

**ENKA İNŞAAT VE SANAYİ A.Ş.**  
**EARLY IDENTIFICATION OF RISKS COMMITTEE**  
**DUTIES AND WORKING PRINCIPLES**

**1. FORMATION**

The Early Identification of Risks Committee is formed by the Resolution No. 863 of the Board of Directors of 02.05.2012 in compliance with the regulations, provisions and principles as specified in Communiqué of Serial: IV, No: 56 of the Capital Markets Board on the "Principles Regarding Determination and Application of Corporate Governance Principles".

**2. PURPOSE**

The purpose of the Committee reporting to the Board of Directors is to early identify any potential risks that might jeopardize the existence, development and continuation of the Company, and to take and implement the necessary measures and preventive actions for the elimination of such detected potential risks as well as to perform any workings related to risk management and to review any applied risks management systems.

**3. STRUCTURE OF THE COMMITTEE**

- a) The Committee shall be formed and authorized by the Board of Directors in compliance with the Articles of Association of the Company.
- b) The Committee will consist of at least two members. The Chairman of the Committee will be elected and appointed from amongst the Independent Members of the Board of Directors. Any person who is not a Board Member but specialist in his/her professional field may also be appointed as a Committee Member.
- c) The Chairman of the Executive Committee/General Manager of the Company must not be assigned in the Committee.
- d) The Committee shall be reformed and reassigned each year for a term of office of one year in the first meeting of the Board of Directors following the Annual Ordinary General Assembly each year.
- e) The Committee may, if it deems necessary, invite to its meetings any managers of the Company for taking the opinions thereof on any issues. In case of need, the Committee may also benefit from the opinions of any independent experts or specialists.
- f) Any necessary resources and support as needed by the Committee for the performance of its duties shall be provided by the Board of Directors, and the remuneration for any consulting services needed by the Committee to be received shall be paid by the Company.
- g) The Committee shall review periodically its working principles hereunder, and submit to the approval of the Board of Directors any suggestions for any amendments needed to be made therein pursuant to its opinion. However, the final definitive decision related thereto is always ceded to the Board of Directors.

**4. MEETINGS OF THE COMMITTEE AND REPORTING**

- a) The Committee shall convene at least every two months and thus at least six times a year.
- b) The Committee shall report to the Board of Directors every two months on its activities. Such Report shall be forwarded to the independent Auditor of the Company.
- c) The meetings of the Committee may be convened either at the head office of the Company or at any other place being easily accessible for the associates thereof.

- d) If the total number of the associates of the Committee is more than two, then the applicable meeting quorum shall be one more than the half of the total number of associates present in the meeting, and the Committee shall take its decision by majority of the votes thereof. Any Committee consisting of just two associates is only then able to held any meeting and take any decisions if both associates thereof are present in the relevant meeting.
- e) The Committee shall ensure the Board of Directors to be advised on any outcomes and suggestions concluded by it in aspect of any issues within the scope of its authority and responsibility.
- f) Any decisions taken in the meetings of the Committee shall be put down in writing and duly archived by the secretariat of the Board of Directors.

## **5. DUTIES AND RESPONSIBILITIES**

- Defining, measuring, analyzing, monitoring and reporting any risks the Company may be faced with, and making the necessary forewarnings for mitigating or eliminating any controllable or uncontrollable risks;
- Specifying and arranging any risk management policies and the implementation methods thereof under consideration of the applicable risk management strategies and in conformity with the opinions of the Board of Directors, and ensuring the implementation thereof and the compliance therewith;
- Participating in the process of design, selection, implementation and pre-setting of the risk measuring models as basic tools in risk management process, and reviewing regularly and periodically any applied models and making the respective scenario analyzes and any necessary amendments thereto;
- For ensuring the effectively implementation of the risk monitoring function, requesting, if it deems necessary, from any units to its sole discretion any information, opinion and repots on any issues whatsoever;
- Creating and developing any necessary internal control and supervision systems as needed for the duly definition, evaluation, monitoring and management of any risk factors in terms of their efficiency and occurrence probability that might impact the Company in reaching its aims subject;
- Pursuing the integration into the corporate body of the Company and efficiency of any risk management and internal control and supervision systems;
- Making the necessary workings for measuring of and reporting on any risk factors by virtue of the risk management and internal control and supervision systems of the Company under application of proper control, as well as for using the decision making mechanisms;
- Reviewing periodically the working principles as specified hereunder and, if necessary, and submit to the approval of the Board of Directors any suggestions for any amendments needed to be made therein pursuant to its opinion.

## **6. ENFORCEMENT AND IMPLEMENTATION**

The regulations specified hereunder shall be enforced upon resolution of the Board of Directors and implemented by the Early Identification of Risks Committee. The Duty and Working Principles of the Committee shall be implemented by the Board of Directors.

# ENKA İNŞAAT VE SANAYİ A.Ş. CORPORATE GOVERNANCE COMMITTEE DUTIES AND WORKING PRINCIPLES

## 1. FORMATION

The Corporate Governance Committee is formed within scope of the Corporate Governance Principles as introduced by the Capital Markets Board in 2003. By the Resolution No: 863 of 02.05.2012 of the Board of Directors, it is decided that also any duties assigned previously to the Candidate Nomination Committee and Remuneration Committee to be performed henceforth by the Corporate Governance Committee in accordance with Communiqué of Serial: IV, No: 56 of the Capital Markets Board on the "Principles Regarding Determination and Application of Corporate Governance Principles".

## 2. PURPOSE

The purpose of the Committee is to propose suggestions regarding the corporate governance of the Company; to ensure the increase in quality of the corporate governance applications; to pursue efficiently the legislation of the Capital Markets Board regarding the corporate governance principles and any other corporate governance principles generally accepted on the international capital markets as well as to advise the Board of Directors on the implementation of any applicable ones thereof; to make the necessary workings for the nomination, assessment and training of the proper candidates for the Board of Directors of the Company, and for the determination of the principles of remuneration of the Members of the Board of Directors and top managers of the Company and to propose suggestions to the Board in this aspect.

## 3. STRUCTURE OF THE COMMITTEE

- a) The Committee shall be formed and authorized by the Board of Directors in compliance with the Articles of Association of the Company.
- b) The Committee will consist of at least three members.
- c) The majority of the members of the Committee shall be elected from amongst the Non-Executive Board Members. Any person who is not a Board Member but specialist in his/her professional field may also be appointed as a Committee Member.
- d) An Investors Relations Department Manager having the "Capital Market Activities Advanced Level Licence" as well as the "Corporate Governance Rating Specialization License" who works as fulltime manager in the company must be available amongst the members of the Committee.
- e) The Chairman of the Committee will be elected and appointed from amongst the Independent Members of the Board of Directors. The Chairman of the Executive Committee/General Manager of the Company must not be assigned in the Committee.
- f) The Committee shall be reformed and reassigned each year for a term of office of one year in the first meeting of the Board of Directors following the Annual Ordinary General Assembly each year.
- g) The Committee may, if it deems necessary, invite to its meetings any managers of the Company for taking the opinions thereof on any issues. In case of need, the Committee may also benefit from the opinions of any independent experts or specialists.
- h) Any necessary resources and support as needed by the Committee for the performance of its duties shall be provided by the Board of Directors, and the remuneration for any consulting services needed by the Committee to be received shall be paid by the Company.

- i) The Committee shall review periodically its working principles hereunder, and submit to the approval of the Board of Directors any suggestions for any amendments needed to be made therein pursuant to its opinion. However, the final definitive decision related thereto is always ceded to the Board of Directors.

#### **4. MEETINGS OF THE COMMITTEE AND REPORTING**

- a) The Committee shall convene its meetings so often as it deems necessary for the effectively performance of its workings.
- b) The meetings of the Committee may be convened either at the head office of the Company or at any other place being easily accessible for the associates thereof.
- c) If the total number of the associates of the Committee is more than two, then the applicable meeting quorum shall be one more than the half of the total number of associates present in the meeting, and the Committee shall take its decision by majority of the votes thereof. Any Committee consisting of just two associates is only then able to held any meeting and take any decisions if both associates thereof are present in the relevant meeting.
- d) The Committee shall ensure the Board of Directors to be advised on any outcomes and suggestions concluded by it in aspect of any issues within the scope of its authority and responsibility.
- e) Any decisions taken in the meetings of the Committee shall be put down in writing and duly archived by the secretariat of the Board of Directors.

#### **5. DUTIES AND RESPONSIBILITIES**

- Ascertaining whether the Corporate Governance Principles are implemented and applied in the Company or not, and if not, the reasons therefore as well as any interest conflicts resulting from failure to implement and apply such Principles, and proposing to the Board of Directors any improving suggestions;
- Supervising the workings and acts of the Investors Relations Unit;
- Reviewing the "Corporate Governance Principles Compliance Report" to be disclosed to public and checking whether any information and data contained therein are true and consistent in comparison to those as known by the Committee;
- Pursuing any developments with respect to Corporate Governance Principles; investigating the effects thereof on the management of the Company and proposing suggestions to the Board of Directors for ensuring the implementation of the necessary actions within the corporate body of the Company;
- Providing and ensuring the Corporate Governance Principles and any applications thereof to be well understood, interiorized, adopted and implemented by the employees of the Company, and for any cases in which they are failed or not able to be implemented, proposing to the Board of Directors any suggestions for the improvement of the degree of implementation, application and adaptation thereof;
- Creating a transparent system for the nomination, assessment and training of the proper candidates for the Board of Directors of the Company and making workings for the determination of the applicable policies and strategies in this respect;
- It shall assess the suggested candidates, including those ones as nominated by the Management and the investors, under consideration of criteria whether the suggested candidate is independent or not, and shall submit a Report containing its assessments related thereto to the approval of the Board of Directors.
- Making regularly assessments regarding the structure and performance of the Board of Directors and proposing to the same suggestions for any amendments to be made therein;

- Determining any approaches, principles and methods of implementation applicable to the performance assessment and career planning of the Members of the Board of Directors and top managers of the Company, and supervising the application thereof;
- Reviewing periodically the philosophy, principles and methods of implementation applicable to the process of appointment, assignment, promotion and advancement in the Company;
- Proposing suggestions regarding the remuneration principles applicable to the Members of the Board of Directors and top managers of the Company under consideration of the long term targets of the Company;
- Determining any remuneration-related criteria, standards and scales under consideration of the performance of the Company and individual performance of the Board Members and top managers of the Company, and presenting to the Board of Directors its suggestions regarding the remuneration of the Board Members and top managers.

## **6. ENFORCEMENT AND IMPLEMENTATION**

The regulations specified hereunder shall be enforced upon resolution of the Board of Directors and implemented by the Corporate Governance Committee. The Duty and Working Principles of the Committee shall be implemented by the Board of Directors.

# **ENKA İNŞAAT VE SANAYİ A.Ş.**

## **AUDIT COMMITTEE**

### **DUTIES AND WORKING PRINCIPLES**

#### **1. FORMATION**

The Audit Committee (hereinafter "Committee") is formed in compliance with the regulations, provisions and principles specified in the Communiqué of Serial: X, No: 22 on the "Independent Audit Standards Applicable To Capital Markets" as introduced by the Capital Markets Board.

#### **2. PURPOSE**

The purpose of the Committee reporting to the Board of Directors is to ensure the duly supervision of the independent audit of the accounting system and financial data of the Company and the disclosure to the public thereof, as well as of the functioning and efficiency of the internal control system.

#### **3. STRUCTURE OF THE COMMITTEE**

- a) The Committee shall be formed and authorized by the Board of Directors in compliance with the Articles of Association of the Company.
- b) The Committee will consist of at least two associates to be elected and appointed from amongst the Members of the Board of Directors. All associates of the Committee are to be elected from amongst the Independent Members of the Board of Directors.
- c) The Chairman of the Executive Committee/General Manager of the Company must not be assigned in the Committee.
- d) The Committee shall be reformed and reassigned each year for a term of office of one year in the first meeting of the Board of Directors following the Annual Ordinary General Assembly each year.
- e) Any persons having previously served to the Company as consultants thereof must not be elected and appointed as associates of the Audit Committee.
- f) The Committee may, if it deems necessary, invite to its meetings any managers of the Company for taking the opinions thereof on any issues. In case of need, the Committee may also benefit from the opinions of any independent experts or specialists.
- g) Any necessary resources and support as needed by the Committee for the performance of its duties shall be provided by the Board of Directors, and the remuneration for any consulting services needed by the Committee to be received shall be paid by the Company.
- h) The Committee shall review periodically its working principles hereunder, and submit to the approval of the Board of Directors any suggestions for any amendments needed to be made therein pursuant to its opinion. However, the final definitive decision related thereto is always ceded to the Board of Directors.

#### **4. MEETINGS OF THE COMMITTEE AND REPORTING**

- a) The Audit Committee shall convene its meetings at least every three months and thus at least 4 times a year and submit outcomes of such meetings to the Board of Directors.
- b) The meetings of the Committee may be convened either at the head office of the Company or at any other place being easily accessible for the associates thereof.

- c) If the total number of the associates of the Committee is more than two, then the applicable meeting quorum shall be one more than the half of the total number of associates present in the meeting, and the Committee shall take its decision by majority of the votes thereof. Any Committee consisting of just two associates is only then able to held any meeting and take any decisions if both associates thereof are present in the relevant meeting.
- d) The Committee shall ensure the Board of Directors to be advised on any outcomes and suggestions concluded by it in aspect of any issues within the scope of its authority and responsibility.
- e) Any decisions taken in the meetings of the Committee shall be put down in writing and duly archived by the secretariat of the Board of Directors.

## **5. DUTIES AND RESPONSIBILITIES**

### **a) Financial Statements and Announcements**

- Auditing whether the annual and interim financial statements of the Company and any clarification purposed footnotes contained therein as to be disclosed to the public are in compliance with the existing prevailing and applicable legislation and international accounting standards, and verifying the authenticity and trueness thereof as well as of the accounting principles applied by the Company and in respect thereto making its own assessments thereon under consideration of the opinions of the relevant responsible managers of the Company and of the independent auditors, and advising the Board of Directors in writing on the outcome of such audit and verification process;
- Reviewing the “Annual Report” to be disclosed to public and checking whether any information and data contained therein are true and consistent in comparison to those as known by the Committee;
- Reporting to the Board of Directors any amendments to and in any accounting legislation and policies that might substantially impact the process of preparation of the financial statements of the Company;
- Reviewing any significant issues related to process of accounting and reporting as well as any legal questions, and ensuring any impacts thereof on the financial statements to be properly investigated;
- Examining and concluding any essential complaints of the shareholders and any other beneficiaries or stakeholders that might impact significantly the financial statements of the Company;
- Reviewing any special accounting transactions such as appraisalment and valuation of the items of assets and liabilities, guarantees and sureties, performance of the social responsibilities, litigation provisions, other liabilities and any conditional events the assessment of which for the disposition thereof into the accounting records is ceded to the management of the Company;

### **b) Independent Audit Firm**

- Monitoring and supervising the election and appointment of the independent audit firm to be assigned and the replacement thereof; preparing and producing the independent audit contracts and causing such independent audit process to be started; and monitoring and assessing the activities thereof;
- Examining the scope and process of the audit as proposed by the independent external auditors; informing the Board of Directors on any issues preventing it to perform its workings;

- Assessing the performance and independency of the independent external auditors;
- Ensuring any essential questions and problems as ascertained by the independent external auditors as well as any suggestions by them for the solution and removal thereof to be advised timely to the Committee and discussed by the same properly;
- Examining and approving any remunerations, cost and expenses payable to the independent external auditors;

**c) Internal Audit and Internal Control**

- Making workings regarding the efficiency and sufficiency of internal control process and reporting the outcomes thereof to the Board of Directors;
- Ensuring the necessary measures to be taken for the sufficiently and transparently performance of any internal controls and independent audit;
- Reviewing the workings and organization structure of and the duty and working principles applicable to the Financial Control Directorate; informing the Board of Directors on any issues restricting or preventing the performance of the workings by the internal auditors as well as on the efficiency of the activities performed by them, and make suggestions for the improvement thereof;
- Ensuring any essential questions and problems as specified in the audit report of the Financial Control Directorate as well as any suggestions therein for the solution and removal thereof to be advised timely to the Committee and discussed and replied by the same properly;

**d) Compliance with Regulations Provided by Laws**

- Monitoring whether the business activities of the Company are performed in compliance with the prevailing applicable legislations and any internal regulations of the Company; and determining any rules to be applied in case of acting to the contrary of such regulations;
- Ensuring confidentially examination of any complaints related to accountancy, internal control and independent audit;
- Monitoring and supervising the compliance with the legal arrangements and company-internal regulations;
- Reviewing periodically its working principles hereunder, and submitting to the approval of the Board of Directors any suggestions for any amendments needed to be made therein pursuant to its opinion. However, the final definitive decision related thereto is always ceded to the Board of Directors.

**6. ENFORCEMENT AND IMPLEMENTATION**

The regulations specified hereunder shall be enforced upon resolution of the Board of Directors and implemented by the Audit Committee. The Duty and Working Principles of the Committee shall be implemented by the Board of Directors.