

# THE STATUTE OF THE TURKISH CONTRACTORS ASSOCIATION

## SECTION ONE – GENERAL FRAMEWORK

### Name of the Association and Headquarters

#### Article - 1:

The name of the Association is the "TURKISH CONTRACTORS ASSOCIATION". The Association's headquarters is located in Ankara and the Association has no other branches.

The word 'Turkish' is added to the name of the Association following the approval of its use as such in compliance with the cabinet decree published in the Official Gazette No. 14675 dated October 4th, 1973.

The acronym for the Turkish Contractors Association is TCA and it shall be henceforth referred to as the 'Association'.

The English translation of the Association's title is the 'Turkish Contractors Association' and its acronym is 'TCA'.

### Association's Objective

#### Article - 2:

1. Support development of social, economic and political structures and democratic and secular state with all institutions in an environment cherishing the universal principles of democracy and human rights; respecting rights and freedoms of enterprise, belief and thought and Atatürk's target and principles of contemporary civilization.
2. Support the establishment of legal, institutional and financial bases of the market economy in Turkey.
3. Ensure continuous, well balanced and planned development of the construction sector in line with modern standards and national strategic targets and contribute in this respect to the policy development and implementation activities of the decision making institutions.
4. Support internationally competitive, economically efficient, socially responsible and respectful to natural, historical and cultural environments structure and activities in the construction sector.
5. Speed-up Turkey's sectoral integration to international strategic partnerships and maximize the efficient use of sector's potential in this direction.
6. Foster developments to ensure the most effective use of capital, manpower and natural resources in order to increase productivity of contracting services, which play an important role for Turkey's competitiveness, and provide information to decision-making authorities to support the policy making activities to this effect.
7. Establish strategic and practical partnerships with all relevant individuals and institutions at home and abroad, create joint thinking and acting platforms and take an active part in all of these initiatives in order to develop national, sectoral and institutional goals.
8. Develop cooperation and solidarity among its members, find solutions for common problems, defend the rights and interests of the members in line with national, sectoral and institutional objectives.
9. Ensure that rules of professional ethics are adopted and implemented by the whole sector, starting from the members of the Association.
10. Announce views and proposals to national and international organizations and institutions and public by means of mass media in order to create thinking and acting networks in line with above mentioned objectives.

## **Association's Fields of Activities**

### **Article - 3:**

In view of achieving its objectives the TCA carries out activities listed below:

1. In order to increase the competitiveness and share of the Turkish construction sector on international platforms, the Association continuously monitors market developments, carries out research and promotion activities, cooperates with domestic and international organizations, invites delegations from other countries and sends delegations abroad, attends meetings organized jointly with foreign partners in Turkey as well as abroad and carries out joint activities and ensures exchange of views with Turkish and foreign organizations,
2. In order to realize its objectives, cooperates in its areas of interest with existing and prospective entities related to construction sector such as national and foreign, public and private institutions, chambers of industry and commerce, exchanges, professional institutions, foundations, associations, companies, unions, federations and such,
3. Carries out necessary works to improve the most up-to-date professional standards in the construction sector,
4. Takes measures to ensure that those who are employed in the construction, installation and assembly works are organized and work in compliance with professional standards,
5. Carries out necessary works and takes required measures within construction sector and members of the Association to improve, promote, internalize and put into practice professional discipline and ethics,
6. Ensures solidarity and cooperation among contracting companies operating at home and abroad and supports its members in forming partnerships and consortia to bid for significant projects in Turkey and abroad,
7. Carries out activities to improve and enhance the competitiveness and market shares of consultancy and engineering services as well as construction machinery and equipment industry on the international arena,
8. Carries out works to ensure more projects abroad for contracting companies in order to support Turkey's economic power and gain foreign exchange, help contracting companies to find solutions to problems that may arise in the countries of operation,
9. Monitors and searches sector-related opportunities and threats at home and in other countries, develops and implements appropriate strategies in this respect,
10. Keeps track of important tenders at home and abroad, and provides tender documents to related parties,
11. Supports the manufacturing and export of construction materials, cooperates with public and private agencies and carries out research activities in order to attract foreign currency and support realization of development plans,
12. Carries out activities in order to increase contribution of construction sector to overall employment and to improve quality and efficiency of labor force and occupational safety in the sector,
13. Supports in-service training activities for employees of all levels to perform construction works at home and abroad,
14. Strives to ensure maximum efficiency in domestic and international contracting services, publishes periodicals and other publications so as to promote and ensure the use of advanced technologies, organizes meetings, seminars, courses, conferences, conventions, competitions and exhibitions,
15. Supports public agencies, non-governmental organizations, institutes of science and research in their studies and planning, implementation and monitoring activities concerning the construction sector and cooperates with all levels of society on these issues,
16. Carries out activities to encourage high-quality and cost effective construction production so as to fully meet the country's as well as individual and corporate clients' needs in construction sector,

17. Strives to ensure cooperation at both domestic and international levels among Turkish and foreign construction, installation and assembly contractors, real and legal persons, federations, unions, associations and similar bodies,
18. Submits lists of names of contractors, arbitrators and experts whenever demanded by public institutions,
19. Carries out necessary studies on market prices, price analyses and unit prices and takes necessary steps by applying to relevant authorities,
20. Facilitates mutual exchange of information, experiences and technology concerning economic, financial and technical fields on national and international platforms,
21. Identifies necessary measures and strives to put them into practice so as to increase the share of contracting services of its members in domestic and international market,
22. Organizes national and international events within the scope of objectives and working fields of the Association and together with individuals, public and private institutions defends the rights and interests of its members before the employers,
23. Enters into sponsorship agreements and determines the duration, terms and conditions of such agreements in a way to bring together its members and real and legal persons that function as members' suppliers and/or real and legal persons from other sectors willing to cooperate,
24. Organizes social and cultural events to strengthen production-based cooperation and solidarity among its members.

## **Working Method**

### **Article - 4:**

In order to realize its objectives and carry out its services the TCA can take steps that are listed below:

1. Enroll real and legal persons as members,
2. In order to realize the objectives of association and carry out its activities, the TCA can cooperate with other industrialists, businessmen, associations, foundations, companies and sectoral institutions of common principles and targets, active in Turkey at national, regional, local and sectoral levels, in order to establish associations, foundations, federations and the like or become a member of the existing ones,
3. In cases of international partnerships and cooperation, the TCA can take the following steps:
  - Carry out international activities,
  - Become a member of foreign institutions with similar objectives such as associations, foundations, unions, federations and such, with the condition of fulfillment of legal obligations,
  - Form associations, foundations, unions, federations and similar institutions at home and abroad and become a member of the existing ones,
  - Become a member of foreign institutions (branch office of associations, federations and such) established in Turkey by fulfilling the legal obligations,
4. Establish partnerships, financial enterprises, foundations and provident funds for its objectives and services and income generating projects,
5. By decision of the General Assembly in compliance with activities of the Association, the TCA can purchase, sell and lease real properties and perform all kinds of actions on the real property, including mortgage, easement, usage right, real and personal right, acquisition, installation, cancellation or release,
6. Collect and make donation and aid, as well as accept conditional or unconditional legacy,
7. Carry out all sorts of researches, studies and analyses, publish periodicals and other publications, organize scientific, social, cultural, intellectual, popular, technical and sports events and other shows,

meetings and excursions in line with its objectives and field of activities. The TCA can sign paid or free of charge sponsorship agreements with the third parties for the activities mentioned above.

## **Founders**

### **Article – 5:**

The names, occupations, residential addresses and nationalities of the founders of the Association are as follows:

#### **Founding Members – Construction Contractors:**

President:

Hayri Kayadelen; Engineer, MSc, Turkish  
Atatürk Bulvarı And Apt. No. 10 ANKARA

Member:

Suat Kadri Erim; Engineer, MSc, Turkish  
Bakanlıklar Akay Sk. No. 514 ANKARA

Member

Nurettin Evin; Engineer, MSc, Turkish  
Bahçelievler 1nci Cad. No. 43 ANKARA

Member:

Kemal Çakın; Engineer, MSc, Turkish  
G. M. Kemal Bulvarı Özveren Sk. No. 33 ANKARA

Member:

Hayri Yunt; Eng, Turkish  
Yenişehir Sağlık Sk. Genel Apt. No. 2015 ANKARA

Member:

Bedri Ener; Engineer, MSc, Turkish  
Yenişehir Serçe Sk. No. 1813 ANKARA

## **SECTION TWO – MEMBERSHIP**

### **Membership Requirements**

#### **Article – 6:**

General Membership Requirements

Real and legal persons applying for TCA membership shall:

1. Accept the TCA objectives and fields of activities mentioned above,
2. Agree to comply with the "Professional Code of Ethics" set by the General Assembly and provided in the annex,
3. Have the financial power to pay regular fees as well as contributions that form the basis of the TCA revenues,

4. **(Due to the abrogation of the Associations Law No. 2908 this clause has been removed from the text of the TCA Statute),**
5. Agree and guarantee to abide by the provisions of the internal regulations of the TCA,
6. Possess qualifications and meet requirements stated in the Membership Admission Regulation,
7. Agree on the accession conditions with regards to the payments of predetermined admission fee, annual fees and other expenditures related to the activities and their shares therein,
8. Be recommended to the membership by at least two of the actual full members.

#### **A. Membership of Legal Persons – Terms and Conditions;**

Legal persons wishing to become the TCA member shall:

1. Meet the requirements set out in the Article 6 “General Terms and Conditions for Membership”,
2. Take decision regarding the TCA membership at the company's Board of Director's meeting and report the name of the authorized representative in writing,
3. Operate in the fields of construction, installation, manufacturing and assembly contracting and prove this by the related document to be obtained from the Chamber of Commerce and/or Chamber of Industry,
4. Operate as a contracting company for at least 5 years,
5. Hold at least one valid certificate, like ISO-9001 “Quality Management System”, ISO-14001 “Environmental Management System” and OHSAS-18001 “Occupational Health and Safety System”, as from the date of application,
6. Meet at least one of two of the criteria listed below:
  - As from the date of application, to have completed totally 350 million TL of construction works domestically and internationally for the last 10 years, **(January 2024 update: 5,7 billion TL)**
  - As from the date of application, to have totally 150 million TL of ongoing and at least 50% completed construction works domestically and internationally. **(January 2024 update: 2,5 billion TL)**

The values of the works completed internationally shall be converted according to the exchange rate on January, 2nd of the respective application year.

The above values have been determined by 2011 prices and shall be increased each year in January in line with the Consumer Price Index (CPI) rates to be announced annually by the Turkish Statistical Institute (TurkStat).

#### **B. Membership of Real Persons – Terms and Conditions:**

Real persons applying for TCA membership shall meet the requirements set out in Article 6 and shall be recommended in writing by one of the TCA members (legal person). Only two real persons as the recommending company's partner, board member or senior executive having the authority to represent and bind can become members of the TCA by Decision of the Board of Directors.

In this context, member of the TCA (legal person) which recommended this/these real person/s for the TCA membership undertakes to pay any debts of this/these real person/s to the TCA.

#### **Types of Membership**

##### **Article – 7:**

Full Membership and Honorary Membership are the two different membership types applicable for real and legal persons to become TCA members.

#### Full Member:

Full members are real and legal persons accepted into full membership by the Board of Directors, who undertake all membership responsibilities, meet the membership requirements, enjoy membership rights, agree to make all payments defined in this statute and comply with obligations of the Internal Regulations of the Association.

Full member;

- Has the right to vote and stand for election,
- Can take part in all bodies of the TCA and benefit from the activities and services enjoying all rights and authorities.

#### Honorary Member:

Honorary Membership, as a degree, is not open for applications.

Honorary Membership is granted to a person by recommendation of the Board of Directors and the decision of the General Assembly for exceptional skills and efficiency, technical, administrative, professional, moral or cultural contributions to the sector, TCA, Turkey or humanity on national and international levels.

Honorary members are real persons without voting rights and rights to stand for election.

Honorary Members can attend General Assemblies without right to vote, pay subscription fees if they wish to do so and serve at Supreme Advisory Council.

### **Membership Procedures**

#### **Article – 8:**

Procedures for Full Membership in Association are as follows:

1. Candidates applying to the full membership of Association shall fill in and submit the “Membership Application Form” to the TCA Board of Directors with relevant documents accepting the objectives and services of the Association, provisions of the TCA Statute as well as their fulfillment of the terms and conditions of the TCA membership.
2. The Board of Directors shall either approve or reject the membership application and inform the candidate in writing within 30 days following the application. Decision to approve the membership application shall be taken unanimously by the members present in the meeting.

### **Resignation from Membership**

#### **Article - 9:**

All members are free to resign from TCA membership whenever they decide to do so. It is necessary and sufficient to inform the TCA Board about this decision in writing. Due to this notice membership records shall be deleted from the register. However it is compulsory to pay all the accumulated debts.

### **Termination of Membership**

#### **Article - 10:**

TCA membership shall automatically terminate upon demise of real persons or upon the invalidation of status of legal persons.

In case of subsequent loss of required qualifications stated by Law or the Statute, the membership shall be terminated by decision of the Board of Directors. However, it is compulsory to pay all the accumulated debts.

### **Exclusion from Membership**

#### **Article – 11:**

A TCA member can be excluded from membership by two-third majority decision of the total number of Board Members in cases when;

- a) membership qualifications do not any more meet the requirements defined in the Law of Associations or the TCA Statute,
- b) the member has debt for the year and has failed to pay the debt within six months following the end of the year concerned, the Board of Directors issues a written notification to the member to pay the mentioned debt and secondary debts within 30 days. The debt is not covered despite notification,
- c) The Board of Ethics forwards a recommendation to the TCA Board of Directors concerning the exclusion of the member from the Association on the ground of non-compliance with the provisions of the TCA Statute, Internal Regulations and Professional Code of Ethics.

Decision concerning exclusion from the membership shall be notified in writing to the concerned member in 10 days.

### **Suspension of Membership**

**Article – 12 :** *(The content of this Article has been removed from the text of the Statute)*

### **Objection to Decision of Exclusion from Membership**

#### **Article – 13:**

Member who has been excluded from the membership by decision of the Board of Directors in line with "Exclusion from Membership" provisions of the Article 11 can appeal against this decision in the first General Assembly taking place after receipt of the notification with regards to this decision.

Member's appeal shall be put to the agenda of the earliest General Assembly. General Assembly's decision shall be final.

## **SECTION THREE – ADMINISTRATION PROVISIONS**

### **Governing Bodies of the Association**

#### **Article – 14:**

TCA's governing bodies are as follows:

- a) General Assembly
- b) Board of Directors
- c) Board of Auditors

### **General Assembly – Duties and Responsibilities**

#### **Article – 15:**

General Assembly is the highest decision making body of the Association consisting of full members. Each full member has the right to one vote at the General Assembly.

Real person can use his/her membership vote in person only, cannot authorize, be represented or give proxy to a third party to vote.

The President or the authorized person can vote on behalf of the legal person.

The roles and responsibilities of the General Assembly are as follows:

1. Select the bodies of Association,
2. Evaluate proposals concerning the amendment of the TCA Statute and take decisions in this regard,
3. Evaluate the report for the past working period of the Board of Directors, balance sheets and income and expenditure accounts and discharge the Board of Directors from obligations,
4. Evaluate and approve the audit report of the Board of Auditors and discharge the Board of Auditors from obligations,
5. Evaluate the budget prepared by the Board of Directors and approve it without or with alterations,
6. Authorize the Board of Directors to purchase, sell and lease real properties and perform all kinds of actions on the real property, including mortgage, easement, usage right, real and personal right, acquisition, installation, cancellation or release on behalf of TCA,
7. In order to realize the objectives of the Association, decide to cooperate with other industrialists, businessmen, associations, foundations, companies and sectoral institutions of common principles and targets, active in Turkey at national, regional, local and sectoral levels, in order to establish associations, foundations, federations and the like, become a member or resign from the existing ones,
8. Decide to involve TCA into the international activities, become a member or resign from foreign institutions with similar objectives such as associations, foundations, unions, federations and such, form associations, foundations, unions, federations and similar institutions at home and abroad,
9. Decide to select delegates among the members to represent TCA at higher councils which TCA is a member of,
10. Decide TCA's membership to or resignation from the affiliates (branch office of associations, federations and such) of the foreign institutions established in Turkey by fulfilling the legal obligations,
11. Take necessary decisions in accordance with laws and the TCA Statute, approve internal regulations prepared by the Board of Directors,
12. Evaluate and take final decision on appeals against the decisions of the Board of Directors to remove from the membership in accordance with the Article 11 and to reject the membership application in accordance with the Article 8/2 of the TCA Statute,
13. Decide to establish partnerships, financial enterprises, foundations and provident funds for TCA's objectives and services and income generating projects,
14. Carry out tasks that are not assigned to other governing bodies of TCA and take decisions on other necessary matters,
15. Perform other duties assigned to the General Assembly in the legislation and the TCA Statute,
16. Take decision on dissolution of the TCA and the methods of distribution of its assets.

### **General Assembly Meetings – Venues and Dates**

#### **Article – 16:**

Meetings of the General Assembly are held in Ankara where the headquarters of the TCA is located.

Ordinary General Assembly Meetings are held every three years in January.

Extraordinary General Assembly Meeting is held in Ankara, where the headquarters of the TCA is located, as deemed necessary by the Board of Directors or the Board of Auditors or upon written request of one-fifths of the full members.

In case the Board of Directors fails to call for a General Assembly Meeting in one month upon the written request of the Board of Auditors or one-fifth of the full members, the Board of Auditors or one of the



members who demanded the meeting can apply to the local Civil Court and the Judge by giving a hearing assign a delegation of three TCA members to hold the General Assembly Meeting.

### **General Assembly Invitation Method**

#### **Article – 17:**

In line with the TCA Statute, the Board of Directors shall prepare a list of members having the right to attend the General Assembly.

Members who have the right to attend the General Assembly shall be invited at least 15 (fifteen) days prior to the event through announcement of the date, time, place and agenda of the Assembly in a local paper or by due notification via mail/e-mail.

This invitation shall also include the date and time of the second meeting in case of failure to ensure the required majority of participants in the first meeting. The time interval between the meetings shall not be less than 7 (seven) days and not exceed 60 (sixty) days.

In case the meeting is postponed for the reasons other than failure to ensure the required majority of participants, these circumstances shall be announced to the members with their justifications in conformity with the invitation method of the first meeting. The second meeting has to be held not later than 6 (six) months following the date of postponement.

Members are invited to the second meeting according to the above mentioned procedures.

General Assembly meeting cannot be postponed more than once.

### **Quorum**

#### **Article – 18:**

In line with the provisions of the TCA Statute, the General Assembly is held upon attendance of one more member than half of the total number of members having right to attend the General Assembly.

However, in order to make amendments to the Statute or take decisions concerning the dissolution of the Association, the quorum shall consist of two-thirds majority of the total number of members having the right to attend the General Assembly.

In case of failure to ensure the quorum for the first meeting, the majority is not required in the second meeting. However, in all cases the number of members attending the second meeting shall not be less than twice the sum of the total number of members of both the Board of Directors and the Board of Auditors.

### **Meeting Format**

#### **Article – 19:**

General Assembly meetings are held on announced date, hour and place.

A list of members having the right to attend the General Assembly meeting shall be available at the venue of the meeting. The identity cards of the members to attend the meeting shall be controlled by the Members of the Board of Directors or the officers appointed by the Board. The members shall undersign their names in the lists prepared by the Board of Directors and enter the meeting venue.

Members who fail to show their identity cards and sign the lists and do not have the right to participate in the General Assembly cannot enter the meeting venue. Such members and non-members are allowed to watch the General Assembly from a separate place.

The Board of Directors shall keep a record in order to determine the quorum is met or not. In case the quorum is met, the meeting is opened either by the President or one of the Members of the Board of Directors appointed by the President.

Following the opening of the meeting, a Council Chairman to moderate the meeting, sufficient number of vice chairmen and clerks shall be selected.

Decisions shall be taken by the absolute majority of participants to the meeting. However, in order to make amendments to the Statute or take decisions concerning the dissolution of the Association, two-third of the members participating to the meeting shall cast an affirmative vote.

The Council Chairman shall be responsible for directing the meeting. At the end of the meeting, the Chairmanship Council shall prepare and sign the minutes of the meeting and forward it along with all other documents to the Board of Directors.

The General Assembly shall discuss only the issues that are on the agenda. However, it is compulsory to include on the agenda and discuss the issues that would be raised by at least one-tenth of the members present in the meeting.

During voting session to elect the members of the governing bodies of TCA, members to use their votes shall present their identification cards to the Chairmanship Council and undersign their names on the list of participants.

The member objecting the decisions taken at the General Assembly shall be obliged to forward the grounds for his/her objection in writing to the Council Chairman.

Issues discussed and decisions taken in the meeting shall be noted in the minutes of meeting and signed both by the Council Chairman and the clerks. At the end of the meeting, minutes and other related documents shall be submitted to the President. The President shall be responsible to preserve these documents and transfer them to the newly elected Board of Directors in 7 (seven) days.

Within 30 (thirty) days following ordinary or extraordinary General Assembly meeting, a General Assembly Final Declaration with required annexes and names of full and substitute members of the Board of Directors and the Board of Auditors and members of other bodies of the Association shall be prepared in accordance to the format defined by existing legislation and forwarded to the local authority by the President.

## **The Board of Directors**

### **Article – 20:**

The Board of Directors consists of 13 (thirteen) full members. 13 (thirteen) full and 5 (five) substitute members shall be elected by secret vote among the members of the TCA by the General Assembly for a period of 3 (three) years. The member can be reelected at the end of the term.

The President can be reelected maximum for two consecutive terms.

In the first meeting at the beginning of each administrative term, the Board of Directors shall select the President, sufficient number of Vice Presidents and a Treasurer among its own members.

## **Working Principles of the Board of Directors**

### **Article – 21:**

1. The Board of Directors shall meet regularly by absolute majority, not less than once in a month on the date defined by the Board.
2. The Board of Directors can hold an extraordinary meeting upon the invitation of the President or request of the absolute majority of the Board members.
3. The Vice President shall preside in the meeting in the absence of the President whereas the Treasurer shall preside in the absence of the Vice President. Other members of the Board of Directors shall be assigned according to the identified subjects and duties.
4. The President shall represent the TCA. The Vice Presidents shall substitute the President in his absence. The Treasurer shall carry out the financial affairs of the TCA.

5. Decisions are taken by the absolute majority of members attending the meeting.
6. Decisions of the Board of Directors shall be noted down in the minutes and signed by the attendees of the meeting.
7. The member of the Board of Directors who did not attend 3 (three) meetings without any excuse can be considered resigned by the decision of the Board of Directors.
8. Vacant positions at the Board shall be filled-in by substitute members. Substitute member shall complete the term of the replaced member.
9. If the number of the members of the Board of Directors decreases to less than half of the total number after substitute members have been put into place, the General Assembly shall be called for a meeting within 1 (one) month by the left number of the members of the Board of Directors or the Board of Auditors for a new election.

### **Duties and Responsibilities of the Board of Directors**

**Article – 22:** Duties and responsibilities of the Board of Directors are as follows:

- a) In accordance with the Laws and the provisions of the TCA Statute, work to realize the objectives of TCA and implement the decisions of the General Assembly, exercise power granted by the General Assembly,
- b) Represent the Association or authorize one or several members of the Board for this purpose,
- c) Carry out actions with regards to the revenue and expenditure accounts of the Association, prepare the budget for the following term and submit it to the General Assembly,
- d) Carry out the TCA functions and activities in line with the budget approved by the General Assembly,
- e) *(This clause has been removed from the text of the TCA Statute)*
- f) Hold General Assembly meetings in due time as well as to carry out functions and other activities in relation to these meetings,
- g) Notify the results of the ordinary and extraordinary General Assembly meetings as defined in the relevant legislation to the highest local authority located near the Association's headquarters,
- h) Establish working groups, use administrative and technical consultancy services or employ administrative and technical consultants,
- i) Prepare Internal Regulations required for the implementation of the Membership Admission Regulation and TCA activities,
- j) Carry out functions in accordance with the Membership Admission Regulation and perform duties in relation to the exclusion from membership,
- k) Enter into sponsorship agreements and determine the duration, terms and conditions of such agreements in order to bring together its members with the real and legal persons that function as members' suppliers and/or real and legal persons from different sectors wishing to cooperate,
- l) Take necessary actions with regards to the members who fail to pay annual and admission fees,
- m) Appoint Secretary General and determine his/her working conditions,
- n) Determine the position of the staff to be employed in the Association,
- o) Perform other functions and exercise power provided by the Statute and the current legislation,
- p) Take decisions to issue periodicals and other publications.

### **The Board of Auditors and Internal Auditing Methods of the Association**

**Article – 23:**

The Board of Auditors consists of 3 (three) full members, whereas 3 (three) full and 3 (three) substitute members are elected by secret vote among the members of the TCA by the General Assembly for a period of 3 (three) years. The Board of Auditors shall elect the Chairman of the Board of Auditors in the first meeting to be held within 1 (one) month following the General Assembly. The member can be reelected at the end of the term.

The Board of Auditors is responsible to monitor and audit legitimacy of the Association's financial activities. Members of the Auditing Board can control TCA ledgers anytime either individually or as a Board.

The Board of Auditors shall submit to the Board of Directors the report prepared at least once in 12 (twelve) months with results and recommendations on the relevant ledgers and documents of TCA covering the budget, financial records and transactions. This report shall also be presented to the General Assembly whenever it meets.

The Board of Auditors shall choose its own working method.

Internal audit is essential for the Association. Internal audits can be performed by the General Assembly, the Board of Directors or the Board of Auditors as well as by independent auditing organizations. The fact that the internal auditing has been performed by the General Assembly, the Board of Directors or independent auditing organizations does not eliminate the Board of Auditors liabilities. The Board of Auditors shall carry out its auditing duty as defined by the Law of Associations and the TCA Statute.

### **Supreme Advisory Council**

#### **Article - 24:**

The General Assembly elects not less than 10 (ten) and not more than 20 (twenty) members to Supreme Advisory Council for a term of 3 (three) years. These members are elected by secret or open voting among honorary presidents, chairmen of the board of directors and managers of the member companies of the association, known for their extensive knowledge, experience and success in the construction sector. The member can be reelected at the end of the term.

Honorary members, former Presidents, former Supreme Advisory Council Presidents, current Presidents and full members of the Board of Directors are the ordinary members of the Supreme Advisory Council.

In order to become a candidate to Supreme Advisory Council, there shall be no past record of disciplinary penalties in the TCA.

Supreme Advisory Council shall elect the President and the Vice President among its members in the first meeting to be held not later than 1 (one) month after the date of the General Assembly.

The Council shall meet at least twice per year upon the invitation of the President or due request of its two members, discuss the subjects on the agenda and form an opinion. Opinions shall be determined by the absolute majority of the members present in the meeting. Supreme Advisory Council can also gather upon the invitation of the Board of Directors so as to present its opinion on particular issue to the Board.

### **Duties of the Supreme Advisory Council**

#### **Article - 25:**

Main duties of the Council are as follows:

- a) Meet not later than 1 (one) month following the General Assembly in order to elect among themselves (except ordinary members) 5 members to the Board of Ethics and elect new members in line with the same procedures and principals in case of decrease of the number of members of the Board of Ethics for some reasons,
- b) Review general problems of contractors working at home and abroad and identify long term measures,
- c) Evaluate what needs to be done in order to achieve TCA objectives at utmost level and make suggestions in this respect,
- d) Advise to the Board of Directors.

The recommendations and views of the Council are advisory and not binding to the Board of Directors of the Association.

### **Board of Ethics**

#### **Article – 26:**

The Board of Ethics comprises of 5 (five) members to be elected by the Supreme Advisory Council among its members (except ordinary members) in the first meeting not later than 1 (one) month following the General Assembly. In the first meeting the Board elects the Chairman among its members.

The Board of Ethics shall gather upon separate or joint call of the General Assembly or the Board of Directors and form its opinion on the issues requested by these bodies concerning the improper actions of the TCA members with regards to the objectives, statute, professional code of ethics and internal regulations of the Association.

In cases mentioned above the Board of Ethics gives the members a period of 30 (thirty) days enabling them to prepare their verbal or written defenses. In case of members' failure to submit a defense in the given period of time the Board of Ethics proceeds with and finalizes its examination of the case in 30 (thirty) days based on existing information and evidence and delivers its decision taken by majority of votes to the Board of Directors.

### **Duties and Responsibilities of the General Secretariat**

#### **Article – 27:**

The Board of Directors shall assign a Secretary General out of the members of the Association. The Board of Directors shall determine duties and responsibilities of the Secretary General.

Upon the proposal of the Secretary General the Board of Directors shall determine the working conditions of the staff. The Secretary General carries out the secretarial services of the Board of Directors.

### **Working Groups**

#### **Article – 28:**

The Board of Directors can establish temporary or permanent Working Groups so as to support the administration on issues concerning the Association's objectives and services.

A member of the Board of Directors shall chair each Working Group. The Working Group is responsible to the Board of Directors and the Board determines its members, scope and terms.

The Working Groups are assigned and authorized to carry out studies, researches and examinations as well as to recommend and to apply when necessary in order to support the decision process of the Board of Directors, Board of Auditors and Supreme Advisory Board or activities of the executive unit.

The Working Groups, if any, shall define their own working methods in accordance with relevant Internal Regulations of the Association.

## **SECTION FOUR – FINANCIAL PROVISIONS**

### **Working Term and Budget**

#### **Article - 29:**

The fiscal period of the Association starts every year on January 1st and ends on December 31st.

The budget of the Association shall be sufficient to ensure effective work in line with the Association's objectives. In this regard, amounts of payments to be made to the Association shall be decided according to the current conditions and requirements by absolute majority of the General Assembly based on the recommendations of the Board of Directors.

### **Association's Sources of Revenue and Borrowing Procedures**

#### **Article - 30:**

##### **A – Association's Sources of Revenue**

1. Membership Admission Fees and annual fees, shall be determined by the General Assembly once per three years on the annual basis together with the budget. The amount and methods of payments of the annual fee can be changed by decision of the General Assembly. Legal interest shall be applied in case of delays in payments of the fees defined by the General Assembly.
2. Revenues from contributions for services provided,
3. Revenues from cultural and social events organized by the Association such as publications, lotteries, balls, entertainment events, concerts, sports competitions, conferences,
4. Revenues from the TCA assets,
5. Revenues from aids and donations,
6. Revenues from sponsorship agreements and similar contracts,
7. Revenues from all types of donations from public and private, national and international organizations and individuals, and members of the Association,
8. Revenues from various activities.

The Association can receive donation in goods and in cash from the foreign individuals, organizations and institutions subject to previous notification to the local authority.

The Association neither can accept by any means any kind of financial support from political parties, Labor Unions and Employer's Unions, nor provide support to the mentioned organizations.

##### **B – Association's Borrowing Procedures:**

In order to realize its objectives and carry out its activities, the Association can borrow upon due decision of the Board of Directors whenever needed. Such borrowing can include purchase of goods and services on credit as well as cash loans. However the amount of loan shall not exceed the revenues of the Association and shall not reduce Association's paying capacity.

### **Association's Ledgers and Records**

#### **Article – 31:**

The Association shall keep the following ledgers and records:

- a. Membership Registration: The identity information of those who accepted as a member of the association, their entry and exit dates to the association are recorded in this book. The amount of entrance and annual payments made by the members can be recorded in this book.

- b. Register of Decisions: The decisions of the Board of Directors are written in this book in order of date and number and the decisions are signed by the members attending the meeting.
- c. Document Record Book: Incoming and outgoing documents are recorded in this book with date and sequence number. Originals of incoming documents and copies of outgoing documents are filed. Documents received or sent via electronic mail are kept by printing them out.
- d. Journal Book and General Ledger: The method of keeping and recording of these books shall be made in accordance with the principles of the Tax Procedure Law and the Accounting System Implementation General Communiqués issued pursuant to the authorisation given by this Law to the Ministry of Treasury and Finance.
- e. All other documents and books specified in the Associations Law and Associations Regulation.

Among the books listed above, the journal, general ledger and, if kept, the inventory book may 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 Commerce regarding their electronic keeping, provided that they do not contradict the provisions of this Regulation, and other books may be kept electronically using software created or permitted by the Ministry.

### **Procedures Concerning Revenues and Expenditures**

#### **Article – 32:**

All revenues of the Association shall be collected with bills of delivery and expenditures shall be made with expenditure vouchers. In case of collection of the Association's revenues through the banking system, documents like bank receipts or account statements prepared by the bank shall serve as bills of delivery. Retention period of the bills of delivery and expenditure vouchers is 5 (five) years.

Bills of delivery to be used for collection of the Association's revenues shall be printed upon the decision of the Board of Directors.

Persons to collect the Association's revenues shall be determined by the decision of the Board of Directors and certificate of authorizations are prepared for them.

All books kept by the Association must be approved by the local authority related with the Associations or notarized.

### **Endowment Funds**

#### **Article – 33:**

The General Assembly can decide to establish an endowment fund to meet the necessities of the members such as food and clothing and other goods and services together with short-term loan requirements. However, the acquired profit shall under no circumstances be distributed among the members of the Association. The endowment fund can only be used for necessary activities in line with the provisions of the Turkish Commercial Code and the Turkish Civil Code.

### **Opening of a Club House**

#### **Article – 34:**

Upon due permission of the highest local authority concerned, the Board of Directors can open a club house in the area where the headquarters of the Association is located.

### **Termination and Liquidation**

#### **Article – 35:**

The General Assembly can always decide to terminate the Association. However, in order to take this decision at least two-thirds of the members of the Association entitled to attend the General Assembly meetings shall be present at the General Assembly.

In case of failure to reach the required number of participants in the first meeting a second meeting shall be held. The quorum for the second meeting cannot be less than twice the sum of the total number of members of the Board of Directors and the Board of Auditors.

Decision for termination shall be taken by two-thirds majority of the members present at the meeting. Liquidation of assets, money and rights shall be defined in the decision of the General Assembly.