

Rules of Procedure of the Board of Governors

Section 1: Definitions

Section 2: Meetings

Section 3: Attendance at Meetings

Section 4: Agenda for Meetings of the Board

Section 5: Representation of Members

Section 6: Chairman and Vice Chairmen

Section 7: Secretary

Section 8: Committees

Section 9: Voting

Section 10: Voting Without Meeting

Section 11: Record of Proceedings

These Rules of Procedure of the Board of Governors (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: Definitions

- (a) "Governor", except when the Governor is acting as the Chairman or Vice Chairman of an annual meeting under Section 6, includes the Alternate or a Temporary Alternate when such Alternate is acting for a Governor.
- (b) "Board" refers to the Board of Governors.
- (c) "Director", except where otherwise specified, includes the Alternate or a Temporary Alternate when such Alternate is acting for a Director.
- (d) "President" refers to the President of the Bank or to a Vice President when he or she is acting in place of the President.
- (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) "Member" means a Member of the Bank.
- (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 2: Meetings

- (a) The Board shall hold an annual meeting at such date and place as the Board shall determine; provided, however, that the Board of Directors may change the date and the place of such annual meeting when special circumstances or reasons arise to justify such action at the request of at least four (4) Directors representing at least one fourth (1/4) of the votes of all Members.
- (b) The Board may, in addition, hold special meetings when it so decides or when called by the Board of Directors pursuant to Paragraph 1 of Article 24 of the Agreement.

- (c) The Secretary shall notify all members, by the most rapid possible means of communication reasonably available, of the date and place of each meeting of the Board. Such notifications must be dispatched at least forty-five (45) days prior to the date of any annual meeting and thirty (30) days prior to the date of a special meeting. In case of emergency, notification by telex, facsimile or other rapid means of communication ten (10) days prior to the date set for the meeting shall be sufficient.
- (d) Two thirds (2/3) of the Governors 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. Any meeting of the Board of Governors at which there is no quorum may be adjourned by a majority of the Governors present. Any meeting of the Board of Governors at which there is no quorum may be postponed from day to day for a maximum of two (2) days by decision of a majority of the Governors present. No notice need to be given of any such postponed meeting.
- (e) The Board may order the temporary adjournment of any meeting and its resumption at a later date.
- (f) Except as otherwise specifically directed by the Board, the President, together with the Chairman of the Board, and in co-operation with the host country, shall have charge of all arrangements for the holding of meetings of the Board.

Section 3: Attendance at Meetings

- (a) The President, the Vice Presidents, the Secretary General, the Directors and their Alternates or Temporary Alternates may attend any meeting of the Board. Other management officials may also attend following a proposal by the President.

Governors may be assisted by advisors after prior notification to the Chairman of the Board. The Board may restrict such attendance if circumstances so dictate.

- (b) The Chairman of the Board, in consultation with the Board of Directors, may invite observers to attend any meeting of the Board.

Section 4: Agenda for Meetings of the Board

- (a) Under the direction of the Board of Directors the President shall prepare an agenda for each meeting of the Board of Governors and transmit such agenda to Members together with, or in advance of, the notice of the meeting.

- (b) Additional subjects may be placed on the agenda for any meeting of Governors by any Governor provided that he or she shall give notice thereof to the President at least fifteen (15) days prior to the date of the meeting. The President shall give notice of such additional items through a supplementary list to be communicated to Members within 48 hours of receipt of such notice from a Governor.
- (c) The agenda, as well as any supplementary list, shall be submitted to the Board for approval at the first business session of each meeting by the Chairman of the Board.
- (d) When a special meeting is called the agenda shall be limited to the items communicated by the President.
- (e) In the course of any meeting of the Board, the Board may modify, add to, or eliminate items from the agenda.
- (f) In exceptional cases the President, under the direction of the Board of Directors, may include at any time additional items in the draft agenda for any meeting of the Board of Governors. The President shall notify each Governor of such additional items immediately.

Section 5: Representation of Members

At each meeting of the Board, the Secretary shall submit a list of the Governors, Alternates or Temporary Alternates of the Members whose appointment has been officially communicated to the Bank.

Section 6: Chairman and Vice Chairmen

- (a) At the end of each annual meeting the Board shall elect one of its Governors to be Chairman and two other Governors to be Vice Chairmen, and they shall serve in their respective positions until the end of the next annual meeting of the Board. In the absence of the Chairman, the Vice Chairman designated by the Chairman shall act in his or her place.
- (b) The Chairman or the Vice Chairman acting as Chairman, may not vote, but his or her Alternate or Temporary Alternate Governor may vote in his or her place.

Section 7: Secretary

The Secretary General of the Bank shall serve as Secretary of the Board.

Section 8: Committees

The Board may at any meeting establish such committees as may be necessary or appropriate to facilitate its work and such committees shall report to the Board.

Section 9: Voting

- (a) Except as otherwise expressly provided in the Agreement, all decisions of the Board shall be made by a majority of the voting power of the Members voting. At any meeting the Chairman may ascertain the sense of the meeting in lieu of a formal vote but a formal vote shall be taken whenever requested by any Governor; in this event the written text of the proposal to be voted upon shall be distributed to the Governors.
- (b) At any meeting of the Board, the vote of any member must be cast in person by the Governor, his or her Alternate, or in their absence, by a formally designated Temporary Alternate appointed by a Member for the purpose of attending and voting at the Board when both the Governor and his or her Alternate are absent. Directors and their Alternates or Temporary Alternates shall not be entitled to vote unless acting as Temporary Alternate Governors.

Section 10: Voting Without Meeting

- (a) Whenever the Board of Directors considers that the decision on a specific question which is for the Board to determine should not be postponed until the next annual meeting of the Board and does not warrant the calling of a special meeting of the Board, the Board of Directors shall promptly transmit to each Governor the proposals relating to that question with a request for a vote on such proposals. Proposals shall not be voted upon in this way on matters referred to in Article 23, Paragraph 2, sub-paragraphs (a), (b), (e), (g), (h), (i) and (k), of the Agreement.
- (b) In compliance with a request under paragraph (a) of this Section, votes shall reach the Bank within such period as may be determined by the Board of Directors. Upon the expiration of that period, the President shall report the votes to the Board of Directors which shall record the results of the voting in applying the provisions of Paragraphs 1 and 2 of Article 28 of the Agreement as if a meeting of the Board had been held. The President shall communicate the results to all Governors. Unless replies are received from not less than two thirds (2/3) of the Governors, representing not less than two thirds (2/3) of the voting power, the proposals shall lapse.

Section 11: Record of Proceedings

The Board shall keep a summary record of its proceedings which shall be available to all Members and kept on file at the Bank. Draft minutes shall be distributed within three (3) days after each meeting to all official participants referred to in Section 5 above. Each Governor or Alternate Governor may present his or her opinions and proposals within fifteen (15) calendar days after the end of the relevant meeting to be included in the minutes of that meeting. The Secretary shall be obliged to distribute all these documents to all members immediately.