

## AKBANK T.A.Ş. REMUNERATION POLICY

### 1. OBJECTIVE

The purpose of the remuneration policy is to define in written form procedures and principles in line with BRSA (Banking Regulation and Supervision Agency) and CMB's (Capital Markets Board's) Corporate Governance Principles that would contribute to the Bank's strategies, long term targets and its risk structure with contribution to effective risk management avoidance of excessive risk taking. .

Our remuneration policy is structured in order to provide our company, to maintain, reward and motivate the human resource which is required for sustainable success. Furthermore, it is constituted in such a way;

- To be compatible with the content, structure, strategies of the Bank's activities as well as its long term targets and risk management structures,
- To prevent excessive risk taking and to contribute efficient risk management.

### 2. CONTENT

Remuneration Policy defines the remuneration principles and rules valid for the Board of Directors, General Manager, Assistant General Managers and all the Banks' employees.

The profile of Bank's employees is divided into two parts which are comprised and non-comprised employees who are members of the Bank and Insurance Workers Union (BANKSİS).

- Comprised Employees means the employees who are members of the Union, who work under the titles defined by the contract and subject to the provisions of the Collective Bargaining Agreement.
- Non-comprised Employees means the employees who are not subject to the provisions of the Collective Bargaining Agreement.

### 3. PRINCIPLES

**3.1. Remuneration:** *Remunerations to be paid to the Board of Directors Members, Senior Management and other employees are compatible with the Bank's ethical values, internal balance and strategic targets. Remunerations of all employees are defined by taking into consideration the responsibilities they assume.*

**3.2. Remuneration degree and remuneration intervals:** *Remunerations of the entirety of our employees are managed within the wage intervals defined for each degree. It is aimed to pay similar wages to the employees making similar works in order to ensure an equitable remuneration. For this purpose, the degrees of the jobs are defined depending on their authorities and responsibilities. Remuneration degrees and intervals are revised in each period of increase.*

**3.3. Rewarding high performance:** *It is aimed that the people who exhibit a performance higher than the expected level according to the results of Performance Evaluation System receive a higher wage increase and higher premium.*

**3.4. Remunerations based on performance:** *Performance measurements related to the concerned periods are taken into consideration when determining the remunerations and premiums. Payment amounts based on the performance and principally the premiums are not guaranteed in advance.*

**3.5. Confidentiality of remuneration:** *It is essential that the remunerations and other monetary payments in the Bank are private and confidential. Breach of the confidentiality by the employee shall be submitted to the Board of Discipline.*

#### **4. DETERMINATION OF REMUNERATION POLICY**

Remuneration policy and its applications are one of the important factors to ensure the employee's loyalty and improve his/her performance. While defining the remuneration policy with the purpose of bringing new talents in our company and to maintain our high performance employees, below mentioned points are taken into account.

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

While defining the Bank's remuneration structure, compatibility to below listed factors are taken into consideration;

- Bank's internal remuneration balance and budget means,
- Job definition and degree of responsibility of the employee,
- Individual performance exhibited by each employee,
- Competencies of the employee,
- Bank's internal and external regulations.

Nonetheless, employee rights of the Comprised Employees are defined by means of the Collective Bargaining Agreement made with Bank and Insurance Workers Union (BANKSİS).

##### **4.2. External factors:**

While defining the Bank's remuneration policy, sector-specific data is taken into account in order to be able to compete with the industry, to bring new talents in our company and to reduce external flow. While constructing the employees' remuneration and premium model, position of the Bank in the industry is considered basing it on the results of the research carried out by independent organisations on remunerations in the Banking Industry.

#### **5. APPLICATION OF THE REMUNERATION POLICY**

General application principles of the remuneration policy are as follows.

**5.1. Financial Rights to the Members of the Board of Directors:** In accordance with the Corporate Governance Principles, the rights and remuneration principles of the members of the Board of Directors are determined by the Remuneration Committee, with the approval of the Board of Directors under the authority given by the General Assembly to the latter. The remuneration Committee determines the payments to be made to the members of the Board of Directors within the upper limit set by the General Assembly.

##### **5.2. Wage increases:**

**5.2.1. Wage increases of the Comprised Employees:** Employee rights of the Comprised Employees are defined by means of the Collective Bargaining Agreement made with Bank and Insurance Workers Union (BANKSİS).

##### **5.2.2. Wage increases of the Non-comprised Employees:**

- Wage increase of the Non-comprised Employees is made once a year.
- During the wage increase periods, below listed criteria is considered as a basis for defining the increase budget and it is submitted to the approval of the management.
  - ✓ Inflation rates in the last periods,
  - ✓ Domains where competitive policies will be followed,
  - ✓ Position of the Bank in the industry.
- It is aimed to apply the policy of "similar remuneration for equal work" and to ensure that individual differentiations are based on performance.
- In order to reward high performance, the employees who exhibit high performance but stay below the of Bank's wage average defined for each degree are awarded by a higher wage increase.
- Researches on remunerations performed by the autonomous organisations are analysed in order to determine Bank's position in the industry. As a result, Bank's position is determined.
- Wage increase data related to the current period is shared with the employees.

### **5.3. Definition of new remunerations after promotion or change of position:**

In case there is change in the remuneration degree of the employees who are promoted or whose position is changed, the new remuneration is determined depending on his/her position in the new degree.

### **5.4. Performance Premium:**

Premium payments are made in order:

- To improve employees' efficiency and ensure the continuity of the performance to reach corporate targets,
- To bring out individual performance and differentiate successful employees,
- To reward the employees who create an additional value for the corporation. Premium system covers the Board of Directors, General Manager, Assistant General Managers, employees in the Headquarters and the site. While fixing the premium to be distributed, criteria such as credit risk, operational risk, regulations risk, reputation risk is taken into consideration along with the applied risk management concepts.

Head of Supervisory Commission, Head of Internal Control Center and Risk Management Department have their individual premium systems and their budgets are managed separately.

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

These are the awards related to the campaigns organized to reach specific and clearly defined targets. They are deserved and made to the employees and/or teams provided that predetermined criteria are satisfied.

### **5.6. Fringe Benefit Applications:**

It means the interests and payments in material or immaterial nature made in supplement to the remuneration. They are defined by taking into account some criteria such as job definition, position degree, authority level and budget.

## **6. FOLLOWING, CONTROLLING AND REPORTING REMUNERATION APPLICATIONS:**

Following, controlling and reporting process of the remuneration applications in the name of Board of Directors is conducted by the "Corporate Governance Committee".

As for the people whose activities endanger the safe functioning of the Bank or who are responsible for the deterioration of Bank's financial position according to the Board of Directors opinion, required operations related to their payments including cancellation of the payments based on performance are implemented.

Bank's remuneration policy is applied in accordance with the regulations of BDDK (Banking Regulation and Supervision Agency) and SPK (Capital Markets Board).

## **Disclaimer Statement:**

This document is a convenience translation of the principal document that has been published in Turkish and provided on our website ([www.akbank.com](http://www.akbank.com)) in accordance with relevant laws and regulations. The information contained in this document is published for the assistance of recipients, but is not to be relied upon as authoritative or taken in substitution of the principal document that is published in Turkish. The Company does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.