

## **Board of Directors**

**Article 22-** The Board of Directors shall consist of a total of nine (9) members, one being the General Manager. The Bank General Manager shall be a natural member of the Board of Directors.

At least one more than half of the members of the Board of Directors must consist of persons who at least hold a university degree in the fields of law, economics, business administration, finance, banking, public administration or equivalent disciplines or engineering branches associated thereto. In order to be elected to the Board of Directors, one must be a shareholder or the representative of a legal entity shareholder and possess the authority to exercise his civil rights, and not be hindered by any legal encumbrance against membership.

Legal entities that hold shares of the Bank cannot be elected to the Board of Directors, though real persons who are representatives of legal entity shareholders may be elected. Real persons elected to the Board of Directors as representatives for legal entities shall automatically lose their seat in the Board of Directors, if and when their representation relations with the represented legal entity are terminated and the General Assembly so approves.

Each member elected to the Board of Directors shall be obliged to deposit with the Company a number of share certificates corresponding to and representing at least one percent of the capital stock in nominal value; provided, however, that if one percent of the capital stock exceeds 1 YKr, it will not be obligatory to deposit share certificates in excess thereof. The share certificates deposited as above shall stand as a pledge for the duties and obligations of the Director until he is released and discharged by a decision of the General Assembly of Shareholders, and accordingly, may not be transferred to third parties or received back from the Company.

Share certificates deposited as a pledge may also be delivered and furnished by a third person, with a prior consent of the Board of Directors.

For the members elected to the Bank's Board of Directors as representatives of the legal entity shareholders, the aforementioned share certificates shall be deposited by the represented legal entity shareholders.

After the chairman and members of the Board of Directors have been elected and appointed, they are obliged to give an oath and to declare their properties in accordance with the principles and procedures to be determined by the Banking Regulatory and Supervisory Board.

Members of the Board of Directors may not take office unless and until they have taken this oath.

### **Term of Office of Members of the Board of Directors**

**Article 23-** Members of the Board of Directors shall be elected by the General Assembly for a term of office of not more than three years. Before electing the members, the General Assembly shall first determine the Directors' term of office. Directors may be reelected when their term of office has expired.

If a membership should become vacant for any of the reasons indicated in Article 31/1-a of the Banking Code or in Article 315/2 of the Turkish Commercial Code, or due to death, resignation, or other causes, the Board of Directors shall temporarily appoint someone possessing the qualifications sought for election to the Board of Directors and submit such appointment for approval at the next session of the General Assembly to be convened. Upon approval by the next session of the General Assembly, a member appointed in this way shall complete the term of office of his predecessor.

Members of the Board of Directors may be dismissed at any time by a decision of the General Assembly of Shareholders.

The provisions of the Turkish Commercial Code and of the Banking Code shall be complied with in connection with the qualifications sought for membership in the Board of Directors.

## **Meetings of the Board of Directors**

**Article 24-** The Board of Directors shall meet as and when needed in the course of business. Chairman or vice chairman of the Board of Directors may, in his sole discretion and initiative, call the Board of Directors for a meeting. Upon demand of at least two of the directors, the Chairman is obliged to call the Board of Directors for a meeting. The Board meetings shall be held at the Bank's headquarters or at any other convenient place to be specifically mentioned in the meeting calls.

In order for a meeting to be valid, at least seven (7) directors must be present in the meeting. Decisions shall be adopted by affirmative vote of at least seven (7) directors. It is not permissible for directors to vote on behalf of one another.

Minutes indicating the discussions at meetings and the names of the directors present thereat shall be drawn up and entered into the Board of Directors' resolution book and then signed by the directors participating to the meeting. Those dissenting from the decisions must reveal the reason for their dissent and so sign the minutes.

## **Chairman of the Board**

**Article 25-** At each of its first yearly session following the annual meeting of the General Assembly of Shareholders, the Board of Directors shall elect from among its members, a chairman and a vice chairman who will act as deputy for the former in his absence. The Chairman of the Board of Directors shall preside over meetings of the General Assembly of Shareholders.

The duty of secretary for the Board of Directors may be entrusted to one of its members or to someone from outside the Board.

## **Duties and Authorities of the Board of Directors and Representation of the Company**

**Article 26-** The administration of the Company, the performance of transactions in the name of the Company, and the power to represent and bind the Company shall be the responsibilities of the Board of Directors.

a) The Board of Directors shall perform and carry out the duties assigned by the Turkish Commercial Code, these Articles of Association, the provisions of laws and regulations, and decisions adopted by the Company's General Assembly of Shareholders on such matters. The Board of Directors shall be authorized to take decisions on all matters that are not dependent upon the adoption of a resolution by the General Assembly and that lie outside the authorities of the Credit Committee and of the General Manager or Company Manager.

b) The Board of Directors shall have absolute authority over the disposition and administration of the movable and immovable properties belonging to the Company and over the conduct of any and all types of contracts and transactions related to the Company's fields of business. Included among the authorities of the Board of Directors are the power to make settlements, waive from debts, write off the debts, and appoint arbitrators.

c) The Board of Directors shall be charged with overseeing the activities of the Credit Committee. Every Board member shall have the authority to demand the Credit Committee any and all types of information concerning the activities of the Credit Committee and to perform controls of whatever sort which may seem necessary.

d) The Board of Directors may set aside appropriations as deemed necessary to ensure the regular conduct of the Company's internal affairs, to regulate the duties and work of its personnel, and to determine retirement and other rights; and may also issue internal by-laws, regulations and conclude agreements that are not limited with its own term of office.

e) The Board of Directors may borrow on its own credit or by establishing chattel mortgages on the movable assets of the Company; and may purchase real properties, within the limits permitted by the

Banking Code for purposes related to its objectives and fields of business, and also have them built and sell them; and may pledge the Company's immovable properties and may borrow by issuing bonds.

f) The Board of Directors shall determine the conditions under which extraordinary rewards and bonuses are to be given to managers, employees and unqualified employees in return for various services or extraordinary success, and shall distribute such bonuses. The aforementioned conditions are to be included among the Company's overheads.

g) The Board of Directors shall determine and set aside amounts for amortization, provisions and legal reserves within the framework of the provisions of law on such matters; and shall determine the manner in which dividends should be distributed in accordance with the provisions of these Articles of Association and make proposals thereon to the General Assembly of Shareholders.

h) In situations where deemed necessary, the Board of Directors shall have the Company's books audited by chartered accountants and receive their reports.

i) The Board of Directors shall make proposals to the General Assembly concerning any and all types of amendments in or additions to these Articles of Association.

j) The Board of Directors shall invite the General Assembly of Shareholders to a meeting in the situations and by the ways stipulated in these Articles of Association, decide the agenda for such meetings, perform such formalities as may be required, and carry out the decisions of the General Assembly.

k) The Board of Directors shall grant Company managers as well as employees all and any powers of representation and signature needed for the administration of the Company's business. The powers so granted and the places and ways in which they are to be exercised shall be registered with the Commercial Registry and publicized.

In order for documents and certificates written and issued in the name of the Company, as well as any and all types of agreements and contracts entered into on behalf of the Company to be valid and binding on the Company and to represent the Company, they must be signed by those persons whose degree, place, and form of power of signature have been designated and granted by the Board of Directors and the manner of whose signature has been duly registered and announced and the signature must be placed by them under the legal name of the Company.

l) At meetings of the Board of Directors, members shall have the right to request the persons representing the Company and charged with the performance of the Company's business to give information concerning the progress of the Company's affairs and all its transactions.

The Board of Directors may also decide that all books and files be submitted to it. Every member may make a written request to the chairman for convention of the Board and in such cases, the chairman shall call the Board of Directors to a meeting.

m) Every member of the Board of Directors shall be obliged to show in his performance of the Company's business the same prudence and activity that would be incumbent upon him in his own affairs and that is customary in business. The Board of Directors possesses the power to act on behalf of the General Assembly of Shareholders in connection with the conduct of all the decisions of the General Assembly. Dismissal of members of the Board of Directors by the General Assembly and the General Assembly's rejection of the transactions performed by the Board shall not vitiate any rights that may have been vested to third parties.

n) In compliance with the pertinent provisions of the Capital Markets Act and other relevant laws and regulations, the Board of Directors is authorized to increase the issued capital up to the registered capital ceiling, and to take decisions on issue of share certificates above the nominal value per share, full or partial restriction of the preemptive rights of the shareholders on the newly issued shares, and issue of bonds and other capital market instruments of indebtedness.

o) The Board of Directors may perform its above duties and execute its above powers either directly or may delegate the same to committees formed or to be formed in accordance with these Articles of Association or to persons permitted by the following article pertaining to delegation of authority.

#### **Delegation of Authority**

**Article 27-** The Board of Directors may divide the duties of administration and representation as well as its powers and authorities among its own members, and likewise, in compliance with the provisions of the Banking Code, it may delegate all or some of the duties of administration to one or more Managing Directors who are Board members or else to a General Manager who need not be a shareholder. If there are more than one Managing Directors, their decisions shall be taken by a simple majority. The duties, authorities, and salaries of Managing Directors shall be indicated in the decisions of the Board of Directors. Such salaries shall be recorded as Company overheads.

#### **Prohibited Transactions**

**Article 28-** The current provisions of the Turkish Commercial Code, the Banking Code and the Capital Markets Act shall apply to the business activities and transactions that the chairman and members of the Board of Directors as well as the Chairman and members of the Credit Committee may not engage in.

#### **Remunerations Payable To Members of the Board of Directors**

**Article 29-** The Chairman and Members of the Board of Directors shall receive a monthly or annual salary or a fixed remuneration (honorarium) for attendance at each meeting, as determined by the General Assembly of Shareholders.

#### **Liability**

**Article 30-** The chairman, Deputy Chairman, and members of the Board of Directors shall be legally liable for the performance of their duties.