

Corporate Governance Information Form

Summary Information

QNB Finansbank A.Ş. Corporate Governance Information Form

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	In addition to one-on-one investor meetings regularly held at Bank headquarters, the Bank participated at two international investor conferences with the attendance of Senior Management in 2019. At these organizations, 94 analyst and investor meetings are held in total. As regular meetings were carried out with three credit rating agencies, inquiries submitted by analysts and investors via telephone or e-mails were responded.
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/Bildirim/823341
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided both in Turkish and English at the same time Turkish: https://www.qnbfinansbank.com/yatirimci-iliskileri/kurumsal-yonetim/genel-kurul English: https://www.qnbfinansbank.com/en/investor-relations/corporate-governance/general-assembly
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	None.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	None.
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Participation of Stakeholders to the General Assembly is not regulated in the Articles of Association.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	As there are no provisions in the Articles of Association regarding the participation of the stakeholders, General Assembly Meetings are open to stakeholders and public (without right to speak). Shareholders and Bank employees attended the Ordinary General Assembly held in 2019.
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.	No voting privileges
The percentage of ownership of the largest shareholder	99.88%
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.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Disclosed on Investor Relations Section of the Bank's Corporate Website under the title "Corporate Governance Policies and Rules": https://www.qnbfinansbank.com/en/investor-relations/corporate-governance/corporate-governance-policies-and-rules
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.	It was decided to allocate the net profit of TL 2,409,826,453.75, which was calculated on the basis of the Bank's 2018 financial statements by deducting the taxes payable, as follows: TL 85,129,535.37 to General Statutory Reserves and TL 2,324,696,918.38 to General Reserves.
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/Bildirim/750800

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
28.03.2019	0	99.88%	0%	99.88%	Disclosed at QNB Finansbank Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title "General Assembly" for each year specified (https://www.qnbfinansbank.com/en/investor-relations/corporate-governance/general-assembly)	Disclosed at QNB Finansbank Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title "General Assembly" for each year specified (https://www.qnbfinansbank.com/en/investor-relations/corporate-governance/general-assembly)	Article 14	686	https://www.kap.org.tr/tv/Bildirim/750574

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.	Listed at Bank's Corporate Website's Investor Relations Section: (https://www.qnbfinansbank.com/en/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.	Listed at Bank's Corporate Website's Investor Relations Section under the Corporate Governance Subsection under the title 'Shareholder Structure' (https://www.qnbfinansbank.com/en/investor-relations/shareholder-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	Information on duties of the Board members and Senior Management conducted outside of the Bank was given in Annual Report 2019 under sections "Board of Directors" and "Senior Management"
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	Annual Report 2019 - Executive Committees under 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	Annual Report 2019 - Participation in Board of Directors and Executive Committee Meetings
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	Annual Report 2019 - Additional Information on the Activities of the Bank
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	Annual Report 2019 - Additional Information on the Activities of 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 investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None
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%	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	Annual Report 2019 – Human Resources

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	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	201
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ombudsman and Internal Audit
The contact detail of the company alert mechanism	Notifications can be submitted to Internal Audit via mail: ihbarhatti@qnbfinansbank.com; Bank employees may also report their complaints and/or notices by contacting the ombudsman.
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	As there are no written internal regulations, participation of employees is ensured in all projects and studies conducted in line with the strategic priorities of the Bank.
Corporate bodies where employees are actually represented	Employees are encouraged to take part in decision making through committee memberships of middle-and upper- level management and also intranet portals, which serve a means for employees to submit their opinions and suggestions.
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	As there are succession plans for the key management positions, these are regularly reviewed by the General Manager, who is at the same time a Executive Board Member and re-evaluated by the Board of Directors if needed.
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.	Although human resources policies are not available on the Bank's corporate website, the relevant regulations are summarized in the Human Resources Section of the Annual Report 2019.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
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.	Although the human resources policy is not available on the corporate website, the relevant regulations are summarized in the Human Resources Section of the Annual Report 2019.
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	Although there is no Ethical Rules Policy approved by the Board of Directors, there is an "Anti-Bribery and Anti-Corruption Policy" available on the Bank's corporate website. In addition, there are "QNB Finansbank Finance Professionals Code of Conduct Procedure" and "QNB Finansbank Employees Code of Conduct Procedure" published by the Board of Directors decision.
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.	Although there is no corporate social responsibility report published on the corporate website, Studies in this area can be accessed from the Corporate Social Responsibility and Sponsorships Section of the Bank's corporate website. The Social and Environmental Policy of the Bank is also available on the Bank's corporate website.
Any measures combating any kind of corruption including embezzlement and bribery	QNB Finansbank Anti-Bribery and Corruption Policy is published at the QNB Finansbank's corporate website (About QNB Finansbank- Policies - https://www.qnbfinansbank.com/en/about-qnb-finansbank/policies)

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	The self-evaluation process of the Board of Directors for 2019 was made in December 2019.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
ame(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegated duties and/or authorities
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	The Internal Control Unit submitted 4 reports to the Audit Committee in 2019 (an activity report for each quarter)
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	Annual Report 2019 -Evaluations of the Audit Committee on the activities of Internal Control, Internal Audit and Risk Management Systems and Information about their activities in the accounting period
Name of the Chairman	Dr. Ömer Arif Aras
Name of the CEO	Temel Güzeloğlu
If the CEO and Chair functions are combined; provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
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	As any damage that may be caused by the members of the board of directors during the discharge of their duties has been indured by professional liability insurance, the coverage amount is below 25% of the 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	The Board of Directors consists of 11 members, of which 2 are female.

Board Members

Name-Surname	Real Person Acting on Behalf of Legal Person Member	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He lost the Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
Dr. Ömer Arif Aras	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	16.04.2010	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Sinan Şahinbaş	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	16.04.2010	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Yousef Mahmoud H N Al-Neama	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	28.05.2019	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Adel Ali M A Al-Malki	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	28.05.2019	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Ali Teoman Kerman	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	16.04.2013	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Durmuş Ali Kuzu	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	25.08.2016	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Fatma Abdulla S Al Suwaidi	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	16.06.2016	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Noor Mohd / A Al-Naimi	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	22.06.2017	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Osman Reha Yolalan	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	16.06.2016	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Ramzi T. A. Mari	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	16.06.2016	Members of the Audit Committee are considered as independent members within the scope of Article 6 of the Corporate Governance Communiqué	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (Yes)
Temel Güzeloğlu	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	16.04.2010	-	Değerlendirilmedi (Not considered)	Hayır (No)	Evet (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)	The Board of Directors held 7 meetings physically in 2019. In addition, the Board of Directors took various resolutions within the scope of Article 390 of the Turkish Commercial Code in 2019 without having a meeting.
Director average attendance rate at board meetings	87%
Whether the board uses an electronic portal to support its work or not	Evet (Yes)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information and documents are submitted to the Board of Directors at least 5 days prior to the board meeting.
The name of the section on the corporate website that demonstrates information about the board charter	QNB Finansbank Corporate Website – Investor Relations – Corporate Governance (https://www.qnbfinansbank.com/en/investor-relations/corporate-governance)
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Limits specified in the banking legislation are applied.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report 2019 - Executive Committees under the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	As there is no PDP notification link, the working principles are summarized in the annual report. Annual Report 2019 - Executive Committees under 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
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Ramzi T. A. Mari	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Sinan Şahinbaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Ali Teoman Kerman	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Osman Reha Yolalan	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Burcu Günhar	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Denetim Komitesi (Audit Committee)	-	Ali Teoman Kerman	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)	-	Ramzi T. A. Mari	Hayır (No)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)	-	Durmuş Ali Kuzu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)	-	Noor Mohd J A Al-Naimi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Ömer Arif Aras	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Sinan Şahinbaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Fatma Abdulla S S Al-Suwaidi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Adel Ali M A Al-Malki	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Ali Teoman Kerman	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Ömer Arif Aras	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Sinan Şahinbaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Fatma Abdulla S S Al-Suwaidi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Yousef Mahmoud H N Al-Neama	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Temel Güzeloglu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Noor Mohd J A Al-Naimi	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Credit Committee	Osman Reha Yolalan	Hayır (No)	Yönetim kurulu üyesi (Board member)
Ücret Komitesi (Remuneration Committee)	-	Sinan Şahinbaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Ücret Komitesi (Remuneration Committee)	-	Yousef Mahmoud H N Al-Neama	Hayır (No)	Yönetim kurulu üyesi (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)	Annual Report 2019 - Executive Committees under 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)	Annual Report 2019 - Executive Committees under 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)	Annual Report 2019 - Executive Committees under the Board of Directors
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)	Annual Report 2019 - Executive Committees under 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)	Annual Report 2019 - Executive Committees under 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)	Annual Report 2019 - Assessment of the Bank's Financial Position, Profitability and Solvency
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	None
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)	Disclosed in the Annual Report 2019 under Financial Reports Section - Section Five Footnote VII.1.4.

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%	12	4
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	80%	60%	4	1
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	100%	20%	12	1
Diğer (Other)	Kredi Komitesi (Credit Committee)	83%	17%	as needed	-
Ücret Komitesi (Remuneration Committee)	-	100%	0%	5	1