

**WORKING PRINCIPLES OF EARLY RISK DETECTION COMMITTEE**

**1. ORGANIZATION**

An Early Risk Detection Committee ("**Committee**") has been established during the Board Meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") dated 05/07/2021 with the number 17 within the scope of the provisions of Corporate Governance Principles under the Corporate Governance Communiqué (II-17.1) ("**Communiqué**") and Directive of Borsa İstanbul A.Ş. on The Duties and Working Principles of Early Risk Detection Committee, in order to ensure early risk detection and to create a risk management system for our Company.

**2. PURPOSE**

The Committee has been established in order to provide advice and recommendations to the Company's Board on the early detection and evaluation of all kinds of strategic, operational, financial, legal and other risks that may endanger the existence, development and continuation of the Company, calculation of their impact and probabilities, management and reporting of these risks in accordance with the Company's corporate risk taking profile, implementation of the necessary measures regarding the risks detected, their consideration in decision mechanisms, and the establishment and integration of effective internal control systems in this direction.

These principles have been established within the framework of the regulations, provisions and principles of the Turkish Commercial Code, the capital market legislation and the Corporate Governance Principles included in the Communiqué.

**3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

- 3.1. Identifying existing and potential operational, strategic and other risks and preparing suggestions for taking relevant measures in connection with these risks,
- 3.2. Preparing proposals for the establishment of risk management systems, the establishment of organizational infrastructures within the Company and the development of systems related to increasing functionality,
- 3.3. Identifying, evaluating and monitoring the existing and potential risk factors that may affect the achievement of the company's objectives within the framework of corporate risk management systematics and determining the principles regarding the management of the relevant risks in accordance with the risk-taking profile of the Company and ensuring that they are used in decision mechanisms,
- 3.4. Determining the risks that will be kept and managed, shared or completely eliminated in the Company, according to probability and impact calculations,
- 3.5. Presenting opinions to the Board of Directors in order to establish internal control systems,

including the processes of risk management and information systems, which can minimize the effects of risks that may affect the Company's stakeholders, especially the shareholders,

- 3.6. Ensuring the integration of risk management and internal control systems into the company's corporate structure,
- 3.7. Reviewing the risk management systems at least once a year and observing the implementation of the practices in the relevant departments that take responsibility for the management of risks in accordance with the committee's decisions,
- 3.8. Early detection of technical bankruptcy and warning the board of directors on this issue and developing suggestions for measures to be taken,
- 3.9. Carrying out studies for the early detection of risks that may endanger the existence, development and continuation of the Company, taking necessary precautions regarding the identified risks and managing the risk, and
- 3.10. Fulfilling other duties assigned/to be assigned to the Committee by the Capital Markets Board regulations and the Turkish Commercial Code.

#### **4. STRUCTURE OF THE COMMITTEE**

- 4.1. The committee consists of at least 2 (two) members, with the chairman being an independent member of the board of directors.
- 4.2. If the committee consists of two members, both of them, and if there are more than two members, the majority of the members must be non-executive board members. Chief executive officer/general manager cannot take part in the committee.
- 4.3. Persons who can contribute to the operation of the Company and who have sufficient knowledge and experience about the Company may be elected to the Committee. When necessary, experts who are not members of the Board of Directors are also assigned duties in the Committee.
- 4.4. All kinds of resources and support required for the Committee to fulfil its duties are provided by the Board of Directors. The committee may invite any manager it deems necessary to its meetings and take their opinions. The Committee benefits from the opinions of independent experts on the issues it deems necessary regarding its activities. The cost of consultancy services required by the Committee is covered by the Company.
- 4.5. When the new board of directors is elected at the ordinary general assembly meeting, the relevant board of directors determines the members of the Committee in parallel with the term of office. The duties of the former Committee members continue until new ones are elected in their place.
- 4.6. The committee convenes with the participation of one more than half of the members and takes decisions with the majority of the attendees. In case of equality of votes, the decision is taken in line with the vote of the Chairman of the Committee. Decisions taken by the Committee are written down and recorded.

- 4.7. The Committee presents the findings and suggestions it has reached regarding its duties and responsibilities to the board of directors with a report to be prepared.  
The report is also sent to the auditor.
- 4.8. The Committee's decisions are advisory to the Board of Directors, and the final decision maker on related matters is the Board of Directors.
- 4.9. The Committee prepares an annual evaluation report on the activities carried out in the previous year and presents it to the board of directors in January of each year, in order to form the basis for the matters to be included in the annual report of the Company.
- 4.10. The committee meets as often as required by the task assigned to it. Committee meetings can be held at the Company headquarters or any other place where Committee members have easy access.

## **5. EFFECTIVE DATE**

This regulation and related amendments regarding the duties and working principles of the Committee shall enter into force with the decision of the board of directors.