

ARZUM ELEKTRİK Lİ EV ALETLERİ SANAYİ VE TİCARET A.Ş.

REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

This policy document defines the remuneration systems and practices of the Members of the Board of Directors and senior executives within the framework of the Capital Markets Board regulations.

I. REMUNERATION PRINCIPLES FOR THE MEMBERS OF THE BOARD OF DIRECTORS

Each year at the ordinary general assembly meeting, a fixed fee is determined to be valid for all members of the board of directors. The General Assembly is authorized for the financial rights other than remuneration to be granted to the members of the Board of Directors. It is possible to make a distinction between the members of the board of directors in terms of the criteria to be determined by the general assembly for remuneration and in determining the type and amount of such remuneration. The provisions of the Capital Markets Law and relevant legislation regarding the remuneration of the independent members of the Board of Directors are reserved.

Members of the Board of Directors who are in charge of operations are paid separately within the scope of the policy determined for Senior Executives, which the details of are explained below.

Members of the Executive Board with operational duties who are assigned to carry out certain functions in order to contribute to the operations of the company, may be provided with benefits in the amount determined by the Board of Directors, in addition to the fixed fee determined at the General Assembly, in accordance with the opinion of the "Corporate Governance Committee".

Attention is paid to ensure that the remuneration of the Independent Members of the Board of Directors is at a level that will protect their independence. Dividends, share options or payment plans based on the company's performance are not applied in the remuneration of independent members.

Members of the Board of Directors are paid on a pro-rata basis, taking into account their term of office as of their appointment and departure dates.

The expenses incurred by the members of the board of directors due to their contributions to the company (transportation, telephone, insurance, etc.) may be covered by the company.

II. REMUNERATION PRINCIPLES FOR SENIOR EXECUTIVES

Senior executive remuneration consists of two components being fixed and performance-based remuneration.

Fixed fees for senior executives are determined by taking into account the macroeconomic data in the market, the wage policies prevailing in the market, the size of the company, its long-term goals and the positions of the individuals.

Premiums for senior executives, on the other hand, are calculated on the basis of bonus base, company performance and individual performance combined.

Criteria are summarized below.

- **Bonus Base:** Bonus Bases are updated every year and vary according to the business size of the positions of the managers. While updating premium bases, top management premium policies in the market are taken into consideration.
- **Company Performance:** Company Performance is achieved by measuring the financial and operational (Net Sales, EBITDA, Net Working Capital, Market Share, etc.) targets given to the company at the end of the period. Sustainability of success and improvements compared to previous years are the principles that are taken into consideration while determining company targets.

- Individual Performance: In determining the Individual Performance, goals related to employees, customers, processes, technology and long-term strategy are taken into account along with company goals. In the measurement of individual performance, the principle of long-term sustainable improvement is taken into account, in parallel with the performance of the company, apart from the financial areas.

The total amounts determined according to the aforementioned principles and paid to the Senior Executives during the year are submitted to the shareholders in the following general assembly meeting in accordance with the legislation, and the total amounts paid to the Members of the Board of Directors are submitted to the information and approval of the shareholders in the following general assembly meeting in accordance with the legislation.