

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY MEETING OF  
SHAREHOLDERS OF ICBC TURKEY BANK ANONIM SIRKETI  
HELD ON 29 MARCH 2019**

The ordinary general assembly meeting of ICBC Turkey Bank Anonim Sirketi in which was discussed the activities of 2018 was held on 29 March 2019 Friday at 10.30 at the address of Maslak Mahallesi Dereboyu/2 Cad. No: 13 Sarıyer İstanbul under the supervision of the Ministry Representative Emrah GÖZELLER appointed by the Ministry of Customs and Commerce's İstanbul Provincial Directorate of Commerce's letter dated 28/03/2019 and numbered 4302519.

Translations were made by our bank's employee Mr. İsmail KIYMA

It was detected that the meeting call including the agenda was announced three weeks prior at the Public Disclosure Platform, Central Registry Agency's Electronic General Assembly Meeting System and E-Sirket Portal, on the Bank's website [www.icbc.com.tr](http://www.icbc.com.tr), also published in the Turkish Trade Registry Gazette dated 01/03/2019 and numbered 9778 and the local newspaper "Dünya" dated 28/02/2019 pursuant to the related legislation and the Bank's Articles of Association.

It was found appropriate not to send an additional registered mail to shareholders to call them to the ordinary general meeting according to the 20th Article of Articles of Association. It was observed that all the necessary meeting documents have been in the meeting room.

It was seen that some members of the board of directors and the independent auditor Mr. Ararat DONEL from the Bank's independent audit company "KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." attended the meeting.

According to Article 1527/5, 6 of the Turkish Commercial Code, the preparation of the electronic general meeting of shareholders were in compliance with related legislation and General Assembly Meeting was simultaneously opened physically and electronically.

Upon the observation of the list of attendees, it was seen that out of 860.000.000 shares which correspond to the Bank's 8.600.000.000-TL paid-in capital, 7.993.213.799,63-TL shares corresponding to 799.321.379,963 -TL share capital were represented by proxy and 22.000 shares corresponding to 2.200 -TL share capital were represented in person; total 799.323.579,963 - TL share corresponding to 7.993.235.799,63 shares represented at the meeting; therefore, the minimum legal meeting quorum stipulated by both Turkish Commercial Code and the Bank's Articles of Association was met with a % 92,94; following this, the meeting was opened by the Chairman of the Board of Directors Mr. Xiangyang Gao with the accompaniment of the interpreter and the discussion on the agenda was started.

The Chairman of the Board of Directors Mr. Xiangyang GAO made an explanation about voting method. As regulated in the Turkish Commercial Code and the Bank's Articles of Association, without prejudice to the provisions about electronic vote counting, shareholders who were present at the meeting in person should vote by raising their hands, and shareholders who would vote against should verbally declare their objections.

Below resolutions are made based on discussion took place according to the meeting's agenda:

**1) Regarding the 1st item of the agenda;**

Discussion started on the formation of the meeting presidency. The submitted proposal regarding the 1. item was read out and put to a vote. It was unanimously decided to appoint Mr. Xiangyang Gao as the chairman of the meeting. According to the Bank's Internal Directive on General Assembly's Working Rules and Procedures, Mr. Sinan Ekim ÇİNAR was appointed as the vote collector and Mr. Ahmet Murat AKIN was appointed as the clerk of the meeting by the Chairman of the Meeting, Mr. Xiangyang Gao.

Pursuant to the Article 431 of Turkish Commercial Code the Chairman of the Meeting declared that at the meeting, 893.153 TL share represented by depositing representatives for according to article 431 of the Turkish Commercial Code and article 24 of the "Regulation on General Assemblies Regarding Joint Stock Companies", published in the Official Gazette dated 28/11/2012, no.28481.

The agenda of the meeting was read by the clerk upon the Chairman's request and asked whether there was any offer to change the order of the agenda items. As there was no offer, the discussion of the agenda items was continued in the same order as announced before.

**2) Regarding the 2nd item of the agenda;**

The submitted proposal regarding the 2. item was read out. According to the voting results of related proposal, it was unanimously decided to authorize the meeting presidency to sign the meeting minutes.

**3) Regarding the 3rd item of the agenda;**

As the Annual Activity Report for the year of 2018 and Independent Auditor Report had been already disclosed to the public on Public Disclosure Platform, on Central Registry Agency's Electronic General Assembly Meeting System and on the Bank's website [www.icbc.com.tr](http://www.icbc.com.tr) three weeks prior to the ordinary general meeting, the proposal for deeming the report already read out and the "Review" extracted from the Independent Auditors' 2018 annual report to be read was put to a vote. According to the voting results, it was approved unanimously.

The discussion was continued without reading out the Annual Activity Report, attendees did not raise any questions. According to the voting results, the Annual Activity Report for the year of 2018 was approved unanimously.

The "Review" extracted from the Independent Auditors' 2018 annual report was read out, discussion had been carried out, no questions were raised.

#### **4) Regarding the 4th. item of the agenda;**

As the Financial Statements for the year of 2018 had been already disclosed to the public on Public Disclosure Platform, on Central Registry Agency's Electronic General Assembly Meeting System and on the Bank's website [www.icbc.com.tr](http://www.icbc.com.tr) three weeks prior to the ordinary general meeting, the proposal for deeming the statements already read out and the main items of profit and loss to be read was put to a vote. According to the voting results, the proposal was approved unanimously.

Main items of the profit and loss table extracted from 2018 annual financial report was read out, discussion had been carried out, no questions were raised.

As a result of the voting, the Annual Financial Statements for the year of 2018 were approved unanimously.

#### **5) Regarding the 5th. item of the agenda;**

The proposal about the appointment of the board member according to Article 363 of the Turkish Commercial Code was read out.

After being voted, the appointment of Mr. Xiangyang GAO as the representative of (A) group shares to replace Mr. Keen Xu, who resigned from his office as of 24/07/2018, which was resolved by the Board of Directors with the resolution dated 24/07/2018, numbered 1520/01 according to Article 363 of the Turkish Commercial Code, and decided to complete the duration left from his predecessor were decided by majority of vote as 799.283.437,963 TL affirmative vote against 40.142.-TL.

#### **6) Regarding the 6th. item of the agenda;**

Discussions started about the release of the Members of the Board of Directors. Release of the current members of the Board: Xiangyang GAO, Shaoxiong XIE, Peiguo LIU, Jianfeng ZHENG, Ying WANG and Mehmet Hilmi GÜLER for the activities carried out in the period of 01/01/2018-31/12/2018 was put to a vote, and approved unanimously.

Board members did not use their voting rights regarding their own shares in the Bank during voting.

#### **7) Regarding the 7th. item of the agenda;**

Discussions started about the profit distribution of the year 2018 and extraordinary reserves. The proposal based on Board of Directors Resolution dated 21/02/2019, numbered 1560/03 about the dividend distribution and extraordinary reserves which had been already disclosed to the public on Public Disclosure Platform, on Central Registry Agency's Electronic General Assembly Meeting System, on the Bank's website [www.icbc.com.tr](http://www.icbc.com.tr) and the Annual Activity Report was read out. No questions were raised; the proposal was put to a vote by the Chairman.

As a result of the voting; as proposed by the Board of Directors, 2018 annual net profit in the amount of 62.069.246,22 TL (after tax) and restricting %5 (3.103.462,31 TL) of the net profit as legal reserves then transferring the whole remaining amount of 58.965.783,91 TL to the extraordinary reserves and giving authorization to the Board of Directors for the use of the legal reserves, was approved unanimously.

#### **8) Regarding the 8th. item of the agenda;**

The “2019 Dividend Distribution Policy” determined by the Board of the Directors on 21/02/2019 and had already been disclosed to the public on Public Disclosure Platform, on Central Registry Agency’s Electronic General Assembly Meeting System and on the Bank’s website [www.icbc.com.tr](http://www.icbc.com.tr) on 22/09/2019 has been read and put to a vote as below. As a result of voting, The Bank’s 2019 Dividend Distribution Policy was approved unanimously.

#### **ICBC Turkey Bank A.S. 2019 Dividend Distribution Policy**

Taking into account also the growth of our Bank in the sector within the scope of its targets, in light of its investment and financing needs, within the framework of provisions set forth in the Banking Law, the Turkish Commercial Code and the Capital Markets Law and related laws and regulations and the Articles of Association, a basic new profit distribution policy has been adopted based on the principle that profits be kept by the company and be saved in extraordinary reserves for financing of growth and be distributed as shares in capital increases by bonus issue from internal resources.

This policy shall be re-evaluated each year, taking into account the regulations of the Capital Markets Board regarding distribution of profits and the liquidity position of our Bank.

The proposal about election of the board members and determination of terms of office was read out and was put to a vote. After voting;

#### **9) Regarding the 9th. item of the agenda;**

The discussion was started on determining fees of the board members. The related proposal was read out, put to a vote by the Chairman of the meeting.

Paying annual net fees to Mr. Xiangyang GAO not exceeding 3.100.000 RMB against TL, to Mr. Shaoxiong XIE not exceeding 2.900.000 RMB against TL, to Mr. Peiguo LIU not exceeding 2.600.000 RMB against TL; paying monthly net 20.000-TL to the Independent Board Member Ms. Ying WANG and paying monthly net 25.000-TL to the Independent Board Member Mr. Mehmet Hilmi GULER, and paying no fee to the Board Member Mr. Jianfeng ZHENG until the next ordinary general meeting to be held to discuss 2019 financial reports; to authorise the Chairman of the Board of Directors to judge whether any payment will be made to the members of the board of directors who are/will be also members of the committees established according

to Banking Law and Capital Market Law and determine the fees they will be paid to these members were decided by majority of vote as 798.470.568,963 TL affirmative vote against 853.011.-TL.

**10) Regarding the 10th. item of the agenda;**

The discussion was started to re-election of the Independent Auditor according to Article 399 of the Turkish Commercial Code. The proposal was read out and put to a vote. After voting, followings were unanimously decided;

Based on the Audit Committee's proposal, in accordance with the Article 399 of Turkish Commercial Code, Banking Regulation and Supervision Agency's Regulation on Independent Audit of Banks and other relevant legislation, election of the Bank's independent auditor "KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." for audit of 2019-2020 fiscal years, which is registered in the İstanbul Registry of Commerce of with 480474 number and resident at İş Kuleleri Kule 3 Kat 2-9, Levent, İstanbul.

**11) Regarding the 11th. item of the agenda;**

A total of 1.070.-TL was donated to institutions and organizations by the Bank in 2018 were read out and presented to the General Assembly and information was given about that there is no change in the Donation and Contribution Policy approved by the General Assembly on 31/03/2014.

**ICBC Turkey Bank A.Ş.  
Donation and Contribution Policy**

"Pursuant to the Banking Law Code no: 5411 clause no: 59, the amount of grants to be extended by banks and institutions subject to consolidated supervision in a fiscal year shall not exceed four per thousand of the bank's equity capital. However, minimum half of the grants and aids shall be composed of grants and aids that may be considered as expenditure or deductible costs in the calculation of the corporate tax base. The principles and procedures applicable to the implementation of this provision shall be set by the Board and disclosed to the shareholders with a single proposal at the General Assembly Meeting and included in the Annual Activity Report of the Bank for the public disclosure".

It was declared to the assembly that no voting would be carried out since this proposal had an informative purpose.

**12) Regarding the 12th. item of the agenda;**

In accordance with the Banking Regulation and Capital Markets Board: the proposal to determine the upper limit of the donations to be made in the year 2019 was read out and put to a vote. After voting, in line with Article 59 of the Banking Law numbered 5411, the upper limit was determined as 20,000.-USD unanimously.

### **13) Regarding the 13th. item of the agenda;**

In line with the Regulations issued by the Capital Markets Board below information about the Bank's Remuneration Policy was shared with the shareholders. The remuneration policy came into force based on the resolution dated 17/02/2014, numbered 1254/01, revised by the BOD on 20/11/2017 with the resolution no: 1467/04 as shown below and it published on Public Disclosure Platform with the General Assembly Information Document, on Central Registry Agency's Electronic General Assembly Meeting System, on the Bank's website [www.icbc.com.tr](http://www.icbc.com.tr).

#### **ICBC Turkey Bank A.Ş. Remuneration Policy**

The board of directors of the bank, within regulations issued by BRSA (Banking Regulation and Supervision Agency) and CMB's (Capital Markets Board) corporate governance, prepared this resolution about the remuneration policy in order to be presented to our shareholders attention at the regular corporate meeting. The bank has adopted the remuneration policy in line with Bank's remuneration regulation about the salaries of top management and the salaries of the board members, the Bank's ethical values, overseeing the internal harmony, staff's performance and positioning alongside considering the Bank's interest within its activity fields and targets. The policy has been decided to be evaluated annually within the frame underlined in the corporate's main agreement and the frame designated by the Capital Markets Law and by various related legislation in Turkey under current market conditions.

The Remuneration Committee is established in order to conduct and audit the remuneration application of the policy in the bank in the name of the Board of Directors. The Committee is comprised of two non-executive board members. The Committee offers the opinion and proposals to the Board for approval whenever appropriate.

While applying the policy the bank makes sure: it is based on transparency, fair treatment, balanced performance goals, it is measurable, encourages sustainable success, in line with the risk management principles, competitive with the salary scales in the market.

The salary increase is applied after performance evolution. Human Resources propose an increase rate based on the performance evaluation, following the approval of the General Manager. Than it is presented to the Remuneration Committee. Following the presentation of the opinion by the Committee to the Board, raised salary payments made.

Performance based bonus system has been conducted for all employees working in our Bank and it has been considered target realizations for the staff working in the Branches and Bank's overall target realization has been taken into consideration for the staff working in departments or groups as well as competency based individual performance appraisals.

In addition to this system, in line with the CEO's initiative, "CEO Bonus" payments are made to the Assistant Managers and below titles, based on Bank's actualized net profit and marketing oriented groups and branches' target accomplishments "Incentive Bonuses" are paid quarterly, further to the Branch Retail Banking Sales Teams and Branch Operation Teams' product based

sales “Piece by Piece” bonuses are paid monthly, for the staff working in the Distressed Loan Follow Up Department and for the Branch Staff working in sales team, based on NPL and real estate sales “NPL & Property Sales Incentive Bonuses” are paid quarterly.”

It was declared to the assembly that no voting would be carried out since this proposal had an informative purpose.

**14) Regarding the 14th. item of the agenda;**

Pursuant to 1.3.6. Principle of Corporate Governance Communiqué issued by the Capital Markets Board, it was announced that for the period of 01/01/2018 – 31/12/2018, the shareholders of the Bank who have a management control, members of board of directors, managers with administrative liability and their spouses, relatives by blood or marriage up to second degree did not conduct any significant transaction with the corporation or subsidiaries thereof which may cause a conflict of interest, or/and conduct a transaction on behalf of themselves or a third party which is in the field of activity of the corporation or subsidiaries thereof, or become an unlimited shareholder to a corporation which operates in the same field of activity with the corporation or subsidiaries.

It was declared to the assembly that no voting would be carried out since this proposal had an informative purpose.

As there were not any other items on the agenda, the meeting was closed by the chairman of the meeting. The minutes were prepared on-site and signed as below **(29/03/2019)**.

Ministry Representative

EMRAH GÖZELLER

Chairman of the Meeting

XIANGYANG GAO

Vote Collector

SİNAN EKİM ÇİNAR

Clerk

AHMET MURAT AKIN