standards of the Company which are accepted by the Capital Market Board.

7. BUDGET

Committee is supported in all assets and backing by the Board of Directors in order to allow it to carry out its activities efficiently and productively.

8. ENFORCEMENT

The operating principles of the committee and the amendments herein come into force upon the resolution of the board of directors.