

ICBC Turkey Bank A.Ş.

Corporate Governance Principles Compliance Report of the Year of 2019

Corporate Governance Principles Compliance Declaration

ICBC Turkey Bank A.Ş. (“ICBC Turkey” or the “Bank”) is subject to provisions relevant to Corporate Governance Principles stipulated for banks in Banking and Capital Market legislation. Within this scope, ICBC Turkey, adopted a management method based on caution, stability and trust.

The Bank is in compliance with compulsory principles except number of independent board members among the Corporate Governance Principles taking place in the Corporate Governance Communiqué and Banking Regulation and Supervision Agency (BRSA) Regulation on Corporate Governance Principles of the Bank.

The bank’s independent board member number decreased to two due to the resignation of Mehmet Hilmi Güler on 25.10.2019 who was independent board member and chairman of Corporate Governance Committee. The works for a new independent board member have been going on according to Article 6.3 of Corporate Governance Communiqué and Article 35 of the Articles of Association of the bank.

According to Capital Markets Board’s resolution dated 10.01.2019 and numbered 2/49 Corporate Governance Compliance Reporting has been done by Compliance and Corporate Governance Information forms on Public Disclosure Platform. The bank has disclosed CRF and CGIF on www.kap.gov.tr link 22.02.2019 by Annual Report disclosed before three weeks ago from the date of Ordinary General Assembly Meeting.

In accordance with the new Corporate Governance Reporting frame accepted by CMB’s dated 10.01.2019 resolution;

Corporate Governance Information Form gives information about shareholders, General Assembly, voting rights, minority rights, dividend rights, public disclosure and transparency, stakeholders and Board.

The principles which are not obligatory and only advisory are disclosed by Compliance Form according to apply or explain principle. The principles that are still not complied with has been mentioned below.

There hasn’t been any conflict of interest arising from these not applied principles.

- For the principle number 1.5.2., minority rights are not granted to those holding less than one twentieth of the capital with the Articles of Association of the Bank.

- For the principle number 3.1.2., no written indemnity policy is issued for the bank employees. All applications relevant to the Bank employees are subject to Labor Law and other relevant legislations, and as contradictory provisions are not set forth in in-Bank regulations, a separate indemnity policy is not issued.
- For the principle number 4.2.8., against the damages the Members of the Board of Directors may cause in the Company during their duties, they are not insured with a value exceeding 25% of the company capital. However, there is a Financial Corporations Management Liability Insurance for the members of the board of directors of our Bank with a lower value and the policy period is between 31.08.2019 – 01.09.2020.
- According to the principle number 4.3.9., no target rate or target time is specified for the female member rate in the Board of Directors and there is 1 female member in the Board of Directors of our Bank.
- According to the principle number 4.4.7., due to the business experiences and sectorial experiences of the Members of the Board of Directors having significant contribution to the Board of Directors, they are not restricted in taking part in duties other than the Bank. While duties of some members continue in in-group companies, some members take office only at our Bank. The members allocate sufficient time for the Bank.
- According to the principle number 4.5.5., as the number of our members of the Board of Directors is limited, assignment at the committees is carried out by considering knowledge and experiences of the Members of the Board of Directors, in line with the relevant legislation, and one Member of the Board of Directors may be assigned in more than one committee.
- According to the principle number 4.6.5., salaries paid to and fringe benefits provided for the Members of the Board of Directors and the executives are announced to public through the annual activity report. However, the explanation made is in a way to separate the Board of Directors and the executives, not on person basis.

According to the announcement in CMB Bulletin dated January 9 2020 and with number 2020/4, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. Within this scope, exceptions/exemptions in the practice of the Corporate Governance Principles of the companies in the second group is applicable also for our Bank.

Within this scope;

It is stated in the 3rd item of the 6th article of the Communiqué on exceptions independent member of the board of directors for the banks is in discretion of the bank provided that the number of these members should not be less than three and the members of the board of directors assigned for the audit committee membership within the structuring of the Board of Directors of the banks shall be considered as the

independent member of the Board of Directors within the framework of this Communiqué. Besides, it is stated that qualifications determined in the Corporate Governance Principle number 4.3.6. shall not be looked for in the audit committee members of the banks and Principles number 4.3.7. and 4.3.8. on selecting these members shall not be applied. Again in the same Communiqué; it is ensured that qualifications determined in the Principle number 4.3.6. shall be looked for any way for the independent members of the board of directors who shall not take place in the audit committee, and shall be looked for only one member in case all of the independent members of the board of directors take place in the audit committee, and Principles number 4.3.7. and 4.3.8. on selecting these independent members shall be applied.

As the Bank is in the second group companies, we are exempted from ;

- The Principle number 4.3.7. of Communiqué as “...the Board of Directors prepares the nominee list of the independent member within the framework of the report of the nominating committee and sends to the Capital Markets Board at least 60 days before the general meeting along with the related report of the nominating committee and the decision of the Board of Directors”,
- The Principle number 4.3.8. of Communiqué as “in case independent membership is vacant, the Board of Directors send the nominee list determined within the framework of the report of the nominating committee to the Capital Markets Board within 30 days”.

According to the announcement in CMB Bulletin dated January 9 2020 and with number 2020/4, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. According to the provision 11th article of the Communiqué, manager of the investor relations department shall have a “Capital Market Activities Level 3 Licence” and “Corporate Governance Rating License”. The Manager of the Unit of the Shareholder Relations and Board Secretariat performing duty within this scope at our Bank holds Capital Market Activities Level 3 Licence and Corporate Governance Rating Licence.

Within the scope of Banking and Capital Market legislation, the Audit Committee is established on October 30th 2006, the Corporate Governance Committee is established on March 30th 2005, and Remuneration Committee is established on July 11th 2011. Within the year of 2012, considering the structuring of the Board of Directors and duties our independent members have undertaken in the committees they take part, it is decided the “Nominating Committee” not to be constituted separately and duties of this committee to be performed by the Corporate Governance Committee”. The activities of the committees are detail explained in “Information Regarding the Committees Established Within the Body of the Board of Directors” part.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 – Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	x					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 – Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company’s activities in order for these transactions to be presented at the General Shareholders’ Meeting.					X	
1.3.8 – Members of the board of director who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders’ Meeting.	X					
1.3.10- The agenda of the General Shareholders’ Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 – The General Shareholders’ Meeting was held open to the public, including stakeholders, without having the right to speak.		X				As specified in the Article of Association, General Assembly Meeting was open to all shareholders. However, it was closed to media and public. The minutes of the General Assembly Meeting has been submitted to all stakeholders via PDP and website by the Bank.

1.4. VOTING RIGHTS						
1.4.1 – There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2- The company does not have shares that carry privileged voting rights.	X					
1.4.3 – The company withholds from exercising its voting rights at the General Shareholders’ Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no mutual shareholding relationship in the structure of the Bank's capital.
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Bank adopted its rates strictly which is outlooked for the public-held company in the regulation and minority rights has been determined according to Article 19 of the Bank’s Article of Association at a rate of 1/20 at capital.
1.6. DIVIDEND RIGHT						
1.6.1 – The dividend policy approved by the General Shareholders’ Meeting is posted on the company website.	X					
1.6.2 – The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 – The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						

1.7.1 – There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 – The company website includes all elements listed in Corporate Governance Principle	X					
2.1.2- The shareholding structure (names, privileges, number, ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.					X	There is no shareholder who has more than 5% of the paid-in capital.
2.1.4 – The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The Bank’s website is also available in English version, and the majority of Turkish content is available in English version.
2.2. ANNUAL REPORT						
2.2.1 – The board of directors ensures that the annual report represents a true and complete view of the company’s activities.	X					
2.2.2 – The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION’S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 – Policies or procedures addressing stakeholders’ rights are published on the company’s website		X				No specific policy has been generated for stakeholders. Stakeholders’ rights are protected within the framework of general regulations, contracts and goodwill rules.
3.1.4 – A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 – The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.	X					
3.2.2 – Survey/other research techniques, consultation, interviews, observation method etc. Were conducted to obtain opinions from stakeholders on decision that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 – The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		x				The bank has an employment policy ensuring equal opportunity, succession plan works have been going on.
3.3.2 – Recruitment criteria are documented.	X					
3.3.3 – The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 – Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 – Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Employees are notified directly, However, there is no governing body like the union.
3.3.6 – Job descriptions and performance criteria have been prepared for all employees, announced to them and take into account to determine employee remuneration.	X					
3.3.7 – Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					

3.3.8 – The company ensures freedom of association and supports the right for collective bargaining.					X	
3.3.9 – A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1- The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 – Customers are notified of any delays in handling their requests.	X					
3.4.3 – The company complied with the quality standards with respect to its products and services.	X					
3.4.4 – The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 – The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						

4.2.1- The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2- Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 – The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4- Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 – The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7- The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 – The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The Bank's paid-in capital is 860 Million.-TL and due to the defects of the Board members during their duties, they are insured with a limit of 10 Million USD under the responsibility insurance policy against the risk of loss.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy for the women membership in the Board of Director. There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of %17.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						

4.4.1 – Each board member attended the majority of the board meeting in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 – The opinions of the board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 -Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 – There are limits to external commitments of board members. Shareholders are informed of board member's external commitments at the General Shareholders' Meeting.			X			There is no restriction for the Board members to have duties outside of the Bank. Duties held by the Board members out of the bank is included in the Annual Report submitted to the General Assembly.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to the limited number of members of the Bank's Board of Director, committees are appointed in accordance with the relevant legislation by taking into consideration the knowledge and experience of the board members and one board member may serve in more than one committee.
4.5.6- Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					

4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report			X			Committee didn't need to receive external consultancy services until today.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 – The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 – The company did not extend any loans to its board directors and executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.		X				The loans to be granted to the members of the Board of Directors and employees are subject to restrictions set forth in Article 50 of the Banking Regulation. No other loans are granted to the members of the Board of Directors or employees.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Annual salaries paid to the members of the Board of Directors and Top Management has been disclosed in the Annual Report totally.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	None
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. General Assembly	

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/741512
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	The documents related to the General Assembly Meeting are presented on the Bank's website in Turkish and English. Related web site Turkish version: https://www.icbc.com.tr/tr/yatirimci-iliskileri/akordeon-pdf-liste/Olagan-Genel-Kurul-Toplantilari/149/0/0 , Related web site English version: https://www.icbc.com.tr/en/investor-relations/pdf-list/Ordinary-General-Meetings/329/0/0
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None.
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.icbc.com.tr/tr/images/pdf/Bagis_ve_Yardim_Politikasi_2017.pdf
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/750820
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Some stakeholders such as Independent Auditor and employees attended the General Assembly Meeting within the knowledge of our Bank as observer.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	There are no voting privileges but there are privileges in the structure of the Board of Director, in the election of the member of Board and in the election of liquidator. 860.000.000.-TL of our total capital, which is 602.000.000.-TL consist of A Group shares and 258.000.000.-TL B Group shares.
The percentage of ownership of the largest shareholder	92,84%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	There is no provision of the Article of Association.
1.6. Dividend Right	

The name of the section on the corporate website that describes the dividend distribution policy	https://www.icbc.com.tr/tr/images/pdf/ICBC_Turkey_2019_KarDag%C4%B1t%C4%B1m_Politikas%C4%B1.pdf
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Prepared by the Board , the proposal for the distribution of the Banks' Commercial profit for the year 2019 was submitted to the approval of the Ordinary General Assembly held on 29.03.2019 and approved by majority vote. The information provided to the shareholders regarding the undistributed part of 2019 profit is provided in article 7 of the following link. https://www.icbc.com.tr/en/images/pdf/EN29032019_GENEL_KURUL_TOPLANTI_TUTANAGI_ENG.pdf
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/750820

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
29.03.2019	0	% 92,94	-	% 92,94	Investor Relations /General Assembly/ Ordinary General Assembly Meeting	No Addressed Question	There is no agenda about related parties	138	https://www.kap.org.tr/tr/Bildirim/750820

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1	Home Page > Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.icbc.com.tr/en/investor-relations/detail/Shareholding-Structure/317/852/0
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members.	2019 Annual Report –Section II Management and Corporate Governance Practise> Duties Held By Board Members out of the bank 2019 Annual Report –Section II Management and Corporate Governance Practise > Board Members Declaration of Independence.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure.	2019 Annual Report –Section II Management and Corporate Governance Practise > Information Regarding The Committees Established Within The Body of the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings.	2019 Annual Report –Section II Management and Corporate Governance Practise > Information Regarding The Attendance By The Board of Directors and The Committee Members To The Related Meetings During The Accounting Period

<p>ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation.</p>	<p>In 2019, there weren't any important legislative changes that could significantly affect the Bank's operations.</p>
<p>d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof</p>	<p>2019 Annual Report Section I- General Information> Information Related to the Material Lawsuits Brought Against The Bank During the Year 2019 and Their Potential Outcomes</p>
<p>e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest</p>	<p>None</p>
<p>f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%</p>	<p>There is no mutual shareholding relationship in the structure of the Bank's capital.</p>
<p>g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results</p>	<p>2019 Annual Report Section II- Management and Corporate Governance Practise> Human Resources Practises> Ethic Rules and Social Responsibility</p>

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	There is no severance policy for Bank's employees. All implementations for the Bank's employees depend on labour law legislation and other relevant regulations. As there is no inconsistency in the internal regulations of the Bank, no severance pay policy has been issued.
The number of definitive convictions the company was subject to in relation to breach of employee rights	14
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism.	ihbar@icbc.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	There is no written internal regulation addressing the participation of employees on management bodies. However, within the scope of Bank's priorities, employees, medium and high level managers are provided to participate to decision and assessments by the committees.
Corporate bodies where employees are actually represented	Medium and high level managers are able to attend the decision mechanisms through committees. In addition, for employees at all levels convey their suggestions and ideas through "Suggestion System" in order to benefit from their innovative ideas and ensure that employees able to be active in decision-making mechanisms.
3.3. Human Resources Policy	

<p>The role of the board on developing and ensuring that the company has a succession plan for the key management positions</p>	<p>Succession planning is made for Top Management and the appointments of General Manager and Assistant General Managers are carried out by the Board of Directors.</p>
<p>The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.</p>	<p>Summary of Human Resources Policy under the Policies in the Investor Relations section of the Bank's corporate website www.icbc.com.tr. The Bank's objective and strategy is to increase employees efficiency and hapiness by using charging system, performance evaluation, career planning and developing, training and similar motivational tools and to create a suitable working environment that will reveal the creativity of our employees through these methods. Issues related to equality of opportunity are included in the personnel regulation and not disclosed on the corporate website.</p>
<p>Whether the company provides an employee stock ownership programme</p>	<p>There is no employee stock ownership programme.</p>
<p>The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.</p>	<p>Human Resources Policy is published on the Corporate website. Equality and transparancy in requitment and carrier planning are mentioned in Internal Personnel Regulation.</p> <p>Recruitment standarts are set in written and the Bank complies with these standards. Employees' personel rights are treated fairly and form a training program within the scope of policies aimed at improving the experience, skills and Professional ethics of the employees.</p> <p>The Bank holds information meetings for all employees and consults with employees on issues such as financial position of the Bank, salary, career, training and health.</p> <p>The bank announces job descriptions and structures in accordance with performance and reward criteria. And the bank take into consideration efficiency in determining the salaries and other benefits of the employees.</p> <p>The Bank's Human Resources policy is based on the principle of comprehensive opportunities and principle of equal opportunities in order to enhance occupational safety and personal development of the employee professionally. The Bank takes precautions against racial, religious, and gender discrimination among its employees and against physical, mental and mistreatment in the Bank's internal environment.</p>

The number of definitive convictions the company is subject to in relation to health and safety measures	None
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Home Page>Investor Relations> Banking Ethic Rules
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	None
Any measures combating any kind of corruption including embezzlement and bribery	On-site and remote inspection and control activities carried out by Internal Audit and Internal Control and Compliance Department; It is one of the most prominent measures within the scope of anti-corruption, including embezzlement and bribery. In addition, personnel are informed about these issues and their awareness is expanded during the trainings aimed at combating Laundering Proceeds of Crime and Financing of Terrorism. In our Bank, scenario-based AML (laundering- money detection) program is used; The warnings generated by the said program are examined and the transactions related to the warning are examined within the scope of monitoring and control activities aimed at preventing money laundering and financing of terrorism. When necessary, the branches or units are contacted to obtain detailed information about the nature of the transactions, the customer's risk profile, and the funding sources on which the transactions are based on. Transactions that cause suspicion that corruption may be related to all kinds of corruption including embezzlement and bribery are reported to MASAK by filling in the Suspicious Transaction Notification Form.

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	Explanations
Date of the last board evaluation conducted	21.02.2019
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Xiangyang Gao- Chairman, Executive Member (In charge of Human Resources, BoD Office)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	41
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2019 Annual Report Section III - Assessment of Operation of Internal Control, Internal Audit and Risk Management Systems By The Audit Committee
Name of the Chairman	Xiangyang Gao
Name of the CEO	Shaoxiong Xie
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The chairman and the General Manager are different persons.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Damages that may be caused by the members of the board of directors during the discharge of their duties have been insured under the liability insurance policy within the limit of USD 10 million. However, as stated in the Corporate Governance Principles Communiqué, the amount of insurance is not determined in excess of 25% of the Bank's capital and the issue is not disclosed in the PDP.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no policy for the women membership of the Board of Director.
The number and ratio of female directors within the Board of Directors	There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of %17.

Composition of Board of Directors

Name, Surname of Board Member	The First Election Date To Board	Whether Executive Director Or Not	Whether Independent Director Or Not	Link to PDP Notification That Includes The Independyency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
XIANGYANG GAO	22.05.2015	Executive	Not	-	No	No	Yes
JIANFENG ZHENG	22.05.2015	Non- Executive	Not	-	No	No	Yes
YING WANG	22.05.2015	Non- Executive	Independent Member	https://www.kap.org.tr/ Bildirim/741509	Yes	No	Yes
PEIGUO LIU	02.01.2017	Non- Executive	Independent Member	-	No	No	Yes
SHAOXIONG XIE	29.11.2018	Executive	Not	-	No	No	Yes

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	%100
Whether the board uses an electronic portal to support its work or not	(No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information and related documents are submitted to the members 12 business days in advance.
The name of the section on the corporate website that demonstrates information about the board charter	Home Page> Investor Relations> Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no restriction for the Board members to have external duties outside the Bank. Duties held outside of the bank by the Board members are included in the Annual Report submitted to the General Assembly.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	2019 Annual Report Section II- Management and Corporate Governance Practice / Information Regarding the Committees Established within the Body of the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	<p>https://www.kap.org.tr/tr/Bildirim/795100 https://www.kap.org.tr/tr/Bildirim/697417, https://www.kap.org.tr/tr/Bildirim/672968</p> <p>There is no PDP link to have been disclosed to the public relevant to working principles. The responsibilities of the committees are explained in Section II of the Annual Report - Management and Corporate Governance Practices /</p>

Information Regarding the Committees Established within the Body of the Board of Directors.

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Peiguo LIU	Yes	Board Member
Audit Committee		Ying WANG	No	Board Member
Corporate Governance Committee		Jianfeng ZHENG	No	Board Member
Corporate Governance Committee		Levent İŞCAN	No	No member of Board
Remuneration Committee		Ying WANG	Yes	Board Member
Remuneration Committee		Jianfeng ZHENG	No	Board Member
Other	Credit Committee	Xiangyang GAO	Yes	Board Member
Other	Credit Committee	Shaoxiong XIE	No	Board Member
Other	Credit Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Xiangyang GAO	Yes	Board Member
Other	Board - Risk Management Committee	Shaoxiong XIE	No	Board Member

Other	Board - Risk Management Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Ying WANG	No	Board Member
Other	Board - Risk Management Committee	Jianfeng ZHENG	No	Board Member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2019 Annual Report Section II- Management and Corporate Governance Practices- Information Regarding the Committees Established within the Body of the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2019 Annual Report Section II- Management and Corporate Governance Practices - Information Regarding the Committees Established within the Body of the Board of Directors.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Nomination Committee are performed by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Within the scope of banking legislation, Credit and Risk Committees 2019 Annual Report Section II Management and Corporate Governance Practices- Information Regarding the Committees Established within the Body of the Board of Directors.

Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2019 Annual Report Section II- Management and Corporate Governance Practices- Information on the Committees Established Within the Board of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	2019 Annual Report Section II- Management and Corporate Governance Practices- Summary of the Board of Directors Activity Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations-Corporate Governance /Management/Committees
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	2019 Annual Report Section II Management and Corporate Governance Practices / Corporate Governance Principles Compliance Report Additional Information / -Financial Rights

Composition of Board Committees-II

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee		%100	%100	4	4
Corporate Governance Committee		%67	%33	1	3
Remuneration Committee		%100	%50	1	1
Other	Credit Committee	%33	%33	43	0
Other	Risk Management Committee	%60	%40	0	0

ADDITIONAL INFORMATION ABOUT CORPORATE GOVERNANCE

THE STRUCTURE OF THE BOARD

The Bank is managed and represented by the Board of Directors. The Members of the Board of Directors and their number are determined at the General Meeting. According to the Articles of Association of the Bank, the Board of Directors is constituted of 6 members excluding the General Manager. Term of office of the members elected for the Board of Directors is maximum three years, except for the general manager.

According to the 23rd article of the Banking Law; excluding Mr. Shaoxiong Xie, the General Manager who is the natural member of the Board of Directors and Mr. Xiangyang Gao, Executive Board member, the board members are not involved in the administrative structure, do not take part in the daily business flow or the ordinary activities of the bank and do not have operational duties.

Mr. Mehmet Hilmi Güler and Ms. Ying Wang were elected as independent board members for three years at the March 30th 2018 dated Ordinary General Assembly Meeting. Mr. Mehmet Hilmi Güler, Independent Board Member and Chairman of Corporate Governance Committee, resigned from his duties on 25.10.2019.

According to the Capital Markets Board's Corporate Governance Principles, the number of independent board members for banks has been determined to be at least three. As the members of the board of directors appointed for the audit committee membership are deemed as independent board members within the scope of these principles, Mr. Peiguo Liu is currently an Independent Board Member of the Bank, who elected as the Chairman of the Audit Committee. As Peiguo Liu assigned for the Audit Committee Membership within the structuring of the Board of Directors of the Bank is considered directly the Independent Member of the Board of Directors according to the 3rd item of the 6th Article of the Corporate Governance Communiqué number II-17.1.

The permission was granted to the members of the Board of Directors to enable them to conduct transactions within the framework of the Turkish Commercial Code, Article 395 "Prohibition to Do Business with the Company" and Article 396 " Prohibition of Competition ” on General Meeting held on 30.03.2018.

ACTIVITY PRINCIPLES OF THE BOARD

The Board of Directors meet any time the Bank business requires. The Board of Directors is invited to the meeting by the Chairman or the Deputy Chairman if he is absent. Each of the members has the right to request invitation of the Board of Directors and include to the agenda the matters they wish to discuss. The meetings are held within the framework of the agenda distributed to the members by the Chairman beforehand.

For the delegation of management; the Board of Directors of the Bank is authorized to delegate the management authority completely or partially to one or more Members of the Board of Directors or to third parties by an internal directive which shall be prepared according to the 367th article of the Turkish Commercial Code. Within this scope, an Internal Directive has been put into force by the Board of Directors with the resolution dated January 16th 2017 according to Article 367 and 371 of the TCC and Article 44 of the Articles of Association. The Internal Directive was registered on March 8th 2017 and announced in the Trade Registry Gazette on March 13th 2017. Internal Directive was revised by 31.05.2019 dated and 1580/03 numbered Board Resolution and was registered on 31.07.2019 and announced in 9884 numbered and dated 06.09.2019 Trade Registry Gazette.

The Board of Directors may meet with the majority of the full number of the members. Decisions of the Board of Directors may be taken as a result of the physically attended meeting with the majority of the members present at the meeting as well as by the written approval of the other members upon written proposal of one of the members according to the 4th sub-clause of the 390th article of the Turkish Commercial Code numbered 6102. Board resolutions were taken unanimously in 2019. Number of meetings of the Members of the Board of Directors, their attendance status to the meetings are included in the “Management and Corporate Governance Practices” section of the activity report.

Duties of the Board of Directors Outside of the Bank

Name / Surname	Positions Assumed at the Bank at the Last 5 Years	Positions Held out of the Bank (Segregated as Within the Group and Out of the Group)
Xiangyang GAO	Member of the Board of Directors, General Manager, Vice Chairman of the Credit Committee, Chairman of the Board of Directors and Credit Committee, Executive Member,	Intra-Group: Chairman of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank

Name / Surname	Positions Assumed at the Bank at the Last 5 Years	Positions Held out of the Bank (Segregated as Within the Group and Out of the Group)
	Member of the Risk Management Committee of the Board of Directors	
Shaoxiong XIE	General Manager/Member of the Board of Directors, Vice President of Credit Committee, Member of the Risk Management Committee of the Board of Directors	He holds no other position out of the Bank.
Peiguo LIU	Member of the Board of Directors, Member of the Credit Committee, Coordinator of the General Secretariat Group, Chairman of the Audit Committee, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank
Jianfeng ZHENG	Member of the Board of Directors, Member of the Corporate Governance Committee, Member of the Remuneration Committee, Alternate Member of the Credit Committee, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Industrial and Commercial Bank of China Ltd.(ICBC) Head Office – Corporate Strategy and Investor Relations Department Senior Specialist, Non-Executive Member of the Board of Directors in ICBC Mexico Ltd. and ICBC (Thai) Public Company Ltd., ICBC Credit Suisse Asset Management Co. Ltd. Supervisor
Ying WANG	Independent Member of the Board of Directors, Member of the Audit Committee, Chairman of the Remuneration Committee, Alternate Member of the Credit Committee, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Industrial and Commercial Bank of China Ltd.(ICBC) Corporate Strategy and Investor Relations Department- Senior Specialist, Non-Executive Member of the Board of Directors in ICBC-AXA Assurance Co. Ltd., ICBC Credit Suisse Asset Management Co. Ltd., ZAO Industrial and Commercial Bank of China Ltd. (Moscow) and ICBC Europe S.A.

FINANCIAL RIGHTS

According to the 48th article of the Articles of Association of the Bank, salaries to be paid to the members of the board of directors are determined and set by the general meeting. Salaries of the members of the Board of Directors are announced to the public through the general meeting minutes published at KAP and internet site of the Bank.

The Bank's current Remuneration Policy is submitted for the shareholders' information with a separate agenda item at the ordinary general meeting held on 29.03.2019 and published on KAP and the website of the Bank.

According to the principle number 4.6.5 of the "Corporate Governance Principles" set forth in the Corporate Governance Communiqué annex number II-17.1 published in the Official Gazette dated January 3rd 2014 with number 28871 and put into effect by CMB, salaries given and fringe benefits provided for the members of the Board of Directors and the executives should be announced to public through the activity report. However, the declaration shall be made as the total of the financial rights provided for the members of the board of directors and the assistant general managers, not on person basis. Allowances paid to the members of the board of directors and the assistant General Manager, health/life insurance expenses, travel, accommodations and representing expenses and other various expenses are summarized below.

Thousand TL	31.12.2018	31.12.2019
Allowances and Insurances	10.604	25.282
Other Expenses	6.862	6.005
Total Expenses	17.476	31.287

GENERAL ASSEMBLY MEETINGS

General Assembly Meetings are held within the framework of the Banking Law, the Turkish Commercial Code and the Capital Markets Law.

In 2019, including ordinary electronic general meeting, to which physical or electronic attendance is possible, was held. The ordinary general meeting was held on March 29th 2019 with the quorum of 92.94%. The decisions made in the general meetings have been implemented.

Regulations on general meetings of shareholders set forth in “The Articles of Association of ICBC Turkey Bank A.Ş.” which take place in the Bank’s internet site open to public and in the “Internal Regulations on the Working Principles and Procedures of the General Meeting”.

The Bank makes the invitation to the general assembly meeting at least three weeks before the meeting, excluding the announcement and meeting dates. Calls/invitations and announcements for the General Meeting are published in the Turkish Trade Registry Gazette, a newspaper published in Istanbul where the registered address of the Bank is, at Merkezi Kayıt Kuruluşu A.Ş. (MKK) (Central Securities Depository Institution), at Electronic General Meeting System (EGMS), on e-YÖNET- Corporate Governance and Investor Relations Portal, on Public Disclosure Platform (KAP) and on the Bank’s corporate internet site. Besides, as from the date of announcement, agenda, a sample of power of attorney, activity report, the Articles of Association of the Bank, financial tables and footnotes, independent audit reports, the old and new versions of the amendments along with the related resolution of the Board of Directors in case there is an amendment in the Articles of Association, in case there is dismissal, change or election of the Members of the Board of Directors among the items of the agenda, reasons for dismissal and change, information on the member and independent member nominees specified in the Corporate Governance Principles, and other documents related to the agenda are available at the General Management of the Bank and on our corporate internet site for the review of the shareholders. Documents related to the agenda items are published in EGMS separately.

According to the provisions of the Articles of Association of the Bank, it is possible to vote by proxy. According to the 28th article of our Articles of Association, the shareholders may personally attend the general meetings as well as being presented at these meetings by a proxy they choose among the shareholders or from outside. Provisions of the 29th article of the Capital Markets Law are applied in the invitation of the shareholders. General Meeting minutes are always available for the shareholders on our Bank’s internet site and at E-Company information portal which is accessible also from our Bank’s internet site with the Electronic General Meeting System, within the scope of the related provisions of the Turkish Commercial Code, and which is specialized for Information public services and the infrastructure of it is provided by the Central Securities Depository.

All shareholders have the right to declare opinions on the subjects related to the agenda and ask questions at the General Meetings. Suggestions given in relation with the agenda are resulted by voting in compliance with the legal procedure.

In 2019, there hasn’t been any operation which majority Yes votes of the independent members of the Board of Directors are required for deciding at the Board of Directors or its decision is left to the general meeting for No votes given.

In line with the Bank's Donation and Aid Policy approved in the ordinary general meeting of our Bank held on March 31st 2014, information on that there hasn't been any change in the policy and donations and aids made in 2018 are given to the shareholders at the ordinary general meeting held on March 29th 2019, with a separate agenda item.

At the general meetings held on March 29th 2019, the shareholders are informed about that there has been no significant transaction which may cause an interest conflict between the shareholders holding the management control, the members of the board of directors, managers having administrative responsibility and their spouses and blood relatives and relatives by marriage up to second degree and the Bank or the subsidiaries.

DIVIDEND RIGHT

In the Articles of Association of the Bank, there is no provision regulating privilege in participating profit share. Profit Distribution is carried out within the framework of the provisions of the Articles of Association. Each shareholder has the right to get profit share over the distributed profit share in his share rate.

Suggestion of the Board of Directors of our Bank on Profit Distribution is proposed to the General Assembly Meeting and to the information of the shareholders by the activity report before the General Assembly Meeting every year and decided by discussing at the general meeting. At the ordinary General Meeting of the Bank dated March 29th 2019, it is decided "2018 annual net profit in the amount of 62.069.246,22 TL and restricting %5 of the remaining 3.103.462,31 TL as the legal reserves as shown below, then transfer the whole remaining amount of 58.965.783,91 TL to the extraordinary reserves, and authorization of the Board of Directors regarding for the use of the legal reserves."

The Profit Distribution Policy of the Bank is approved at the ordinary General Meeting held on March 29th 2019. This policy is published in the Bank's corporate internet site and in the activity report as "*Regarding our Bank's target-directed growth in the sector and under the light of investment and financial needs, within the framework of the Banking Law, the Turkish Commercial Code and the Capital Markets Law and related legal legislation and the provisions of our Articles of Association, a basic profit distribution policy based on saving profits in the extraordinary reserves for the finance of growth by holding profits in the body and distributing as shares in free capital increases from internal sources is adopted. This policy shall be evaluated every year by considering regulations of the Capital Markets Board on profit distribution and liquidity status of our Bank.*"