GURULKAN ÇAKIR GÜNAY

Streamlined Governance: Turkish Commercial Code Amendment Redefines Board Dynamics for Effective Use of Information and Inspection Rights by Board Members

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The provision concerning the right of Board of Directors (BoD) members to receive information about company operations has been amended by incorporating new clauses into the seventh paragraph Article 392 of the Turkish Commercial Code (Law No. 6102, "TCC") with the Law published in the Official Gazette on May 29, 2024.

The rights of board members to access and scrutinize information is an obligatory provision under the TCC, and these rights cannot be hindered, limited, or revoked in any manner. Essentially, while the articles of association or board resolutions may augment the right of members to access and review information, this right cannot be constrained.

The new clauses outline the procedure for convening board meetings. It establishes that the chairman of the BoD is responsible for initiating the call for a board meeting when deemed appropriate. However, if a written request is submitted by the majority of BoD, the chairman must convene the meeting within thirty days from receiving the request. If the meeting is not scheduled within this specified period, or if the chairperson or vice-chairperson is unreachable, the board members who initiated the request are empowered to directly arrange the meeting. This provision ensures that the BoD can effectively convene and take decisions even in the absence of the chairman or vice chairman.

The meeting and decision quorums for such meetings must comply with the requirements outlined in the first paragraph of Article 390, ensuring that decisions are taken in accordance with the standard practice.

The amendment also allows for the adoption of a different procedure under the articles of association for summoning the board of directors meeting.

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