

# COMMUNIQUE ON COMMON PRINCIPLES REGARDING SIGNIFICANT TRANSACTIONS AND THE RETIREMENT RIGHT

(Published in the Official Gazette edition 28861 on 24.12.2013)

## FIRST PART

### Purpose, Scope, Grounds and Definitions

#### Purpose:

**ARTICLE 1 – (1)** The purpose of this Communiqué is to set down:

- a) corporations' significant transactions as well as mandatory procedures and principles for execution of such significant transactions and for taking decisions therefor, including the significance criteria; and
- b) use of the retirement right with regard to significant transactions, and cases where such retirement right does not arise, and procedures and principles regarding calculation of the exercise price of the retirement right in corporations the shares of which are not listed and traded in the stock exchange; and
- c) procedures and principles regarding mandatory take-over bid arising from significant transactions.

#### Scope:

**ARTICLE 2 – (1)** This Communiqué covers the procedures and principles pertaining to corporations' decision-making process with respect to significant transactions and execution of such transactions, as well as exercise of the retirement right as a consequence of significant transactions, and making a mandatory take-over bid.

#### Grounds:

**ARTICLE 3 – (1)** This Communiqué is prepared and issued in reliance upon articles 23, 24, and 25 of the Capital Markets Law no. 6362 dated 6/12/2012.

#### Definitions:

**ARTICLE 4 – (1)** For the purposes and in the context of this Communiqué:

- a) “**Special-purpose Acquisition Company**” refers to a corporation, bearing the phrase “special-purpose merger company” in its title, which is founded for the purpose of offering to public at least half of shares representing its post-public offering capital, and merging thereafter with a non-publicly held corporation, in line with a predetermined timing and investment strategy; and has no other activity than satisfaction of the aforementioned purpose; and undertakes to use maximum ten percent of the proceeds of public offering for

activities specified in its Articles of Association and/or in its prospectus issued on account of public offering and to return the balance thereof to non-founding partners in the case of failure of the intended merger within the predetermined period of time and to that end, to invest the balance in any one or more of such investment instruments as deposits, government debt securities and similar other investment instruments; and discloses its cash management policy required therefor to public in its prospectus issued due to public offering; and will execute within the frame of principles set forth in the prospectus the voluntary repurchase of shares owned by shareholders using negative vote in the general assembly meeting where the merger transaction is approved, and of shares owned by all shareholders other than founders in the case of dissolution of the special-purpose merger company; and

- b) **“Stock Exchange”** refers to systems and marketplaces as well as foreign stock exchanges as defined in Article 3 of the Law no. 6362; and
- c) **“Emerging Companies Market”** refers to the market as defined in the stock exchange legislation; and
- ç) **“Financial Statements”** refers to statement of financial position, comprehensive income statement, cash flow statement and statement of changes in equity, together with footnotes thereof; and
- d) **“Controlling Shareholder”** refers to natural persons or legal entities directly or indirectly holding 95% or more of voting rights of the corporation, individually or jointly with persons acting together with them; and
- e) **“Related Party”** refers to the related party defined in the Turkish Accounting Standards; and
- f) **“Law”** refers to the Capital Markets Law no. 6362; and
- g) **“PDP”** refers to the Public Disclosure Platform; and
- ğ) **“Board”** refers to the Capital Markets Board; and
- h) **“Property”** refers to financial investments, investments revalued by equity method, investment-purpose real properties, tangible fixed assets and intangible fixed assets as well as biological assets, all as defined in the Turkish Accounting Standards; and
- ı) **“Corporation”** refers to a corporation the shares of which are offered to public or are deemed to have been offered to public; and
- i) **“TakasbankTakasbank”** stands for İstanbul Takas ve Saklama Bankası A.Ş.; and

j) “TCC” stands for the Turkish Commercial Code no. 6102 dated 13/1/2011; and

k) “Management Control” refers to control power as defined in Article 26 of the Law.

## **SECOND PART**

### **Significant Transactions**

#### **Significant Transactions:**

#### **ARTICLE 5 - (1)**

Matters such as the following that involve publicly-held corporations to;

- a) be party to merger, division transactions, take the decision to change their type or to terminate,
- b) transfer the whole or an important part of their assets or that they establish a real right on them or rent them,
- c) change their field of activity totally or to a significant extent,
- ç) create privileges or change the content or subject of existing privileges,
- a) Decides to be delisted; or
- b) Acquires or leases substantial properties from its related parties; or
- c) Sets off and deducts its cash capital stipulations deriving from planned capital increases through rights issue from and against debts of the corporation arising out of transfer of non-cash assets to the corporation; or
- d) In planned capital increases through rights issue, sum of the funds acquired from capital increase exceeds total existing capital of the corporation, and is to be used in partial or full repayment of debts owed to the related parties as defined in the relevant regulations of the Board and arising from transfer of non-cash assets to the corporation,

all such events are deemed significant transactions, providing that they also meet significance criteria set forth within the scope of Article 6 of this Communiqué.

(2) Business activities and transactions which significantly differentiates from pre-public offering commitments, promises or significant circumstances of corporations or which, even in the absence of any previous promises or commitments regarding a concrete subject, may bring about significant changes in activities and/or business life of the corporation when considered as a whole, may be considered a significant transaction by the Board.

(3) Reasoned decisions of the board of directors as to significant transactions is disclosed to public, with reference to votes of the independent board members, along with the exercise price of the retirement right, within the frame of the regulations of the Board pertaining to public disclosure

of material events. At this stage, for non listed corporations, it is not mandatory to disclose the exercise price of dissent.

**Significance Criterion:**

**ARTICLE 6 – (1)** Significance criterion, within the frame of subparagraph (b) of first paragraph of Article 5, is:

a) the ratio between the value of the assets in question in the financial statements announced to the public to the total of the assets in the financial statements announced to the public, or

b) the ratio between the amount of the transaction to the value of the company based on the mathematical weighted average on a daily basis, 6 months prior to the date of the board of directors' resolution, or

a) c) the ratio between the financial value of the asset contribution to be transferred (or leased or created a right *in rem*) to the income stated in the last financial statements and the income stated in the last financial statements

being more than 50%. In leasing transactions and/or other transactions where cash flows of the value of transaction may be definitely separated, net present value of total leasing income/expenses and/or other income/expenses calculated in accordance with the discounted cash flow method shall be taken into consideration as the transaction value. In the case of non-applicability of the ratios calculated within the frame of the principles stated in this subparagraph on such grounds as being insignificantly high, an assessment cannot be performed based only on the non-applicable ratio.

(2) Significance criterion, within the frame of subparagraph (e) of first paragraph of Article 5, is the the ratio between the amount of the transaction and the value of the company based on the mathematical weighted average on a daily basis, 6 months prior to the date of the board of directors' being more than 50%. In the case of leasing, net present value of lease amounts calculated as per discounted cash flow method taking into account the lifetime of the asset in question is taken into consideration.

(3) The board of directors must in any case make an assessment thereon by taking into consideration importance of the property with regard to the corporation's activities even though it is below the limits specified in first and second paragraphs of this article.

(4) Significance criteria, within the frame of subparagraph (c) of first paragraph of Article 5, are such decisions and transactions as:

b) Decisions or transactions that may change the production procedures for the goods and services that constitute the main business of the company.

a) Amendment of the articles of association resulting in the main business being shifted to a side business of the company,

b) for example, such changes as discontinuation of manufacturing activities as a whole and procurement of the subject goods from outside, which entirely change the operations process of production of goods and services constituting the main field of activity of the corporation.

(5) The statement to be disclosed with respect to the transactions under this Article pursuant to the regulations of the Board pertaining to public disclosure of material events will contain ratio calculations and decision of the board of directors as to whether the aforementioned criteria are met or not, and whether the subject events are assessed and considered as a significant transaction or not.

### **General Assemblies Concerning the Significant Transactions**

**ARTICLE 7 – (1) Significant transactions shall be submitted to the approval of the general assembly.** Decisions relating to significant transactions can be taken by the general assembly of shareholders only if and when they are approved by affirmative vote of at least two-thirds of voting shares represented in the general assembly meeting, regardless of the meeting quorum, unless heavier quorums are stipulated in the articles of association with a clear reference to the rate thereof. However, if the meeting is attended by at least half of voting shares representing the capital, decisions are taken by affirmative vote of majority of voting shares present in the meeting, unless heavier quorums are clearly imposed by the articles of association.

(2) Natural persons in the status of a final controlling shareholder being a party to significant transactions pursuant to first paragraph of Article 436 of TCC, or corporations where such natural persons hold the management control, cannot use their votes in the general assembly meetings where the said significant transactions are scheduled to be approved, if and to the extent such transactions lead to direct personal results for the natural persons themselves, without prejudice to the provisions of third paragraph of this Article.

(3) Such transactions as:

- a) becoming a party to merger or demerger or deciding to change of type or deciding to dissolve; and
- b) Change of the scope of business (in whole or in part considered as substantial); and
- c) deciding to be delisted

as referred to in first paragraph of Article 5 of this Communiqué are deemed not to lead to personal results under the provisions of second paragraph of this Article.

(4) Provisions of the articles of association reducing the quorums set forth in the first paragraph hereof are, however, invalid.

### **Delisting:**

**ARTICLE 8 – (1)** The condition precedent of an application to stock exchange for delisting of shares is to directly or indirectly acquire and hold 95% or more of voting rights of the corporation individually or jointly with persons acting together as a result of a take-over bid or otherwise.

**(2)** If and when the corporation's general assembly of shareholders takes a decision of delisting, then and in this case, within no later than five business days following the date of decision of the general assembly of shareholders, the corporation applies to stock exchange for delisting of its shares, and the controlling shareholder applies to the Board for fulfillment of the obligation of mandatory take-over bid within the framework of Article 11 of this Communiqué.

**(3)** Following completion of take-over bid processes, upon evaluation of the application, if the stock exchange decides to delist the shares and inflict a permanent ban on trading of shares, said decision will enter into force in the fifth business day following the date of publishing of the decision in PDP.

**(4)** As for the shareholders who do not respond to the take-over bid within the period of validity thereof, with the intention of keeping their rights of application open and usable for a period of three years following the date of decision of the stock exchange as to delisting of shares, a total amount to be calculated over the price offered for shares of such shareholders is, through the relevant intermediary institution acting for and on behalf of take-over bidder(s), required to be deposited in a special interest-bearing blocked account to be opened in the Takasbank in the name of the corporation the shares of which are the subject of take-over bid. During this period of time, the intermediary institutions assigned for take-over bid process are required to mediate in purchasing by the controlling shareholder of the delisted shares of corporation. A bank letter of guarantee may also be provided for the amount to be blocked. Following application to the Takasbank of the relevant intermediary institution acting for and on behalf of the controlling shareholder(s) at the end of three years following the date of decision of the stock exchange as to delisting of shares of corporation, this block is removed, and the controlling shareholder is not held liable to purchase the shares of shareholders applying after the end of this period of time. At the end of three years, the interests accrued on the money held and blocked in the Takasbank for three years, and the balance remaining in the account due to non-response to take-over bid during this period of time are refunded to the controlling shareholder at the end of this period upon demand thereof. For the purposes of this paragraph, accrual of interests on the money held in the blocked account, and principles of settlement to be applied in intermediation process, and principles of removal of block will be determined by the Takasbank with an approval of the Board.

**(5)** Upon occurrence of any one of the following events, a public disclosure is required to be made within the frame of the regulations of the Board pertaining to material events:

- a)** If and when the corporation's board of directors takes a decision of delisting, and such decision is approved by the general assembly of shareholders; or
- b)** If and when an application is filed to the stock exchange and the Board; or
- c)** At all stages of take-over bid process relating to delisting.

(6) Public disclosures of material events are required to contain at least the following information:

- a) Detailed reasons of the intention to be delisted; and
- b) When will an application be filed to stock exchange and the Board for delisting; and
- c) Explanations about the price of take-over bid to be submitted; and
- ç) Between which dates and for how much time the take-over bid will remain valid within the framework of the Board's decision; and
- d) Amount of fund set aside for take-over bid; and
- e) Transactions with respect to purchase of shares of shareholders who fail to respond to take-over bid within the period of validity thereof during a period of three years following the date of delisting, and block to be kept in the Takasbank for this period of three years.

(7) Provisions of this Article are enforceable also in applications made for permanent delisting from stock exchange markets by corporations the shares of which are listed and traded in unlisted stock markets and Emerging Companies Market in the stock exchange.

(8) Provisions of this Article are non-enforceable for investment trusts.

### **THIRD PART**

#### **Retirement right**

#### **Use of dissent right:**

#### **ARTICLE 9 – (1)**

The shareholders or their proxies who attend the general assembly meeting on significant transactions and record their dissenting votes to the minutes shall have the retirement right by selling their shares to the company.

(2) Where a shareholder or its proxy is unjustly prevented to attend a general assembly meeting relating to significant transactions, or a proper invitation or call is not made for the general assembly, or meeting agenda is not duly announced, the provisions of first paragraph hereof are applicable without seeking the condition of dissenting to the general assembly decisions and lodging a dissenting opinion in the meeting minutes.

(3) Where a share is restricted by a right of usufruct, and its voting rights are used by holders of right of usufruct, the holders of right of usufruct cannot use the retirement right. In this case, shareholder or its proxy is under obligation to attend the general assembly meeting and use a negative vote for the relevant transaction and lodge a dissenting opinion in the minutes, in order to use its retirement right.

(4) The following shall be stated in the agenda of the general assembly meeting for significant transactions: (i) shareholder's right to dissociate who attend the general assembly meeting and

record their dissenting vote to the minutes, (ii) the value of the shares subject to the right to dissociate, and (iii) the procedure of the exercise of such right.

(5) Before announcement of agenda of a general assembly meeting where significant transactions are scheduled to be discussed, the corporation's board of directors may decide that even if a general assembly decision is taken, subject transaction will not be executed:

- a) if and to the extent total cost to be incurred by the corporation as a result of use of rights to dissent exceeds the predetermined threshold, or
- b) if and when negative vote is used by shareholders of the predetermined attributes or by shareholders holding more shares than the predetermined rate.

In this case, together with the agenda item relating to approval of significant transaction, the predetermined conditions of such significant transaction must have been disclosed in the general assembly meeting agenda, and a separate agenda item coming after the agenda item relating to approval of significant transaction must clearly state that the transaction may be relinquished. In voting of the agenda item relating to relinquishment, all shareholders and proxies present in the meeting may vote, irrespective of the principles set forth in second paragraph of Article 7 of this Communiqué.

**(6) The exercise of a shareholder's right to dissociate shall commence within 6 business days (at most) starting from the date of the general assembly meeting. The period for the exercise of such right cannot be less than 10 business days and no more than 20 business days.**

(7) Retirement right is required to be used through an intermediary institution. The Board, upon demand, may grant an exemption to such rule for companies not traded on the stock exchange. Shareholders willing to use their retirement right sell and deliver their subject shares to the intermediary institution, engaged in purchasing of shares in the name of the corporation, within the framework of process of use of retirement right, as disclosed to public, and in tandem with general law provisions pertaining thereto. The value of shares is paid to the shareholders, applying to the intermediary institution for use of their retirement rights, in no later than the business day following the date of sales.

(8) Shareholders who use a negative vote about significant transactions included in the agenda of general assembly meeting and incorporate their dissenting opinions in the minutes have the right to use their shareholding rights as for other agenda items included in the agenda of that general assembly meeting.

(9) Shareholders wishing to use their dissenter rights are under obligation to use this right for all of the shares they hold, regardless of the group thereof.

**Exercise Price of the Shares Subject to the Retirement rightt:**



**ARTICLE 10 – (1)** Exercise price of dissent rightfor shares of corporations the shares of which are listed and traded in the stock exchange is the arithmetical mean of corrected weighted average prices quoted in the stock exchange within thirty days prior to the date of first disclosure of transaction to public, excluding the date of disclosure.

(2) Exercise price of dissent rightretirement rightfor shares of non listed corporations and assessment report to be issued pursuant to the relevant regulations of the Board for the purpose of determining whether this price is fair and reasonable or not, will be disclosed together with agenda of the general assembly meeting where the significant transaction is scheduled to be discussed.

(3) Where a public disclosure is not made pursuant to the initial two paragraphs of this Article or a public disclosure is not made in a timely fashion or a public disclosure is published at a place other than PDP for corporations the shares of which are listed and traded in the stock exchange or other than the Board's and corporation's internet site for non listed corporations, the date when the decision of the board of directors pertaining to transaction is required to be disclosed to public pursuant to the regulations of the Board pertaining to significant events, or in any case if a disclosure is made by the corporation's officials prior to the decision of the board of directors, the date of that disclosure is considered as the date of first disclosure of transaction to public in the determination of exercise price of the retirement rightretirement right.

(4) Where several public disclosures are made with respect to a significant transaction, in determination of exercise price of the dissent right regarding that significant transaction, regardless of whether such information as price, amount, rate or assessment results, etc. are included therein or not, or whether the transaction has been finalized at that stage or not, the date of first disclosure to public about the intention relating to the scheduled transaction will be taken as a base.

(5) Upon lapse of one year following the date of public disclosure of significant event stating that the significant transaction is relinquished or is proven to be unfeasible, the process described in third and forth paragraphs of this Article is restarted for determination of exercise price of the dissent right

(6) Each significant transaction to be decided in the same meeting of the general assembly of shareholders is required to be discussed as a separate agenda item, and the exercise price of the dissent rightto be determined for each transaction is required to be shown separately in the agenda, and in determination of exercise price to be due and payable to shareholders who attend the general assembly meeting and use a negative vote for more than one significant transaction and incorporate their dissenting opinions in the minutes, the highest one of exercise prices of the dissent relating to all significant transactions for which a negative vote is used by the relevant shareholder is required to be taken into consideration.

(7) The exercise price of the retirement rightretirement right is required to be paid fully in cash.

(8) Shares repurchased by the corporation as a result of use of the dissentrightwill be subject to the regulations of the Board pertaining to repurchase by the corporations of their own treasury

shares, provided, however, that the rate of repurchasing limit specified in the relevant regulation is not applicable in the case of use of the Dissent right

**Mandatory Take-over Bid Due to significant Transactions:**

**ARTICLE 11 – (1)** For the significant transactions referred to in subparagraphs (ç), (d) and (f) of first paragraph of Article 5, natural persons or legal entities who are going to make use of these transactions are under obligation to make a take-over bid. Thereupon, take-over bid price is determined within the frame of principles set forth in tenth Article of this Communiqué.

**(2)** In corporations lacking a group of shareholders directly or indirectly holding twenty-five percent of voting rights individually or jointly with persons acting together with them, if the same privilege is granted to all of existing shares through grouping of capital shares of the corporation, the Board may impose an obligation of use of the dissent right, in lieu of mandatory take-over bid.

**(3)** Where an obligation of mandatory take-over bid is imposed due to significant transactions, the agenda of the general assembly meeting to be convened for discussion of the subject significant transaction is required to contain information about nature of transaction, and to state that a take-over bid will be presented in lieu of the retirement right, and to show the take-over bid price and take-over bid process, and in addition, the actual take-over bid process should be started within six business days following the date of the general assembly meeting to be convened for discussion of the subject significant transaction. Thereupon, it is not required to separately fill in a take-over bid information form and to separately apply to the Board for approval.

**(4)** If and when the person fulfilling the obligation of take-over bid wishes to make the execution and realization of take-over bid conditional upon:

- a)** total cost to be incurred by him as a result of fulfillment of the obligation of take-over bid exceeding the predetermined threshold, or
- b)** purchase or non-purchase of shares of shareholders of the predetermined attributes or shareholders holding less or more shares than the predetermined rate,

then and in this case, take-over bid is presented prior to the general assembly meeting to be convened for discussion of significant transaction. Thereupon, the take-over bid information form is required to contain information about nature of transaction, and to state that a take-over bid will be presented in lieu of the dissent right, and to show the take-over bid price and take-over bid process, and to declare that if the significant transaction is approved by the general assembly meeting after the take-over bid, a retirement right or an obligation of take-over bid will not separately arise, and that the shares repurchased through a take-over bid will not be returned even if the relevant transaction is not approved in the general assembly meeting. Period of take-over bid process through book-building is determined as minimum ten business days and maximum twenty business days. If the demands collected by the end of said period do not lead to satisfaction of conditions stipulated for relinquishment from the transaction, then the shares of demanding shareholders are purchased by

the bidder within three business days following the end of book-building period, and the significant transaction may be presented to the approval of general assembly of shareholders only thereafter.

(5) Where, specifically for material transactions, a voluntary take-over bid is requested to be filed, or another transaction leading to the obligation of take-over bid is realized concurrently with public disclosure of a significant transaction leading to the retirement right, a take-over bid may be made solely and exclusively, providing that the take-over bid price is equal to or higher than the exercise price of the retirement right and is deemed fit and acceptable by the Board.

(6) Where the Board imposes an obligation of take-over bid due to a significant transaction, the modus operandi of take-over bid and the take-over bid price are disclosed to public in accordance with the regulations of the Board pertaining to significant events.

(7) The take-over bid price is required to be paid fully in cash.

(8) All and any matters relating to take-over bid process on which this Communiqué remains silent shall be governed by and subject to the regulations of the Board pertaining to take-over bids.

#### **Cases Not Leading to Retirement right:**

**ARTICLE 12 – (1)** The following significant transactions are deemed not to lead to any dissent right within the frame of provisions of this Communiqué:

- a) Transactions required to be effected pursuant to other relevant laws and regulations applicable on corporations; and
- b) Transactions by companies whose control belongs to a governmental authority;** and
- c) Removal of all of the privileges of the shareholders free of charge, or limitation on privileges in terms and scope,; and
- ,
- c),
- d)
- ç) Amendment of the status of the investment trusts, cessation of the status of such trusts and change in privileges in this regard,; and
- d) Transactions mandatory for takeover bids as a result of a significant transaction, or transactions approved by the Board for voluntary takeover bids,; and

- e) **Demerger transactions that establish a new partnership in which the shareholding structure of the demerged company is kept; merger and demerger transactions in simplified form; and**
  - f) **The fact that the transaction is made by judicial authorities in accordance with a judgment decided under the Enforcement and Bankruptcy Code no. 2004 dated 9/6/1932 or for the purposes of collection of a public claim, the immediate buy back of the assets subject to transaction through financial leasing; and asset transfer to issue a lease certificate, security based assets or a mortgage or warranted security.**
- f) Lease of assets in the portfolio of real estate investments trusts; and
- ,
- i),
- g) Forming rights *in rem* over the assets in the portfolio of real estate investment trusts in accordance with the Communiqué on Principles of Real Estate Investment Companies, no. III-48.1, promulgated in the Official Gazette edition 28660 on 28/5/ concerning real estate investment trusts ; and
  - g) Forming rights *in rem* over the assets of the companies consolidated in the financial statements in favor of such companies; and
  - i) Providing that it is deemed acceptable by the Board, transactions where, as determined by a special-purpose independent audit report, transfer of ownership of no-economic-value properties that are included in assets of a corporation which has lost at least half of its capital according to its financial statements issued in accordance with the pertinent regulations of the Board will terminate the said loss of capital; and
  - h) Merger and **liquidation** n transactions to which a special-purpose acquisition company is a party.
- (2) In cases not leading to a retirement rightretirement right, except for the events requiring a general assembly meeting pursuant to other relevant regulations, it is adequate to take a decision of board of directors, and a separate general assembly meeting is not required. As for the events requiring a general assembly meeting pursuant to other relevant regulations, a statement of the board of directors verifying that a dissent right has not arisen is added to the meeting agenda. Furthermore, in any case, a reasoned decision of the board of directors pertaining to transactions covered by this Article is disclosed to public, together with relevant information and documents, pursuant to the regulations of the Board pertaining to significant events.

#### **FOURTH PART**

#### **Miscellaneous and Final Provisions**

**Ratio:**

**ARTICLE 13 – (1)** The Board is authorized to revise and change the ratios specified in this Communiqué.

**(2)** Such actions as dividing a transaction into several portions or revision of accounting policies for the sake of remaining below the limits of ratios specified in this Communiqué are not permitted to be taken.

**Liability:**

**ARTICLE 14 – (1)** Directors of corporations are liable to ensure compliance with the procedures and principles set forth in this Communiqué with regard to execution of significant transactions or taking of significant decisions, also including the criterion of significance, and use of the dissent right, and cases not leading to a dissent rights.

**Reserved Provisions:**

**ARTICLE 15 – (1)** For the purposes of enforcement of this Communiqué on investment partnerships, the regulations of the Board pertaining to investment partnerships are reserved.

**Completion of Pending Applications:**

**TEMPORARY ARTICLE 1 – (1)** Applications which have not yet been decided by the Board as of the effective date of this Communiqué will be completed according to the provisions of this Communiqué.

**Effective Date:**

**ARTICLE 16 – (1)** This Communiqué shall enter into force at the date of its publication.

**Enforcement:**

**ARTICLE 17 – (1)** The provisions of this Communiqué shall be executed by the Board.