



REMUNERATION POLICY

A. PURPOSE AND SCOPE

Basic purpose of the Remuneration Policy of İş Yatırım Menkul Değerler A.Ş. is ensuring practices of the Institution relevant to the salary system to be planned, conducted and managed in compliance with the relevant legislation and the scope and structure, strategies, long-term targets and risk management structure of the Institution activities, preventive against excessive risk taking and to be based on effective risk management.

Remuneration Policy includes executives and employees working in the Institution at every level.

B. BASIC PRINCIPLES AND PROCEDURES

Wage payments made to the employees are comprised of fixed and variable wages.

Fixed wages are cash payments made regularly and continuously in specific period of the year in fixed amounts independent from the performance. This type of wages are determined by considering the financial status of the Institution and paid to all employees on the basis of merit, working period, title and according to the nature of the workdone.

Fixed wages to be paid to the Members of the Board of Directors and Senior Management of the Institution to be in compliance with the ethical values, internal balances and strategic targets of the Institution and not to be associated with the short-term performances are essential.

Variable wages, like performance based incentive payments and premium, are all kinds of cash and non-cash payments excluding fixed wages. Performance based payments are paid only to specific employees by considering the performance of the Institution and contribution of the relevant department and the employee. Variable wages are determined by considering existing and potential risks, capital and liquidity status and probability of realization of revenue planned to be obtained in the future and in a way not weakening the equity of the Institution.

For variable wages, financial and operational performances of the Institution are taken as the basis. Performance based incentive payments are determined without guarantying the amount in advance, by considering maturity of the risks taken, in a way to affect corporate values of the Institution positively; clearly, understandable, measurable way and subject to the objective conditions, and announced to all employees; determined criteria are regularly reviewed. In case financial data as profit and revenue are used in creating performance criteria, necessary measures are taken to have these data reflect the reality in terms of risks and costs.

It is paid attention to Remuneration Policy and its practices within this framework not to include incentive systems which shall conflict with the interests of the partners, employees or customers.

Wages of the managers and the employees of the departments within the scope of the internal audit system are determined by considering general wage level, at a level enabling the fulfillment of audit activities efficiently and independently and by considering performance of the relevant employee on his/her own function.

Necessary actions including taking back the performance based variable wages shall be established for those who are identified to have endangered the Institution to work healthily or to have responsibility in the Institution's getting into financial straits as a result of his/her activities.

C. DUTIES AND RESPONSIBILITIES

The Board of Directors has the final authority and responsibility on ensuring the remuneration practices of the Institution to be conducted efficiently within the framework of the relevant legislation and Remuneration Policy. The Board of Directors provides the efficiency of the Remuneration Policy by reviewing it at least once a year.

Corporate Governance Committee established within the Board of Directors follows and audits the remuneration practices of the Institution within the framework of the Remuneration Policy on behalf of the Board of Directors and submits its evaluations and suggestions to the Board of Directors at least once a year.

Senior Management is responsible against the Board of Directors for conducting and managing the remuneration practices effectively within the framework of the relevant legislation and the Remuneration Policy.

Duties and activities relevant to preparing, publishing, updating, effectively applying and following regulations relevant to practicing procedures and principles related to remuneration within the framework of the relevant legislation and Remuneration Policy are conducted, managed and coordinated within the Directorate of Human Resources. Other departments and branches of the Institution fulfill their duties within this scope in coordination with the Directorate of Human Resources.

All employees of the Institution at every level fulfill their part continuously, completely and properly in terms of applying Remuneration Policy, relevant regulations and other arrangements expediently and effectively.

Conformity of the practices and activities relevant to remuneration of the Institution with the related legislation and the provisions of the Remuneration Policy, their efficiency and whether they involve risk increasing factors are regularly subject to inspection and evaluation within the scope of internal audit and reported to the Board of Directors.

D. PUBLIC DISCLOSURE

Remuneration Policy and amendments to be made in this policy and performance criteria to be taken as the basis in determination of variable wages are submitted for the shareholders' information at the General Meeting.

Basic procedures and principles on payments made to the employees are also included in the annual report.

E. ENFORCEMENT

This Policy is entered into force as of 01.02.2012. Amendments and updates to be made in the Remuneration Policy subject to the current conditions are put into effect by the approval of the Board of Directors.