

## AKBANK T.A.Ş.

### INFORMATION DOCUMENT ON THE ORDINARY GENERAL ASSEMBLY OF THE YEAR 2024 DATED MARCH 24, 2025

Shareholders' 2024 Ordinary General Assembly of our bank will be held on Monday March 24, 2025 at 14:00, at our Head Office, Sabancı Center 4. Levent, to discuss the agenda detailed in the following pages.

Our shareholders who have the right to participate in the Ordinary General Assembly may attend the Ordinary General Assembly to be held at the above-mentioned address in person, by proxy or by proxy in electronic environment over the Electronic General Meeting System ("e-GEM") provided by the Central Registry Agency ("CRA"), by using their safe electronic signatures, if they wish.

The shareholders may authorize their representatives by using e-GEM or have their representatives represent themselves at the Ordinary General Assembly by filling up the proxy form which might be found at our Head Office or at our Bank's Investor Relations web site [www.akbankinvestorrelations.com](http://www.akbankinvestorrelations.com) and notarize their signature, or by attaching the notarized signatory circular to the proxy form bearing their signatures, within the framework of the provisions of the Communiqué II-30.1 of the Capital Market Board ("CMB").

Those who will attend the Ordinary General Assembly physically may attend by;

- Real person shareholders shall submit their ID cards,
- Legal person shareholders shall submit their representatives' ID cards and authorization documents,
- Real and legal person's representatives shall submit their ID cards and representation documents,
- Representatives authorized via the Electronic General Assembly System shall submit their ID cards.

And also by signing the attendance list.

Our shareholders who will attend the Ordinary General Assembly in electronic environment over e-GEM may obtain information on procedures and principles about attendance, assigning proxy, making suggestions, expressing opinions and voting, from <https://www.mkk.com.tr/en> link which is the website of CRA.

Shareholders or representatives who wish to attend the Ordinary General Assembly in electronic environment should fulfill their obligations published on the Official Gazettes dated August 28<sup>th</sup> 2012, with no: 28395 "Regulation for the Ordinary General Meeting for Incorporated Companies in Electronic Environment" and dated August 29<sup>th</sup> 2012, with no: 28396 "Official Statement on Electronic Ordinary General Meeting system to be applied for General Meeting of Incorporated Companies".

The annual report including 2024 Financial Statements and Auditor's reports, The Board of Director's proposal on the distribution of annual profit (subject to the permission to be obtained and the completion of the procedures) and Ordinary General Assembly Information Document of our Bank will be ready for our Shareholders' review at least twenty-one days before the meeting date, on e-GEM section of CRA's website, at our Bank's Investor Relations website [www.akbankinvestorrelations.com](http://www.akbankinvestorrelations.com), at the Financial Coordination and Reporting Department in Istanbul, as well as at Çankaya Commercial, Adana Commercial, Antalya Commercial and İzmir branches. The annual report was also published on the Public Disclosure Platform.

## ADDITIONAL EXPLANATIONS AS PER CMB REGULATIONS

The notifications and explanations required by the "Communiqué on Principles for Corporate Governance" No: II-17.1 of the Capital Market Board regarding the agenda items are specified under the related agenda item. Other general explanations are also presented in this document for the attention of shareholders:

### 1. Ownership Structure and Voting Rights (as of 27.02.2025)

Corporate Title/Name/Surname of the Shareholder	Share in the Capital (TL)	Share in the Capital (%)
Hacı Ömer Sabancı Holding A.Ş.	2.119.027.173,70	40,75
Other	3.080.972.826,30	59,25
<b>TOTAL</b>	<b>5.200.000.000,00</b>	<b>100,00</b>

There are no privileged shares.

### 2. Information on Changes occurred in the Bank or in its major Equity Participations and Subsidiaries or planned for future which might materially affect our operations

In 2024, there has been no change in our Bank or in its major equity participations and subsidiaries which could materially affect our operations. There are no planned changes for future which may materially affect our operations.

### 3. Information regarding the Claims of the Shareholders, CMB and Other Public Authorities on Adding an Item to the Agenda

Shareholders, CMB and Other Public Authorities have not requested any additional item to be included in the Agenda of the General Assembly.

**EXPLANATIONS ON AGENDA ITEMS OF THE ORDINARY GENERAL ASSEMBLY  
OF AKBANK T.A.Ş DATED MARCH 24, 2025**

**1. Opening and formation of the Meeting Council**

Presidential Board will be constituted to conduct the Ordinary General Assembly within the framework of Turkish Commercial Code No: 6102, provisions of the Articles of Association, Procedures and Principles of Ordinary General Assembly of Incorporated Companies and Provisions of the Regulations on Representatives of the Ministry who will Attend these Meetings ("Regulation").

**2. Reading and discussion of the 2024 Annual Report of the Board of Directors**

2024 Annual Report of the Board of Directors which has been submitted for our Shareholders' review on CRA's website, on e-GEM page, on our Bank's Investor Relations website [www.akbankinvestorrelations.com](http://www.akbankinvestorrelations.com), at the Financial Coordination and Reporting Department in Istanbul, as well as at Çankaya Commercial, Adana Commercial, Antalya Commercial and İzmir branches within the scope of the provisions of Turkish Commercial Code and Regulations will be read at the Ordinary General Assembly and submitted to the review of our shareholders. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents, it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders.

**3. Reading of the 2024 Auditor's Report**

The 2024 Auditors Report which has been submitted for the review of our shareholders' on CRA's website, on e-GEM page, on Public Disclosure Platform, on our Bank's Investor Relations website [www.akbankinvestorrelations.com](http://www.akbankinvestorrelations.com) at the Financial Coordination and Reporting Department in Istanbul, as well as at Çankaya Commercial, Adana Commercial, Antalya Commercial and İzmir branches within the scope of the provisions of Turkish Commercial Code and Regulations will be read at the Ordinary General Assembly. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents, it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders.

**4. Reading, discussion and approval of the Financial Statements of 2024**

The Financial Statements of 2024 which has been submitted for the review of our shareholders' on CRA's website, on e-GEM page, on Public Disclosure Platform, on our Bank's Investor Relations website [www.akbankinvestorrelations.com](http://www.akbankinvestorrelations.com), at the Financial Coordination and Reporting Department in Istanbul, and at Çankaya Commercial, Adana Commercial, Antalya Commercial and İzmir branches within the scope of the provisions of Turkish Commercial Code and Regulations, will be read at the Ordinary General Assembly and submitted to the review and approval of our shareholders. The aforementioned report is an integral part of the Annual Report which also includes the Corporate Governance Principles Compliance Report and with other documents it has been submitted on our website and on Public Disclosure Platform for the review of our shareholders.

## **5. Release of liability of the members of the Board of Directors**

Release of liability of every member of the Board of Directors separately regarding their operations, transactions and accounts for 2024 will be presented to the approval of the Ordinary General Assembly.

## **6. Decision on the distribution of 2024 annual profit, subject to the permission to be obtained and the completion of the procedures**

According to our financial statements which are audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. the "Net Period Profit" for the accounting period of 01.01.2024 - 31.12.2024 is TL 42.366.069.861,88. The process for obtaining permissions and completion of the procedures regarding the distribution of the 2024 annual profit has been continuing.

Any development regarding the process will be disclosed in Public Disclosure Platform.

## **7. Appointment and determination of the tenure of the Members of the Board of Directors**

Appointment will be made for the Members of the Board of Directors whose terms have expired, and the tenure for the appointments will be determined.

Regarding the independent Member of the Board of Directors, according to Item b, Clause 3 of the Article 6 of the "Communiqué on Corporate Governance" No: II-17.1 principle clauses 4.3.6, 4.3.7 and 4.3.8 of "Corporate Governance Principles of the Capital Markets Board" will be applied. Within this scope, Mehmet Tuğrul Belli is the Independent Member Candidate for the Board of Directors.

Curriculum Vitae of the Board of Directors member candidates and the Independent Board of Directors member candidate are presented in Annex 1.

## **8. Determination of the compensation of the Members of the Board of Directors**

A monthly gross salary of TL 120.000 is paid to the current Members of the Board of Directors. The salary to be paid to the members who will be elected in the new period will be determined at the Ordinary General Assembly. In addition to this, Ordinary General Assembly is expected to take a decision on the financial rights to be provided to the elected members of the Board of Directors in the event that they assume another specific duty in the Bank.

## **9. Appointment of the Auditor**

The appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the "Independent Audit Firm" for 2025 in line with the decision of the Board of Directors held on 28.09.2023 will be submitted to the approval of the General Assembly.

Additionally, in accordance with the Türkiye Sustainability Reporting Standard and the Sustainability Assurance Audit Regulation published by the Public Oversight, Accounting, and Auditing Standards Authority, it has become mandatory for sustainability reports to undergo assurance audits.

In this context, at our Board of Directors meeting on 27.02.2025, the selection of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the "Independent Audit Firm" to conduct the independent sustainability audit for the 2024-2025 periods will be submitted to the approval of General Assembly.

## **10. Providing information regarding the donations made in 2024**

In 2024, the amount of donations through foundations, associations and similar organizations made by our Bank stood at TL 2.103.872,00. The said matter is only for information purposes and it is not subject to General Assembly approval.

## **11. Determination of the Bank's donation limits for 2025**

In accordance with Clause 5 of the Article 19 of the Capital Markets Law, donation limit of the Bank should be submitted to the General Assembly for approval. In this regard, the upper limit for donations to be made in 2025 will be determined by the General Assembly within the scope of relevant legislations.

In accordance with Article 59 of the Banking Law, donating up to four thousandths of the Bank's shareholder's equity and the authorization of the Board of Directors to carry necessary actions in the case of donations and aids are in an amount exceeding four thousandths of the Bank's shareholder's equity within the framework of the regulations that provide exemptions from the limitations set by the Banking Law on donations and aids will be submitted to the approval of the General Assembly.

The donations made by our Bank in the years 2022, 2023 and 2024 and their ratio to shareholder's equity were TL 23.650 (%0,00002), TL 728.297.854,61 (%0,3) and TL 2.103.872 (%0,001) respectively.

## **12. Authorization of the Board of Directors in connection with matters falling within the scope of articles 395 and 396 of the Turkish Commercial Code**

Our members of the Board of Directors can carry out operations within the framework of the Article 395 of Turkish Commercial Code titled "Prohibition on Operation with a Company, Borrowing to a Company" and Article 396 of Turkish Commercial Code titled "Prohibition of Competition" with the approval of the General Assembly. The aforementioned permission will be submitted to the approval of the shareholders at the General Assembly in order to comply with the requirements of the regulation above.

## **13. Providing information regarding the updated Bank Remuneration Policy**

Bank's the remuneration policy prepared according to Capital Market Board's Communique on Principles for Corporate Governance article 4.6.2 has been updated and is available in Annex 2.

## CURRICULUM VITAE OF THE MEMBER CANDIDATES OF THE BOARD OF DIRECTORS

### **Suzan Sabancı Sabancı**

Suzan Sabancı is the Chairman of Akbank. Ms. Sabancı is also a board member of Sabancı Holding and a member of the Board of Trustees of Sabancı University and the Sabancı Foundation. In 2009, Ms Sabancı founded the Akbank International Advisory Board and currently serves as its chairman.

Suzan Sabancı began her career in banking in 1986 and joined Akbank as Executive Vice President in charge of Treasury in 1989. Having specialized in Treasury and Risk Management, she has been active in these two subjects since 1993. In 1997, she was named Executive Board Member for Treasury and International Banking Relations. Ms Sabancı was appointed as Executive Board Member to oversee the bank-wide change and transition program in 2001. She was named Chairman in March, 2008.

Ms. Sabancı is a member of the Institute of International Finance Board of Directors and Emerging Markets Advisory Board, Harvard University's Global Advisory Council, Harvard Business School's Global Leaders Circle, and an emeritus member of the Harvard Business School's Middle East and North Africa Advisory Board. Suzan Sabancı is also co-chair of the New York-based American-Turkish Society, as well as a member of the Global Board of Advisors at the Council on Foreign Relations (CFR), the Board of Managing Directors of Venetian Heritage, Inc, and the Cultural and Social Affairs Committee of the Serpentine Council respectively.

From 2010 to 2014, Suzan Sabancı served as the chairman of the Turkish-British Business Council for two terms. From 2009 to 2016, Ms. Sabancı sat on the Global Board of Advisors of Chatham House and she is currently a member of the Chatham House Chairman's Circle. In 2012, Her Majesty Queen Elizabeth II awarded Ms. Sabancı the title of "Commander of the Most Excellent Order of the British Empire (CBE)" in recognition of her proactive and influential contributions to the development of Turkey-UK relations. Having previously served as an Advisory Board Member for The Prince's Charities, Ms. Sabancı is currently a Patron of Prince's Trust International, a highly prestigious charity organisation set up by King Charles III, then The Prince of Wales, in 1976 and aimed at promoting the development of young people.

Suzan Sabancı is strongly committed to corporate social responsibility activities and assumes various positions in the fields of culture, education, and the promotion of entrepreneurship. Between 2014 and 2018, Sabancı acted as the Advisory Board President of the Women on Board Association Turkey, dedicated to promoting social development by increasing female representation on boards. She is a founding member and board member of the leading high-impact entrepreneurship movement, Endeavor Turkey, a founding and honorary member of the Women Entrepreneurs Association of Turkey, and chairman of the Executive Advisory Board and member of the board of patrons of the Contemporary Istanbul Art Fair. Ms. Sabancı acted as Luxembourg's Honorary Consul in Istanbul between 2005 and 2022 for 17 years. In 2014, Ms. Sabancı was given the Order of Civil Merit (Orden del Mérito Civil) of the Kingdom of Spain by King Felipe VI of Spain for her contributions to the relations between the two countries and for her support to the cultural convergence.

Suzan Sabancı holds a BA in Finance from Richmond College in the UK and an MBA from Boston University in the USA. Ms. Sabancı has two children.

## **Sabri Hakan Binbařgil**

Hakan Binbařgil is the Vice Chairman and Executive Board Member of Akbank. Binbařgil also serves as the President of the Banking Group and Executive Committee Member of Sabancı Holding, Chairman of Akbank AG and Chairman of Akbank Ventures BV.

Mr. Binbařgil, who served as CEO at Akbank for nearly 12 years between 2012 and 2023, commenced his tenure with Akbank in 2002, assuming the role of Executive Vice President responsible for Change Management. In 2003, he became the Executive Vice President overseeing Retail Banking and in 2008, he ascended to Deputy CEO. Starting in 2002, he spearheaded a multitude of initiatives encompassing strategic direction setting, restructuring, digitalization, technology, corporate identity, change management, talent building and cultural transformation.

Prior to joining Akbank, Binbařgil worked as a Management Consultant in the London and Istanbul offices of Accenture, and as Executive Vice President in a different private sector bank.

Binbařgil has an extensive history of leadership roles, having held the positions of chairman and board member across numerous respected domestic and international organizations. Additionally, he has held the office of Term President at the Institut International D'Etudes Bancaires (IIEB), a prominent institution comprised of member banks from across Europe.

After graduating from Robert College, Hakan Binbařgil graduated from Bosphorus University, Faculty of Mechanical Engineering. Binbařgil later received master's degrees in business administration and finance from LSU.

## **Ahmet Fuat Ayla**

Ahmet Fuat Ayla was elected as Executive Board Member in charge of credits as of 12 July 2017. Ahmet Fuat Ayla joined Akbank as Corporate Branch Manager in 2002, became the Senior Vice President in charge of Corporate and Commercial Credits Approval Unit in 2005 and was appointed as Executive Vice President in charge of Corporate and Commercial Credits Approval in 2007. Before joining Akbank, Ahmet Fuat Ayla worked in marketing and sales department positions at Head Office and branches at different private sector banks. Ahmet Fuat Ayla is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

## **Eyüp Engin**

Eyüp Engin joined Akbank in 1978 as an Assistant Internal Auditor. Following his auditing assignment, Eyüp Engin served as Department Head in Treasury, International Banking and Overseas Financial Institutions. He was appointed as the Executive Vice President in charge of Corporate Banking in 1996 and after 1998, Engin continued to serve as Executive Vice President in charge of International Banking and Overseas Financial Institutions Marketing.

Eyüp Engin was appointed to the position of Head of Internal Audit in 2007 and during 2007-2019 he served on Boards of Directors of Bank's subsidiaries as the President of Audit Committee. A graduate of Middle East Technical University, Faculty of Economics and Business Administration, Engin served as Executive Board Member between March 2019 and March 2020 and as Vice Chairman and Executive Board Member between March 2020 and October 2023. He is currently serving as a Board Member.

## **Şakir Yaman Törüner**

Yaman Törüner became a member of the Board of Directors in March 1998. Having served as a Member of Parliament between 1995 and 1999, Yaman Törüner also served as a Minister of State in 1996. Between 1990 and 1994, Yaman Törüner served as the President of the Istanbul Stock Exchange and from 1972 until 1990 he worked in various administrative positions within the Central Bank of Turkey, also serving as the Governor of the Central Bank of Turkey between February 1994 and January 1996.

## **Emre Derman**

Emre Derman has led numerous large cross-border transactions in Turkey as a partner with the international law firm White & Case between 1989 and 2008. In addition to his work in Turkey he has worked in the New York and London offices of the firm and also in former Soviet Union and Eastern European countries during his term as a lawyer for the EBRD in 1994 to 1995. A former board member of Akbank in 2010, Derman has served as a Managing Director and the Senior Country Officer of JP Morgan in Turkey between 2011 and 2014. He is a member of various organizations relating to education and yacht racing and serves as a freelance consultant. Derman holds an LL.B. from Istanbul University Law School and an LL.M. from Harvard Law School.

## **Nusret Orhun Köstem**

Orhun Köstem joined Anadolu Group in 1994, where he held several management roles until 2008. He was appointed as the CFO of Efes Breweries International in 2008. A year later, in 2009, he transitioned to the role of Corporate Finance Coordinator within the Anadolu Group.

From 2010 to 2018, Mr. Köstem furthered his career at Coca-Cola İçecek, serving as the CFO between 2010 and 2016 and then as the Regional Director for the Middle East and Pakistan. He was the CFO of Anadolu Efes between 2019 and 2021.

Since July 1, 2021, Mr. Köstem has been the Group CFO of Sabancı Holding. In addition to his primary role, he holds significant positions across various organizations: Chairman of Carrefoursa, Vice Chairman of Sabancı İklim Teknolojileri, Board of Trustees of Sabancı University, and Member of the Board of Directors at Akbank, Kordsa, Enerjisa Enerji, and Enerjisa Üretim.

He was one of the co-authors of the book "Opening the Window to Capital Markets: From A to Z Initial Public Offerings and Investor Relations.", published in 2009. His expertise has been recognized for many years by various national and international platforms; while listing among "Türkiye's Most Influential 50 CFOs" by BMI Business School and DataExpert in 2016, 2019, 2020, and 2021, he also received accolades as Türkiye's Best CFO in Thomson Reuters Extel's Investor Relations Awards in 2011 and 2013, and was named "Best CFO" in the Consumer Sector in Emerging EMEA by Institutional Investor (II) in 2020. He also achieved rankings as Best CFO in Industrials in 2022 and in SMID-cap Industrials in 2023 in the Emerging EMEA Region by II, and was selected Best CFO among BIST30 companies at the Turkish IR Society (TUYID) Summit in 2022 and 2023.

Mr. Köstem, featured in the C-Suite Series – Fortune CFO 2022 list, is a member of the CFA Society Istanbul and the CFO Network of the World Business Council for Sustainable Development (WBCSD), reflecting his commitment to excellence in finance and sustainable development.

In 1991, Orhun Köstem completed his undergraduate studies in Mechanical Engineering at Middle East Technical University (METU) , where he also obtained his MBA. Furthering his education, he acquired a master's degree in Finance and Corporate Law from Bilgi University.

### **Levent Demirağ**

Levent Demirağ joined Sabancı Holding as a Consultant in 1994, became Financial Affairs Director in 2007, and served as the President of Financial Affairs, Accounting and Investor Relations from May 2010 to September 2021. He also served as a member of the board of directors in Sabancı Holding group companies. He has Sworn-in Certified Public Accountant and Independent Auditor certificates. Levent Demirağ graduated from Ankara University, Faculty of Political Sciences in 1980 and worked as a tax inspector at the Ministry of Finance before joining the Group.

**According to Item b, Clause 3 of the Article 6 of the “Communiqué on Corporate Governance”, No: II-17.1; the principles number 4.3.6, 4.3.7 and 4.3.8 of the “Corporate Governance Principles of the Capital Markets Board” will be applied for the selection of an independent member to the Board of Directors. Within this scope, the Independent Member Candidate of the Board of Directors of the Bank is Mehmet Tuğrul Belli and his Curriculum Vitae is presented below.**

### **Mehmet Tuğrul Belli (Independent Board Member)**

Tuğrul Belli started his professional career at İktisat Bank’s Corporate Finance Department in 1990. He started serving as General Secretary at Turkish Bank in 1994, and participated in the foundation of Turkish Yatırım in 1997, a subsidiary of the bank. He served as a Member of the Board of Directors of the company until 2005, and also served as General Manager for a period. He still serves as an Economics Advisor at Turkish Bank. Belli taught at İstanbul Ticaret University on “Banking Management” between 2006 and 2012. Belli has been an op-ed columnist of Dünya Daily since 2008. An alumni of American Robert College, he holds an undergraduate degree from London School of Economics and Political Science, and a graduate degree from CUNY Baruch College.

# **AKBANK**

## **REMUNERATION POLICY**

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## 1. OBJECTIVE

Objective of the Remuneration Policy is determining principles and procedures in written form which shall contribute to effective risk management preventing extreme risk taking for ensuring compliance of the Bank with its strategies, long-term targets and risk structure, within the framework of Banking Regulation and Supervision Agency and Capital Markets Board's Corporate Governance Principles.

By the Remuneration Policy structured to gain, protect, award and motivate human resources required for sustainable success, it is also intended to avoid risks that may arise from practices or behaviours which may affect customers, stakeholders or markets negatively causing customer loss, financial penalty or loss of reputation.

## 2. SCOPE

The Remuneration Policy determines Remuneration principles and rules which are effective for the Board of Directors, Chief Executive Officer, Executive Vice Presidents and all bank employees.

In case there is a Union with definite authority and a Collective Bargaining Agreement in effect at the Bank, remuneration and personal benefits of the employees which shall be within the scope of the Collective Bargaining Agreement (Employees within the Scope) are determined by the Collective Bargaining Agreement. Payments made to the "Employees within the Scope" and not arranged by the Collective Bargaining Agreement and remuneration and personal benefits of all employees other than "Employees within the Scope" are determined by this policy document.

## 3. PRINCIPLES

**Remuneration:** Wages to be paid to the Members of the Board of Directors, Top Management and other personnel are in compliance with the Bank's ethical values, internal balances and strategical targets. All employee remunerations are determined by considering the responsibilities they undertake.

The aim is to determine the remuneration in line with sustainability principles, taking into account environmental, social and governance benefits.

**Components of remuneration:** Remuneration is composed of fixed and variable components. Fixed remuneration is determined as gross, taking into account the criteria such as size and nature of the job performed and the employee's professional experience. It includes payments such as wages, bonuses and compensation.

Variable remuneration is cash and non-cash amounts paid based on an employee's performance. It is ensured that the components of fixed and variable remuneration are balanced which prevent assumption of excessive risks.

**Equal pay for equal work:** Wages of all our employees are managed by wage ranges determined for each level. To ensure wage justice, it is intended to pay a similar wage to employees performing similar duties. For this purpose, levels of the duties are determined by depending on the authorities and responsibilities. Wage levels and ranges are reviewed at each term of wage increase.

**Awarding high performance:** It is intended to have the employees showing performance over the expected level according to the Performance Assessment System results get higher wage increase and higher bonus payments.

**Payments based on performance:** In Remuneration and bonus studies, performance measures of the relevant periods are taken into consideration. Payment amounts based on performance, primarily the bonus payments, are not guaranteed in advance.

Bonus payments to the employees of the units covered by the internal systems will be determined by taking into consideration the performance of the relevant employees in their own units and functions, independently from the performance of the departments they supervise or control.

**Confidentiality of wage:** Privacy and confidentiality of the wages and other financial payments at the Bank are essential. Breach of confidentiality by an employee is a subject of the disciplinary board.

#### **4. DETERMINING REMUNERATION POLICY**

Remuneration Policy and practices are one of the important factors in ensuring employee engagement and developing performance. While determining Remuneration Policy prepared to gain new talents to our company, protect our employees with high performance and creating long-term value within the scope of sustainability principles, the following issues are considered.

##### **4.1. Internal factors:**

When wage structure of the Bank is determined;

- Wage balance within the Bank and budget opportunities,
- Job definition and responsibility level of the employees,
- Personal performance each employee displays,
- Competencies of the employee,
- Compliance with the Bank's internal and external regulations are taken into consideration.

## **4.2. External factors:**

While the Bank's wage policy is determined, sectoral data are considered to compete with the sector, gain new talents to our company and reduce turnover. While designing the employees' wage and premium model, the Bank's position in the sector is regarded according to the results of the Banking Sector wage survey conducted by some independent institutions.

## **5. APPLYING REMUNERATION POLICY**

General practicing principles of the Remuneration Policy are as the following.

### **5.1. Financial Rights Provided for the Executives:**

Pursuant to the Corporate Governance Principles, rights to be provided for the members of the Board of Directors and Remuneration principles are determined by the Remuneration Committee by the approval of the Board of Directors on the basis of the authority to be given by the General Assembly.

### **5.2. Wage Increases:**

- Wage increase is made once a year.
- In determining increase budget in wage increase periods the following criteria are taken as the basis and submitted to the approval of the management.
  - ✓ Rates of inflation of the previous periods
  - ✓ Fields where competitive policies shall be applied
  - ✓ Position of the Bank in the sector
- It is intended to ensure applying similar wage policy to equal work and individual differentiations to be performance based.
- To award high performance, employees who are below the average of Bank wage range according to the wage level but display high performance receive higher wage increase.
- Position of the Bank in the sector is determined by analysing wage surveys conducted by independent consultancy firms to determine the position of the Bank in the sector.
- Wage increase information of the relevant period is shared with the employees.

### **5.3. Determining New Wages After Promotion or Duty Change:**

In case there is a change in the wage level of the employees who are promoted or have a change in duty, the employee's new wage is determined according to his/her position in the new level.

#### **5.4. Performance Bonus:**

Bonus payments are payments made for:

- Increasing efficiency of the employees and ensuring performance continuity in achieving corporate targets,
- Featuring individual performance and distinguishing successful employees, and
- Awarding employees creating added value in the institution in this respect.

Bonus system includes the Board of Directors, Chief Executive Officer, Executive Vice Presidents, Head Office and Field employees. In determining the amount of bonus to be distributed, factors as credit risk, operational risk, legislation risk and reputation risk are taken into consideration along with the risk management concepts being applied. Besides, in all kinds of actions which provide obtaining the performance creating the basis of the bonus, requirement of protecting the benefits of the Bank and the customer are considered.

Internal Audit, Internal Control, Compliance, Risk Management and Information Risk Management functions have separated bonus systems and their budgets are managed separately.

For "Special Employees" determined within the scope of the "Guide on Best Remuneration Practices at the Banks" published by the Banking Regulation and Supervision Agency, there is an Executive Aködül Bonus practice. Bonus amounts of staff lawyers of the Bank are paid within the scope of Law Performance Bonus System.

Bonuses shall be reduced at varying levels depending on the type of the disciplinary penalties imposed on current employees.

#### **5.5. Campaign Awards:**

Awards granted to employees and/or teams relevant to campaigns organized for achieving a target which is specified and clearly defined and deserved on condition of fulfilling the criteria determined in advance within the scope of defined rules.

In the distribution of campaign rewards, compliance with the principles of Clean Banking is observed. Necessary controls are carried out by the Internal Control Department.

#### **5.6. Other Awards:**

Awards granted to contribute directly in motivation and efficiency of our Bank's employees, increase satisfaction on work, to know, appreciate and encourage employees displaying high performance and empower commitment of employees to their occupation and the Bank.

### **5.7. Fringe Benefits Practices:**

It refers to benefits and payments which are either pecuniary or not. It is determined by considering job definition, position level, level of authority, budget and such criteria.

## **6. FOLLOWING UP, AUDITING AND REPORTING REMUNERATION APPLICATIONS**

The "Remuneration Committee" conducts the process of following up, auditing and reporting Remuneration practices on behalf of the Board of Directors. The Remuneration Committee also ensures that the remuneration policy is reviewed once a year, and revised if necessary.

The Board of Directors establishes necessary processes relevant to payments including cancelling performance-based payments for those determined that they endanger secure operation of the Bank as a result of their activities or responsible for damaging financial structure of the bank.

The Bank's Remuneration Policy is applied in accordance with the arrangements of the Banking Regulation and Supervision Agency and Capital Markets Board.