

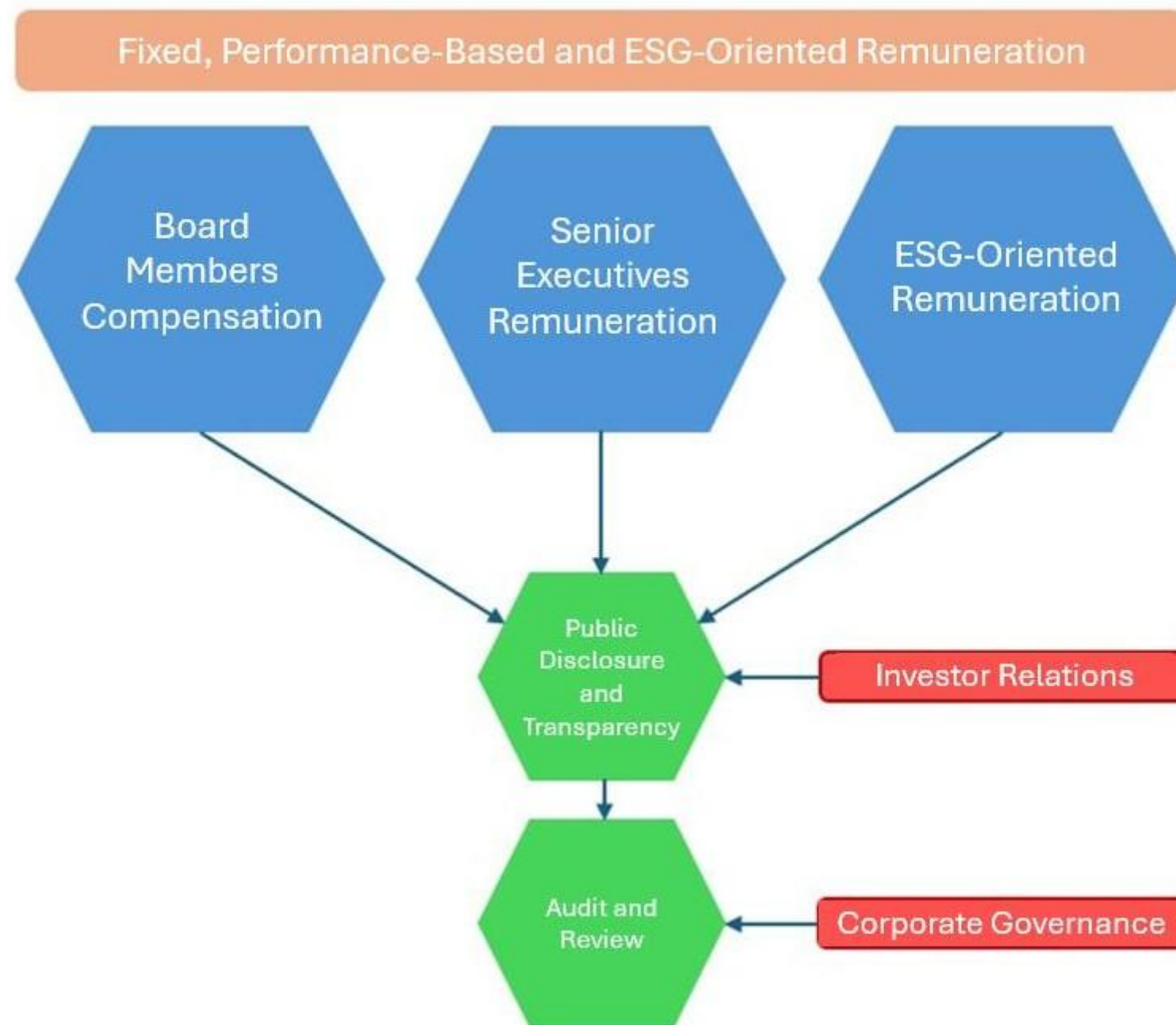


**ODAS  
REMUNERATION  
POLICY FOR  
MEMBERS OF THE  
BOARD OF  
DIRECTORS AND  
EXECUTIVE  
MANAGEMENT**



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## Compensation Program for Board Members and Executive Management

# 01 Purpose and Scope

This policy document has been prepared in order to define the principles and practices of remuneration for senior executives including Board Members, Chief Executive Officer (CEO), Group Presidents, and Group Directors of Çan2 Termik A.Ş. within the framework of the Corporate Governance Principles of the Capital Markets Board.

# 02 Policy Principles

**2.1.** Our compensation policy, structured to be objective, fair, competitive, and rewarding, is designed to maintain internal balance and align with market practices.

**2.2.** The compensation structure consists of fixed, performance-based, and ESG (Environmental, Social, Governance)-focused components.

**2.3.** It is structured to encourage the achievement of the company's long-term strategic goals and increase stakeholder value.

**2.4.** It is implemented through transparent, auditable, and accountable processes.

**2.5.** It is designed by the General Management HR Committee, submitted to the Board of Directors for approval, and presented to shareholders at the General Meeting.

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## 03 Remuneration Policy for Board Members

**3.1.** Board members receive a fixed attendance fee determined annually by the General Assembly. This amount is set at a level sufficient to preserve the independence of independent members.

**3.2.** Independent members are not included in performance-based payment plans, and no stock options or profit-sharing payments are made to independent members.

**3.3.** Executive Board members in active service are paid in accordance with the practices applicable to senior executives.

**3.4.** Pro rata calculations are made based on the dates of appointment and resignation.

**3.5.** Reasonable expenses incurred by Board members in connection with their contributions to the company (transportation, telephone, insurance, etc.) are covered by the company.

## 04 Remuneration for Executives

**4.1. The compensation structure consists of three components:**

- a) Fixed Salary
- b) Short-Term Incentive - STI
- c) ESG focused component

**4.2. Fixed**

Market conditions, industry comparisons, company size, and the manager's position are taken into account.

**4.3. Short-Term Incentive (STI)**

It is calculated based on the achievement rate of annual financial performance targets (turnover, profitability, growth) and individual targets.

In addition to the company's overall targets, KPIs specific to the manager's role (e.g., operational efficiency, project success, leadership behaviors) are also taken into account.



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#### **4.4. ESG Focused Component**

A portion of the additional compensation that senior executives receive on top of their base salary is also determined based on ESG targets.

ESG target areas:

- Energy efficiency improvement and waste management
- Occupational health and safety performance
- Employee satisfaction and diversity/inclusivity rates
- Social contribution and ethical compliance

Performance criteria are concrete, measurable, and reviewed annually by the General Management HR Committee.

#### **4.5. Severance Pay**

When leaving the job, a bonus may be paid taking into account the length of service, performance, and fixed and variable payments for the last year.

## **05 Talent Management and Fringe Benefits**

**5.1.** Leadership development, career planning, and succession processes are carried out in conjunction with the General Management HR Committee.

**5.2.** Senior managers are offered private health insurance, an individual retirement plan, and a flexible benefits package.

**5.3.** Annual performance evaluation results form the basis for development programs and promotion decisions.

**5.4.** The Company's remuneration policy aims to attract, motivate, and retain highly qualified executives who play a critical role in achieving our strategic objectives. The compensation of the Chief Executive Officer (CEO), Executive Directors, and other senior executives is aligned with market benchmarks and applicable legal requirements and is linked to both individual and corporate performance. This approach enables the Company to remain competitive in attracting and retaining the leadership talent necessary to drive long-term success.

**5.5.** Any share-based compensation plan or other long-term performance management instruments that may be introduced by the Company shall be subject to shareholder approval at the General Assembly. This approach ensures transparency, alignment with best practices, and effective shareholder engagement in decisions relating to share-based compensation schemes and Long-Term Incentive Plans.

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## 06 Public Disclosure and Approval Process

**6.1.** The total remuneration and other financial benefits paid during the year shall be disclosed to shareholders at the General Meeting to be held in the following accounting period.

**6.2.** The Remuneration Policy shall be published on the corporate website after approval by the Board of Directors.

**6.3.** The Policy shall be reviewed at least once a year or as needed by the General Management HR Committee.

**6.4.** The Policy shall be reviewed at least once a year or as needed by the General Management HR Committee.

## 07 Risk Management and Prevention of Excessive Risk

**7.1.** The reward structure is designed to be consistent with the company's risk appetite

**7.2.** Balancing mechanisms (claw-back, deferral, maturity restrictions) are used to prevent excessive risk-taking.

## 08 Enforcement and Revision

This Remuneration Policy shall enter into force on the date it is approved by the Board of Directors. Policy changes shall be submitted to the General Assembly in the same manner and communicated to shareholders