

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EMPLOYEE COMPENSATION POLICY

TERMINATION OF LIMITED TERM LABOR CONTRACT

The Labor Law and the Turkish Code of Obligations give employees and employers the right to terminate the labor contract with or without a time limit. In general, termination means the conclusion of a labor contract through a unilateral declaration of intention.

1. Termination with Just Cause

Pursuant to Article 18 of Labor Law No. 4857 and in compliance with the notification timing stipulated in Article 17 of the same law, the employer may terminate labor contracts on the condition that it provides written notification of termination with just cause by clearly and expressly stating the reasons for termination based on a just cause arising from the employee's insufficiency or behavior or from the necessities of the business, workplace, or the job itself.

The employee may also terminate an indefinite labor contract by giving prior written notice; the length of the required notice period is stipulated by Article 17 of the law.

Notice periods:

- Those with less than 6 months on the job 2 weeks;
- Those with 6-18 months on the job 4 weeks;
- Those with 1.5-3 years on the job 6 weeks;
- Those with more than 3 years on the job 8 weeks.

In the event of just cause arising from an employee's insufficiency or behavior, the employer must take the employee's statement and may terminate the labor contract pursuant to the provisions of Article 19 of the Labor Law.

The company or the employee may terminate an indefinite labor contract by paying, in advance, the salary the employee would have earned had they continued to work during the required notice period. Notice time cannot be combined with the employee's vacation or sick leave and it cannot be added to the notice period.

2. Rightful Termination

The company or the employee may immediately terminate the labor contract on the valid grounds stated in Articles 24 and 25 of Labor Law No. 4857. A labor contract is terminated without severance or notice payments based on the grounds stated in Article 25/II of the Labor Law.

With limited term labor contracts, rightful termination gives the rightful party the right to terminate the contract immediately without having to wait for the term to end or, with indefinite labor contracts, for the notice period to end.

3. Leave of Employment Procedures

Employee termination procedures are completed fully pursuant to the Labor Law and relevant legislation. According with the law, the employee is given a progress payment and release form, leave of employment, termination, and exit procedures are completed.

3.1. Release Form

As proof of discontinuation of association with the company, a Release Form is obtained from the terminated employee after all dues are paid to him or her. In all forms of employment termination, the terminated employee signs the Release Form based on the manner of leave of employment. The Release Form is kept in the employee's file for a period of time stipulated by the law.

Regardless of the reason for termination of employment, the employee, prior to leaving, is required to return all books entrusted to him/her as well as documents such as commercial papers or letters, software information and equipment, hardware such as electronic or technical devices, and their identification card. These returns must be entered into the records. The employee shall be liable for any losses and damages arising from a failure to comply with this requirement.

3.2. Severance Payment

Severance payment is a form of compensation that, pursuant to the Labor Law, the employer pays to the employee for the termination of employment in certain situations. Employees who resign voluntarily are not entitled to severance payment.

3.2.1. Severance Payment Conditions

Pursuant to Article 14 of Labor Law No. 1475, the employee receives severance payment in the event;

- that the Labor Contract is terminated by the employer for reasons other than those in which “the employee’s behavior does not comply with the principles of moral and goodwill” stipulated by Article 25/II of Labor Law No. 4857,
- that the Labor Contract is terminated by the employee without giving notice and by claiming severance payment as per Article 24 of the Law,
- that the employee is called for active duty in the military,
- the employee leaves the job voluntarily to receive an old-age, retirement, or disability pension,
- that the employee leaves the job voluntarily by fulfilling the age conditions other than those stipulated by Article 60/A, sub clauses (a) and (b) of Social Security and General Health Insurance Law No. 5510, or by completing the insurance period and the number of premium payment days (15 years of being insured and 3,600 days of premium payments) so as to receive old-age pension, pursuant to temporary Article 81 of the same law,
- that a female employee leaves the job voluntarily within one year of the wedding date,
- that the employee dies

3.2.2. Making the Severance Payment

The employee will receive a severance payment equal to a 30-day salary for each full year of seniority on the condition that the amount does not exceed the legal ceiling stipulated for severance payment. The payment is made based on the same rate for the remaining period of time from one year.

Severance payment is calculated based on gross salary. Only stamp duty is deducted.