



KAMUYU AYDINLATMA PLATFORMU

TÜRKİYE VAKIFLAR BANKASI T.A.O.
Corporate Governance Compliance Report
2020 - Annual Notification

Summary

Corporate Governance Compliance Report



Related Companies

Related Funds

| | Company Compliance Status | | | | | Explanation |
|---|---------------------------|---------|----|----------|----------------|---|
| | Yes | Partial | No | Exempted | Not Applicable | |
| Corporate Governance Compliance Report | | | | | | |
| 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 of 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 directors 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 the stakeholders, without having the right to speak. | | X | | | | The General Assembly meetings are open to all stakeholders, however there was no media participation to the 66th Ordinary General Assembly meeting. |
| 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 partnership with which the Bank has mutual participation relationship so that voting is non-available regarding to this subject. |
| 1.5. MINORITY RIGHTS | | | | | | |
| 1.5.1 - The company pays maximum diligence to the exercise of minority rights. | | | | | X | There is no minority rights in the Bank. |
| 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 | |
| 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 | | | | | In accordance with the BRSA's decision about retention profit to the shareholders with maintaining conservative policy to sustain strong bank's shareholders structure, it has been |

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| 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 | | | | | Losses incurred by the members of the Board of Directors as a result of their faults during their term of office, are covered under insurance. Employer's Liability Insurance 2020 policy's total value is USD 50,000,000 for each damage within the term of the policy. |
| 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 this. However, among the Board members, there is one woman member. |
| 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 meetings 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 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 | | | | | |

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| 4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting. | X | | | | | The Board members of the Bank are allowed to carry out operations within the framework of the Article 395 and 396 of Turkish Commercial Code and this matter is submitted to the information and approval of General Assembly on a separate agenda topic. |
| 4.5. BOARD COMMITTEES | | | | | | |
| 4.5.5 - Board members serve in only one of the Board's committees. | | | X | | | The appointment of the Members of the Board of Directors in committees is performed by taking into consideration their knowledge and experience and in line with the relevant legislation and some Members of the Board of Directors are appointed to more than one committee. However, those members who assume duties in more than one committee ensure communication and increase cooperation opportunities among committees that work in related matters. |
| 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 | There is no consulting company/counselor that the committee gets service. |
| 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 | | | The performance of the Board of Directors is not evaluated, however performance evaluation is planned in the medium term. |
| 4.6.4-The company did not extend any loans to its board directors or 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 favour of them. | X | | | | | |
| 4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report. | | | X | | | The remuneration information is not published on an individual basis. Nevertheless, it is included collectively under the title of "Board of Directors Remuneration" in the section of Corporate Governance in 2020 Integrated Report within the section of Corporate Governance Compliance Report (Page 149) |