

This policy document defines the system and practices for remuneration of our Board members and top-level managers assuming administrative responsibilities under the scope of the CMB regulations.

The wage management in Eczacıbaşı Group is essentially based on determination of the wages considering the employees' education levels, competencies, performances and market values. In this context, market wage surveys are performed every year by the Human Resources Group Directorate of Eczacıbaşı Group including also our Company; and each company's wage structure is compared considering the companies out of the Group and as a result, the senior managements of the companies are duly informed. Since all information related to wages is considered private and personal, confidentiality is essential and our employees are requested to pay attention to this issue.

The Company's performance-based remuneration plans cannot be used for remuneration of the independent board members. Independent members of the Board of Directors are paid such remuneration determined in accordance with the decisions of the General Assembly.

Payments are made to executive members, Chairman and Vice-chairman of the Board of Directors in the scope of a policy established for senior managers as set out in further detail below.

The Board members can be paid a remuneration due to the services they render and commensurate with their performances and positions provided that they are at the same time employees, and are paid on a pro rata basis considering their period of service as of the dates of appointment to and resignation from office; and the costs and expenses incurred by the board members (expenses such as transportation, telephone, insurance, etc.) due to their contributions to the Company may be borne by the Company.

The key management personnel wages are comprised of two different parts such as fixed payments and performance-based payments.

Our remuneration policy is arranged and applied considering the wage and fringe benefits management; and the fair, objective, and competitive criteria appreciating, rewarding and motivating high performance.

Our remuneration policy is based on the concepts of volume of business, performance, contribution in the activities, knowledge/skills and competencies; and aims recruitment and retention by our Company of the workforce with desired qualifications that will allow for establishment of intra-company and inter-company wage balance and the market competitiveness, motivating the employees and increasing their loyalty and achievement of our company's objectives.

The Job Family Model that we apply under the structure of our Company is based on an objective system; in this model, the roles in the organization, the basic responsibilities, knowledge/skills/experience and competencies and performance indicators are defined and the fixed wages are determined accordingly.

The Variable Wage Management, which is similarly applied in our Company, aims to reward success and to encourage our employees to display superior performance and to completely establish target-oriented performance culture in our company in order to achieve our Company's budget targets and to support the achievement of business results exceeding such targets.

The "fringe benefits" intended to support the wage management with additional benefits are taken as an important integral part of the total reward management; and the fringe benefits that we provided as a company are at arm's length and also bear the competitive and equitable characteristics.