

Rules of Procedure of the Board of Directors

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These Rules of Procedure of the Board of Directors (hereinafter referred to as "the Rules") are adopted under the authority of, and are intended to be complementary to the Agreement Establishing the Black Sea Trade and Development Bank (hereinafter referred to as "the Agreement") and they shall be construed accordingly.

In the event of a conflict between the provisions of these Rules and the Agreement, the provisions of the Agreement shall prevail. In the event of a conflict between these Rules and the By-Laws, the By-Laws shall prevail.

Section 1: Authority for these Rules

These Rules are adopted pursuant to Article 27 of the Agreement.

Section 2: Definitions

- (a) "Director", except for a Director acting as the Chairman under Section 3(a), includes the Alternate or a Temporary Alternate, as the case may be, when such Alternate is acting for a Director.
- (b) "Board" refers to the Board of Directors.
- (c) "President" refers to the President of the Bank.
- (d) "Vice President" refers to Vice Presidents of the Bank.
- (e) "Agreement" refers to the Agreement Establishing the Black Sea Trade and Development Bank.
- (f) "By-Laws" refers to the By-Laws of the Black Sea Trade and Development Bank.
- (g) "Agenda" refers to the list of items to be considered at a meeting.
- (h) "Chairman" refers to the person acting as Chairman of the meetings of the Board of Directors pursuant to Section 3(a).
- (i) "Secretary" means the Secretary General of the Bank or an official designated by the President to serve in the Secretary General's absence.

Section 3: Meetings

- (a) The President, or, in the absence of the President, the Vice President so designated by the President, shall act as Chairman of the Board. In the event of their absence from any meeting, the Board shall select a Director as Chairman.
- (b) Meetings of the Board shall be called by the President as the business of the Bank may require. The Board may be called into session at any time by the President on his own initiative. The President shall call the Board at any time at the written request of any Director. In exceptional circumstances, and in the

absence or incapacity of the President and the Vice President designated by the President, the Secretary may call a meeting upon the request of at least four (4) Directors representing at least one fourth (1/4) of the votes of all Members.

- (c) Except in special circumstances when notice of a meeting shall be given as soon as possible, the Secretary shall notify the Directors and their Alternates of meetings at least two (2) weeks in advance of each meeting.
- (d) The Board shall meet at the principal office of the Bank unless it decides that a particular meeting shall be held elsewhere.
- (e) A majority of the Directors shall constitute a quorum for any meeting of the Board, provided such majority represents not less than two-thirds (2/3) of the total voting power of the Members.
- (f) In addition to the Directors and their Alternates, the President, Vice Presidents and the Secretary, meetings of the Board shall be open to attendance only by such members of the Bank's staff as the President may designate, representatives of Members appointed under Section 15 of the By-Laws, and such other persons as the Board may invite.
- (g) At the request of the President or any Director, meetings may be held in Executive Session which shall be attended only by the Directors and their Alternates, the President, Vice Presidents, the Secretary and, with the approval of the Board, granted separately for each Executive Session, such other persons as are specifically named, without prejudice to the provisions of Section 15 of the By-Laws.

Section 4: Agenda for Meetings

- (a) An Agenda for each meeting of the Board shall be prepared by the President, or on his instructions, and a copy of such Agenda shall be given to each Director and his or her Alternate at least two (2) weeks before such meeting. In the case of a meeting called in special circumstances, the Agenda shall be given to each Director at least one (1) week before such meeting. Any matter upon which the Board has power to act shall be included on the Agenda for any meeting of the Board, if any Director so requests.
- (b) If any Director shall so request and upon provision of a reason by such a Director at the meeting, action by the Board on any matter comprising the promulgation, interpretation or application of, or amendment to, any policies, rules or procedures of the Bank¹, whether or not included in the agenda for that meeting, shall be postponed not more than once until the next meeting of the Board. In all other cases, if at least three Directors shall so request and upon provision of a reason by such Directors at the meeting, action by the Board, under and within existing policies, rules and procedures of the Bank, on any matter pertaining to the functioning of the Bank, including but not limited to

¹ Amended with BoG Resolution 127

projects, funding, operational relationships with other institutions, and generally the seamless and timely fulfillment of any and all obligations and mandates of the Bank, whether or not included in the agenda for that meeting, shall be postponed not more than once, and for a period not exceeding fifteen (15) calendar days, until either the next meeting of the Board, if such meeting is scheduled to take place within said fifteen (15) calendar day period, or until a vote without meeting, which is specifically authorized hereby to be held within such fifteen (15) calendar days, in order for the Directors to vote on such matter so postponed. Irrespective of the nature of the matter, no more than three (3) items in total from a particular meeting may be postponed under the provisions of this Section 4 (b)².

- (c) The Board may postpone discussion or decision on any agenda item for such period as it deems appropriate. Matters not on the agenda for a meeting may be considered at that meeting unless the Chairman, or a Director or Directors, as the case may be, in the manner prescribed in Section 4(b) above, object thereto.
- (d) Any item of the Agenda for a meeting, consideration of which has not been completed at that meeting shall, unless the Board decides otherwise, be automatically included at the beginning of the Agenda for the next meeting.
- (e)¹ Non-operational documents for discussion in the Board shall be submitted to Directors at least twenty one (21) calendar days before the scheduled discussion, the deadline for comments by the Directors being ten (10) calendar days to enable the President to circulate such comments to all Directors at least seven (7) calendar days before the meeting. In case such documents or drafts contain commercially confidential information (projects related documents), or belong to other categories of documents which the Board had decided to handle under expedited procedures, they shall be submitted to the Directors at least fourteen (14) calendar days before the scheduled discussion, the deadline for comments by the Directors in such case being six (6) calendar days to enable the President to circulate such comments to all Directors at least four (4) calendar days before the meeting.

Section 5: Voting

- (a) The Chairman shall ordinarily ascertain and announce to the meeting the sense of the meeting with regard to any matter and the Board shall be deemed to have acted in accordance with the announcement by the Chairman without the necessity of taking a formal vote. A Director dissenting from the decision of the Board may require that his or her views be recorded in the minutes of the meeting. Any Director may request a formal vote to be taken in accordance with the provisions of Paragraph 3 of Article 28 of the Agreement.

² Amended with BoG Resolution 127

³ Amended with BoG Resolution 127

- (b) Directors, Alternate Directors or Temporary Alternate Directors may vote only in person.
- (c) The President shall not exercise any voting power, except a casting vote in case of votes being equally split in the Board.
- (d) The Vice Presidents and the Secretary may participate in meetings of the Board but shall have no vote at such meetings, except when a Vice President is acting as Chairman in the absence or incapacity of the President, in which case such Vice President, acting as Chairman, shall have the same casting vote as the President in case of votes being equally split in the Board.

Section 6: Notice of Directors

- (a) Any notice required by these Rules to be given to a Director or his or her Alternate shall be deemed to have been sufficiently given when it has been delivered in writing by post, facsimile or e-mail.
- (b) Whenever any document is required by these Rules to be delivered to a Director or his or her Alternate it shall be deemed to have been sufficiently delivered if it is sent by post, facsimile or e-mail.
- (c) The giving of any notice or the delivery of any document which is required by these Rules to be given or delivered to any Director or his or her Alternate may be waived by the Director in writing, by any reasonably rapid means of communication, or in person, at any time.

Section 7: Secretary

The Secretary General shall act as Secretary of the Board.

Section 8: Minutes

- (a) The Secretary shall be responsible for the preparation of a summary record of the proceedings of the meetings of the Board.
- (b) Draft minutes shall be circulated to all Directors not later than 2 working days after meetings. Any comments by Directors should be sent to the Secretary not later than 25 calendar days prior to the next meeting, in order for the Secretary to circulate the master copy of the draft minutes to the Directors for approval at the next Board meeting.
- (c) Any Director may require that his or her views be recorded in the minutes of the meeting.
- (d) The Secretary shall be responsible for the custody of the minutes and other documents relating to proceedings of the Board and shall be the only person authorized to certify copies thereof.

Section 9: Publicity and Confidentiality

The proceedings of the Board are confidential and shall not be published except when the Board decides to authorize the President to arrange for suitable publicity on any matter relating thereto. The Board shall develop special procedures to assure the confidentiality of the Bank's commercial transactions.

Section 10: Amendments

These Rules may be amended by the Board of Governors.

Section 11: Committees

The Board may establish such committees as may be appropriate to facilitate its work to the extent authorized by the Board of Governors. Such committees shall report to the Board.