



# Managing Board Charter

GarantiBank International N.V.

## Contents

1.	Status and Content of the Charter .....	1
2.	Responsibilities of the Managing Board .....	1
3.	Composition and expertise of the Managing Board.....	3
4.	Managing Board Committees .....	4
5.	(Re) appointment, term and resignation.....	4
6.	Remuneration .....	5
7.	Permanent Education .....	5
8.	Managing Board Meetings .....	5
9.	Managing Board Resolutions.....	5
10.	Conflict of interests and Rules of Conduct .....	6
11.	Relationship with the Supervisory Board.....	7
12.	Relationship with the General Meeting of Shareholders.....	7
13.	Confidentiality .....	8
14.	Indemnity.....	8
15.	Governing Law and Jurisdiction .....	8
	Annex 1: Definitions .....	9
	Annex II- Roles and Responsibilities of Individual Members of the Managing Board of GBI .....	10

This Charter aims to establish the operating rules and principles for the composition, appointment, rights and duties of members of the Managing Board of GarantiBank International N.V. (hereinafter “the Bank” or “GarantiBank”) individually and as a whole. This Charter was adopted in full by the Managing Board on 24 March 2016 and approved by the Supervisory Board on 24 March 2016.

## 1. **Status and Content of the Charter**

1.1. This Charter is drawn up in accordance with the Bank’s Articles of Association and the rules set herein are complementary to the Articles of Association and/or Dutch and European laws and regulations applicable to the Managing Board from time to time, In the event of a conflict between the provisions of this Charter with the Articles of Association and/or applicable laws and regulations, the later shall prevail.

1.2. The following Annexes are attached to, and form an integral part of, this Charter:

**Annex 1:** Definitions

**Annex 2:** Roles and Responsibilities of Individual Members of the Managing Board

1.3. The Managing Board declares to be bound by the obligations arising from this Charter to the extent that they apply to it and its individual members. This Charter and any changed thereto need to be approved by the Managing Board and notified to the Supervisory Board.

1.4. Each individual member of the Managing Board has taken the Banker’s oath. On appointment of new members, the Managing Board shall ensure that these members promptly take the Banker’s oath upon appointment to his/her function.

1.5. This Charter has been published on the website of the Bank, [www.garantibank.eu](http://www.garantibank.eu)

## 2. **Responsibilities of the Managing Board**

2.1 The Managing Board as a whole shall function as a collegial body as referred to in section 2: 129 of the Dutch Civil Code. The Managing Board members shall be collectively responsible for GBI’s management, the general affairs and the business connected with it. The Managing Board shall perform its duties in a meticulous, expert and fair manner taking into account the applicable laws, codes of conduct and regulations. In performing its duties the Managing Board shall be guided by the interests of GBI and its business. It shall take into account the interests of its stakeholders such as GBI’s clients, its shareholder(s) and its employees.

2.2 The Managing Board shall ensure that GBI’s duty of care for the client is embedded in GBI’s culture. The Managing Board shall ensure that the principles of GBI’s Code of Conduct and the banker’s oath referred to in article 1.6 form the guidelines for the behaviour of all of GBI’s employees, as set from time to time by the Managing Board, and will be expressly pointed out to any new employee of GBI and the Managing Board shall ensure that all employees are required to comply with these principles.

2.3 The duties and responsibilities of the Managing Board shall in any event include:

(A) the achievement of GarantiBank’s objectives and its mission;

(B) the general state of affairs and the results of GarantiBank;

(C) determining the overall business strategy of GarantiBank within the applicable legal and regulatory framework taking into account GarantiBank’s long-term financial interests, solvency and vision of Garanti Group and BBVA Group;

- (D) taking any decisions that are of material significance of the risk profile, the capital allocation or the liquidity impact of GarantiBank;
- (E) establishing a remuneration framework that is in line with the risk strategies of GarantiBank;
- (F) preparing GarantiBank's remuneration policy, for final approval by the Supervisory Board as well as implementing and monitoring this remuneration policy;
- (G) defining the policy on integer behaviour and the proposed translation thereof into standards and rules;
- (H) fully knowing and understanding the operational structure of GarantiBank and ensuring that it is in line with the approved business strategy and risk policy;
- (I) a policy on the nomination and succession of individuals with key functions in GarantiBank;
- (J) adopting, implementing, monitoring and, where necessary, proposing to adjust to the Supervisory Board, GarantiBank's overall risk policy and setting GarantiBank's risk appetite;
- (K) establishing limits as required to ensure that the bank always operates within the risk appetite approved by the Supervisory Board.
- (L) ensuring that effective internal risk management and control systems are in place and ensuring reporting on this issue in the annual report;
- (M) ensuring that a systematic audit is conducted of the management of the risks related to GarantiBank's business activities;
- (N) setting and overseeing the overall risk strategy and policy of GarantiBank, including its risk tolerance/appetite and its risk management framework, together with the Supervisory Board;
- (O) maintaining and preparing the financial reporting process;
- (P) preparing the annual accounts and drawing up the annual budget and important capital investments of GarantiBank;
- (Q) giving advice in connection with the nomination of the external accountant of GarantiBank;
- (R) setting a robust and transparent organizational structure with effective communication and reporting channels;
- (S) determining, together with the Supervisory Board, the corporate governance structure of GarantiBank;
- (T) compliance with and enforcing GBI's corporate governance structure;
- (U) compliance with legislation, regulations, codes that apply to GarantiBank and the Articles of Association;
- (V) developing, propagating and enforcing, together with the Supervisory Board, standards and rules in GarantiBank with respect to integrity, morality and leadership, in addition to monitoring the checks and balances, the IT infrastructure and the compliance;

2.4 The Managing Board should also regularly review and adjust documentation, policies and strategies related to these responsibilities. The Managing Board is responsible for appropriate communication with supervisory authorities and other interested parties.

- 2.5 The Managing Board members may divide their duties by mutual consultation and subject to the prior approval of the Supervisory Board. In case of the absence of a Managing Board member, his or her duties and powers shall be carried out by another Managing Board member to be designated by the Managing Board. In case of absence of more than eight weeks, the Supervisory Board shall be notified of that designation.
- 2.6 Each Managing Board member shall be accountable to the Managing Board for the fulfilment of his or her duties and must therefore report to the Managing Board on a regular basis and in such a manner as to give the Managing Board a proper insight in the performance of his or her duties, the foregoing also in view of the Managing Board's joint responsibility.
- 2.7 Each Managing Board member shall have the right to receive from other Managing Board members and from employees any information about matters which he/she may deem useful or appropriate in connection with his/her joint responsibility for GarantiBank's management. He/she must consult with the other Managing Board members if the implementation of his/her duties affects the implementation of the duties of the other Managing Board members or if the significance of the matter requires consultation with the other Managing Board members. This includes in any event the actions referred to in article 2.8 of this Charter.
- 2.8 The Managing Board and/or at least two members of the Managing Board acting together are entitled to represent GarantiBank. Furthermore, one member of the Managing Board acting jointly with one holder of power of attorney or two holders of a power of attorney acting jointly, as far as holders of a power of attorney are concerned, with due observance of the powers granted to them, may represent GarantiBank.
- 2.9 The Annual General Meeting of Shareholders shall appoint the external auditor to audit the annual accounts. If the latter fails to do so, the Supervisory Board shall be the competent body to appoint the external auditor. If the Supervisory Board fails to do so, the Managing Board shall appoint the external auditor. The appointment may at all times be revoked by the General Meeting of Shareholders and by those who made the appointment. The Supervisory Board may revoke an appointment by the Management Board.
- 2.10 Each Managing Board member shall sign the annual accounts or shall explain why he or she will not do so. Such explanation shall be disclosed in the annual accounts.
- 2.11 The Managing Board adheres to the articles of association of GarantiBank and to the applicable statutory obligations. The Managing Board shall submit for approval to the Supervisory Board any specific corporate actions as required by article 18 of the Articles of Association. Furthermore, the Managing Board shall submit for approval to the Supervisory Board the following matters:
- a. the strategy designed to achieve the business objectives of the Bank;
  - b. all proposals regarding remuneration as required under GarantiBank's governance of remuneration policies;
  - c. the annual budget of the Bank;
  - d. the risk appetite of GarantiBank;

### **3. Composition and expertise of the Managing Board**

- 3.1 The Managing Board consists of such number of members as determined by the Supervisory Board in accordance with the Articles of Association. The Managing Board will be composed in such a way that it is able to perform its tasks properly with a focus on complementarity and diversity.
- 3.2 The Managing Board shall have a chairman designated by the Supervisory Board, who shall ensure the proper functioning of the Managing Board as a whole, and if necessary a vice-chairman will be appointed, to replace the chairman in his/her absence. Furthermore, the Managing Board may charge individual members of the Managing Board with a specific division of duties and responsibilities without prejudice to the collective responsibility of the Managing Board as a whole.

The allocation of duties shall be subject to the approval of the Supervisory Board. The division of approved duties and responsibilities of each of the members of the Managing Board are specified in Annex 2,

- 3.3 The Managing Board shall appoint a secretary who may or may not be a Managing Board member who among other things will take written minutes of each meeting.
- 3.4 Each member of the Managing Board shall possess thorough knowledge of the financial sector in general and the banking sector in particular. Each member of the Managing Board shall have thorough knowledge of GarantiBank's function in society and of the interests of all parties involved in GarantiBank. In addition, each member of the Managing Board shall possess thorough knowledge so that he or she is able to assess and determine the main aspects of GBI's overall policy and then form a balanced and independent opinion about the risks involved.
- 3.5 A Managing Board member shall be trustworthy and act with integrity. If circumstances occur in respect of a Managing Board member that may be of influence on his or her integrity and may result in the Dutch Central Bank having reasonable doubts on his or her integrity, the Managing Board member will promptly notify the responsible person at GBI, the head of compliance and/or the chairman of the Supervisory Board and will make sure that the relevant circumstances are reported to the Dutch Central Bank.

#### 4. **Managing Board Committees**

- 4.1 The Managing Board may set up one or more specialized committees taking into account the size and complexity of the Bank to assist in the performance of its duties, and is responsible for the appointment of its members to which it has delegated the power to prepare decisions on certain matters as specified in the rules of procedure of the Committees, setting out, among other things, the composition, duties and responsibilities of the Committee concerned.
- 4.2 The Managing Board shall remain responsible for the decisions prepared and made by any Committee. A Committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Managing Board as a whole.
- 4.3 At the time of adoption of this Charter the Managing Board has the following committees: i) ALCO, ii) the Risk Management Committee, iii) Credit Committee, iv) Compliance Committee v) New Product Approval Committee vi) Complaint Committee, vii) HR Committee and viii) Disciplinary Committee.

#### 5. **(Re) appointment, term and resignation**

- 5.1 The members of the Managing Board shall be (re)appointed by the General Meeting of Shareholders as provided for by the Articles of Association and subject to approval of the Dutch Central Bank and ECB if applicable. The proposal for the appointment or reappointment shall state the reasons for recommendation and the proposal.
- 5.2 The members of the Managing Board may at any time be suspended or dismissed by the General Meeting of Shareholders in as much the General Meeting of Shareholders has not assigned another body of GarantiBank in this respect.
- 5.3 The members of the Managing Board may at any time be suspended or dismissed by the Supervisory Board. Such suspension may be ended by the General Meeting of Shareholders at any time.
- 5.4 Any suspension may be extended one or more times, but may not last longer than three months in the aggregate. If at the end of that period no decision has been taken on removal of the suspension or dismissal, the suspension shall cease.
- 5.5 A Managing Board member may hold no more than two supervisory directorships in a large company as defined in the Dutch Act on Management and Supervision. A Managing Board member may not be chairman of a supervisory board of such a large company. A Managing Board member

shall not accept a supervisory directorship of a large company or any other external additional function or extracurricular function without prior approval of the Supervisory Board and prior advice of the Head of Compliance of the Bank. Such position must not conflict with the Bank's interest or reputation.

## **6. Remuneration**

- 6.1 The remuneration of the Managing Board shall be determined within the scope of the remuneration policy adopted by the General Meeting of Shareholders. The remuneration takes into account the responsibilities and scope of tasks of the members of the Managing Board as well as the economic situation and long term performance of GarantiBank.
- 6.2 The Remuneration Committee of GarantiBank submits any policy adjustments on the remuneration of the Managing Board for review to the Supervisory Board and for adoption to the General Meeting of Shareholders.

## **7. Permanent Education**

- 7.1 The chairman of the Managing Board shall ensure and supervise the presence of a permanent education programme for all members of the Managing Board, the aim of which is to maintain and, where necessary broaden their expertise, such program shall cover relevant developments within GarantiBank and the financial services sector, financial, social and legal affairs, and corporate governance in general and the financial sector in particular, the duty of care towards the client and his/her interest, integrity, the IT infrastructure, risk management, financial reporting and audit;
- 7.2 Every member of the Managing Board shall take part in the programme and meets the requirements of the permanent education programme.
- 7.3 The Managing Board shall evaluate the permanent education programme annually to identify any other aspects in respect of which further training and education is required.

## **8. Managing Board Meetings**

- 8.1 The Managing Board shall meet as often as deemed necessary or desirable for a proper functioning of the Managing Board. Furthermore, the Managing Board shall meet at least three times a year in a joint meeting with the Supervisory Board whenever the Supervisory Board or Managing Board (or one of its members) has requested a meeting.
- 8.2 Managing Board meetings are generally held at the offices of GarantiBank, but may also take place elsewhere. In addition, meetings may be held by telephone or videoconference provided that all participants can hear each other simultaneously.
- 8.3 The chairman of the Managing Board chairs the meetings of the Managing Board and ensures the orderly and efficient conduct of the meeting. In the absence of the Chairman and Vice-chairman, the meeting itself shall appoint one of the members of the Managing Board as Chairman of the meeting.

## **9. Managing Board Resolutions**

- 9.1 Each member of the Managing Board shall have one vote on each matter to be decided by the Managing Board.
- 9.2 Unless otherwise provided in this Charter or in the Articles of Association, the Managing Board shall pass resolutions in a meeting at which at least the majority of the Managing Board members are present or represented. A co-member of the Managing Board authorized in writing may represent a fellow Managing Board member. A Managing Board member may not act as representative for more than one co-member.

9.3 If there is insufficient consensus at the meeting about certain subjects, the Chairman of the Managing Board may refer the relevant item on the agenda to the next meeting for further consideration. In case there is no consensus in the next meeting, the Chief Executive Officer shall have the casting vote.

9.4 The Managing Board may also pass resolutions outside a meeting, provided the same is effected in writing by means of any usual channels of communication, including e-mail, the proposal concerned is submitted to all Managing Board members and none of them have objected to this manner of adopting resolutions within twenty-four hours after receipt of the proposal and the proposal itself.

## 10. **Conflict of interests and Rules of Conduct**

10.1 A member of the Managing Board shall not participate in the discussions and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interest with GarantiBank within the meaning of article 9.2. Such transaction, if approved, must be concluded on terms customary in the sector concerned. Resolutions to enter into such transaction must be approved by the Supervisory Board.

10.2 A member of the Managing Board shall in any event have a conflict of interests with GarantiBank if:

- i) he/she personally has a material financial interest in a company with which GBI intends to enter into a transaction;
- ii) he/she has a family law relationship (his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage to the second degree as defined under Dutch law) with a member of the managing board or supervisory board of the company with which GarantiBank intends to enter into a transaction;
- iii) he/she is a member of the managing board or supervisory board of, or holds similar office with, the company with which GarantiBank intends to enter into a transaction;
- iv) under applicable law such conflict of interests exists or is deemed to exist;
- v) the Supervisory Board has ruled that such conflict of interests exists or is deemed to exist.

10.3 Each member of the Managing Board shall immediately report any (potential) conflict of interests concerning a member of the Managing Board to the Chairman of the Supervisory Board and to the other members of the Managing Board. The member of the Managing Board with such (potential) conflict of interests must provide the Chairman of the Supervisory Board and the other members of the Managing Board with all information relevant to the conflict of interests, including information relating to the persons with whom he/she has a close family relationship under Dutch law as referred to under (b) above. In all circumstances other than the ones listed under iv and v above, the Chairman of the Supervisory Board will determine whether a reported (potential) conflict of interests qualifies as a conflict of interests to which article 10.1 applies and whether a member of the Managing Board shall not participate in the discussion and/or decision-taking process on a subject or transaction in relation to which he/she has a conflict of interests with GarantiBank.

10.4 GarantiBank's best interests bind all members of the Managing Board. No member of the Managing Board may pursue personal interests in his/her decisions or use business opportunities intended for GarantiBank for himself/herself. A Managing Board Member shall not:

- i) enter into competition with GarantiBank and/or its group companies;
- ii) demand or accept (substantial) gifts from GarantiBank and/or its group companies for him or his/her spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law;
- iii) provide unjustified advantages to third parties to the detriment of GarantiBank and/or its group companies; or

- iv) take advantage of business opportunities to which GarantiBank, and or its group companies are entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

10.5 Advisory and other service agreements and contracts for work between a member of the Managing Board and GarantiBank require the Supervisory Board's approval. The Internal Audit Department of GarantiBank will perform yearly an audit on compliance on credit facilities to members of the Supervisory and Managing Board and other senior officers (or their relatives) to prevent granting disproportionately favourable credit facilities to these persons, which is considered inappropriate in the context of their position.

## **11. Relationship with the Supervisory Board**

11.1 The Managing Board and Supervisory Board cooperate closely in the interests of GarantiBank. The Managing Board coordinates GarantiBank 's strategy with the Supervisory Board and discusses the current state of strategy implementation with the Supervisory Board at regular intervals as deemed necessary or otherwise requested by the Supervisory Board.

11.2 Providing sufficient information to the Supervisory Board is the joint responsibility of the Managing Board (providing) and the Supervisory Board (asking). The Managing Board informs the Supervisory Board regularly, without delay and comprehensively, of all issues important to GarantiBank with regard to planning, business development, risk profile and internal control environment. The Managing Board shall provide the Supervisory Board with the relevant information so that it is in a position to form a sound opinion as to whether commercial activities are generally in line with the GarantiBank's risk appetite.

11.3 The Managing Board submits the Supervisory Board information in time (and in writing if possible) about facts and developments with respect to GarantiBank which the Supervisory Board may require in order to exercise its duties properly.

11.4 Each year, without prejudice to the above, the Managing Board shall provide the Supervisory Board with documents required for decisions, in particular, the Annual Financial Statements, the Consolidated Financial Statements and the Auditors' Report are to be sent to the members of the Supervisory Board, to the extent possible, in due time before the meeting.

11.5 The Supervisory Board, and its individual members, each have their own responsibility for obtaining, when necessary, additional information from the Managing Board and the external auditor that the Supervisory Board requires for the due performance of its duties. An open discussion between the Managing Board and Supervisory Board is required as well as among the members within the Managing Board and the Supervisory Board. The comprehensive observance of confidentiality is of paramount importance for this.

11.6 If a member of the Managing Board is absent or is prevented from performing his duties, the remaining members or member of the Managing Board shall be temporarily entrusted with the entire management of GarantiBank. If all members of the Managing Board are absent or are prevented from performing their duties, the management of GarantiBank shall be temporarily entrusted to the Supervisory Board which shall then be authorized to entrust the management temporarily to one or more persons, whether or not from among its members. Members of the Supervisory Board who take on the management of the company temporarily, where the Managing Board members are absent or unable to discharge their duties, shall (temporarily) not perform their duties as a Supervisory Board member.

## **12. Relationship with the General Meeting of Shareholders**

12.1 The Managing Board members shall, if required and/or appropriate, together with the Supervisory Board members attend the general meetings of shareholders.

12.2 The Managing Board members shall provide the General Meeting of Shareholders with any information it may require concerning an item on the agenda, unless an important interest (zwaarwiegend belang) of GarantiBank or any law, rules or regulations applicable to GarantiBank

prevent it from doing so. The Managing Board shall specify the reasons for invoking such important interests.

- 12.3 The Managing Board shall procure that each substantial change in the corporate governance structure of GarantiBank, after prior approval of the Supervisory Board, is submitted to the general meeting of shareholders for discussion under a separate agenda item.

13. **Confidentiality**

- 13.1 The Managing Board members shall treat all information and documentation acquired within the framework of their position as Managing Board member with the necessary discretion and, in case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the Managing Board, made public or otherwise made available to third parties, even after resignation from the Managing Board, unless it has been made public by GarantiBank or it has been established that the information is already in the public domain.

14. **Indemnity**

- 14.1 GarantiBank indemnifies, as a consequence of their membership to the Managing Board, each of the Managing Board members from and against any liability resulting from any act or omission by a member of the Managing Board in the performance of his/her tasks and responsibilities as member of the Managing Board, provided that such liability was not caused by gross negligence or wilful misconduct of such Managing Board member. If such Managing Board member is held liable (in or out of court), he or she shall immediately (i) report this to GarantiBank; and (ii) submit all relevant information to GarantiBank, upon request or even unasked. This indemnity shall only apply to the extent that the liability is not fully covered by GarantiBank's directors' and officers' liability insurance.

15. **Governing Law and Jurisdiction**

- 15.1 This Charter shall be governed by and construed in accordance with the laws of the Netherlands.
- 15.2 The courts of Amsterdam shall have exclusive jurisdiction to settle any dispute arising from or in connection with this Charter.

## **ANNEX 1: DEFINITIONS**

**Articles of Association:** means the Articles of Association of GarantiBank International N.V.

**Annual Financial Report** means the annual financial report of the Bank as referred to in Section 5:25c.2 of the Dutch Financial Supervision Act (*Wet op financieel toezicht*).

**Annual Report:** means the annual report of the Bank, drawn up by the Managing Board, as referred to in Section 2:391 of the Dutch Civil Code.

**BBVA Group** means Banco Bilbao Vizcaya Argentaria S.A. and its subsidiaries

**Chairman** means the Chief Executive Officer

**Charter** means the Charter of the Managing Board, the Charter of the Supervisory Board or the Charter of a Committee of the Supervisory Board, depending on the context, including any relevant Annexes thereto.

**CCO** means the Chief Credits Officer

**CFRO** means the Chief Financial Risk Officer

**Committee** means with respect to the Supervisory Board any Committee referred to under Article 5 of the Supervisory Board Charter.

**COO** means the Chief Operations Officer

**Corporate Secretary** means the corporate secretary appointed as referred to under Article 4.4 of the Supervisory Board Charter.

**External Auditor** means the auditor of the bank as referred to under Section 2:393 of the Dutch Civil Code.

**Garanti Group** means Turkiye Garanti Bankasi A.S. and its subsidiaries

**General Meeting** means the General Meeting of Shareholders of the Bank.

**Identified Staff** means employee referred to in article 2 of the Regeling beheerst belongingsbeleid Wft 2014.

**Managing Board** means the Managing Board of the Bank.

## **ANNEX II- ROLES AND RESPONSIBILITIES OF INDIVIDUAL MEMBERS OF THE MANAGING BOARD OF GBI**

### **The Chief Executive Officer - CEO**

1. The CEO shall chair the Managing Board and shall be primarily responsible for the proper functioning of the Managing Board and its Committees. He shall act as the spokesman for the Managing Board and shall be the main liaison with the Supervisory Board and the Shareholder.
2. The CEO shall be the main contact with the Dutch Central Bank (De Nederlandsche Bank) together with the Chief Operations Officer (COO) and the Chief Financial Officer (CFRO).
3. Without prejudice to the generality of the foregoing, the responsibilities of the CEO shall include:
  - Taking initiative for the Managing Board to develop, in cooperation with the other Managing Board members, a strategic plan for GarantiBank;
  - Realization of key quantitative and qualitative goals as laid down in the annual budget and strategic policy plan as developed under the responsibility of the Managing Board and approved by the Supervisory Board;
  - Overseeing and evaluating together with the CFRO, the processes for maintaining the integrity of the Bank with regard to the financial statements and other public disclosures and certifying their effectiveness as required in reports and documents that the Company files with, or submits to, the relevant regulators.
  - Managing the overall performance of corporate business lines;
  - Ensuring that a permanent education program is in place and maintained for the Managing Board and Supervisory Board;
  - Presiding over the meetings of the Managing Board, encourage a frank and transparent exchange of views and ensuring that decisions of the Managing Board are made on a sound and informed basis;
  - Ensuring the timely and adequate provision of information to the Supervisory Board and in particular its chairman as necessary for the proper performance of their duties;
  - Ensuring the annual evaluation and overall assessment of the functioning of the Managing Board and all its members;
  - Formulating and communicating GarantiBank's strategy with respect to Human Resources;
  - Directs the development and establishment of adequate and equitable personnel policies throughout the organization, including compensation policies and employee benefit plans. Insures that the interests and welfare of employees as individuals are preserved and protected.
4. The CEO is the Chairman of the ALCO Committee and Disciplinary Committee and a member of the Credit Committee and the Risk Management Committee and HR Committee.
5. The CEO acts as a liaison to the Audit and Compliance Committee and Remuneration Committee of the Supervisory Board.

## **The Chief Financial Risk Officer – CFRO**

### **The CFRO is primarily responsible for:**

- Contributing, in cooperation with the other Managing Board members, to the development a financial strategy for GarantiBank;
- Formulating, communicating and overseeing GBI's strategy with respect to risk and risk management;
- Formulating, communicating and overseeing the Bank's financial planning
- Supervising the operation of GarantiBank's risk management and business control systems;
- Ensuring the integrity of GarantiBank's accounts, including the choice of accounting policies, application of financial reporting related laws and regulations and the handling of financial estimates and forecasts;
- Preparation of the annual budget and annual results (including the Annual Report);
- Reporting GarantiBank's financial results and handling the processes and internal control systems pertaining thereto;
- Tax planning and supervision of tax related matters;
- Overseeing and ensuring the integrity of GarantiBank's internal and external reporting.

The CFRO is the Chairman of the Risk Management Committee and a member of ALCO and shall attend the Credit Committee as a member for discussion of any issues carrying material risk.

The CFRO acts as a liaison to the Risk Committee of the Supervisory Board.

## **The Chief Credits Officer – CCO**

### **The CCO is primarily responsible for:**

- Formulating and communicating GarantiBank's strategy with respect to credit risk and credit risk management;
- The overall management of the Bank's Credit Department, including the underwriting and loan review analysis process, and all functions providing lending support, direction, credit information, and loan policies, procedures and processes to ensure the overall quality of the Bank's lending portfolio.
- Supervising the performance of the loan portfolio including the overall credit quality, underwriting and administrative standards, and problem loan resolution.
- Formulating, communicating and overseeing the performance and improvement of the Bank's loan portfolio credit quality.
- Assists the Bank in meeting its overall business plan goals and maximizing loan profitability within capital risk limitations of the Bank.
- Developing, implementing, and monitoring efficacy of loan policies, procedures and practices that strategically support the Bank's risk objectives.
- Assumes responsibility for major organizational components such as lending compliance, credit risk assessment processes and training as it relates to lending functions.

- Ensures operating policies, procedures, objectives and goals for each area of responsibility support Bank-wide policies and objectives, and meet regulatory compliance.
- Coordinating all “credit related” examination data, document requests and information that is needed for regulators.

The CCO is the Chairman of the Credit Committee and a member of the ALCO, Risk Management Committee and the Compliance Committee.

### **The Chief Operations Officer – COO**

The COO is primarily responsible for:

- Formulating and communicating GarantiBank’s strategy with respect to operations management, IT;
- Realization of key quantitative and qualitative goals as laid down in the annual budget and strategic policy plan as developed under the responsibility of the Managing Board and approved by the Supervisory with respect to Operations, IT ;
- Planning and directing all aspects of an organization's operational policies, objectives, initiatives.
- Participates in the development and preparation of short-term and long-range plans and budgets based upon broad organization goals and objectives. Recommends their adoption to the Managing Board.
- Directs the development and installation of procedures and controls, to promote communication and adequate information flow, and thereby solidify management control and direction of the enterprise.
- Develops and establishes operating policies consistent with the Managing Board’s broad policies and objectives and insures their adequate execution. Appraises and evaluates the results of overall operations regularly and systematically, and reports these results to the Managing Board
- Ensures that all activities and operations are performed in compliance with applicable laws and regulations

The COO is a member of ALCO and the Compliance Committee.

### **Managing Board Member**

The Managing Board Member is primarily responsible for:

- Realization of key quantitative and qualitative goals as laid down in the annual budget and strategic policy plan as developed under the responsibility of the Managing Board and approved by the Supervisory Board with respect to Treasury, Institutional Sales and Private Banking, Retail Banking and Financial Institutions & Investor Relations ;
- Managing the overall performance of Treasury, Institutional Sales and Private Banking, Retail Banking and Financial Institutions & Investor Relations;
- Participating in the overall management of the Bank and assisting in achieving the long-term profitability, influencing asset quality and prudent long-term strategic direction
- Formulating, communicating and overseeing customer satisfaction and sustainability objectives of the Bank

The Managing Board Member is a member of ALCO, the Compliance Committee and the Complaint Committee.