

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

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## STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Türkiye Garanti Bankası A.Ş. ("Garanti BBVA" or "the Bank") complies with the corporate governance principles set out by the banking legislation, capital market legislation as well as the Turkish Commercial Code and other applicable legislation. Garanti BBVA pays the utmost attention to implement these principles. The Bank accordingly updates its annual reports and website, making them available to its stakeholders. The shareholders can access comprehensive information, get information about the latest developments and activities from the regularly updated Garanti BBVA Investor Relations website, and can address their questions to the Investor Relations Department and to the Subsidiaries and Shareholders Service.

In keeping with Garanti BBVA's commitment to corporate governance principles, information about the Bank's compliance with non-mandatory principles under the Corporate Governance Communiqué numbered II-17.1 is provided under the related headings of this report.

The Corporate Governance Committee was established in February 2013 pursuant to the Regulation on the Banks' Corporate Governance Principles published by the Banking Regulation and Supervision Agency

("BRSA") and the Communiqué Serial: IV-56 on the Determination and Implementation of Corporate Governance Principles issued by the CMB, which was effective at the time. The Committee is responsible for overseeing compliance with corporate governance principles and for ensuring that relevant improvement efforts are carried out in the Bank. In 2019, the Committee held 3 meetings with full participation of its members. The Board of Directors deemed that the activities performed by the Corporate Governance Committee in 2019 were efficient, appropriate, adequate and compliant with the relevant legislation. The activities of the Corporate Governance Committee are presented in detail in the Committees section.

On the other hand, Garanti BBVA, during 2019, achieved compliance with all of the mandatory principles of the Corporate Governance Communiqué No. II-17.1.

## AUDIT COMMITTEE'S REPORT



*Please refer to page 178 in the annual report for related information.*

## SHAREHOLDER RELATIONS

### SHAREHOLDING STRUCTURE



*Please refer to page 21 in the annual report for the Company's shareholding structure.*

## GENERAL SHAREHOLDERS' MEETINGS

General Shareholders' Meeting is held in accordance with the resolution adopted by the Board of Directors. For reaching the highest number of shareholders possible, the General Meeting announcement including the meeting date, venue, agenda and similar information is duly announced at least three weeks prior to the meeting date as per the provisions stipulated in the Communiqué via the Turkish Trade Registry Gazette, Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)), e-Governance Corporate Governance and Investor Relations ([www.mkk.com.tr](http://www.mkk.com.tr)), e-Company Companies Information Portal ([www.mkk.com.tr](http://www.mkk.com.tr)), e-General Meeting Electronic General Meeting System ([www.mkk.com.tr](http://www.mkk.com.tr)), the Bank's websites and two national newspapers. The Bank invites all stakeholders to the General Shareholders' Meeting, who will be voiceless during such meetings. Before the meeting, balance sheets, income statements and annual reports are made available for review by shareholders within the timeframe determined in the applicable legislation on the Garanti BBVA Investor Relations website, at the Head Office and at all branches. In General Shareholders' Meeting, agenda items are discussed and submitted for the shareholders' approval. Shareholders are entitled to ask questions, express their opinions and submit proposals regarding the agenda items. Questions are handled and answered in accordance with

the regulations of the Capital Markets Board as well as the principles and procedures specified in the Turkish Commercial Code. Proposals are submitted for approval at the General Shareholders' Meeting and become effective if approved by the specified majority. The meeting minutes and the list of attendants of the General Shareholders' Meeting are posted on the Public Disclosure Platform (KAP), e-Company Companies Information Portal, e-General Meeting Electronic General Meeting System, and Garanti BBVA Investor Relations website on the same day, and is published in the Trade Registry Gazette following its registration.

Resolutions adopted in the General Shareholders' Meeting are carried out in accordance with the legal procedures within due time. Pursuant to the provisions of the Regulation on Electronic General Meeting at Joint Stock Companies and the Communiqué on Electronic General Meeting System Applicable at General Assemblies of Joint Stock Companies, attendance to, and voting at, the General Shareholders' Meeting by electronic means is permissible. In addition, holders of depositary receipts have the right to vote and can do so at the General Shareholders' Meeting. The minutes and the list of attendants of the General Shareholders' Meeting are available to shareholders on Garanti BBVA Investor Relations websites. These documents can also be obtained from the Subsidiaries and Shareholders Service.

Garanti BBVA held its Ordinary General Shareholders' Meeting for the period 01 January 2018-31 December 2018 on 04 April 2019 and meeting quorum realized at 85.90%. Media representatives did not attend the General Shareholders' Meeting. At the meeting, one shareholder lodged a statement of opposition, and expressed

demands; in response, necessary information has been given within the frame of the CMB regulations and the principles and procedures set out in the Turkish Commercial Code.

There were no transactions in the reporting period for which the decision was left to the General Assembly of Shareholders by reason of dissenting votes cast by independent board members.

### INFORMATION ON DONATIONS AND GRANTS IN 2019

The total amount of donations and grants made by the Bank in the reporting period is TL 6,818,454. Based on its commitment to add value to the society, the Bank makes donations and contributions mostly to persons, non-governmental organizations, societies or foundations, public entities and organizations that work in the fields of education, culture, art, environment and sports. Donations can also be made to promote the Bank's corporate identity and to expand the coverage of banking activities.

Amounts and beneficiaries of the donations made in 2019 are as follows:

BENEFICIARIES	AMOUNT
ÖĞRETMEN AKADEMİSİ VAKFI (TEACHERS ACADEMY FOUNDATION)	3,205,090
VARIOUS FOUNDATIONS, SOCIETIES, INDIVIDUALS AND INSTITUTIONS	1,589,370
UNIVERSITIES AND EDUCATIONAL INSTITUTIONS	1,542,144
AYHAN ŞAHENK VAKFI	425,000
TÜRKİYE EĞİTİM GÖNÜLLÜLERİ VAKFI (EDUCATIONAL VOLUNTEERS FOUNDATION OF TURKEY)	41,600
DOĞAL HAYATI KORUMA VAKFI (WORLD WILDLIFE FUND - TURKEY)	15,250
<b>TOTAL</b>	<b>6,818,454</b>

Information regarding the amounts and beneficiaries of donations and contributions

made by the Bank during the reporting period is provided to the shareholders under a dedicated agenda item during the General Shareholders' Meeting.

### VOTING RIGHTS

Shareholders' voting rights and exercise of these rights are set out in Article 38 of Garanti BBVA Articles of Association. There are no privileged voting rights at the General Shareholders' Meetings of Garanti BBVA. The Bank is not in a cross-shareholding relationship with any company, therefore no such votes were cast at the latest General Shareholders' Meeting.

### DIVIDEND RIGHT

The Bank's Dividend Distribution Policy is as follows:

"The details of our Bank's dividend distribution policy are specified in Articles 45, 46, and 47 of the Articles of Association. In this context, by taking into account our Bank's growth in accordance with its goals within the sector and its financial needs, the General Assembly is authorized to distribute dividend in cash or capitalize the dividends and distribute the bonus shares which are to be issued by the Bank, or implement both methods together, and execute the dividend distribution within the time period specified in the relevant legislation.

Following the affirmative opinion of the Banking Regulation and Supervision Agency, the Bank's dividend distribution policy is in the manner to distribute up to 30% of the distributable profit in cash or bonus shares, provided that there is no unfavorable situation in the local and/or global economic conditions and the standard rates, which are specified by the protective measures in the Banking Law No. 5411 and its sub-regulations, are at the targeted level. Following the set aside of the legal reserves

and the funds which have to be saved by the Bank, the remaining net profit amount which has not been distributed to the shareholders should be transferred to the Extraordinary Reserve Account.

Dividend distribution shall start within 3 months after the date of distribution decision at the latest, that it is started at the end of the accounting period in which decision of the distribution is given by general assembly meeting. There is no dividend advance payment in the Bank.

In accordance with Article 46 of the Articles of the Association, the dividend distribution proposals shall be submitted for approval of the General Assembly following a decision by the Board of Directors in this regard, by taking into account the Bank's operational performance, financial needs, growth target and the legal regulations applicable to the Bank.

The dividend distribution resolution becomes effective when adopted in the General Assembly Meeting and resolutions shall be published via Public Disclosure Platform on the same day the resolution becomes effective".

At the General Shareholders' Meeting held on 04 April 2019, it was resolved to retain and not to distribute the Bank's after-tax net distributable profit for the period for 2018 and to transfer the same to the Extraordinary Reserve Account in view of the Bank's growth targets, long-term strategy, national and international economic developments, within the frame of the Banking Law, Capital Market Law and related legislation, as well as Article 45 of the Bank's Articles of Association and the Dividend Distribution Policy. It was further resolved that; (i) the amounts that were exempted from the Corporate Tax and (ii)

allocated to the special fund account as the requirements in the applicable legislation were satisfied pursuant to Article 5-1(e) of the Corporate Tax Law and the profit that accrues because of the Company's initial transition to the TFRS 9 Financial Instruments Standard as of 01 January 2018 and that is categorized under the "Prior Year Profit/Loss" item, be transferred to the Extraordinary Reserve Account.

**STAKEHOLDERS  
INFORMING STAKEHOLDERS**

The stakeholders can participate in management through specially designed systems and meetings. In order to ensure accurate and reliable information flow, the Investor Relations Department prepares presentations on quarterly financial statements; the Department shares these presentations with the stakeholders through its website, tablet PC and mobile applications, and responds to questions during live webcasts/teleconferences, the audio recordings of which are subsequently posted on these public channels.

In addition to handling customer complaints through a variety of alternative channels, the Customer Experience Support Team also carefully considers customers' suggestions. Garanti BBVA provides its customers with the means to communicate their complaints, and comments about management any time through the contact form on its website, by leaving a voice message on the phone line at 444 0 333, its social media platforms, i.e. Garanti BBVA Facebook page and Twitter Garanti BBVA'ya Sor (Ask Garanti BBVA) account.

Additionally, in case of violation of the customers' rights protected by regulations and contracts, the Bank provides efficient and fast remedy, and facilitates the use

of loss indemnification mechanisms by customers who have incurred any loss.

At the completion of the service customers receive from branches, the Customer Contact Center, Customer Experience Support Team and digital channels, they are asked to respond to a survey via phone, email or digital channels. Survey outcomes are carefully studied and the feedbacks received are converted into improvement actions. Customer feedbacks received especially at times of new product launches and process modifications are sensitively followed through, followed by arrangements to processes as necessary.

Garanti BBVA objectively assesses investors' expectations, their opinions regarding the Bank and the management by way of a "Perception Study". The study is conducted by third party companies, thus supporting impartial and transparent communication. Within this frame, improvement areas are analyzed and action plans are created.

In order to ensure that employees take active role in decision-making mechanisms and to benefit from innovative opinions, Garanti BBVA keeps dialogue channels bi-directional. While there are no written internal regulations on employee participation in management, employees are provided with the opportunity to make assessments in all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions.

Making systematic use of various channels, including employee opinions, the intranet, employee engagement survey, internal customer satisfaction survey, and the voice of employee platform GONG, the Bank aims to increase employee satisfaction and employee engagement.

Garanti BBVA carries out an Employee Engagement Survey each year to gather employees' opinions on work-life balance, performance management, remuneration and training & development opportunities. In 2019, Employee Engagement score was 70%.

360 Degree Assessment and Feedback collects employee opinions regarding themselves, their colleagues, line managers and team members, and aims to establish the culture of giving and receiving feedback. This process also allows employees to recognize their strengths and improvement opportunities, and devise their personal development plans accordingly.

Suggestion and idea platforms Önersen, GONG, and Atölye and the "Ask/Share" section of the intranet portal serve as a means for employees to submit their suggestions and ideas. "Önersen" (You Suggest) has been instrumental in collecting 992 suggestions in 2019, two of which were rewarded. More than 24,000 ideas in the aggregate have been communicated via this channel since 2007. Through GONG, the voice of employee platform about Talent and Culture practices and the working environment, 230 opinions were gathered in 2019.

Each year, the CEO and the executive team bring the total employee base together at the Future Meeting and share & assess Garanti BBVA's current outlook and its strategy, goals & objectives for the year ahead.

## BOARD OF DIRECTORS STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

Süleyman Sözen is the Chairman of the Board of Directors. The Chairman has no executive functions and the executive member of the Board is Chief Executive

Officer Recep Baştuğ, who is a natural member of the Board.

CMB requirements regarding Corporate Governance Principles stipulate that minimum three independent members must serve on the boards of directors of banks. Pursuant to such requirements, since the Board members assigned as members of the Audit Committee are deemed as independent Board members, Jorge Saenz-Azcunaga Carranza, who currently serves as the Head of the Audit Committee, and Sema Yurdum and Ricardo Gomez Barredo, who currently serve as the Audit Committee members, are deemed as independent Board members.

On the other hand, at the Ordinary General Shareholders' Meeting held in 2019, it was resolved that the number of the board members be increased from nine to ten excluding the CEO pursuant to Article 18 of the Articles of Association and that Sema Yurdum, who was elected as an independent board member to serve for the remaining term of office specified under the independence criteria within the scope of the clause 4.3.6. of the Corporate Governance Principles stipulating "Not to have conducted membership of board of directors more than a term of six years in the last ten years, and whose term of office as an independent board member expired be elected to the newly established membership to fill the remaining term of office of other Board Members, and it was further resolved that Mevhibe Canan Özsoy, be elected as an independent board member to fill the remaining term of office of other Board Members for whom the Capital Markets Board of Turkish Republic did not express an adverse opinion regarding her independent board membership candidature in accordance

with the Corporate Governance Principles of the CMB. On the other hand, Sema Yurdum is deemed an independent member since her duty as a member of the Bank's Audit Committee continues.

The Corporate Governance Committee report dated 22 January 2019 stating that Mevhibe Canan Özsoy satisfies the independence criteria has been submitted to the Board of Directors and the Board of Directors resolved to notify her independent board membership candidature to CMB.

Quoted below is the declaration of independence by Mevhibe Canan Özsoy, who was elected as an independent Board member at the Ordinary General Shareholders' Meeting held in 2019:

### TO TÜRKİYE GARANTİ BANKASI A.Ş. CORPORATE GOVERNANCE COMMITTEE,

I hereby declare that I stand for serving as an "independent member" on the Bank's Board of Directors pursuant to the provisions of the Communiqué Serial: II-17.1 on Corporate Governance Principles issued by the Capital Markets Board of Turkey. In this context, I hereby declare as follows:

- a) I have not held a seat on the Bank's Board of Directors for more than six years in the past ten years,
- b) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with

which the Bank, any company in which the Bank has management control or significant influence, or any shareholder having management control or significant influence over the Bank or any corporate entity in which these shareholders have management control,

c) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the Bank purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Bank, in the past five years,

d) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

e) I am not a full-time employee of public institutions and establishments as at the date of nomination,

f) I am considered to be a resident of Turkey as for the purposes of the Income Tax Law,

g) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Bank's operations, maintaining my independence in possible conflicts of interest between the Bank's shareholders, and making decisions freely taking into consideration the rights of stakeholders,

h) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the Bank's affairs and to fully meet the requirements of the duties I undertake,

i) I am not serving as an independent board member in any company, which is

controlled by the Bank or by shareholders having management control over the Bank, j) I will be serving on the Bank's Board of Directors as a real person and in this context, I have not been registered and promulgated in the name of any corporate entity elected as a board member."

On the other hand, no circumstances arose in 2019 fiscal year, which prejudiced the independence of independent Board members.

The Board of Directors of Garanti BBVA is formed of 11 members, and the number of women members increased from 1 to 2 during 2019.

*Résumés, terms of office and positions of the Board members are presented on pages 142, 143 and 144 of the Annual Report. The positions held by the Bank's Board members in and out of the Group are stated in their résumés.*

Pursuant to Article 396 of the Turkish Commercial Code, the General Assembly authorized the members of the Board of Directors of Garanti BBVA to execute a transaction of a commercial business nature that falls under the Bank's field of operation on their own or other's behalf or to become a partner with unlimited liability in a company engaged in the same kind of commercial affairs, during the reporting period.

#### **WORKING PRINCIPLES AND PROCEDURES OF THE BOARD OF DIRECTORS**

The Board of Directors of the Bank as the highest body of representation, direction, management and oversight of the Bank operates in order to fulfill the roles and responsibilities appointed to it

by the Articles of Association and related legislation. In 2019, the Board of Directors resolved 18 decisions by satisfying the required quorums for meeting and decision.

*Garanti BBVA's Internal Directive on the Working Principles and Procedures of the Board of Directors is available at [www.garantibbvainvestorrelations.com](http://www.garantibbvainvestorrelations.com), under Corporate Governance > Policies section.*



#### **RELATED PARTY TRANSACTIONS**

As of 31 December 2019, the total amount of operating income generated by the parent bank and its consolidated financial affiliates ("the Group") on related party transactions is 0.15% of the Group's total operating income. In addition, the total of the shares representing the share capital in its related parties owned by the Group and cash and non-cash loans and other receivables provided to related parties by the Group are around 2% of the Group's consolidated regulatory capital used for the calculation of legal limits, and the total of cash portions of such risks accounts for 0.03% of total consolidated assets in the financial statements drawn up in accordance with the Turkish Financial Reporting Standards and the explanations provided by the BRSAs as of the same date.

#### **REMUNERATION**

As published on the Bank's website, a Compensation Policy has been formulated for the Bank's employees in accordance with the banking and capital market legislation, and it has been approved by the Board of Directors. Pursuant to the Bank's Compensation Policy, the policy encourages fair, transparent, measurable and sustainable success among employees and is in alignment with the Bank's risk principles. The compensation structure consists of fixed income and variable income

items. The Remuneration Committee and the Talent and Culture Unit authorized by this Committee are responsible for reviewing and duly executing the compensation policies.

The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Shareholders' Meeting. As of 31 December 2019, the net payment provided or to be provided to the key managers of the Bank, including the members of the Board of Directors, including compensations paid to key management personnel who left their position during the year, amounted to TL 98 million 589thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including Board members are subject the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively.

Members of the Bank's Board of Directors are paid attendance fees. The amount of the attendance fee is determined and approved at the General Shareholders' Meeting. In addition to the attendance fee paid to the Board members, it has been decided at the Ordinary General Shareholders' Meeting held in 2019 that payments to be made to those Board members who assume a specific position in the Bank, and to independent Board members be determined by the Remuneration Committee that has been authorized by the Board of Directors pursuant to Corporate Governance Principles. It has also been

resolved to set a maximum limit of TL 30,000,000 net for the total compensation so determined and will be paid until the first ordinary general shareholders' meeting to be convened in 20120.

Furthermore, other financial rights to be provided to the Senior Management consisting of the members of the Board of Directors, the CEO and Executive Vice Presidents are determined by the Remuneration Committee that is established in accordance with the Regulation on the Banks' Corporate Governance Principles published by the Banking Regulation and Supervision Agency. Under the provisions of the said Regulation, the Remuneration Committee has determined the manner of payments to Senior Management and the criteria for performance-based payments, by taking into account the European Union regulations and practices. Accordingly, Senior Executives receive performance-based payments in addition to their monthly salaries, which payments are determined by the Remuneration Committee based on objective criteria including the economic profitability and key performance indicators of the Bank, as well as subjective criteria based on the respective personal performance. The Remuneration Committee ensures that such payments do not negatively affect the Bank's capital adequacy ratio and continuity of the Bank's operations. Part of the performance-based payments are made in installments and spread over future periods.

At the Ordinary General Shareholders' Meeting held in 2019, the following information has been provided to the shareholders regarding the compensation principles applicable to senior management.

"Our Bank has established and announced a compensation policy for all employees pursuant to applicable legislation. A fair, performance and success-based remuneration policy has been created. Our Bank's Compensation Policy has been implemented as approved and it is reviewed periodically. In addition to the compensation policy covering the Bank's entire personnel, the Remuneration Committee continued to implement the policies it has set in relation to remuneration and bonuses to be paid to the members of the Board of Directors who assume administrative roles and to senior executives, which do not rely solely on profit. The Committee reviewed the same at certain intervals. The policy, which has been developed in line with the local legislation and international practices, continued to be implemented.

The portion of 10.88% of the total personnel expenses figure for the benefits provided in 2019 to the Bank's employees including the Board members and senior management in the financial statements results from the performance-based bonuses of all employees and variable salary payments.

Subject to the restrictions imposed by the banking legislation, the Bank may extend loans to Board members and executives. On the other hand, the loans to be disbursed by Garanti BBVA to the members of the Board of Directors and managers are restricted to specific framework by Article 50 of the Banking Law. The Bank does not disburse loans to the members of the Board of Directors and managers outside of the above mentioned framework."

 *Detailed information on the Remuneration Committee can be found in the Annual Report, page 150.*

**CORPORATE GOVERNANCE COMPLIANCE REPORT**

COMPLIANCE STATUS						
	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS</b>						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors on the corporate website.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
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					
<b>1.4. VOTING RIGHTS</b>						
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					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
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 minority rights.			X			Contrary to what is suggested in the principle numbered 1.5.2, there is no provision in the Bank's Articles of Association to extend the use of minority rights to those who own less than one twentieth of the outstanding shares. Shareholders constituting at least one twentieth of the capital are entitled to request the Board of Directors to summon the general assembly for a meeting, by specifying the grounds therefor along with the agenda, which should both be put in writing, or if the general assembly is already scheduled to meet, then to request the addition of matters they wish to be decided to the agenda, under Article 411 of the Turkish Commercial Code No. 6102. As and when such a request is received, the Bank takes the utmost care for facilitating the exercise of minority rights. In-line with our Bank's proactive, transparent and consistent communication strategy, utmost care is given to ensure that information is delivered with equal opportunities for everyone at all times. Bilingual Investor Relations (IR) web site, mobile applications developed in Turkish and English offer constant and worldwide access to the relevant information by focusing on the needs of the whole investors. Garanti BBVA Investor Relations website contains stock data, corporate information, periodically published financial statements and annual reports, information about corporate governance, sustainability and projects that add value to the society. This website also gives access to Material Event Disclosures pertaining to developments regarding Garanti BBVA, which are disclosed to the public via the Public Disclosure Platform. This website also responds to all sorts of user needs with the Investor Kit that contains basic, practical information and the Download Center function that covers all documents.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Assembly is posted on the company website.	X					
1.6.2 - The dividend 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					
1.6.4 - The Board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The Board of Directors ensures that the annual report fully and accurately reflects the activities of the company.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals) regulate the participation of employees in management.			X			Contrary to what is suggested in the principle numbered 3.2.1, there are no written internal regulations in the the participation of employees in Management. However, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions. Senior and middle-level managers participate in decision-making mechanisms via 34 committees. However, in the following periods, the appointment of one representative each from the branch and Headquarter to the our Bank's Employee Committee and the discussion of the decisions to be submitted to the Employee Committee on our employees platform called 'GONG' will be evaluated.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them, and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
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					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
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					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
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					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
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					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
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					

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
4.2.8 - The company has subscribed to a Directors and Officers Liability insurance covering more than 25% of the capital.		X				The Bank's paid-in capital is TL 4.2 billion; and it has subscribed to a Directors and Officers Liability cover with a limit of EUR 100 million for the individual liabilities of executives and Board Members arising from their improper conduct.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
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			We are not currently in full compliance with the recommendation however the Bank intends to increase the participation of women directors in the Board and gradually increase their percentage in the coming years. The current board holds an extensive experience in banking which is extremely important for the Bank especially in these globally volatile markets. However, in parallel to BBVA's policies on this issue the Bank intends to favor female candidates to be nominated in the future if there is a replacement of a board member or re-selection of the full board.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
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					
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				Board members' external commitments are presented for the information of shareholders at the General Meeting. The Bank's Board members comply with the banking legislation regarding the external entities they can serve. There is no internal written regulation specifying any limitations in this respect.

	YES	PARTIALLY	NO	EXEMPTED	N/A	REMARKS
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			When the number of members of the Board of Directors and the number of members of the committees are taken into consideration, a member of the Board of Directors may take part in more than one committee. On the other hand, the only committee established according to the Corporate Governance Principles is the Corporate Governance Committee (with the functions of the Nominating Committee). There are three members of the Board of Directors in the Corporate Governance Committee. Other Board Committees (Risk, Credit, Audit and Remuneration) were established in accordance with the Banking Law No. 5411.
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					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a Board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
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 favor of them.					X	
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The benefits provided to the Board of Directors members and senior executives are shown in the Financial Statements, and the upper limit of total remuneration to be paid during any given year to Board members undertaking a specific role at the Bank and to independent Board members are submitted for approval and determined at the General Meeting of Shareholders. As of 31 December 2019, the net payment provided or to be provided to the key managers of the Bank, including the members of the Board of Directors, including compensations paid to key management personnel who left their position during the year, amounted to TL 98 million 589 thousand. As the public disclosures regarding the remunerations and benefits provided to key managers including Board members are subject the BRSA's regulations on the banks' qualitative and quantitative disclosures with regard to the remuneration policies, such remunerations and benefits are disclosed cumulatively.

## CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS	REMARKS / RELATED LINKS
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	In 2019, Garanti BBVA Investor Relations team participated in 35 investor conferences and roadshows held in 16 cities in Asia, USA and Europe. The team held face-to-face meetings with 667 international investment funds. CEO attended 1 out of 3 meetings.
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION	
The number of special audit request(s)	None. The appointment of a special auditor has not been set forth as an individual right in the Articles of Association of the Bank. However, pursuant to Article 438 of the Turkish Commercial Code No. 6102, shareholders have the right to request a special audit from the General Assembly of Shareholders, whether included in the agenda or not, in order to clarify certain aspects within the frame of exercising shareholders' rights, provided that shareholders making such request have previously exercised the right to obtain or review information as stipulated in the Turkish Commercial Code. So far, Garanti BBVA has not received any request for the appointment of a special auditor. If such a request is received, then the Bank will take maximum care for facilitating the exercise of such special audit right.
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 (ad)	<a href="https://www.kap.org.tr/en/Bildirim/752881">https://www.kap.org.tr/en/Bildirim/752881</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Available. The link to the related website: Turkish: <a href="https://www.garantibbvainvestorrelations.com/tr/kurumsal-yonetim/olagan-genel-kurul-toplantilari/Olagan-Genel-Kurul-Toplantilari/452/0/0">https://www.garantibbvainvestorrelations.com/tr/kurumsal-yonetim/olagan-genel-kurul-toplantilari/Olagan-Genel-Kurul-Toplantilari/452/0/0</a> English: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
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	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Donation-and-Contribution-Policy/99/410/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Donation-and-Contribution-Policy/99/410/0</a>
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/tr/Bildirim/265119">https://www.kap.org.tr/tr/Bildirim/265119</a>
The number of the provision(s) of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	While the Articles of Association does not contain any provisions to that effect, the Bank invites all stakeholders to the General Meetings of Shareholders, who will be voiceless during such meetings.

Identified stakeholder groups that participated in the General Meeting of Shareholders, if any	General Meeting minutes are available to shareholders in media and locations stipulated by applicable legislation. The members of the media did not attend the General Meeting convened in 2019. The Bank invites all stakeholders to the General Meetings of Shareholders, who will be voiceless during such meetings.
<b>1.4. VOTING RIGHTS</b>	
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	There are no voting privileges
The percentage of ownership of the largest shareholder	49.85%
<b>1.5. MINORITY RIGHTS</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of association	No
If yes, specify the relevant provision of the articles of association	None
<b>1.6. DIVIDEND RIGHT</b>	
The name of the section on the corporate website that describes the dividend distribution policy	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Dividend-Distribution-Policy/96/407/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Dividend-Distribution-Policy/96/407/0</a>
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	The Board of Directors' proposal for the distribution of the Bank's 2018 Balance Sheet Profit was laid down for approval at the General Meeting of Shareholders held on 04 April 2019 and approved with majority of votes. It is resolved that, in accordance with the Banking Law, Capital Markets Law and related regulations, Article 45 of the Bank's Articles of Association and Profit Distribution Policy, considering the Bank's growth target, its long term strategy, along with domestic and international economic developments, the proposal of the Board of Directors regarding the transfer of the distributable net profit realized in the 2018 accounting period to the Extraordinary Reserves Account without being distributed to the shareholders, be approved. The information provided to our Shareholders regarding the subject is stated in article 5 of the document whose link follows: <a href="https://www.garantibbvainvestorrelations.com/en/images/pdf/2019_04_04_Information_regarding_the_results_of_Ordinary_General_Shareholders_Meeting.pdf">https://www.garantibbvainvestorrelations.com/en/images/pdf/2019_04_04_Information_regarding_the_results_of_Ordinary_General_Shareholders_Meeting.pdf</a>
PDP link to the related general meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	<a href="https://www.kap.org.tr/en/Bildirim/752881">https://www.kap.org.tr/en/Bildirim/752881</a>
General Meeting Date	4.04.2019
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate in the General Shareholders' Meeting	85.9
Percentage of shares directly present at the GSM	0.001%
Percentage of shares represented by proxy	99.999%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the number of votes for or against	Garanti BBVA Investor Relations web site Main Page > Corporate Governance > Annual General Meeting <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
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	Garanti BBVA Investor Relations web site Main Page > Corporate Governance > Annual General Meeting <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Ordinary-General-Shareholders-Meetings/Annual-General-Meeting/102/0/0</a>
The number of the relevant item or paragraph of the General Shareholders' Meeting minutes in relation to related party transactions	None
The number of declarations by insiders received by the board of directors	594

2. DISCLOSURE AND TRANSPARENCY	
2.1. CORPORATE WEBSITE	REMARKS / RELATED LINKS
Specify the names of the sections of the website providing the information requested by the Principle 2.1.1.	<p>Trade registry information: Garanti BBVA Investor Relations website Home &gt; Contact &gt; Garanti BBVA</p> <p>Latest shareholding and management structure: Garanti BBVA Investor Relations website Home &gt; About Garanti BBVA &gt; Shareholding Structure</p> <p>Detailed information on preference shares: There are no preference shares. The latest version of the Articles of Association: Garanti BBVA Investor Relations website Home &gt; Corporate Governance &gt; Articles of Association Disclosures: Garanti BBVA Investor Relations website Home &gt; News &gt; Disclosures</p> <p>Financial Reports and Annual Reports: Garanti BBVA Investor Relations website Home &gt; Library</p> <p>Prospectuses and other public disclosure documents: Garanti BBVA Investor Relations website Home &gt; News &gt; Disclosures</p> <p>General meeting documents: Garanti BBVA Investor Relations website Home &gt; Corporate Governance &gt; Annual General Meetings</p> <p>Dividend distribution policy: Garanti BBVA Investor Relations website Home &gt; Corporate Governance &gt; Policies &gt; Dividend Distribution Policy</p> <p>Disclosure policy: Garanti BBVA Investor Relations website Home &gt; Corporate Governance &gt; Policies &gt; Disclosure Policy</p> <p>Ethical rules created by the company: Garanti BBVA Investor Relations website Home &gt; Corporate Governance &gt; Policies &gt; Garanti BBVA Code of Ethics</p> <p>Frequently asked questions: Garanti BBVA Investor Relations website Home &gt; FAQ"</p>
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	<a href="https://www.garantibbvainvestorrelations.com/en/about-garanti/detail/Shareholding-Structure/7/16/0">https://www.garantibbvainvestorrelations.com/en/about-garanti/detail/Shareholding-Structure/7/16/0</a>
List of languages for which the website is available	<p>Garanti BBVA has two different websites prepared in Turkish and English languages. These can be accessed as follows:</p> <p>The website in Turkish: <a href="http://www.garantibbva.com.tr">www.garantibbva.com.tr</a></p> <p>The website in English: <a href="http://www.garantibbva.com">www.garantibbva.com</a></p> <p>Garanti BBVA Investor Relations website provides detailed information, both in Turkish and English, about data that are required to be covered in websites as per the Corporate Governance Principles and all other information about Garanti BBVA and share in line with stakeholders' needs. Investor Relations website in Turkish: <a href="http://www.garantibbvayayirimciiliskileri.com">www.garantibbvayayirimciiliskileri.com</a> Investor Relations website in English: <a href="http://www.garantibbvainvestorrelations.com">www.garantibbvainvestorrelations.com</a>"</p>
2.2. ANNUAL REPORT	
THE PAGE NUMBERS AND/OR NAMES 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 external of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Section: Board of Directors, Page: 142 Declaration of Independence, Page: 185
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	Section: Committees, Page: 149

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	Section: Governance, Page: 30
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in legislation which may significantly affect the activities of the corporation	Section: Important developments regarding 2019 operations, Page: 175
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	Section: Important developments regarding 2019 operations, Page: 175
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	Section: Service Providers, Page: 538
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%	Consolidated Financial Statements As of and For the Year Ended 31 December 2019, Section: 5.1.10.2, Page: 478
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	Included in multiple sections: Investing in Human Capital, Responsible and Sustainable Development, Customer Experience, Pages: 122, 132, 96

### 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	Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	169
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Garanti BBVA Compliance Department (related committee: Integrity Committee)
The contact detail of the company alert mechanism	Garanti BBVA Whistleblowing Channel etikbildirim@garantibbva.com.tr 0 212 318 23 75"

#### 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.	While there are no written internal regulations, employees are provided with the opportunity to comment on all projects and activities carried out in line with the Bank's strategic priorities, ensuring their involvement in decisions.
Corporate bodies where employees are actually represented	From amongst employees, upper and middle level managers take part in decision-making mechanisms via 34 committees. Please see the Committees section in the Annual Report for further details. In order to ensure that employees take active role in the decision-making mechanism and to benefit from innovative opinions, suggestion and idea platforms Önersen, GONG, and Atölye and the "Ask/Share" section of the intranet portal serve as a means for employees to submit their suggestions and ideas.

#### 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	There is a succession plan for key management positions, which is regularly followed up by the executive Board member and Executive Vice President on an annual basis.
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	Declaration of human rights and human resources policy are posted on the Investor Relations website. Related links are as follows: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Declaration-of-Human-Rights/584/1866/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Declaration-of-Human-Rights/584/1866/0</a> <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0</a>

<p>Whether the company provides an employee stock ownership program</p>	<p>There is a plan for "identified personnel", which is described in the Compensation Policy. As at year-end 2019, there are 28 identified employees serving at the Bank. In the variable payments made to identified employees, payment is made in cash and by non-cash means (linked to share certificates) in line with the "Guidelines on Good Compensation Practices in Banks". In payment practices that rely on non-cash means within the scope of 2019 variable payments of identified employees, Banco Bilbao Vizcaya Argentaria S.A. share will be taken as basis. Link for the Compensation Policy: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0</a></p>
<p>The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy</p>	<p>The Human Resources Policy and Code of Conduct are posted on the Investor Relations website. Related links are as follows:  <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Human-Resources-Policy/97/408/0</a>  <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Code-of-Conduct/94/405/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Code-of-Conduct/94/405/0</a></p>
<p>The number of definitive convictions the company is subject to in relation to health and safety measures</p>	<p>Garanti BBVA repositioned its Occupational Health and Safety (OHS) team set up under the Human Resources Department in 2013 as the OHS Section in 2015. OHS activities are carried out across the country with a team of 41 people covering Occupational Safety Experts, On-Site Physicians and On-Site Nurses. Authoring a first among financial service institutions of a similar size in Turkey, Garanti BBVA launched the OHS software in all of its locations. The Bank uses the platform to keep track of various activities including risk assessment, health monitoring, training programs, OHS Committees, near misses, work place accidents, review of occupational illness processes, and coordination and control of countermeasures. Going well beyond the requirements brought by the national legislation in its Occupational Health and Safety practices and activities, Garanti BBVA initiated work in relation to OHSAS 45001 Occupational Health and Safety Management System that will replace OHSAS 18001, and these efforts are intended to enhance employee and stakeholder satisfaction and well-being. There is no final court decision rendered against the company in relation to health and safety measures in 2019.</p>
<p><b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b></p>	
<p>The name of the section on the corporate website that demonstrates the code of ethics</p>	<p>Garanti BBVA Investors Relations website Home &gt; Corporate Governance &gt; Policies &gt; Garanti BBVA Code of Conduct</p>
<p>The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide information about any measures taken on environmental, social and corporate governance issues.</p>	<p>Garanti BBVA publishes integrated annual reports; hence, the Bank does not release a separate sustainability or corporate social responsibility report. The Bank discloses its entire value creation, both financial and non-financial, within the frame of materiality analysis, its strategic priorities, and its performance in these aspects. Addressed in a comprehensive scope extending from customer experience to employee satisfaction, from digital transformation to responsible and sustainable development, these topics, along with the information on risk management and corporate governance can be found in the integrated annual report. Garanti BBVA Investor Relations website Home &gt; Library &gt; Publications &amp; Reports &gt; Annual Reports</p>
<p>Any measures combating any kind of corruption including embezzlement and bribery</p>	<p>Garanti BBVA's Anti-Corruption Policy sets out the actions that need to be taken to prevent and determine across the Bank cases posing corruption risk, and to encourage reporting thereof. Furthermore, In order to prevent corruption, our Bank and its subsidiaries are engaged in an "anti-corruption program". In-class and e-learning trainings covering these subjects are assigned to all personnel.</p>

4. BOARD OF DIRECTORS - I	
4.2. ACTIVITY OF THE BOARD OF DIRECTORS	REMARKS / RELATED LINKS
Date of the last board evaluation conducted	In its meeting on 19 February 2019, the Corporate Governance Committee that also functions as the Nomination Committee in line with the applicable legislation evaluated the composition and activities of the Board of Directors to be adequate and compliant with the legislation. The Board of Directors has been informed on the issue during the Board of Directors meeting held on 4 March 2019.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Based on the Bank's Board of Directors decision dated 29 March 2018, it has been decided to reassign Muammer Cüneyt Sezgin as the Board director in charge of the duties and responsibilities within the scope of internal systems, save for "Risk Management" duties that have been delegated to the Risk Committee as per the applicable legislation, which will be based on the Audit Committee's opinions, suggestions, assessments and the like.
Number of reports presented by internal auditors to the audit committee or any other relevant committee of the board	7 in 2019
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	Section: Internal Systems Governance, Page: 163
Name of the Chairman	Süleyman Sözen
Name of the CEO	Recep Baştuğ
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	PDP disclosure link is not available. Annual Report: Corporate Governance Compliance Report / Board of Directors The Bank's capital is TL 4.2 billion, and a Directors and Officers Liability cover for EUR 100,000 has been obtained for the individual liabilities of Executives and Board directors associated with improper performance of their duties.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	There are 2 women members representing 18% of the full number of members.

NAME/SURNAME OF BOARD MEMBER	WHETHER EXECUTIVE DIRECTOR OR NOT	WHETHER INDEPENDENT DIRECTOR OR NOT	THE FIRST ELECTION DATE TO BOARD	LINK TO PDP NOTIFICATION THAT INCLUDES THE INDEPENDENCY DECLARATION	WHETHER THE INDEPENDENT DIRECTOR CONSIDERED BY THE NOMINATION COMMITTEE	WHETHER SHE/HE IS THE DIRECTOR WHO CEASED TO SATISFY THE INDEPENDENCE OR NOT	WHETHER THE DIRECTOR HAS AT LEAST 5 YEARS' EXPERIENCE ON AUDIT, ACCOUNTING AND/OR FINANCE OR NOT
Süleyman Sözen	No	No	29.May.97	-			Yes
Jorge Sáenz-Azcúnaga Carranza	No	Yes	24.Mar.16	-	No	No	Yes
Ergun Özen	No	No	14.May.03	-			Yes
M. Cüneyt Sezgin, Ph.D.	No	No	30.Jun.04	-			Yes
Sema Yurdum	No	Yes	30.Apr.13	-	No	No	Yes
Jaime Saenz De Tejada Pulido	No	No	2.Oct.14	-			Yes
Javier Bernal Dionis	No	No	27.Jul.15	-			Yes
Recep Bastug	Yes	No	6.Sep.19	-			Yes
Rafael Salinas Martinez de Lecea	No	No	8.May.17	-			Yes
Ricardo Gomez Barredo	No	Yes	8.May.17	-	No	No	Yes
Mevhibe Canan Özsoy	No	Yes	4.Apr.19	<a href="https://www.kap.org.tr/en/cgif/4028e4a140f2ed720140f37cb2a601b7">https://www.kap.org.tr/en/cgif/4028e4a140f2ed720140f37cb2a601b7</a>	Yes	No	Yes

4. BOARD OF DIRECTORS - II	
4.4. MEETING PROCEDURES OF THE BOARD OF DIRECTOR	REMARKS / RELATED LINKS
Number of physical board meetings in the reporting period (meetings in person)	The Board held 10 physical meetings in 2019.
Director average attendance rate at board meetings	76,8%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	4-5 days on average.
The name of the section on the corporate website that provides information about the board charter	Garanti BBVA Investor Relations website Home > Corporate Governance > Policies > Working principles and procedures of the BoD
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	The limits set by the banking legislation are complied with.
4.5. BOARD COMMITTEES	
Page numbers or section names of the annual report where information about the board committees are presented	Section: Committees, Page: 149
Link(s) to the PDP announcement(s) with the board committee charters	While a PDP disclosure link is unavailable for the announcement pertaining to operating principles, the responsibilities of the committees are described on pages 149-162 of the Annual Report.

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
Corporate Governance Committee (including the functions of Nomination Committee)		Javier Bernal Dionis, Jorge Saenz Azcunaga Carranza, Sema Yurdum, Handan Saygin	Jorge Saenz Azcunaga Carranza	Except for Handan Saygin, all members are members of the Board of Directors.

4. BOARD OF DIRECTORS - III	
4.5. BOARD COMMITTEES - II	REMARKS / RELATED LINKS
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Audit-Committee/778/3219/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Audit-Committee/778/3219/0</a>
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0</a>
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Corporate-Governance-Committee/84/397/0</a>
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)	For information on Credit and Risk Committees within the frame of banking legislation: Pages 149, 151
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)	<a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Remuneration-Committee/83/396/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/detail/Remuneration-Committee/83/396/0</a>
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)	Section: Financial Performance, Page: 82
Specify the section of the website where remuneration policy for executive and non-executive directors are presented	The Compensation Policy has been published within the policies under the heading Corporate Governance on Investor Relations website. Related link: <a href="https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0">https://www.garantibbvainvestorrelations.com/en/corporate-governance/Compensation-Policy/Compensation-Policy/100/411/0</a>
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)	Section: Corporate Governance Compliance Report > Remuneration, Page: 186-187

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 COMMITTEE MEETINGS HELD IN PERSON	THE NUMBER OF REPORTS ON ITS ACTIVITIES SUBMITTED TO THE BOARD
Corporate Governance Committee (including the functions of Nomination Committee)		75%	50%	3	2