



KALE JET MOTORLARI SANAYİ A.Ş. EARLY RISK DETECTION COMMITTEE FUNCTIONS AND WORKING PRINCIPLES

PURPOSE and SCOPE

Article 1-The main objectives of the Early Risk Detection Committee, which will work under the Board of Directors;

- Detecting strategic, operational, financial, legal and all other risks that may endanger the existence, development and business continuity of the company early,
- Checking that the identified risks are managed appropriately and ensuring their suitability by evaluating them within the framework of the Company's corporate risk-taking limits,
- Prioritizing risks that exceed corporate risk-taking limits according to their impact and probability,
- Determining the necessary precautions regarding the identified risks, implementing them and carrying out studies to manage the risk.

BASIS

Article 2 - This document has been prepared within the scope of the arrangements, provisions and principles of the Turkish Trade Law, capital markets legislation, Articles of Partnership and the "Corporate Governance Principles" of the Capital Markets Board.

CREATION AND STRUCTURE

Article 3-The Early Risk Detection Committee consists of at least two members. The majority of the Committee consists of non-executive Members of the Board of Directors. Chief executive/general manager can not serve in the committees.

Article 4- The Committee is appointed by the Board of Directors as limited to the Board of Directors Membership period. The members of the Board of Directors of the Company appoint, at the first Board meeting following the General Assembly meeting in which they are elected, the Committee members to serve until the next election of Board of Directors. Members whose term has expired can be re-elected.

The Board of Directors can change the Committee members, appoint a new member to complete their term of office in case of termination, resignation or death of a member, and can reduce / increase the number of members.

Article 5- The chairman of the Early Risk Detection Committee is elected by the committee members among the independent board members. Committee members must have sufficient business experience and industry expertise to anticipate, understand and assess the risks that the Company and its subsidiaries may face in the areas in which they do business.

WORK PRINCIPLES

Article 6-The Early Risk Detection Committee meets at least six times a year, once every two months. Committee meetings can be held by bringing together the members as well as using technological communication means. The timing of the committee meetings is compatible with the timing of the Board meetings as much as possible.

In necessary cases, the Committee Chairman must call a meeting upon the request of a Committee member, the General Manager or the Chief Financial Officer.

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Article 7- The decisions taken at the committee meetings are written. Decisions signed by the committee members are kept regularly. The Committee is responsible for reporting the findings and recommendations it reaches in relation to its duties and responsibilities as a result of its meetings held every two months and presenting them to the Board of Directors.

At the end of each meeting or at least twice a year, a report is prepared, signed and filed by the Committee, and the Committee Chair informs the Board of Directors about its activities. In this report, the situation is evaluated, the results of the committee meeting indicating the dangers, if any, and showing the solutions are presented, and the summary of the committee meeting is notified to the board members in writing. The Committee also sends the Report to the Company's Independent Auditor.

The Committee convenes with the participation of all members and takes decisions with the majority of the members attending the meeting, and if any, counter opinions are recorded. Committee decisions are advisory to the Board of Directors.

The Committee may delegate some of its duties to one or more subcommittees, consisting of two or more members, if deemed necessary. The expertise of people with sufficient experience and knowledge on Early Risk Determination as well as their own members can be used in recruiting members in the creation of a sub-working group.

Article 8 - All types of resources and support required in order for the Early Risk Determination Committee to fulfill its duties are provided by the Board of Directors. The Committee is entitled to invite any managers it may deem necessary to the meetings and take their opinions. In addition, they can benefit from independent expert opinions on the issues they need regarding their activities. The costs of the consultancy services needed by the Committees are covered by the Company.

DUTIES AND RESPONSIBILITIES

Article 9- The duties and responsibilities of the Early Detection of Risk Committee are set out below.

- To carry out activities as aimed for the early detection of the risks that may jeopardize the existence, development and continuation of the Company, applying the necessary measures for the identified risks and managing the risks.
- Reviews risk management systems at least annually.

OTHER MATTERS

Article 10- The Committee acts under its own authority and responsibility and advises decision-making mechanisms where it deems necessary; However, the final decision responsibility always belongs to the Board of Directors and does not eliminate the duties and responsibilities of the Board of Directors arising from the Turkish Commercial Code.

The Committee has the authority, when deemed necessary and with the authorization of the Board of Directors, to assign the relevant units of the Company to Risk Management, to examine the business processes and to monitor and control whether the determined actions are taken in terms of managing the risk.

The Committee may obtain information from all stakeholders associated with the Company within the framework of confidentiality of internal information.

ENFORCEMENT

Article 11- This regulation concerning the duties and working principles of the Early Risk Determination Committee and the revisions thereof enter into force by a resolution of the Board of Directors.