

**Charter of  
AmCham Turkey/ABFT  
June 18, 2021**

## **AMCHAM TURKEY/ABFT**

### **ARTICLE 1 - NAME OF THE ASSOCIATION**

Name of the association is “Amerikan Şirketler Derneği” (the “Association”).

### **ARTICLE 2 - HEADQUARTERS OF THE ASSOCIATION**

The headquarters of the Association shall be located in Istanbul. The association has no branch office.

### **ARTICLE 3 - OBJECTIVES AND ACTIVITIES OF THE ASSOCIATION**

3.1 The objectives of the Association are to promote the business interests of the Members by working to improve the business climate in Turkey and to provide services to the Members.

3.2 The Association shall achieve its objectives by:

3.2.1 Promoting bilateral trade between the Republic of Turkey (“Turkey”) and the United States of America (the “US”);

3.2.2 promoting investment in Turkey;

3.2.3 collaborating and engaging with officials of the Turkish and US Governments on issues relating to the business and investment climate in Turkey;

3.2.4 facilitating contacts between business enterprises in the Turkey and US;

3.2.5 collecting, maintaining, analyzing, publishing, and disseminating information on issues relating to the business climate in Turkey;

3.2.6 organizing conferences, seminars, and other events;

3.2.7 publishing materials on Turkey-US business relations and the business and investment climate in Turkey;

3.2.8 maintaining affiliations with the US Chamber of Commerce in the US and the European Council of American Chambers of Commerce (AmChams in Europe); and

3.2.9 all types of activities allowed by Turkish law consistent with the objectives of the Association.

3.3 If a license, permit, certificate or any other approval is required by Turkish law to engage in any of the activities listed in this Article, the Association shall engage in such activities only after such license, permit, certificate or any other approval has been obtained.

3.4 The goals and activities of the Association include the creation of any industrial and commercial enterprise, the establishment of partnerships and procurement, management, and transferring of such in order to generate revenue for the realization of the Association’s goals.

## **ARTICLE 4 - MEMBERSHIP**

4.1 The Association shall have three (3) categories of affiliation with the Association: Platinum Member, Gold Member, Silver Member, (all of the Members affiliated with any of these categories will be referred to as “Members”). Legal entities and individuals approved by the Board of Directors to be affiliated with the Association shall meet the qualifications of at least one category of affiliation.

4.2 To be eligible to be a Member of the categories of Platinum Member or Gold Member, a candidate must (i) be a legal entity, partnership, foundation or a branch or representative office of a legal entity, registered in Turkey, (ii) have a good reputation in the community as determined by the Board of Directors, and (iii) be:

4.2.1 founded or incorporated in the US or have its shares traded on a US stock exchange (a “US Company”);

4.2.2 a parent, subsidiary or affiliate of a US Company;

4.2.3 operating a franchise of a US Company in Turkey;

4.2.4 organized as a Turkey-US joint venture; or

4.2.5 organized as a partnership, including an attorney partnership, operating with a partnership founded or based in the US, within a relation subject to the limits permitted by Turkish laws.

A candidate with only a customer or transactional relationship, other than a franchise, with a US Company is not an “affiliate” within the meaning of this article.

4.3 To be eligible to be affiliated with the Association a Silver Member, a candidate must (i) have a good reputation in the community as determined by the Board of Directors, and (ii) be:

4.3.1 eligible for membership as a Member;

4.3.2 a US citizen; or

4.3.3 a US-based non-governmental organization registered and operating in Turkey.

4.4 To apply for affiliation with the Association as a Member, a candidate must be nominated by two Members and submit an application to the Board of Directors in the form determined by the Board of Directors.

4.5 A candidate meeting the requirements for affiliation with the Association is accepted as a Member, upon receiving an affirmative majority vote of the Board of Directors and paying the membership and the first year’s fee for the candidate’s category of affiliation.

4.6 To maintain affiliation status with the Association, a Member must continue to meet the requirements for affiliation as set out in this Charter and be current with all financial obligations to the Association.

## **ARTICLE 5 - RIGHTS AND DUTIES OF MEMBERS**

5.1 Members complying with all obligations of membership are entitled to vote and authorized to participate in meetings of the General Assembly. Each Member has equal voting rights, defined as one vote per Member. Each Member shall designate in writing a single representative authorized to vote on its behalf (its "Designated Representative"). The Designated Representative must be a person acting as a member of the senior management of the Member at the time of their appointment.

5.2 A Member may change its Designated Representative by submitting the change in writing to the Secretary General.

5.3 The Designated Representative of a Member who has the right to vote is entitled to run for any elective Office in the Association.

5.4 Members have the right to receive benefits related to Association activities without charge, except as otherwise determined by the Board of Directors. The Board of Directors may designate certain benefits, including but not limited to participation in certain Association events, which are only available to Platinum and/or Gold Members.

5.5 Members shall protect the interests and reputation of the Association, abide by this Charter and the laws of Turkey, and timely pay all financial obligations to the Association.

5.6 In order for Members to be able to attend the meetings of the General Assembly, they must fulfill all of their obligations to the Association, including but not limited to payment of previous year's monthly fees and/or participation fee. The Members who do not fulfill their obligations shall be notified in writing before the Member lists are issued, and a payment period of at least fifteen (15) days starting from the notification date shall be given to the Members with this notice.

## **ARTICLE 6 - TERMINATION AND SUSPENSION OF AFFILIATION**

6.1 The affiliation of a Member may be terminated through voluntary resignation or through involuntary termination.

6.2 The affiliation of a Platinum or Gold Member with the Association shall be terminated by a Board of Directors' resolution upon the loss of its standing as a legal entity, partnership, foundation or a branch or representative office of a legal entity.

6.3 The resignation of a Member must be submitted to the Board of Directors in writing delivered to the Association's office. A resignation shall become effective immediately upon receipt of such notice. The resigning Member shall remain liable for any outstanding obligations to the Association.

6.4 The Board of Directors may terminate the affiliation of a Member for:

6.4.1 failure to fulfill any obligation to the Association, including the failure to pay fees fully or partially for three successive years despite a written warning and other charges owed to the Association;

6.4.2 conduct reflecting unfavorably on the Association; or

6.4.3 the Board of Directors considers that continued affiliation would be detrimental to the Association.

6.5 A Member whose affiliation has been terminated may appeal that decision in a meeting of the General Assembly. A Member whose affiliation has been terminated by a Board of Directors' resolution cannot use its membership rights. The only exception thereof is the participation of the Member to the meeting of the General Assembly where it will appeal the decision of affiliation termination and its right to speak in the General Assembly within the scope of this agenda item. In this meeting, the General Assembly may resolve that the decision of affiliation termination was not expedient, with simple majority of the Members present at the meeting. In this case, the decision of affiliation termination becomes invalid from the beginning. In case the appeal of the Member is rejected in the meeting of the General Assembly, the decision of affiliation termination of the Board of Directors is valid from the beginning. The Member may exercise its other legal rights against this decision.

6.6 The Board of Directors may suspend the rights of a Member, including the right to attend Association functions, for delinquency in the payment of fees and other charges due to the Association.

## **ARTICLE 7 - RIGHTS OF THE ASSOCIATION**

7.1 To attain its objectives, the Association has the right and power, in accordance with the procedures established under the laws of Turkey, to conclude agreements, to receive property and personal intangible rights, to undertake obligations, and to engage in any lawful activity in Turkey or any other country.

7.2 The Association may participate in meetings, fairs and exhibitions conducted within and outside Turkey.

7.3 The Association may appear as a plaintiff or defendant in court or before an arbitration tribunal in Turkey or any other country and shall have the authority to negotiate settlements and conclude agreements.

7.4 The Association shall have proprietary rights to all its assets and, in accordance with the laws of Turkey, shall have the right to own, use, and dispose of its property and revenue in accordance with its objectives.

7.5 The Association shall have the right:

7.5.1 to establish, in Turkey or abroad, representative offices, branches, divisions or other separated subdivisions without the rights of a legal entity and, in accordance with applicable laws, shall be liable for obligations of such representative offices, branches, divisions and other separate subdivisions;

7.5.2 to purchase, lease or rent movable or immovable property, in Turkey or abroad, as provided under any applicable laws and as may be necessary or desirable to enhance its activities;

7.5.3 to import and export all goods, property, services and other tangible and intangible items necessary for its activities;

7.5.3 to organize training centers for its personnel in Turkey and abroad;

7.5.4 to open foreign currency and Turkish lira accounts in Turkey and, if necessary, obtain credits and loans in foreign currency and liras in accordance with applicable law; and

7.5.5 to secure obligations of other persons and pledge or mortgage its assets to secure its own contractual obligations, including foreign currency and lira credits and loans, in accordance with the laws of Turkey.

7.6 The Association shall enjoy all other rights provided by the laws of Turkey.

## **ARTICLE 8 - BODIES OF THE ASSOCIATION**

The bodies of the Association are the General Assembly, the Board of Directors, and the Board of Auditors.

## **ARTICLE 9 - GENERAL ASSEMBLY**

9.1 The General Assembly is the highest body of the Association and consists of those Members entitled to participate in the General Assembly pursuant to this Charter. A meeting of the General Assembly is convened on an ordinary basis every February as called by the Board of Directors.

9.2 Elections for the Board of Directors and Board of Auditors shall be conducted every second February at the ordinary Meeting of the General Assembly. The General Assembly may also be convened on extraordinary basis as deemed as necessary by the Board of Directors or Board of Auditors, or upon the written request of one-fifth of the Members.

9.3 If the Board of Directors fails to call the meeting General Assembly to a meeting upon the written request of the Board of Auditors or one-fifth of the Members, a judge of a local civil court of first instance shall appoint a commission consisting of three Members to call a meeting of the General Assembly upon an application to be filed by the Board of Auditors or one of the Members who requested the meeting.

9.4 Membership and annual fees are determined annually with the approval of the General Assembly following the proposal of the Board of Directors.

## **ARTICLE 10 - RIGHT TO PARTICIPATE IN MEETINGS OF THE GENERAL ASSEMBLY**

10.1 Only Members complying with all duties of membership, fulfilling all obligations including but not limited to payment of the monthly fee and/or participation fee may participate in the meetings of the General Assembly. Each legal entity member is represented in the General Assembly by its Designated Representative appointed in compliance with the provisions of Article 5.1 and Article 5.2.

10.2 The Members whose affiliations are suspended cannot vote, however their right to attend the meetings of the General Assembly where they will exercise their right to appeal the decision of affiliation termination and to speak regarding the relevant agenda item are reserved. The

Members, who have attended the General Assembly, for this reason will not be counted out for determining the majority required for the meeting of the General Assembly, voting threshold or invitation to the meeting.

## **ARTICLE 11 - MEETING OF THE GENERAL ASSEMBLY**

11.1 The Board of Directors shall issue a list of Members entitled to participate in a meeting of the General Assembly pursuant to this Charter. A notification including information of the meeting date, time, location and agenda shall be served on those Members entitled to participate in the meeting of the General Assembly a minimum of fifteen (15) days before the meeting. The notification of the meeting shall also state when a second meeting will be held if a quorum a cannot be achieved at the first meeting. The time interval between the first and second meetings may not be less than one (1) week or more than thirty (30) days.

11.2 If a meeting is adjourned for another reason, the Members entitled to participate in the meeting of the General Assembly shall be notified of the adjournment and the reasons therefor. The second meeting must be held not later than thirty (30) days following the date of adjournment. Members shall be invited to the second meeting in accordance with the rules stated in Article 11.1 above. Meetings of the General Assembly may not be adjourned more than once.

11.3 Unless otherwise decided by the Board of Directors, meetings of the General Assembly shall be held in Istanbul.

11.4 Only items on the agenda as prepared by the Board of Directors or Board of Auditors shall be discussed at meetings of the General Assembly except that additional items may be added to the agenda at the request of at least one-tenth of the Members eligible to participate in the meeting of the General Assembly provided that such request is received by the Secretary General at least at least five (5) days prior to the meeting.

11.5 A quorum for meetings of the General Assembly shall be achieved by the participation of one more than half of the Members entitled to participate in the meeting. If a quorum is not achieved at the first meeting, a quorum for the second meeting shall be achieved with the participation of not be less than two times the total number of members of the Board of Directors and Board of Auditors.

## **ARTICLE 12 - MEETING PROCEDURE**

12.1 Meetings of the General Assembly shall be held on the date and time and at the location stated in the notice of the meeting. The Designated Representatives of Members participating the meeting shall be admitted to the meeting room only after signing against their names given in the list issued by the Board of Directors. If the full quorum prescribed in Article 11 of this Charter has been achieved, this situation shall be recorded in the minutes and the meeting shall be opened by the chairperson of board or by one board member to be delegated by the chairperson.

12.2 After the meeting has been called to order, the chairperson, deputy chairperson and recording secretary of the meeting of the General Assembly shall be elected from among the Designated Representatives of the Members entitled to participate in the meeting. The chairperson, deputy chairperson and recording secretary shall prepare, sign and issue the minutes of the meeting. At the conclusion of the meeting, all minutes and other documents shall be given to the Board of Directors.

## **ARTICLE 13 - METHODS AND PRINCIPLES OF VOTING AND TAKING DECISIONS AT MEETINGS OF THE GENERAL ASSEMBLY**

13.1 Each Member is entitled to one (1) vote at meetings of the General Assembly.

13.2 Votes are cast either by secret ballot or open voting.

13.3 Secret ballots are votes recorded on a paper ballot, collected in a voting box, and counted at the end of voting. In the case of open voting, the method specified by the chairperson of the General Assembly shall be used.

13.4 The permanent and alternate members of the Board of Directors and Board of Auditors shall be elected from among the Members based on the number of votes cast in favor of each candidate. Members have the right to vote for members of the Board of Directors and Board of Auditors by secret ballot.

13.5 All decisions are taken by a majority vote unless otherwise required.

## **ARTICLE 14 - DUTIES AND AUTHORITY OF THE GENERAL ASSEMBLY**

The following issues are in the exclusive competence of the General Assembly:

14.1 Election of the bodies of the Association,

14.2 Amendments to the Charter of the Association,

14.3 Approval of reports of the Board of Directors and Board of Auditors and removal of members of the Board of Directors or Board of Auditors;

14.4 Approval and amendment of budgets prepared by the Board of Directors;

14.5 Authorization to purchase or sell immovable assets;

14.6 Authorization for the Association to participate in or withdraw from a federation in Turkey;

14.7 Authorization to engage in international activities or to participate in or withdraw from foreign associations and organizations;

14.8 Termination and liquidation of the Association;

14.9 Audit of other bodies of the Association and removal members of such bodies from their positions for just cause;

14.10 Objections raised by Members to a decision of the Board of Directors rejecting an application for membership or dismissing a Member or Associate from the Association;

14.11 Approval and amendment of regulations prepared by the Board of Directors on the activities of the Association;

14.12 Authorization to open branch offices of the Association;

14.13 Appointment of outside auditors;

14.14 As the highest authorized body of the Association, execution of transactions and exercise of authority not granted to other bodies of the Association; and

14.15 Other duties assigned to the General Assembly by law or this Charter.

## **ARTICLE 15 - BOARD OF DIRECTORS**

15.1 The Board of Directors shall be the executive management body of the Association and may take decisions on all matters except those within the exclusive competence of the General Assembly in accordance with this Charter and the laws of Turkey.

15.2 The Board of Directors shall consist of fourteen (14) permanent and seven (7) alternate members, including the Chair. Each member of the Board of Directors must, at the time of election or appointment and at all times during his/her term of service on the Board of Directors, be a Member. The Members that are elected or appointed to the Board of Directors shall be represented by their Designated Representatives. In the event that Designated Representative ceases to be a member of the senior management of the Member before the expiration of the term of office of the legal entity Member as a member of the Board of Directors, the Member will be entitled to two (2) rights of choice. In such case, the Member, at its sole discretion, may (i) declare its intention to continue with the same Designated Representative or (ii) determine a new Designated Representative to represent itself until the expiration of its term of office as a member of the Board of Directors. In either cases, the Member will remain on duty as a member of the Board of Directors.

15.3 The United States Ambassador to Turkey or his/her designated representative shall have the right to attend each meetings of the Board of Directors without invitation; the United States Ambassador and his/her Designated Representative shall not pay any membership fee or have the right to vote.

15.4 Members of the Board of Directors shall be elected by the General Assembly for a term of not more than two (2) years or, if permitted by the laws of Turkey, for such longer term as may be established by the General Assembly. Members of the Board of Directors may tender their written resignations at any time. Members of the Board of Directors that completed its term of service may be re-elected. In order to ensure both continuity and diversity in the formation of the Board of Directors, it will be regarded to change one third of the permanent members and alternate members of the Board of Directors at each time for board of directors appointment, who served in the previous period in the new elections.

15.5 The Board of Directors shall elect from among the members of the Board of Directors a Chair, a Deputy Chair, and a Treasurer for a term of not more than two (2) years. The Chair may remain on duty for four (4) successive years at most. This rule regarding chair duty will apply to the Chair of the Board of Directors, who will be elected after this article's entry into force.

15.6 The Board of Directors may establish offices of the Association and elect those officers from among the members of the Board of Directors for terms of not more than two (2) years.

15.7 In the event that the office of Chair becomes vacant between annual ordinary meetings of the General Assembly, the Deputy Chair shall become Chair.

15.8 Members of the Board of Directors and officers of the Association may serve consecutive terms provided that they remain otherwise eligible to serve on the Board of Directors.

15.9 The Board of Directors shall convene as required by any member of the Board. A member of the Board of Directors wishing to convene a meeting may direct the Secretary General to send a notice of the meeting to all other members of the Board of Directors at least seven (7) calendar days prior to the meeting. Each member of the Board of Directors shall have the right to waive such notice requirement.

15.10 At all meetings of the Board of Directors, a majority of the voting permanent members of the Board of Directors shall constitute a quorum to convene the meeting. A vote of a majority of the members present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. In the event of a tie vote, the Chair shall cast the deciding vote. No member of the Board of Director shall abstain from voting. If at any meeting of the Board of Directors a quorum is not present, the members present may adjourn the meeting until a quorum is present.

15.11 Unless restricted by law, Board members may attend and participate in a meeting of the Board of Directors by telephone conference or similar communications equipment such that all persons in attendance at the meeting can hear each other and participate in the meeting.

15.12 The Board of Directors shall:

15.12.1 give preliminary consideration to all matters which, in accordance with this Charter, must be submitted to consideration or approval of the General Assembly;

15.12.2 take all measures to comply with the decisions of the General Assembly and ensure that such decisions are implemented;

15.12.3 develop annual and long-term activity plans for the Association;

15.12.4 review and approve annual income and expenditures;

15.12.5 create or terminate Committees to perform functions determined by the Board of Directors and appoint a chair of each such Committee;

15.12.6 approve the sale or any disposition of the Association's assets, except when such sale or disposition are done in the ordinary and proper course of activity in accordance with the Association's plans;

15.12.7 The budget, presented by the Board of Directors and approved as it is or with amendments by the General Assembly is for one year from January 1 to December 31. The Board of Directors may spend 5% of the budget approved by the members at the General Assembly Meeting of the previous year, excluding the current year interest, exchange rate and inflation effects, in the period until the approval of the new budget by the General Assembly;

15.12.8 approve the contracts of employment between the Association and Association employees, including the Secretary General;

15.12.9 approve the Committee chair proposed by the Chair;

15.12.10 approve any contract with a term exceeding one (1) year;

15.12.11 approve any lease agreement or amendments thereto;

15.12.12 approve any pledge, mortgage, lease or other encumbrance of the Association's assets; and

15.12.13 pass and approve all other decisions and actions that, by their nature and by law, fall within the scope of authorities of the Board of Directors and are not in the exclusive competence of the General Assembly.

15.13 Resolutions of the Board of Directors shall be signed by the Chair of the Board of Directors with the Association's seal affixed and entered in the Association's records.

15.14 A Board member shall cease to hold office and the duty of its Designated Representative shall terminate if:

15.14.1 the Board member's term of office expires;

15.14.2 Board member ceases to be a Member of the Association;

15.14.3 the Member is terminated or suspended pursuant to Article 6.4 and Article 6.5, or does not meet the conditions to be a Member as per any reasons included but not limited to reasons mentioned in Article 4.2;

15.14.4 the Board member is removed from office by a simple majority of votes of the Members present at a meeting of the General Assembly.

15.14.5 At the end of the one-year period, in accordance with the assessment to be made by the Board of Directors, the board members not attending more than one third of the meetings of the Board of Directors held by ensuring the required meeting quorum in the relevant activity period, even if they are excused, are terminated pursuant to a decision to be adopted by the Board of Directors. An alternate board member is appointed in lieu of the board member whose duty is terminated, and this change is notified to the relevant Official Institution by the Board of Directors within thirty days.

15.15 Vacancies on the Board of Directors occurring between the annual ordinary meetings of the General Assembly may be filled at an extraordinary meeting of the General Assembly from among eligible Members who have the right to vote for terms expiring at the next following annual ordinary meeting of the General Assembly.

15.16 If the total number of permanent members of the Board of Directors falls to less than five (5) due to withdrawals even after the replacement of departed permanent members with alternate members, the remaining members of the Board of Directors or the Board of Auditors shall call a meeting of the General Assembly one (1) month to conduct elections to fill the vacancies on the Board of Directors. If no meeting is called, a judge of a local civil court of first instance shall hold a hearing and appoint three (3) Members to call a meeting of the General Assembly for that purpose.

15.17.1 Advisory Board: The Board of Directors may form an Advisory Board in compliance with its working principles. The Board of Directors may appoint the persons who can be beneficial in terms of the vision of the Association, who is qualified to carry out the consultation activities and express their opinion, to the Advisory Board, and terminate their duties if it deems necessary.

15.17.2 It is not mandatory for the persons who will be appointed to the Advisory Board to be a Member of the Association or a Designated Representative. In case of the disengagement of the representation relationship between a person assigned as an Designated Representative and the Member that such person represents, these persons or the persons who were on duty as Designated Representative in previous periods may be appointed to the Advisory Board with a Board of Directors' resolution.

15.17.3 The Board of Directors' principally determines the number of the members of the Advisory Board as required upon the suggestion of the Chair, provided that the Advisory Board is consisting of five (5) members at most.

15.17.4 The members of the Advisory Board may attend the Board of Directors' meetings upon the request of the Board of Directors but their attendance to the Board of Directors' meetings or not compulsory. They may express their opinions in the Board of Directors' meeting but they do not have right to vote. The nature of all kinds of decisions of the Advisory Board serve as opinion and are not binding for the Association.

15.17.5 The persons appointed to the Advisory Board are on duty for a period limited with the term of duty of the Board of Directors.

15.17.6 The United States Ambassador to Turkey or his/her Designated Representative shall have the right to attend each meetings of the Advisory Board without invitation.

## **ARTICLE 16 - REPRESENTATION OF THE ASSOCIATION**

The association shall be represented by the Chairperson of the Board of Directors or by the Deputy Chairperson in his absence. The Board of Directors may also appoint other Board members or third parties to represent the Association pursuant to a power of attorney.

## **ARTICLE 17 - SECRETARY GENERAL**

17.1 The Secretary General shall be appointed by and shall serve at the pleasure of the Board of Directors pursuant to a contract of employment contract and within the scope of the power of attorney granted to him/her.

17.2 The Secretary General shall coordinate and manage the day-to-day activities of the Association and report to the Chair and Board of Directors. The Board of Directors shall determine the competence and authority of the Secretary General. The Secretary General may not make decisions on issues outside the competence granted by the Board of Directors by a power of attorney or falling within the exclusive competence of the General Assembly, Board of Directors or Board of Auditors.

17.3 Unless otherwise decided by the Board of Directors, the Secretary General shall:

17.3.1 keep the Board of Directors informed of all aspects of the Associations' operations;

17.3.2 liaise with Members, Associates, banks, private companies and individuals with respect to the Associations activities in Turkey or elsewhere;

17.3.3 execute agreements and sign all documents on behalf of the Association, pursuant to a power of attorney, subject to the Board of Directors' approval if required under this Charter, and represent the Association before third parties pursuant to a power of attorney as authorized by the Board of Directors and this Charter;

17.3.4 manage and organize the work of the Association;

17.3.5 prepare informational materials to be considered and passed by the General Assembly or the Board of Directors;

17.3.6 implement decisions of the General Assembly and Board of Directors if so instructed; and

17.3.7 supervise the Association's other employees and their work and propose incentive structures to the Board of Directors in accordance with the laws of Turkey.

17.4 In carrying out his/her duties, the Secretary General shall be subject to the full control of and shall comply with the directives of the General Assembly and Board of Directors.

17.5 If the Secretary General is dismissed from his or her position for any reason, the Secretary General shall deliver to the Board of Directors at the Association's registered office all books, records and documents in the possession or control of the Secretary General relating to the Association.

## **ARTICLE 18 - BOARD OF AUDITORS**

18.1 The General Assembly shall elect the members of the Board of Auditors for a term of not more than two (2) years or, if permitted by the laws of Turkey, for such longer term as may be established by the General Assembly. The Board of Auditors shall be composed of three (3) permanent and three (3) alternate members.

18.2 Each member of the Board of Auditors must, at the time of election or appointment on the Board of Auditors, be a Member of Association.

18.3 The Board of Auditors audits whether the Association is conducting its activities in line with the objective and the lines of activity to be pursued in order to achieve the objective specified in the Charter of the Association and whether the books, accounts and records are kept in compliance with laws and regulations, and income and expenses of the Association.

18.4 Members of the Board of Auditors may examine the Association's books individually or as a delegation. It is compulsory to show or deliver information of all kind, documents and records upon the request of the members of the Board of Auditors, and to follow their request to enter the administrative sections, establishments of the Association and the annexes.

18.5 The Board of Auditors submit its opinions to the Board of Directors with periods not exceeding six (6) months, and in a report to be delivered to the General Assembly at its annual ordinary meeting.

## **ARTICLE 19 – COMMITTEES AND WORKING GROUPS**

19.1 Board of Directors may establish Committees and Working Groups with a Board resolution to operate and work on different subjects in order to serve the Association's objectives. Committees operate permanently until the Board of Directors resolves otherwise. Working Groups are established to fulfill the duties and functions to be determined by the Board of Directors.

19.2 Any member or with the consent of the Member, any employee of a Member may serve as a Committee chair, or Working Group chair or Committee member or Working Group member.

19.3 Each Committee and Working Group shall meet with such frequency as such Committee and Working Group shall consider appropriate. Committee and Working Group meetings shall be called by that Committee's or Working Group's chair through the Secretary General. Decisions shall be taken by majority vote of the Committee or Working Group members present.

19.4 Any Committee or Working Group member failing to attend any four consecutive meetings within a six month period shall forfeit their position on such Committee and Working Group. Vacancies shall be filled by the Committee or Working Group chair.

19.5 Each Committee and Working Group chair shall periodically report to the Board of Directors on the projects assigned to the Committee or Working Group and those which the Committee or Working Group may originate.

19.6 The decisions of Committees and Working Groups may be submitted to the Board of Directors as suggestions but are not binding.

## **ARTICLE 20 - AMENDMENTS TO THE CHARTER**

20.1 Amendments to this Charter may be made at any meeting of the General Assembly if it has been duly included in the agenda or, after its inclusion to the agenda, upon the written request by at least one-tenth of the Members attending the meeting of the General Assembly.

20.2 To amend the Charter, the quorum for a meeting the General Assembly shall be two-thirds of the Members having right to attend the General Assembly. If the meeting is adjourned due to failure to achieve a quorum, this quorum shall not be required at the second meeting and at the second meeting, the number of Members attending may not be less than two times the total number of members of the Board of Directors and Board of Auditors. These meeting quorums shall also apply to the meetings considering termination or liquidation of the Association.

20.3 A decision on amendment of the Charter shall be taken by the affirmative two-thirds vote of the Members present at the meeting with the right to vote.

## **ARTICLE 21 - REVENUES AND EXPENSES OF THE ASSOCIATION**

21.1 The sources of revenue of the Association are:

21.1.1 Membership payment and annual membership subscriptions;

21.1.2 Revenues earned from Association publications and from activities organized by the Association such as balls, entertainment event, concerts, conferences and meetings;

21.1.3 Revenues earned from the assets of the Association; and

21.1.4 Donations and other monetary support.

21.2 The Association may accept sponsorships of local or foreign governmental agencies only for certain conferences, seminars and research to be conducted in relation to its activities or for business development projects favoring its Members or for presentations, meetings and similar events. No financial support other than the above shall be accepted from local or foreign governmental agencies.

21.3 The Association's revenues are collected with receipts and expenses are made with expense documents. The retention period for these documents shall be five (5) years provided that longer periods provided by law are observed.

21.4 Certificates of Receipt used (the form and size of which specified in Annex-17 of the Regulation for the Associations) to collect association incomes shall be printed upon the resolution of the Board of Directors.

21.5 The relevant provisions of Association Regulation must be followed for the printing, controlling, receipt, registering to the corporate books and the delivery of the certificates of receipt between the former or new treasurers as well as the use of aforementioned deeds by whom that will collect the incomes in the name of association, and the delivery of the incomes that are collected.

21.6 The Association's revenues shall be collected with "Certificates of Receipt" (a sample of which is provided in Annex-17 of the Regulation for the Associations). In case of collection of these revenues through banks, the bank statement or account extract issued by the banks shall be considered the receipt document.

21.7 The Association's expenses are incurred under expenditure documents such as invoices, retail slips, or receipts of self-employers. Expense notes shall be issued for payments subject to Article 94 of the Income Tax Law in accordance with the provisions of the Tax Procedure Law and an "expense receipt" is issued for payments not within the above scope (a sample of which is provided in Annex-13 of the Regulation for Associations).

21.8 The Association's delivery of goods and services without charge to certain persons, establishments or companies shall be completed with an "in-kind assistance delivery certificate" (a sample of which is provided in Annex-14 of the Regulation for Associations). Additionally, the delivery of goods and services without charge by persons, establishments and companies to the Association are accepted with an "in-kind donation receipt certificate" (a sample of which is provided in Annex-15 of the Regulation for Associations).

21.9 "In-kind Donation Receipt Document" and the "Receipt Document" can also be issued electronically using software created or permitted by the Ministry of Interior, provided that it includes the information specified in the Associations Regulation Annex-15 for the "In-kind Donation Receipt Document" and Annex-17 for the "Receipt Document".

21.10 The collection of money or other support in consideration of newspapers, magazines and other publications provided on behalf of the Association is prohibited.

## **ARTICLE 22 - BOOKS AND RECORDS**

Principles for bookkeeping are:

22.1 The Association maintains its books based on operating accounts. If the Association's annual gross income exceeds the limit set forth in Article 31 of the Regulation for Associations, the books shall be maintained on a balance sheet basis starting with the following account period.

22.2 If the books are maintained on a balance sheet basis and the income falls below the above-mentioned limit for two consecutive account periods, the books shall be again maintained based on operating accounts in the succeeding account periods.

22.3 The books may be also maintained on a balance sheet basis by a decision of the Board of Directors without observing the above-mentioned limit.

22.4 If the Association opens a trading enterprise, books shall be maintained separately for this trading enterprise in accordance with the provisions of the Tax Procedure Law.

22.5 The Association shall keep all statutory books to be maintained in accordance with applicable law. Other books may be also maintained in accordance with the requests of the Board of Directors.

22.6 The journal, general ledger and, if kept, the inventory book, can be kept electronically within the framework of the procedures and principles specified in the communiqués issued by the Ministry of Treasury and Finance and the Ministry of Trade, and other books can be kept electronically using a software created or permitted by the Ministry of Internal Affairs on the condition that it is not contrary to the provisions of the Associations Regulation.

## **ARTICLE 23 - BORROWING BY THE ASSOCIATION**

23.1 The Board of Directors is authorized to take decisions on borrowings by the Association.

23.2 The Association may borrow funds by a decision of the Board of Directors if these funds are needed to carry out its activities and achieve its objectives. This borrowing may be in the form of the purchase of goods and services with a loan or in the form of cash. These borrowings may be incurred pursuant to a decision of the Board of Directors provided that the total amount does not exceed ten percent (10%) of the annual revenues of the Association; a decision of the General Assembly is required if it is necessary to exceed the ten percent (10%) limit. No borrowing, however, may be incurred if it cannot be paid back with the Association's existing sources of revenue or if will cause the Association to suffer payment difficulties.

## **ARTICLE 24 - TERMINATION, DISSOLUTION AND LIQUIDATION OF THE ASSOCIATION**

24.1 The General Assembly is entitled to decide on the termination of the Association at any time. To take a decision to terminate the Association, a minimum of two-thirds of the Members entitled to attend a meeting of the General Assembly must attend the General Assembly meeting and two-thirds of the Members present must affirmatively vote for termination. If a quorum cannot be achieved in the first meeting, then the date, time, location and agenda for the meeting, including the reasons for adjournment, shall be announced by e-mail or post a minimum of fifteen (15) days before the date of the second meeting in order to call the General Assembly to this meeting. The local civilian authority shall be notified in writing of the meeting. The termination may be considered at this second meeting without taking into account the quorum achieved. The decision on termination shall be taken by the affirmative votes of two-thirds of the Members attending the meeting. The Board of Directors shall notify the superior civilian authority of the location in writing of the termination of the Association within five (5) days. Upon termination, all money and goods of the Association shall be donated to the Turkish Education Foundation.

24.2 If the Association becomes insolvent or if the Board of Directors cannot be created in accordance with this Charter or if two consecutive ordinary meetings of the General Assembly cannot be held due to the failure of achieving the necessary quorum, the Association shall be dissolved and liquidated in accordance with the above provisions.

## **ARTICLE 25 - INTERNAL AUDITING**

25.1 Internal audits of the Association shall be performed by the Board of Auditors in accordance with the Law on Associations and this Charter. In the event of unclear situations, internal regulations may be issued to remedy such problems and provide guidance to the Members, bodies and officers of the Association on all activities and transactions of the Association provided that they are approved by the General Assembly.

25.2 The General Assembly, Board of Directors or Board of Auditors may perform internal audits; additionally or alternatively, independent audit firms may also be engaged for this purpose. The audits performed by the General Assembly, Board of Directors or independent audit firms shall not relieve the Board of Auditors from its audit obligations.

## **ARTICLE 26 – SUPPLEMENTING CHARTER PROVISIONS**

In cases for which this Charter has no provision, the relevant provisions of the Law on Associations and the Turkish Civil Code shall apply.