

AGESA HAYAT VE EMEKLİLİK A.Ş.
REGULATION OF THE EARLY DETECTION OF RISK COMMITTEE

1. Purpose

The purpose of the Committee, which reports to the Board of Directors, is to identify, define, prioritize, monitor and review the risks that may endanger the existence, development and sustainability of the Company by evaluating their impact and probabilities; assess the effectiveness of the risk management framework; make suggestions and recommendations to the Board of Directors regarding the management, reporting and consideration of the emerging risks and opportunities in accordance with the risk profile and appetite of the Company. The Committee also provides support to the Board of Directors in structuring, integration of risk management and internal control systems into Company's corporate structure and monitoring its effectiveness.

2. Definitions

Board : AgeSA Hayat ve Emeklilik A.Ş. Board of Directors
Chairman : Chairman of Early Detection of Risk Committee,
Committee : Early Detection of Risk Committee,
Company : AgeSA Hayat ve Emeklilik A.Ş.,
Management : General Manager and managers working in direct connection
Regulation : Early Detection of Risk Committee Regulation
Reporter : The person who fulfils the necessary procedures in relation to the committee meetings and activities

3. Committee Composition

Committee has been established in accordance with Article 378 of Turkish Commercial Code No. 6102, the provisions of the Communiqué for Corporate Governance Principles of Capital Market Board No. II-17.1 and the Regulation on Internal Systems in the Insurance and Private Pension Sectors

The members of the Committee shall be determined by the Board and disclosed to public.

The Committee shall consist of not less than two members and a maximum of four members, including the Chairman appointed by the Board among the Committee members that are independent Board members. In the event that Committee consists of two members, both of them must be non-executive Board members.

In accordance with Article 4.5.3 of the Corporate Governance Principles annexed to the Corporate Governance Communiqué No. II-17.1, and with the article 6/5 of Internal Systems in the Insurance and Private Pension Sectors; non-director individuals, who have expertise in their respective fields, can be members of the committee. In this framework, the Risk Management, Internal Control and Compliance Director (“CRO”) may take part in the Committee as a member of the Committee as an expert.

Term of office of the Committee members shall be parallel with the term of office of Company Board members. After the expiration of the terms of office of Board members, and appointment of new ones, composition of the Committee shall be also determined.

Membership of the Early Detection of Risk Committee ends with the termination of the membership of the Board of Directors.

The Committee may take decisions without deliberation.

4. Duties and Responsibilities of the Committee

The Committee; in accordance with the Turkish Commercial Code, the Capital Markets Legislation and the Regulation on Internal Systems in the Insurance and Private Pension Sectors, is responsible for; the early detection of the risks that endanger the existence, progress and sustainability of the Company and take the necessary measures, implementation of remediation plans to manage those risks. Committee; fulfils the duties and responsibilities related to internal control, risk management, compliance and actuarial functions attributed to the Audit Committee within the scope of the Regulation on Internal Systems in the Insurance and Private Pension Sectors but transferred to the Committee by the decision of the Board of Directors.

4.1. Duties of the Committee regarding the Internal Control Function

Along with the responsibilities specified in the relevant legislation, the Committee is responsible and authorized for the following areas regarding the Internal Control function:

- a) Oversee the compliance to the Internal Control regulations, policies and implementation procedures approved by the Board and make recommendations to the Board on the necessary measures
- b) Design an effective internal control systems in order to ensure compliance with the Risk Management Policies and methodology determined by the Board
- c) Make evaluations on the Internal Control Policy prepared by the Internal Control Unit
- d) Review and approval of the Annual Internal Control Plan prepared by the Internal Control Unit
- e) Determine the scope and duration of work of the outsource company in case of obtaining service for internal control function
- f) Ensure that the Internal Control function has the necessary material and human resources for the effective performance of its functions

4.2. Duties of the Committee regarding the Compliance Function

Along with the responsibilities specified in the relevant legislation, the Committee is responsible and authorized for the following areas regarding the Compliance function:

- a) Analyse the compliance monitoring activity reports prepared by the Compliance Unit.
- b) Review and approval of the Annual Compliance Monitoring Plan prepared by the Compliance Unit
- c) Determine the scope and duration of work of the outsource company in case of obtaining service for compliance function

- d) Ensure that the Compliance function has the necessary material and human resources for the effective performance of its functions

4.3. Duties of the Committee regarding the Risk Management Function

Along with the responsibilities specified in the relevant legislation, the Committee is responsible and authorized for the following areas regarding the Risk Management function:

- a) Determine Risk Management Policies and application principles in line with the opinion of the Board
- b) Prepare the risk appetite document regarding the risk level to be assumed in terms of general and each risk type, the maximum risk limits and their application procedures and submit them to the approval of the Board
- c) Examine whether the general and special risk limits are complied with and monitor the limit breaches
- d) Review the risk limits every two years and submit proposal to the Board to adapt them according to market conditions and changes in the Company's strategy
- e) Determine the scope and duration of work of the outsource company in case of obtaining service for risk management function
- f) Evaluate whether the necessary methods, tools and implementation procedures exist for the identification, measurement, monitoring and control of the risks the company could be exposed
- g) Ensure that the Risk Management function has the necessary material and human resources for the effective performance of its functions

4.4. Duties of the Committee regarding the Actuarial Function

Along with the responsibilities specified in the relevant legislation, the Committee is responsible for the compliance to the general pricing policy, oversight of the adequacy of reinsurance agreements and the reliability of technical provisions, and advising the Board on the necessary measures and the company's financial situation.

The Committee is also in charge and authorized in the following matters:

- a) Make recommendations to the Board that the activities of the Actuarial Unit can be carried out effectively
- b) Determine the responsible actuary
- c) Ensure the establishment of the necessary information systems infrastructure and the provision of information technology support for creating company statistics, ensuring the access of the relevant personnel and making appropriate calculations
- d) Ensure that the Actuarial function has the necessary material and human resources for the effective performance of its functions.
- e) Determine the scope and duration of the work with the actuary or consulting company that will provide service in case of outsourcing the actuarial function.

5. Meeting Procedure and Frequency

The meeting and decision quorum of the Committee is the simple majority of those who have the right to vote.

The Committee takes decisions with the affirmative votes of the independent members of the board of directors.

Meeting invitees who are not the Committee members do not have voting rights. In the absence of the Committee chairman, the remaining members present shall elect one of themselves to chair the meeting.

Committee members may attend a Committee meeting in person or online.

Risk and Internal Control Director (“CRO”), or their nominee, shall act as the Reporter.

Meetings are held as often as necessary, at least six times a year.

The chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Head of Internal Audit, the External Auditor, the Chairman or other members of the Committee may request a meeting if they consider that one is necessary.

Committee meeting minutes are documented by Reporter or the person appointed by CRO. Committee meeting minutes are prepared in Turkish and English, in case of conflict in their meaning, the meeting minutes prepared in Turkish are valid.

6. Attendance at meetings

Only the Committee members and other Board members have the right to attend the Committee meetings. Chief Executive Officer, Chief Financial Officer, Legal Counsel and a representative from Internal Audit will normally be invited to attend.

Members of management and any advisers appointed by the Committee may attend any meeting of the Committee, by invitation of the Chairman

7. Notice of meetings

Committee meetings are announced by the Company Secretary at the request of the Chairman.

The annual meeting calendar of the Committee is determined by the Company Secretary in consultation with the Chairman at the beginning of each year, and meeting invitations are sent by the Company Secretary to the Committee members and other invitees who are required to attend the meeting.

The Agenda, reports and presentations are submitted to the Committee members and other invitees by Reporter five working days before each meeting.

8. Advising to the Committee

Committee seeks the opinion of the Company's Legal Counsel on legal issues related to the Company's activities.

Resources and support required for the Committee to fulfil its duties are provided by the Board.

Independent expert opinion can be sought on the necessary issues related to the activities of the company.

In case of outsourcing of internal systems, information about the person/organization from which the service is received and explanations regarding the relationship of this person/organization with the Company will be included in the Annual Report.

9. Duties of the Committee Reporter

Reporter will assist the Chairman and perform the following duties:

- Determine the meeting agenda with the Chairman
- Distribute the supporting documents such as presentations and reports on agenda items to the Committee members prior to the meeting
- Record and regularly follow-up of the decisions and recommendations taken at the committee meetings
- Include relevant explanations in the Company's Annual Report regarding the activities of the Committee
- Other duties assigned by the Chairman in relation to the early detection of the risks

10. Issuance of Procedures

Board delegates its authorization to the Committee to issue procedure(s) for describing details of the operations, authorizations and duties of the Committee.

11. Enforcement and Execution

Chairman shall be responsible of the execution of this Regulation, which shall be revised by the Board annually or when required.

The provisions of this Regulation will be executed by the Chairman of the Committee.