

Corporate Governance Principles Compliance Report

ICBC Turkey Bank A.Ş. 2022 Corporate Governance Principles Compliance Report

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 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.

According to Capital Markets Board’s (“CMB”) 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 (“PDP”). The Bank has disclosed its Compliance Report Format (“CRF”) and Corporate Governance Compliance Forms (“CGIFs”) within the framework of its compliance principles on the link of www.kap.gov.tr on 23.02.2022 as well as disclosed in the Annual Report.

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 01.09.2022 – 31.08.2023.
- 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 in 2022 and 2 female members together with the natural Board member of our Bank between 2022 January 10th and 2022 May 9th. Since 9 May, there is 1 female member in the Board of Directors, since the member of the Natural Board of Directors is a male member.

- 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.

As announced earlier, in line with the announcements of the Board of Directors Borsa İstanbul A.Ş. ("Borsa" or Borsa Istanbul") numbered 17.09.2020 and the resolutions of the CMB dated 14.09.2020, in order to increase the depth of the shares traded in the Stock Market, to increase effective as of 01.10.2020, some changes were made in the Equity Market, in terms of market segment structuring, trading principles in the markets, market-segment change-over/ transition criteria between markets and listing requirements. These changes were declared with the announcement dated 17.09.2020 and numbered 2020/58 and entered into force as of 01.10.2020. In line with the announcements and evaluations of Borsa Istanbul dated 18.12.2020, 11.03.2021, our Bank was traded in the "SUB- MARKET". On the other hand, "About Equity Market Structure Principles" dated 10.09.2021 published by Borsa Istanbul . In line with the announcement, ICBC Turkey is currently traded on the "MAIN MARKET".

According to the announcement in CMB Bulletin dated January 13, 2022 and with number 2022/2, 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 *“(t)he 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 *“(i)n 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”*.

As mentioned above, according to the announcement in CMB Bulletin dated January 13, 2022 and with number 2022/2, 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 “Committees/ Information Regarding the Committees Established Within the Body of the Board of Directors” part.