
REMUNERATION POLICY

The scope and structure of the Bank's activities as well as its strategies have been – within the framework of the Corporate Governance Principles of the Banking Regulation and Supervision Agency, and the Capital Markets Board –organized and set in compliance with its long-term objectives and risk management structure, in order to lay down the remuneration principles in a way that would prevent taking of excessive risks and that would contribute to effective risk management.

With an effective remuneration management, the Bank aims to attain at least the following main objectives:

- To bring in to the Bank required number of new employees who possess the needed qualifications;
- Strengthening employee loyalty;
- High motivation of the employees and directing them towards the objectives of the Bank;
- Sharing the achievements of the Bank with the employees;
- Keeping the costs under controls and achieving the strategic objectives of the Bank.

A Remuneration Committee who consists of at least two non-executive members of the Board of Directors has been set up, to follow up and supervise the remuneration policy of the Bank and its implementation.

The Committee makes an assessment of the remuneration policy and its implementation, within the framework of the risk management principles, and submits its report that includes its recommendations on annual basis to the Board of Directors. When carrying out their examinations, the Board of Directors and the Remuneration Committee focus on the transparency, and performance criteria and measurements of the Bank as well as on the prevention of taking excessive risks.

The Board of Directors follows the principle of consistency of the remuneration of the members of the Board of Directors, the top management and the other personnel with the ethical values, internal balance and the strategic aims of the Bank.

When laying down the remuneration principles and criteria of the Bank, the market conditions; the comparison of salaries; the budget resources; the job descriptions and the level of responsibilities, individual performances and the competencies of the employees; the nature and the risk profile of the work; internal and external legislation; compliance with the risk management policies, procedures and controls and; other similar aspects are taken into consideration.



When deciding the pay offers by laying down the remuneration principles and criteria, the knowledge, skill, competency, experience, responsibility, problem solving criteria and the performance requirements for the assignment are taken into consideration.

The criteria that is taken into account when making the performance based payments are set by the Remuneration Policy, and depend on the assessment of the performance, the field of business and the function of the Bank, with reference to the following measurable criteria:

- The predefined financial and/or non-financial performance criteria;
- Values-based professional conduct, business ethics code and compliance with the Bank's policies/procedures;
- Contributions to risk management and regarding compliance with the legislation;
- When necessary, the individual performance based on the executive behavior of the concerned parties.

Remuneration of the Chairman, the Deputy Chairman and the members of the Board of Directors, and the honorarium that would be paid for each meeting to the participants are decided by the General Assembly. In the case of payments to the members of the committees that consist of the members of the Board of Directors, the responsibilities that are assigned to them are taken into consideration.

The performance premium pools of the employees of the Internal Systems Units are configured independently from those of the activity units, the operations of which they supervise, monitor or control.