

## COFACE SIGORTA A.S.

### MANAGEMENT COMMITTEES OPERATIONAL PROCEDURES AND RULES

**PURPOSE:** Enhancing corporate risk and audit mechanisms through the management committees, coordination of efforts for achievement of the company's purpose and goals between the top management and divisions

**SCOPE:** The company's top management supervises compliance of activities with the corporate policy and goals and legal regulations by monitoring the company's operations through the management committees established according to the processes.

#### GENERAL RULES:

- The top executive committee of the company is Board of Directors (BoD) and other executive committees operate as the sub-committees of the BoD
- The General Manager is ordinary chairman of all committees
- Determination and organization of any matters to be submitted to the BoD agenda are under the responsibility of the committee secretaries appointed for each committee
- Any committee proposals to be submitted to the BoD for approval are prepared by the committee secretaries by completing preliminary works and indicating opinions of the relevant departments and are submitted to agenda of the BoD for approval/opinion of the top management
- Any Committee resolutions included in Agenda of the BoD are recorded in BoD meeting minutes

### COMMITTEES

The committees, whether existing or to be established in our company, operate within the structure of the EXECUTIVE COMMITTEE (EXEC) which is the executive committee of our Company.

#### I - EXECUTIVE COMMITTEE (EXEC)

It is the high-level committee where decisions concerning the day-to-day management of the company are taken and inter-departmental coordination is ensured.

#### MEMBERS:

**Full members of the Committee;** General Manager – Chief Risk Underwriting Officer – CFO – Chief Commercial Officer – Infoline, Claims & Debt Collection Director – Internal Audit Manager – Risk, Legal and Compliance Manager - Marketing and Communication Department Head – CIO – Underwriting and Risk Analysis Team Leader – Accounting and Reporting Department Head – HR Manager and other officers to be invited by the committee may also participate in the Committee meetings if required to get information and/or express opinion.

The General Manager is the head of the EXEC.



**FREQUENCY OF MEETINGS:** The EXEC convenes under the chairmanship of the General Manager between the hours of 10.00 – 12.00 on Tuesdays bi-weekly unless otherwise stated.

Agenda of the meeting consists of evaluation of balance sheet of the company, activities of business lines, general economic data and current political and economical developments and determination of weekly strategies.

At the meetings, resolutions adopted at the previous meetings and implementations are evaluated and then required resolutions and required implementations are determined.

**SECRETARIAT:** Arrangement of any resolutions adopted at the meeting are realized by Internal Audit Manager.

**REPORTING TO BOARD OF DIRECTORS:**

Any resolutions to be submitted to the BoD for information/approval are recorded in resolution reports by the secretariat of BoD.

**FUNCTIONS & RESPONSIBILITIES:**

- Adopt all administrative, commercial resolutions other than the areas of authority and responsibility assigned to our board of directors by the company's articles of association
- Determine functions and responsibilities on the matters under the authority delegated by the Board of Directors
- Determine required strategic targets and policies for the purpose of ensuring effective, productive and sufficient use of all resources for progress of the company's operations and ensure each organizational department to operate in this line
- Find the most appropriate organizational structure to allow effective conduct of the company's operations and achievement of stipulated targets
- Establish new product, service and markets in line with the targets and policies established.
- Evaluate activities in terms of quality and productivity and ensure compliance with the defined targets and policies
- Ensure activities to be conducted by employees with sufficient qualifications effectively
- Monitor all corporate activities in line with the performance criteria and KPIs, apply required improvements and modifications

**II - PRICING COMMITTEE**

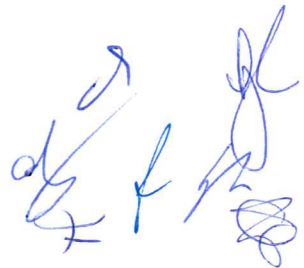
**PURPOSE:** Risk-focused effective pricing, customer portfolio profitability monitoring

**FUNCTIONS & RESPONSIBILITIES:**

- Approve the files submitted to the Committee for approval within the framework of country delegations (authorizations)
- Monitor customer portfolio profitability
- Follow up reasons of non-tariff quotations
- Follow up market prices

**MEMBERS:** General Manager – Chief Commercial Officer and relevant Unit / Department Manager

**SECRETARIAT:** Relevant Unit / Department Manager



**FREQUENCY OF MEETING:** Whenever required

### **III - RENEWAL COMMITTEE**

**PURPOSE:** Adoption of renewal resolutions for critical policies, policy profit/cost monitoring

**FUNCTIONS & RESPONSIBILITIES:**

- Determine pricing and renewal conditions for any policies subject to renewal period within the framework of country delegations (authorizations)
- Follow up policy profitability

**MEMBERS:** General Manager – Chief Commercial Officer, relevant Unit / Department Manager and if needed Chief Risk Underwriting Officer / Underwriting Team Leader

**SECRETARIAT:** Relevant Unit / Department Manager

**FREQUENCY OF MEETING:** Whenever required

### **IV - RESERVES COMMITTEE**

**PURPOSE:** Ensure accuracy and reliability of the company's balance sheet by allocating Technical Reserve timely and properly.

**FUNCTIONS & RESPONSIBILITIES:**

- Estimate loss and premium figures and decide on reserve amounts to be set aside at the end of the quarterly periods
- Make decisions on reserves to be set aside by evaluating claims under proceedings, cases of dispute and high amounts of Notification of Overdue Accounts (NOA)
- Submit the decisions regarding the reserves to the approval of the Region and the Group

**MEMBERS:** General Manager – Chief Risk Underwriting Officer – CFO – Chief Commercial Officer

**SECRETARIAT:** CFO

**FREQUENCY OF MEETING:** In periods of three months within the last week of February, May, August, November.

### **V - HUMAN RESOURCES COMMITTEE**

**PURPOSE:** Ensure compliance with the corporate and group standards in Human Resources policies and practices.

**FUNCTIONS & RESPONSIBILITIES:**

- Determine performance evaluation procedures and rules



- Approve promotion and advancement requests and submit them to the Region's approval
- Determine career plan and implementation rules and submit them to the Region's approval  
Determine implementation rules of reward and incentive system and submit them to the Region's approval
- Decide on disciplinary punishment implementations
- Approve annual training programs
- Approve social responsibility projects and activities settled by the Activity Committee
- Determine and approve the company's organizational structure and submit them to the Region's approval

**MEMBERS:** General Manager – HR Manager

**SECRETARIAT:** HR Manager

**FREQUENCY OF MEETING:** Whenever required

**THE PRESENT REVISION HAS BEEN APPROVED BY THE BOARD RESOLUTION  
DATED 12.01.2017**

Handwritten signatures and initials in blue ink, including a large signature on the left and several smaller initials on the right.