

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVE OFFICERS

The purpose of this Policy is to determine the remuneration principles and procedures with respect to the Board members of Sabancı Holding and senior executive officers with administrative responsibilities within the frame of the regulations of the Turkish Commercial Code and Capital Markets Board.

Principally, a fixed attendance fee is determined each year at the ordinary general assembly meeting, applicable to all Board members. The attendance fee to be paid to the directors may be differentiated by taking into consideration the knowledge, skills and competencies of the Board members, the duties and responsibilities they undertake in the committees established within the Board of Directors, and whether they hold executive roles and/or independent membership. Sabancı Holding General Assembly is authorized in this regard.

Dividends and share options are not used in the remuneration of the Board members. In addition, performance-based payment plans are not offered in the remuneration of independent members of the Board of Directors. The attendance fee to be paid to the independent members shall be determined at a level to preserve their independence.

Attendance fees, salaries and other monetary compensation must be based on objective criteria and must be in line with market conditions and the Company's financial status. To this end, the Corporate Governance, Nomination and Remuneration Committee determines the principles and criteria for determining the remuneration and attendance fees of the Board members and senior executive officers and submits its recommendations to the Board of Directors.

Remuneration principles for executive Board members, including the CEO, and senior executive officers are determined in line with fair, objective, competitive and rewarding criteria. The main objectives of the Remuneration Policy are to determine remuneration by emphasizing the concepts of work size, performance, contribution to the business, knowledge/skills/experience and competencies, to motivate employees and increase their loyalty by ensuring intra-company and inter-company wage balance and competitiveness in the market, and thus to provide the workforce with the appropriate competencies to achieve the Company's goals.

In order to support compensation planning with additional benefits, "fringe benefits" are considered as an integral part of total reward management. The fringe benefits provided by the Company are in line with market conditions and involve the principles of being competitive and fair.

The Business Family Model implemented within the Company defines roles, examples of key responsibilities, performance indicators, knowledge/skills/experience and competencies within the organization. The Remuneration Policy is also based on an objective system based on the Business Family Model.

The total remuneration model for the executive Board members, including the CEO, and senior executive officers consists of a fixed base salary, fringe benefits and variable remuneration components consisting of performance-based short-term and long-term bonuses.

Short-term performance assessment does not only focus solely on financial and strategic targets, but also takes into account goals and criteria such as sustainability, equality and

operational excellence. The short-term bonus system aims to encourage Sabancı Group companies to realize their budget targets and even achieve results above their targets.

The main purpose of the short-term bonus system is to reward success, to encourage employees to demonstrate superior performance and to establish a goal-oriented, high-performance culture in Sabancı Group. The short-term bonus is calculated and paid annually as a proportional percentage of the annual fixed base salary, depending on the realization of target criteria such as sustainability, equality, operational excellence, as well as financial and strategic targets for the relevant year.

Long-term bonuses are also offered to executive Board members and senior executive officers. With the long-term bonus system, it is aimed to increase the long-term value of Sabancı Holding, to provide senior executives with a long-term performance perspective and to ensure a stable senior management continuity.

The long-term bonus system covers consecutive three-year performance period and is based on the payment of the bonus at the end of the relevant performance period. The framework for the cancellation and reclamation of premium payments (Malus & Clawback) is defined for both short-term and long-term premium systems. This framework is applied to all executive Board members and senior executive officers who benefit from the short and long-term bonus system.

Executive Board members, including the CEO, and senior executive officers are also entitled to corporate contributions to the private pension system (PPS) within the legal limits if they have been employed by Sabancı Group for at least 6 months.

The Board members and senior executives are paid on a pro-rata basis, taking into account the time they have been in office as of their appointment and resignation dates. Other expenses (transportation, telephone, insurance, etc.) required for the Board members and senior executives to fulfill their duties and responsibilities towards the Company may be covered by the Company.