

YAPI VE KREDİ BANKASI A.Ş. Corporate Governance Information Form 2018 - Annual Notification

Summary Info

Corporate Governance Information Form

1. SHAREHOLDERS

Related Companies ☐

Related Funds ☐

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	Conference: 13 (attended), Webcast: 3 (organized), Capital Markets Day: 1 (organized).
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
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/661319
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	It is presented.
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	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There is no such transaction.
The name of the section on the corporate website that demonstrates the donation policy of the company	The principles related to the donations and grants to be made by the Bank are regulated in the Article 3 of the Bank?s Articles of Association. The upper limit for the donations and grants is determined every year at the General Assembly and there is no other policy.
	The declaration regarding the General Assembly meeting where the upper limit for donations and grants is

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	approved: https://www.kap.org.tr/tr/Bildirim/669463
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 16
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The General Assembly was held open to the public, including stakeholders and the media without the right to speak. Some bank employees and some university students attended the General Assembly meeting held in 2018.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Hayır (No)
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None
The percentage of ownership of the largest shareholder	% 81,9
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Hayır (No)
If yes, specify the relevant provision of the articles of association.	None
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance / Shareholders? Meeting
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.	Agenda Article 11: It is resolved that our Bank?s unconsolidated net profit that of the TL 3,614,080,992.06 for the accounting period, TL 127,833,375.21 be set aside as special reserve (profit from the sale of the real estate and share stocks on the basis of Article 5 clause 1/e of the Corporate Tax Law 5520), remaining TL 3,486,247,616.85 be set aside as extraordinary reserves and related 2017 profit distribution table.
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/669463

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
20/03/2018	1	% 92,07	% 0,001	% 92,07	Investor Relations / Corporate Governance / Shareholders? Meeting	Investor Relations / Corporate Governance / Shareholders? Meeting	None	0	https://www.kap.org.tr/tr/Bildirim/669463

2. DISCLOSURE AND TRANSPARENCY

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.	Investor Relations, About Yapı Kredi, Corporate Governance, Shareholders? Meeting, We Are Here For You
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.	Shareholding Structure: Investor Relations/ About Yapı Kredi/ Shareholding Structure
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	58, 59, 60, 61,64, 65, 66, 67, 87, 88
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	68, 69, 70
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	68
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	There is no amendments in the legislation which may significantly affect the activities.
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	There is no significant lawsuits filed against the Bank.
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	There is no conflicts of interest.

investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	
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%	There is no cross-ownership.
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	4, 5, 6, 7, 48, 49, 52, 53, 54, 55, 56, 57, 90, 91

3. STAKEHOLDERS

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	Investor Relations/ Corporate Governance
The number of definitive convictions the company was subject to in relation to breach of employee rights	148
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics, Anti-Corruption and Conflict of Interest Manager
The contact detail of the company alert mechanism	0 212 339 7353 / 0 212 330 6463 / etik@ yapikredi.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	Yapı Kredi employees are informed about the Bank's activities via internal communication systems by the CEO and relevant senior management when necessary. In addition, Head Office and branch managers are regularly informed about various developments via management meetings, announcements and other communication channels. The Bank's Code of Ethics and compliance to this code are reported to the Corporate Governance Committee on a regular basis. Furthermore, there are channels available for stakeholders and specifically for the Bank's employees in order for them to support the management of the Bank without hindering the activities of the Bank.

	Internal customer satisfaction measurement is also conducted once a year in order to get the views and opinions of the Bank's employees.
Corporate bodies where employees are actually represented	There is an ?Employee Relations Advisory Board ? formed of representatives assigned by the Employer and the Union, which work to preserve labor peace and contribute to increasing productivity.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The backup plan in our Bank is made for all our top management, and appointments of General Manager and Assistant General Manager are carried out with the resolution of the Board of Directors.
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.	The Bank?s Human Resources and Organization Management carries out its operations in line with the principle of non-discrimination on the basis of race, gender, nationality, age, religion, political affiliation and physical disability and being respectful of privacy and civil rights. Job descriptions, performance and rewarding criteria are announced to all employees.
Whether the company provides an employee stock ownership programme	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
	The Bank's Human Rights Statement on the corporate website guarantees employees in areas such as diversity,

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.	freedom of expression. Furthermore, all Bank employees are able to share any discomfort and complaints with regard to these matters, orally or in writing, to the code of conduct within the Compliance and Internal Control and to the Ethics, Fight Against Corruption and Conflict of Interest section.
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations/ Corporate Governance
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.	Investor Relations/ Corporate Governance, Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	The Bank's "Anti-Bribery and Anti-Corruption Policy" is included in the Investor Relations/ Corporate Governance section of our website.

4. BOARD OF DIRECTORS-I

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Yıldırım Ali Koç / Chairman, Carlo Vivaldi / Vice Chairman, Gökhan Erün/Executive Director and CEO, Niccolo Ubertaini / Executive Director and Deputy CEO
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	15
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	92
Name of the Chairman	Yıldırım Ali Koç
Name of the CEO	Gökhan Erün
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
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	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	2 (%14)

Composition of Board of Directors

Name, Surname of	Whether Executive	Whether Independent	The First	Link To PDP Notification That Includes	Whether the Independent Director	Whether She/He is the Director Who	Whether The Director Has At Least 5 Years'
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Board Member	Director Or Not	Director Or Not	Election Date To Board	The Independency Declaration	Considered By The Nomination Committee	Ceased to Satisfy The Independence or Not	Experience On Audit, Accounting And/Or Finance Or Not
YILDIRIM ALİ KOÇ	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	31/03/2016		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
CARLO VIVALDI	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	15/05/2009		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
GÖKHAN ERÜN	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	15/01/2018		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
NICCOLO' UBERTALLI	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	16/02/2015		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
LEVENT ÇAKIROĞLU	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	25/03/2015		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
FATMA FÜSUN AKKAL BOZOK	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	28/09/2005		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
AHMET FADIL ASHABOĞLU	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	28/09/2005		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
WOLFGANG MAG.SCHILK	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	13/10/2016	./Based on CMB's Item 6(3)a of the Communique on Corporate Governance, Wolfgang Schilk, Chairman of the Audit Committee is deemed as Independent Board Member.	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
MIRKO DAVIDE	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)					

GEORG BIANCHI	Non-executive)	Not independent director)	30/06/ 2015		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
GIANFRANCO BISAGNI	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	13/10/ 2016		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
AYKUT ÜMİT TAFTALI	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	31/03/ 2016		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
FRANCESCO GIORDANO	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	20/03/ 2018		Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
ADİL GİRAY ÖZTOPRAK	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	29/03/ 2013	https:// www.kap.org.tr /tr/Bildirim/ 661319	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
GIOVANNA VILLA	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	18/04/ 2016	https:// www.kap.org.tr /tr/Bildirim/ 661319	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)

4. BOARD OF DIRECTORS-II

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)	11
Director average attendance rate at board meetings	% 90
Whether the board uses an electronic portal to support its work or not	Hayır (No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	7 days before
The name of the section on the corporate website that demonstrates information about the board charter	Although there have been consistently sustained processes in our Company for many years how the board meetings are held, but there is no written internal regulations regarding the issue.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	No limits are introduced for the Members of the Board of Directors preventing them from assuming duties outside the company due to the fact that their sectoral and business experience makes a significant contribution to the Board of Directors.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	68, 69, 70
Link(s) to the PDP announcement(s) with the board committee charters	In the 2017 Corporate Governance Principles Compliance Report annexed to our KAP announcement at https://www.kap.org.tr/tr/Bildirim/669709 contains information on committees.

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
Denetim Komitesi (Audit Committee)		Wolfgang Mag.Schilk	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)		Giovanna Villa	Hayır (No)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)		Adil G. Öztoprak	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Mirko D. G. Bianchi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Adil G. Öztoprak	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		M. Erkan Özdemir	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Massimo Francese	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Ücret Komitesi (Remuneration Committee)		Carlo Vivaldi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Ücret Komitesi (Remuneration Committee)		Levent Çakıroğlu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Gökhan Erün	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Niccolò Ubertalli	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	F. Füsün Akkal Bozok	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Wolfgang Schilk	Hayır (No)	Yönetim kurulu üyesi (Board member)

Diğer (Other)	Executive Committee	Gökhan Erün	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Executive Committee	Niccolò Ubertalli	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Executive Committee	Albert Angersbach	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Massimo Francese	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Erhan Adalı	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Serkan Ülgen	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Arif Ö. İsfendiyaroğlu	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Hakan Alp	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	A. Cahit Erdoğan	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Diğer (Other)	Executive Committee	Saruhan Yücel	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)

4. BOARD OF DIRECTORS-III

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)	Annual Report page 70
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)	Annual Report page 70
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)	There is no Nomination Committee. The tasks related to this committee are provided by the Corporate Governance Committee. Annual Report Page 70
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)	There is no Early Detection of Risk Committee. The tasks related to this committee are generally carried out by the Executive Committee. Annual Report page 69
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)	Annual Report page 70
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)	10, 11, 12, 13, 71
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations/ Corporate Governance
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)	85, 254, 418

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
Denetim Komitesi (Audit Committee)		% 100	% 100	4	4
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		% 50	% 50	2	1
Ücret Komitesi (Remuneration Committee)		% 100	% 0	2	1
Diğer (Other)	Credit Committee	% 50	% 0	48	4
Diğer (Other)	Executive Committee	% 0	% 0	42	0