

From the Banking Regulation and Supervision Agency:

**REGULATION ON THE PRINCIPLES AND PROCEDURES FOR
NOTIFICATION OF AND TAKING OATH AND DECLARATION
OF ASSETS BY EXECUTIVES TO BE APPOINTED TO TOP
MANAGEMENT OF BANKS AND MAINTENANCE OF THE BOOK
OF RESOLUTIONS**

SECTION ONE

**Objective and Scope, Basis and
Definitions**

Objective and Scope

ARTICLE 1- (1) The objective of this Regulation is to regulate the principles and procedures for notification to the Agency of persons appointed as the members of the Executive Boards of the banks established in Turkey and as the members of the boards of directors established in the management head offices of overseas based banks in Turkey, which operate by establishing branches in Turkey and as members of the supervisory committees, persons to be appointed general managers and central branch managers and their deputies including persons dismissed from these positions, taking oaths by the chairmen and members of executive boards and boards of directors, submissions of declaration of assets by these persons as well as by regional managers, branch managers and managers of departments, sections, groups and other equivalent divisions and units operating as part of the head office out of their signature power holding staffs and maintenance of resolutions adopted by executive boards, boards of directors, supervisory committees and credit committees..

Basis

ARTICLE 2- (1) This Regulation has been prepared on the basis of the Articles 27, 28 and 93 of the Banking Law Nr. 5411 dated October 19, 2005..

Definitions

ARTICLE 3- (1) Following terms used in this Regulation shall have the meanings expressly designated to them below:

- a) Bank: Banks defined by the Article 3 of the Law,
- b) Financial Institution: Financial institutions defined by the Article 3 of the Law,
- c) Controlling Partner: Controlling partners defined by the Article 3 of the Law,
- d) Law: Banking Law Nr. 5411,
- e) Partnership subject to consolidation: Locally or overseas based subsidiaries of banks and their jointly controlled partnerships, which are subject to limitations and rates on a consolidated basis by consolidating them with banks subject to the principles and procedures laid down by the principles and procedures established under the Regulation on the Principles and Procedures for Accounting Practices and Retention of Records,
- f) Control: Control defined by the Article 3 of the Law,
- g) Board: Banking Regulation and Supervision Board,
- h) Agency: Banking Regulation and Supervision Agency,
- i) Central Branch: Central branches of overseas banks in Turkey,
- j) Qualified shares: Qualified shares defined by the Article 3 of the Law.

SECTION TWO

Notifications

Notifications concerning the Members of Executive Board and the Board of Directors

ARTICLE 4- (1) Within seven business days from election of members of the Executive Boards of banks or appointments upon vacation of the post of any members for any reasons, the following are sent the relevant bank to the Agency as annexes to a cover letter addressed to the Agency,

a) Detailed CV's containing professional experience and education received, which will be drawn up as per the model furnished by Annex 1 and notarized copies of graduate diplomas and post-graduate diplomas, if required, and ID cards or passports,

b) (**Amendment: OG-24/07/2007-26592**) Documents to be received respectively from commercial courts of first instance in the province of location and from enforcement courts, that they have not bankrupt and that they have not declared rescheduling of debts as well as their written declarations to be drawn up as per the model under Annex-3 that they have not declared bankruptcy or rescheduling of debts according to the provisions of Law on Execution and Bankruptcy Nr. 2004 dated June 9, 1932,"

c) Written declarations to be drawn up as per the model under Annex 4 and documents to be obtained from the Saving Deposit Insurance Fund upon submission of the petition to be drawn up as per the model under Annex 5, certifying that they have not held any qualified shares in or control of the banks for which Article 71 of the Law are applicable or which have been transferred to the Saving Deposit Insurance Fund prior to the entry into force of the Law or brokerage houses forced into liquidation and finance houses / organizations forced into liquidation other than voluntary liquidation, development and investment banks the operating licenses of which have been discontinued, credit organizations for which partnership rights other than dividends and management and control have been transferred to the Saving Deposit Insurance Fund or for which powers and permissions to do banking and receive deposits and participation funds have been discontinued before transfer to the Savings Deposit Insurance Fund or lifting of powers and permissions to do banking and receive deposits and participation funds,

d) Criminal records containing archive records which have been received in the last six months and information forms to be drawn up as per the model under Annex 6 that there are no lawsuits filed or concluded against them and / or investigations about them in connection with the offenses falling in the scope of paragraphs (a) and (d) of the first sub-clause of Article 8 of the Law and concerning such lawsuits or investigations, if any,

As well as notarized copies of resolutions of general assemblies or Executive Boards or Boards of Directors concerning their appointments or assignments.

(2) Within seven business days from election or appointments of members of the Boards of Directors established in the managerial head offices in Turkey of overseas based banks operating in Turkey by establishing branches, copies of resolutions for such election or appointments and the documents referred to by the first sub-clause are sent to the Agency accompanied by a cover letter signed by the authorized officers of the overseas based banks relevant branches report to.

Notifications concerning the Members of Supervision Committee

ARTICLE 5- (1) Declarations to be drawn up as per Annex 7 certifying the following

facts as well as notarized copies of resolutions of Executive Boards regarding members elected by the Executive Boards of the banks as members of the Supervisory Committees are sent by the relevant banks to the Agency accompanied by a cover letter addressed to the Agency within seven business day from election to such positions,

a) About themselves, spouses and children including the last two years before election;

1) (**Abolished: OG-24/07/2007-26592**) They have not held any positions in the banks or in the partners of bank subject to consolidation, excluding the internal audit, internal control, risk management, financial control and accounting units,

2) they have not been partners or staff of the organizations conducting independent audits of the banks or their partners subject to consolidation or providing rating, valuation or support services to them or they are not involved in the processes of independent audits, rating or valuation for the banks or their partners subject to consolidation,

3) they have not been partners or staff of organizations providing consulting or support services to the banks or their partners subject to consolidation and neither have they been such service providers,

4) they do not have qualified shares in the bank or their partners subject to consolidation,

b) they are not spouses or relatives of controlling partners or bank general managers up to second degree by blood or marriage; they have not served on the Supervisory Committee of the same bank for a period of more than nine years; they have not gained any fees or similar revenues from the banks or their partners subject to consolidation depending on their profitability under whatever positions excluding payments made to all the staff out of profit based on the provisions of articles of association or general assembly resolutions,

c) spouses and children have not served the banks or their partners subject to consolidation as general managers and deputy general managers and in any other equivalent positions,

d) There have been no units under him / her, which perform executive functions, within the last two years

e) (**Additional: OG-24/07/2007-26592**) they are not staff of the bank or partner of the bank subject to consolidation, excluding the internal audit, internal control, risk management, financial control and accounting units.

(2) Within seven business days from appointment of any members to be appointed from among the members of the Boards of Directors established in Turkey management head offices of overseas based banks operating in Turkey by opening branches in Turkey, Declarations to be drawn up as per Annex 8 certifying the following facts as well as notarized copies of resolutions of Boards of Directors regarding such appointments are sent by the relevant banks to the Agency accompanied by a cover letter addressed to the Agency,

a) About themselves, spouses and children including the last two years before election;

1) They have not been partners or staff of the organizations conducting independent audits of the banks or their partners subject to consolidation or providing rating, valuation or support services to them or they are not involved in the processes of independent audits, rating or valuation for the banks or their partners subject to consolidation,

2) they have not been partners or staff of organizations providing consulting or support services to the banks or their partners subject to consolidation and neither have they been such service providers,

3) they have not served as a member of the Boards of Directors, central branch managers, central branch deputy managers and in equivalent positions having a unit which performs operations of an executive nature in the banks,

b) They have not served on the Supervisory Committee of the same bank for a period of more than nine years intermittently or uninterruptedly; they have not gained any fees or similar revenues from the banks or their partners subject to consolidation depending on their profitability under whatever positions excluding payments made to all the staff out of profit based on the provisions of articles of association or general assembly resolutions.

Notifications concerning General Managers and their Deputies

ARTICLE 6- (1) It is obligatory that the documents listed by the first sub-clause of Article 4 for persons to be appointed bank general managers or central branch managers and deputy general managers or central branch deputy managers be sent by the relevant banks to the Agency accompanied by a cover letter to be addressed to the Agency.

(2) Relevant persons may only be appointed when no negative opinion is advised by the Agency within seven business days following arrival of the documents referred to by the first sub-clause.

(3) Article 7 applies for the documents to be submitted by foreign nationals as per the first sub-clause.

(4) In case of quitting of positions by general managers or central branch managers or deputy general managers or central branch deputy managers for any reasons whatsoever, reasons for quitting such positions must be notified with a letter addressed to the Agency and signed by both the relevant banks and persons quitting their posts within seven business days.

(5) Deputy general managers who will attend executive board meetings in a capacity as deputy general in case of absence of general managers provided that they have the same qualifications as general managers and instances of their attendance as per Article 23 of the Law are designated by the Executive Boards of the banks.

Documents to be Obtained from Abroad

ARTICLE 7- (1) As regards the notifications covered by this Regulation, persons of a foreign nationality have to obtain the documents referred to by paragraphs (b) and (d) of the first sub-clause of Article 4 from both the relevant authorities in Turkey and relevant authorities in their countries. For this purpose, Article 14 of the Regulation on Transactions by Banks Subject to Permission and Indirect Shareholding is applied for any documents to be obtained from abroad.

(2) In cases of possession of nationality of any countries where there are no authorities maintaining records by which the documents referred to by the first sub-clause could be obtained or impossibility of securing certification of the indicated documents within the time limit prescribed by the said sub-clause of the same article, a written declaration drawn up as per the model under Annex 9 is submitted by the chairmen and members of the relevant Executive Boards or Boards of Directors. However, in such cases, it is obligatory that

documents evidencing the situation be sent to the Agency as per the principles laid down by Article 14 of the Regulation on Transactions by Banks Subject to Permission and Indirect Shareholding no later than fifteen days after the date of administration of an oath.

Updating Information

ARTICLE 8- (1) In case of changes to declarations sent as per Articles 4, 5 and 6, relevant top managers who have submitted declarations under the said articles are responsible for ensuring for provision of information to the Agency within maximum fifteen days from the date of such a change.

SECTION THREE Administration of Oaths, Declaration of Assets and Book of Resolutions

Oath

ARTICLE 9- (1) Chairmen and members of banks' Executive Boards and Boards of Directors have take oaths after election or appointment prior to commencement of their duties. It is essential that persons acting as general managers and deputy generals, who are natural members of the Executive Board, take oaths.

(2) An oath is administered before a commercial court sitting in the province where the bank head office or Turkey central branch of an overseas based bank, with the person in question officially uttering the following statement: *"I do solemnly swear that I will perform my duties inBank with utmost care and honesty, that I will never act contrary to the provisions of the legislation and neither will I let any such action."*

(3) A copy of the certificate drawn up by the court is sent to the Agency within seven business days at the latest.

(4) Any persons who have already taken an oath of office do not need to take oaths again when they are elected or appointed for another position requiring an oath of office.

Declaration of Assets

ARTICLE 10- (1) Chairmen and members of banks' Executive Boards and presidents and members of Boards of Directors, general managers and their deputies and signature powers holding regional managers, branch managers and managers of units operating in the central organization under titles such as departments, groups and equivalent names have to submit declarations of assets in the following manner subject to the procedures and principles laid down by Law on Declaration of Assets and Control of Bribery and Irregularities Nr. 3628 dated April 19, 1990 and relevant legislation.

a) (**Amendment: OG-24/07/2007-26592**) Declarations of assets are submitted to the banks' head offices inside sealed envelopes with the word "confidential" on them, in a single copy, within one month from the dates of commencement and quittance of an office. The principles and procedures laid down by Law Nr. 3628 and the legislation related to this law are applicable for any instances requiring submission of additional declarations of assets and renewal of declarations of assets already submitted. Of these declarations, those belonging to the chairmen and members of Executive Boards, chairmen and members of Boards of Directors and general managers and deputy general managers are sent to the Agency accompanied by a list collectively at the end of the month that follows the date of submission, excluding the ones which are sent to the authorities determined within the Law on Declaration of Assets and Control of Bribery and Irregularities Nr. 3628 and by the Regulation on Declaring Assets put into force pursuant to the Council of Ministers' Decision Nr. 90/748

dated August 10. (**Amendment: OG-10/10/2007-26669**) Declaration of assets belonging to other personnel are maintained in the units regarding personal services of the relevant bank within the framework of related legislation and to be sent to the Agency in case of demand thereof.

b) Failure by responsible persons to submit declarations of assets within the prescribed time limits requires notification by banks of such a situation and names and known addresses of violators to the Agency within thirty days at the latest from due dates of submission so that necessary action can be taken.

Maintenance of Books of Resolutions

ARTICLE 11- (1) Resolutions by banks' Executive Boards, Boards of Directors and credit committees are recorded exactly on the dates of such resolutions on individual books bearing consecutive numbers approved as the relevant provisions of Turkish Commercial Code Nr 6762 dated June 29, 1956 in a proper sequence of dates and numbers in a manner leaving no room for suspicion about the correctness of the text provided that no space is left between them and no projections between the lines, with the members subscribing their signatures at the foot of each resolution within one month at the latest. Members sign any decisions they do not agree by stating their justification for dissention.

(2) Books of resolutions must be maintained in Turkish.

(3) Resolutions to be drawn up and signed as per the principles and procedures laid down by the first sub-clause may be retained in separate loose leafs after they are written down on notarized consecutive numbered pages in advance. However, leafs related to resolutions maintained in this manner have to be bound in a manner also covering leafs where resolutions adopted on the last day of the year are written by the end of January in the year that follows.

SECTION FOUR

Final Provisions

Entry into Force

ARTICLE 12- (1) This Regulation enters into force as of the date of promulgation.

Enforcement

ARTICLE 13- (1) The provisions of this Regulation are enforced by the Chairman of the Banking Regulation and Supervision Agency.

ANNEX-1 (Amended: OG-24/07/2007-26592)

**DETAILED CV'S OF CHAIRMEN AND MEMBERS OF EXECUTIVE BOARDS AND
BOARDS OF DIRECTORS/ GENERAL MANAGERS AND CENTRAL BRANCH
MANAGERS AND DEPUTIES**

NAME-SURNAME :				
LOCATION :				
EDUCATION STATUS : (Detailed)				
TITLE AND ADDRESS OF PRESENT EMPLOYER:				
PROFESSION AND POSITION:				
TURKISH CITIZENSHIP ID NR:				
TAX ID NR¹:				
SHARE HOLDING IN THE BANK, IF ANY:				
PREVIOUS EMPLOYERS				
	TITLE OF EMPLOYER	DATES OF START AND END OF EMPLOYMENT	POSITION HELD	
1-				
2-				
3-				
4-				
YEA R	TRAINING DURATION	TITLE OF TRAINING	CERTIFICATE	
INSTITUTIONS in which HE/SHE held position as STAFF, MANAGER, PARTNER, AUDITOR or FOUNDER				
Start Year/ Month	Name/ Place of Company	Activity Field	Type of Position Relationship	% Partnership

...../...../.....
NAME-
SURNAME
SIGNATURE

¹The Tax ID Number shall be filled by natural persons with foreign nationality; natural persons with Turkish nationality shall fill the Turkish Citizenship ID Number.

COMMERCIAL COURT OF FIRST INSTANCE
(EXECUTIVE COURT)

You are kindly asked to issue me a certificate certifying that I am not bankrupt / have not declared any debt rescheduling for submission to the Banking Regulatory and Supervisory Agency.

...../...../.....

NAME-SURNAME
SIGNATURE

SURNAME :

NAME :

FATHER'S NAME :

MOTHER'S NAME :

TURKISH CITIZENSHIP ID

NR :

PLACE AND DATE OF

BIRTH :

**OF POPULATION
REGISTRATION**

PROVINCE :

DISTRICT :

SUB DISTRICT/VILLAGE :

VOLUME NR :

FAMILY POSITION NR :

POSITION NR :

ADDRESS :

DECLARATION

**To the BANKING REGULATION AND
SUPERVISION AGENCY**

I hereby declare that I have not declared bankruptcy or rescheduling of debts as per the provisions of Law on Execution and Bankruptcy Nr. 2004.

...../...../.....

NAME-SURNAME

SIGNATURE

DECLARATION

**To the BANKING REGULATION AND
SUPERVISION AGENCY**

I hereby declare that they I have not held any qualified shares in or control of the banks for which Article 71 of the Banking Law Nr. 5411 are applicable or which have been transferred to the Saving Deposit Insurance Fund prior to the entry into force of the Law or brokerage houses forced into liquidation and finance houses / organizations forced into liquidation other than voluntary liquidation, development and investment banks the operating licenses of which have been discontinued, credit organizations for which partnership rights other than dividends and management and control have been transferred to the Saving Deposit Insurance Fund or for which powers and permissions to do banking and receive deposits and participation funds have been discontinued before transfer to the Saving Deposit Insurance Fund or lifting of powers and permissions to practice banking and receive deposits and participation funds.

...../...../.....

NAME-SURNAME
SIGNATURE

To The SAVING DEPOSIT INSURANCE FUND

You are kindly asked to issue me a certificate for submission to the Banking Regulation and Supervision Agency, which certifies that they I have not held any qualified shares in or control of the banks which have been transferred to the Saving Deposit Insurance Fund prior to the entry into force of Banking Law Nr 5411 or this Law or credit organizations for which partnership rights other than dividends and management and control have been transferred to the Saving Deposit Insurance Fund or for which powers and permissions to do banking and receive deposits and participation funds have been discontinued before transfer to the Saving Deposit Insurance Fund or lifting of powers and permissions to practice banking and receive deposits and participation funds.

...../...../.....

NAME-SURNAME
SIGNATURE

SURNAME :
NAME :
FATHER'S NAME :
MOTHER'S NAME :
TURKISH CITIZENSHIP ID
NR. :
PLACE/DATE OF BIRTH :
OF **POPULATION**
REGISTRATION :
PROVINCE :
DISTRICT :
SUB DISTRICT/VILLAGE :
VOLUME NR :
FAMILY POSITION NR :
POSITION NR :
ADDRESS :

ARE THERE ANY LAWSUITS AND/OR INVESTIGATIONS INSTITUTED OR CONCLUDED WITH REGARD TO YOURSELF FOR OFFENSES FALLING IN THE SCOPE OF PARAGRAPHS (A) AND (D) OF THE FIRST SUB-CLAUSE OF ARTICLE 8 OF THE BANKING LAW NR 5411?			
YES		NO	
IF YES, DETAILED EXPLANATION:			
1-			
2-			
3-			

...../...../.....

NAME-SURNAME
SIGNATURE

DECLARATION

**To the BANKING REGULATION AND
SUPERVISION AGENCY**

I hereby declare the following facts:

- Concerning myself, spouse and children, including the last two years prior to my election as a member of the Supervisory Committee;

1) we have not been partners or staff of the organizations conducting independent audits of Bank or this bank's partners subject to consolidation or providing rating, valuation or support services to them or they are not involved in the processes of their independent audits, rating or valuation,

2) we have not served as partners or personnel in institutions providing consulting or support services to Bank and to this bank's partners subject to consolidation or one of the persons providing these services,

3) we do not hold qualified shares in Bank and in this bank's partners subject to consolidation,

- I am not the spouse or relative of the bank's controlling partners or bank general managers up to second degree by blood or marriage; I have not served on the Supervisory Committee of this bank for a period of more than nine years; I have not gained any fees or similar revenues from Bank or its partners subject to consolidation depending on their profitability under whatever positions excluding payments made to all the staff out of profit based on the provisions of articles of association or general assembly resolutions,

- My spouse and children have not served Bank or its partners subject to consolidation as general managers and deputy general managers and in any other equivalent positions,

- There have been no units under us within Bank, which perform executive functions, in the last two years,

- I do not hold positions in Bank or in this bank's partners subject to consolidation, excluding the internal audit, internal control, risk management, financial control and accounting units.

...../...../.....

NAME-SURNAME
SIGNATURE

DECLARATION

**To The BANKING REGULATION AND
SUPERVISION AGENCY**

I hereby declare the following facts:

- Concerning myself, spouse and children, including the last two years prior to appointment;

1) we have not been partners or staff of the organizations conducting independent audits of Bank or this bank's partners subject to consolidation or providing rating, valuation or support services to them or they are not involved in the processes of independent audits, rating or valuation for the bank or its partners subject to consolidation,

2) we have not been partners or staff of organizations providing consulting or support services to ... Bank or its partners subject to consolidation and neither have we been such service providers,

3) We have not served as managers in the posts of members of the Boards of Directors, central branch managers, central branch deputy managers and equivalent positions overseeing any units performing operations of an executive nature in Bank,

- I have not served on the Supervisory Committee of ... Bank for a period of more than nine years intermittently or uninterruptedly; I have not gained any fees or similar revenues from ... Bank or its partners subject to consolidation depending on their profitability under whatever positions excluding payments made to all the staff out of profit based on the provisions of articles of association or general assembly resolutions.

...../...../.....

NAME-SURNAME
SIGNATURE

DECLARATION

**To the BANKING REGULATION AND
SUPERVISION AGENCY**

I hereby declare that I have not declared bankruptcy or debt rescheduling and further that I have no adverse criminal records.

...../...../.....

NAME-SURNAME
SIGNATURE