

REMUNERATION POLICY OF TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

1. PURPOSE

The main purpose of the Remuneration Policy of Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) is to ensure that remuneration procedures and practices of the Bank are in line with the activity scope, strategies, long-term plans and risk management structures and further, are carried out and managed preventing assumption of extreme risks and by contributing to effective risk management practices. Our Bank has adopted a Remuneration Policy that observes the remuneration balances in the market and that supports the competitive power TSKB holds within the market.

2. SCOPE

TSKB's Remuneration Policy shall apply to all employees of TSKB at all levels including Headquarters and the branches.

3. MAIN REMUNERATION CRITERIA AND PRINCIPLES

TSKB ensures that the wages of all executives and employees of TSKB, employed at all levels within the Bank are determined based on the criteria indicated below, by considering the ethical values, in line with internal balances and strategic targets and not only correlated to short-term performance of TSKB.

- a) Characteristics of functions and the work load
- b) Geography/Region/Different Countries
- c) The equivalent remuneration level of the functions within the market (general, sectorial or functional)
- d) Personnel review (competencies, knowledge-know-how, experience)
- e) Long-term solvency of TSKB

The bonus payments provided to enhance corporate values and loyalty within TSKB, shall be carried out, without any guarantee whatsoever about the amounts thereof, based on objective criteria such as the performance of TSKB and the individual's performance and on the maturity of the risks assumed.

The objective criteria regarding bonus payments, provided that such criteria always consider the job description and title of the employee in question shall be set, determined and announced to the employees of TSKB by the executive management. Such criteria shall be reviewed according to the current standards and special responsibilities.

In order to prevent extreme risk-taking within the scope of risk management, the total bonus amount paid for a calendar year to an employee of TSKB shall not exceed the gross total of monthly salaries paid to the same employee within the same year.

Employees who have jeopardized safe operation and running of TSKB or who are responsible from damaging the financial structure of TSKB as a result of their actions or who have violated the ethical values and principles of TSKB shall not be awarded bonus payments and such payments shall be

claimed, if any. In this case, the provisions of the related codes and the internal regulations of TSKB shall be followed.

The bonuses to be awarded to the executives, manager and staff of Inspection, Internal Audit and Risk Management units shall not be dependent on the performance of the unit or the department they are connected to, or supervised by or the unit or department under their control and surveillance and shall only be based on the performance related with their own functions and duties.

4. AUTHORITIES AND LIABILITIES

The final power, authority and liability to effectively implement the Remuneration Policy and the related practices shall belong to the Board of Directors. The Executive Management of the Bank shall be responsible towards the Board of Directors from the performance, implementation and management and administration of the remuneration and pay practices of the Bank in an effective manner by considering the provisions of this Policy. The Remuneration Policy shall be reviewed annually by the Board of Directors.

A Remuneration Committee, consisting of at least two members shall be set up by the Board of Directors to monitor and supervise the implementation of TSKB's remuneration practices. The Remuneration Committee shall evaluate the Remuneration Policy and the related practices on an annual basis and shall submit its suggestions in a report to the Board of Directors' approval.

The Human Resources Department shall undertake and perform, coordinate and manage all activities and duties required to set up, issue, publish, update and effectively implement the procedures related with TSKB's remuneration practice criteria and principles in conformity with the related regulations, directives and the Remuneration Policy.

The staff of TSKB at all levels are liable from ensuring that they continuously, correctly and completely carry out the duties and responsibilities that are under their own responsibility in order to effectively implement the Remuneration Policy and the procedures.

TSKB's activities related with remuneration shall be regularly inspected and assessed in line with the related codes and policy provisions.

This Remuneration Policy is in conformity and in scope of the "Notice for Amendment of the Directives for Corporate Governance Principles of Banks", issued by the Banking Regulation and Supervision Agency and came into effect on 01.01.2012. However, all updates and amendments shall be carried out with the approval of the Board of Directors.