

REMUNERATION PRINCIPLES OF BOARD OF DIRECTORS AND SENIOR EXECUTIVES OF BORUSAN MANNESMANN BORU SANAYİ ve TİCARET A.Ş.

Remuneration Principles have been prepared in order to define the remuneration principles of the board of directors and senior executives and to ensure that these principles are written, implemented and audited, within the framework of the Capital Market legislation and the Corporate Governance Principles of the Capital Markets Board and in accordance with the "Transparency and Reporting" principle of Borusan group, in line with the goal of delivering the most accurate and complete information to our customers, investors, business partners, employees, shareholders and the public on time and in the most appropriate way.

Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi "Corporate Governance Committee" is responsible for the remuneration policy and practices on behalf of the Board of Directors.

Remunerations of members of the Board of Directors are set by the General Assembly. The General Assembly determines the remuneration payable to members who are independent and are not independent in accordance with the Capital Markets legislation.

Financial benefits to members of the Board of Directors are categorized under two headings as fixed and variable. The first one of these is a fixed payment, i.e. attendance fee. The variable fee is determined based on the performance on a member basis among the dividends of the board of directors distributed at a rate subject to the approval of the general assembly and from the profit for the period in the articles of association. Performance-based remuneration is not paid to independent board members in accordance with legal regulations.

Senior managers are paid performance-based bonuses, incentives, etc. These fees are determined taking into account current potential risks, capital and liquidity condition as well as possibility of realization of revenues planned to be generated in the future and in a manner not to impair the equity capital. While senior managers can be paid performance-based incentives, care is taken to ensure that such payments have a positive impact on the Company's corporate values.

While any member of the board of directors and any senior manager is not given any security like a debt or surety, they are not offered any loan or personal loan through the mediation of a third party.

Date of Publication: 30.03.2015

Date of Update: 06.07.2020