

COMPENSATION POLICY

TERMINATION OF A LABOR CONTRACT

The Turkish Labor Law No. 4857 and the Turkish Code of Obligations No. 6098 allow for the termination of a labor contract executed between an employee and employer either for a definite or indefinite term. The termination is the ending of the contract through a unilateral declaration of will.

1- Termination for Valid Cause

The Company may terminate indefinite-term labor contracts based on a valid cause arising from the incompetency or behavior of a laborer or the necessities of the enterprise, the workplace or the job according to Article 18 of the Labor Law no. 4857 by complying with notice periods specified in Article 17 of the Labor Law, provided that the notice of termination is submitted in writing and by specifying the causes of termination clearly and definitely.

Employees may also terminate indefinite-term labor contracts by complying with notice periods specified in Article 17 of the Labor Law, provided that the notice of termination is submitted in writing.

Notice periods;

- 2 weeks for employees with up to 6 months of service
- 4 weeks for employees with 6 months to 1.5 years of service
- 6 weeks for employees with 1.5 to 3 years of service
- 8 weeks for employees with more than 3 years of service

An indefinite-term labor contract shall be terminated upon expiration of the above notice periods following the written notice of termination has been received by the counter party.

In the event of existence of valid cause arising from the behavior or incompetency of the laborer, the written defense of the employee shall be requested and the labor contract shall be terminated in compliance with the procedure stated in Article 19 of the Labor Law.

The Company or the employee may terminate the indefinite-term labor contract, by paying in advance, the wage for the aforementioned notice periods. The notice period shall not be merged with the period of annual paid leave or the period during which the employee does not attend at work under a medical report and such periods cannot be included in the notice period.

2- Termination Based on Justified Cause

The Company or the employee may immediately terminate the definite-term labor contract based on justified causes specified in Articles 24 and 25 of the Labor Law 4857.

In case of a termination made within this scope, for definite-term contract, the termination right arises immediately without the completion of the contract period; and for indefinite-term labor contract, the termination right arises immediately without applying the notice periods specified in Article 17 of the Labor Law and without paying the notice compensation.

Additionally, no severance pay shall be granted by the Company to the employee in case the labor contract is terminated due to causes specified in Article 25/II of the Labor Law.

Resignation Procedures

Procedures specified in the Labor Law and the legislation as related to resigning employees shall be fully performed. The amounts which the employee is entitled shall be paid pursuant to the Law and the relation of the employee with the Company is terminated upon discharge and resignation.

A "Termination of Relation and Delivery of Assets in Possession" form shall be filled with respect to the resigning employee. The related department shall complete the necessary procedures based on this form.

A release statement shall be obtained from the employee who has left the Company and received all their due payments, stating that they no longer have any relationship with the Company. In the case of any kind of leave of employment, the departing employee signs the relevant release document according to the manner of their release. This release statement shall be stored in the employee's file for the legally required period.

For whatever reason it is, the employee is obliged to return any books, valuable papers, written materials, software information and equipment, hardware such as electronic or technical devices and identity cards assigned to them, by filling out the " Termination of Relation and Delivery of Assets in Possession" before releasing the Company. The employee shall be responsible for any damages or losses incurred by the Company due to the failure to fulfill this obligation.

Severance Pay

If the labor contract is terminated:

- by the Company due to causes other than "behaviors of the employee not complying with the rules of ethics and goodwill" specified in subparagraph II of Article 25 of Law No. 4857,

- by the employee by an immediate termination in accordance with Article 24 of the Labor Law No. 4857,

- by the resignation of the employee due to military service,

- due to resignation of the employee on his/her own will with the intention to be paid pension for old age, retirement or disability,

- due to resignation of the employee on his/her own will upon satisfaction of the conditions other than the ages specified in sub-subparagraphs (a) and (b) of subparagraph A of the first paragraph under Article 60 of the Social Security and General Health Insurance Law 5510 or upon completion of the social insurance period or the number premium payment days necessary for an old age pension according to Temporary Article 81 of the same Law,

- due to resignation of a female employee on her own will, within one year following her marriage,

- due to death of the employee,

severance pay shall be paid based on Article 14 of the Labor Law no. 1475.

The employee shall be paid severance pay amounting to 30 days wage for each full year of seniority, provided that the legal cap of severance pay is not exceeded. Payment shall be made on the same ratio for periods in excess of one year.

Severance pay shall be calculated based on gross wage. Only stamp duty is deducted from the severance pay.