



EMPLOYEE COMPENSATION POLICY

1. Termination of the Employment Contract of Indefinite Duration

1.1. Termination with Valid Reason

Biotrend and its Affiliates may terminate the employment contracts by making notice of termination in writing and specifying the reasons for termination in a clear and certain manner based on a valid reason that arises from the capacity or conduct of the employee or from the operational requirements of the business, workplace or service in accordance with Article 18 of Labor Law No: 4857 and by complying with the periods of notice specified in Article 17 of the Labor Law. The employee may also terminate the employment contract of indefinite duration in writing by complying with the periods of notice specified in Article 17 of the Labor Law.

Periods of notice are as follows;

- **2 weeks** for the employees working for a period less than six months;
- **4 weeks** for the employees working for more than six months but less than one-and-a-half year;
- **6 weeks** for the employees working for more than one-and-a-half year but less than three years;
- **8 weeks** for the employees working for more than three years.

In the event of the existence of valid reasons that arise from the capacity, performance or conduct of the employee, the Employer shall take the employee's written defense statement and terminate the employment contract in accordance with the procedure set forth in Article 19 of the Labor Law No: 4857.

The Company or the employee may immediately terminate the employment contract of indefinite duration by paying in advance the wages corresponding to the periods of notice indicated above. Period of notice may not be substituted with annual paid leave or days off due to sickness of the employee and may not be included in the notice period.

1.2. Termination with a Just Cause

The Company or the employee may terminate immediately the employment contract based on just causes indicated in Articles 24 and 25 of Labor Law No: 4857.

The employee is not entitled to receive severance and notice pay if the employment contract is termination due to reasons specified in Article 25/II of the Labor Law No: 4857.

2. Dismissal Procedures

According to Human Resources Procedure, the Recruitment Department sends Dismissal Information Form and an information form to all relevant departments for the performance of necessary transactions (advance payment deduction, account closing etc.) with respect to the employee leaving the job.

Human Resources Department calculates the compensation payments, if any, and benefits of the leaving employee. Dismissal documents (letter of resignation, cancellation of labor contract and notice of acquittance) are signed by the employee leaving the job.

3. Severance Pay

If the employment contract is terminated;



- by the Employer due to reasons other than “immoral, dishonorable or malicious conduct of the employee” as indicated in Article 25/II of the Labor Law No: 4857,
- by the employee as per Article 24 of Labor Law No: 4857 without granting notification period and by claiming right to compensation,
- by the employee due to compulsory military service,
- upon resignation of the employee in order to get retirement, pension or invalidity pension payment,
- on employees’ free will by satisfying the conditions, except for the age condition, specified in subparagraphs (a) and (b) of paragraph (A) of the first sub-article of Article 60 of Social Security and General Health Insurance Law No: 5510 or the conditions for insurance period and number of premium days specified in Provisional Article 81 of the same Law for the replacement of retirement pension,
- If a women employee resigns voluntarily from her office within one year of her marriage,
- In the event of death of an employee,

Severance payment is paid as per Article 14 of Labor Law No: 1475.

Only if not to exceed the legal ceiling determined for severance payment, an employee is paid severance pay amounted to 30 days’ salary for each full year of seniority period. For the periods exceeding a year, the payment is made over the same rate.