

# MLPCARE

## MLP Sađlık Hizmetleri A.Ş.

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MLP Sađlık Hizmetleri A.Ş.

Board Of Directors

Early Detection of Risks Committee Charter

**This Charter is accepted by the Board of Directors' meeting dated January 15, 2018 and 3 numbered decision.**

## **EARLY DETECTION OF RISKS COMMITTEE CHARTER**

### **Article 1: Scope and Legal Basis**

These principles of operation set forth the scope of duties and the Charter of the Committee of Early Detection of Risks of the Board of Directors ("**Committee**") of MLP Sağlık Hizmetleri A.Ş. (the "**Company**").

The Committee has been established upon the resolution of the Company's Board of Directors (the "**Board of Directors**") in accordance with the provisions of the Capital Markets Law No. 6362, the Turkish Commercial Code no. 6102, the regulations of the Capital Markets Board of the Prime Ministry of the Republic of Turkey (the "**CMB**"), including the "Corporate Governance Communiqué" NO. II-17.1 (the "**Communiqué**") and the corporate governance principles attached thereto, and the provisions of the Company's Articles of Association (the "**Articles of Association**").

### **Article 2: Purpose**

The Committee assists the Board of Directors in the formation of a committee of experts for identifying the risks that might jeopardize the existence, improvement and continuation of the Company in a timely manner, implementation of the appropriate risk management strategies and risk management, and also performs other duties imposed on it under the applicable legislation.

The Committee is also in charge of the following:

- i. Identifying the existing and potential operational, strategic and other risks and making recommendations for taking measures against such risks;
- ii. Making recommendations for the establishment of risk management systems and systems aimed at forming the organizational infrastructure within the Company and increasing the functionality of such systems;
- iii. Recommending solutions against the risks relating to the Board of Directors and the audit committee.

### **Article 3: Establishment and Membership**

The Committee shall consist of at least two members. In the event that the Committee consists of two members, both of them, and in the event the Committee has more than two members, the majority of the members shall be elected from among the members of the Board of Directors who do not have executive functions. The chairperson of the Committee shall be one of the independent Board members. Persons who are not Board members but specialized in their fields may also become Committee members.

Members of the Committee are appointed annually by the Company's Board of Directors latest during the first Board meeting following the Company's ordinary general assembly meeting. The Committee members whose term of office expired may be re-appointed.

To the extent possible, members of the Committee are appointed from among persons who do not have executive duties. Members of the Committee may be persons who are specialized in fields such as accounting, finance, audit, law, management etc.

The Board of Directors shall provide the Committee with all kinds of resources and support it needs in order to perform its duties and obligations. The Committee may invite any executive it deems appropriate to the Committee meetings and inquire about their opinions.

If it deems necessary, the Committee may resort to the opinions of individuals specialized in their fields. Costs of the consultancy services needed by the Committee shall be borne by the Company.

#### **Article 4: Meetings**

The Committee shall convene at the Company's headquarters or at another location where the members of the Committee are present, with the frequency deemed necessary for the efficiency of its operations, but in any event at least four times per year. Committee meetings shall be timed to coincide with the Board meetings to the extent possible.

The Committee convenes and passes decisions with the participation of the simple majority of its members. Decisions may also be passed unanimously without holding a meeting.

The Committee shall put all its work in writing, keep records thereof and report to the Board of Directors regarding the results of the work conducted and the meetings held by the Committee. The findings and recommendations of the Committee within the scope of its duties and responsibilities shall be immediately reported to the Board of Directors in writing. The minutes of the Committee meetings shall be approved by the Committee members and kept together with the decisions of the Committee.

#### **Article 5: Duties and responsibilities**

The Committee shall be in charge of the following duties:

- Identification, evaluation and monitoring of the existing and potential risks that may have an effect on the Company's achievement of its targets in accordance with the corporate risk management systems, determining the principles aimed at managing the relevant risks in line with the Company's risk taking profiles, ensuring that the foregoing are taken into account in the decision making policies;
- Identifying the risks that will be maintained, managed, shared or completely eliminated within the Company, by applying probability and impact calculations;
- Making recommendations to the Board of Directors for the establishment of internal control systems and risk management and information systems aimed at minimizing the potential effects of the risks that may have an impact on the shareholders and other benefit holders in the Company, inclusive of the relevant processes;
- Ensuring the integration of the risk management and internal control systems with the Company's corporate structure;
- Examining the risk management systems at least once a year and monitoring the compliance with the Committee decisions of the practices of the relevant departments that are in charge of risk management;
- Identifying technical bankruptcy in a timely manner, if any, warning the Board of Directors in relation to the matter and making recommendations regarding the measures to be taken;
- Submitting a report to the Board of Directors every two months evaluating the situation, pointing towards the hazards and the applicable solutions, sending these reports to the auditor as well;
- Preparing annual reports to be submitted to the Board of Directors, aimed at providing a basis for the Board's evaluation of the Committee's efficiency, which shall be included in the annual activity report and cover issues such as the number of members, meeting frequency and activities of the Committee.

The Committee acts in accordance with its authorities and responsibilities, prepares and submits to the Board of Directors a report every two months, which includes the evaluation of the then current situation and the recommendations and comments of the Committee. The responsibility to take the eventual decision rests with the Board of Directors.

**Article 6: Amendments**

Amendments to the Charter of the Committee of the Early Detection of Risks are subject to the approval of the Board of Directors.