

SOCIETY OF DARÜŞŞAFKA

BY-LAWS

(May 2017)

YEAR OF FOUNDATION:

1863

Effective Date: May 2017

SOCIETY OF DARÜŞŞAFKA

BY-LAWS

CLAUSE 1- The name of the Association is the Society of Darüşşafaka.

CLAUSE 2- The goal of the Association is to teach and educate the talented children, being nationals of the Republic of Turkey, fatherless and/or motherless, with inadequate financial resources, by providing equality of opportunities in education, both within and outside the country, pursuant to the modern educational principles, and to bring them up as leader individuals, learning lifelong, with universal and global principles adopted, with self-confidence, and being conscious of his/her duties and responsibilities towards his/her country and community. (Adopted and accepted by a decision of the Extraordinary Meeting of the General Assembly held on 14.04.2012.)

CLAUSE 3- The Association, as per the intended purpose stated hereinabove, runs the activities required to manage Darüşşafaka High School which it serves as the founder, and other establishments that are already existing or will be founded, to raise its resources of income, and to develop them.

In consideration with the above, the following are included in the works and operating activities to achieve the goals of the Association:

- a) To be involved in promotion and awareness activities of all types that will inform and encourage the public on the perpetuation of and raise in the movable and immovable property donations that are granted to the Society of Darüşşafaka; to purchase, sell, exchange, rent and let for rent all and any real properties; to execute and perform construction works directly itself by force account method or indirectly through competitive bidding procedures; and to carry out construction, equipment, furnishing, and operation works of all and any types of educational and health institutions and recreational facilities and premises, as well as similar establishments and others;
- b) To build institutions for educational and health purposes, tourism and recreational facilities, rest homes, nursing homes, sports and cultural facilities and premises, and ports, marinas and similar other facilities of every kind; and to this end, to obtain and hold land allocation easements; to rent or let for rent lands and facilities, and to be engaged in activities of all types that are required by these establishments; to carry out construction and operation activities of commercial and industrial plants, institutions, and organizations of all types; to found and establish economic enterprises and companies; to deal with insurance brokerage works of all types; to participate as a member or partner in the establishments, organizations and entities operating in these fields; and to establish and operate new partnerships and entities in order to achieve the managerial and operative objectives and goals of the Society; and
- c) Providing that it does not contradict with the objectives and goals of the Society of Darüşşafaka, to found new foundations; to enter into joint ventures and activities with other associations, societies and foundations, and to participate in associations and societies as a founder and/or a member, and in foundations as a founder, and if and to the extent required, to allocate any of the existing real properties and other properties, rights and interests of the Society.

The Society will obtain and hold all of the certificates and licenses required for achievement of the objectives and for the fields of activity cited in the preceding paragraphs in accordance with the applicable laws and regulations.

CLAUSE 4- The founders of the Society of Darüşşafaka are, the Minister of Finance, Yusuf Ziya Pasha, the Grand Vizier Gazi Ahmet Muhtar Pasha, Tevfik Pasha from Vidin, the Grand Vizier Sakızlı Esat Pasha, and Ali Naki Efendi.

CLAUSE 5- The Head of the Society of Darüşşafaka is the Prime Minister of the Republic Turkey.

CLAUSE 6- The head offices of the Society of Darüşşafaka are located in Istanbul.

CLAUSE 7- The Society of Darüşşafaka has no branch offices.

MEMBERSHIP

CLAUSE 8- Membership to the Association is divided into two as Full Membership and Honorary Membership.

CLAUSE 9- The to-be full members should:

- a) be legally eligible to become a member to associations as per the Law of Associations,
- b) apply in writing, and
- c) undertake to pay the dues to be identified every year by a Decision of the General Assembly.

Full membership status is acquired by a decision of the Board of Directors. The Board of Directors issues a decision within 30 days at the latest in respect of an application of membership, and advises the result to the applicant in writing. The quorum for discussion and decision on admission to membership is two-thirds of the total full number of members of the Board of Directors.

The period of objection to such decision of the Board of Directors is 15 days following the date of receipt of the said written notice.

Objections will be discussed and responded by the General Assembly in its next ordinary or extraordinary meeting.

CLAUSE 10- The Full Members are automatically entitled to the Honorary Membership status at the end of a continuous full membership period of 40 years or at the end of a minimum continuous full membership period of 20 years, provided that they do not have accumulated subscription obligation and they turn 75 years old. The honorary membership status acquired as such becomes final upon receipt of a written notice by the member from the Board of Directors in connection therewith, and the member's name is recorded to the related list.

Furthermore, by a decision of the General Assembly taken with affirmative vote of absolute majority upon a proposal of the Board of Directors, Honorary Membership may be conferred also to people who have been supremely and greatly instrumental to the Association.

The Full Members may also be conferred with Honorary membership status, whereupon, even if the full membership ceases to exist at any time in the future, the Honorary membership status continues to be in effect.

The names of the Honorary Members are inscribed and written on the honors plate pertaining to honorary members, and their names are also referred to with the names of the founders on special occasion days after their decease.

The Full Members who become eligible for Honorary membership status or who are conferred with Honorary membership status will maintain their right to vote and remain to be liable to pay dues to the Society when due until their Full membership expire, while the Honorary Members who are not full-members have no right to vote, nor any liability to pay dues to the Society. *(Accepted upon the decision of Ordinary General Assembly meeting dated 26.03.2016)*

CLAUSE 11- Membership to the Association is terminated for the following reasons:

- a) Death,
- b) Resignation,
- c) Exclusion from membership, and
- d) Subsequent loss of the qualifications of membership sought for in the applicable laws and in this By-laws.

CLAUSE 12- A resignation from membership to the Association must be made in writing so as to be deemed valid.

CLAUSE 13- The membership dues are levied as of the beginning of every budget year of the Association, and are required to be paid within the same budget year.

A freshman member of the Association is liable to pay the entire annual dues for the current budget year.

A member who fails to pay his membership dues that have accrued and are outstanding for a minimum period of two years despite a notice of default to be served as per the provisions of the pertinent law within a cure period of three months will be deleted from the membership register upon a decision of the Board of Directors.

Providing, however, that it must have been clearly stated in the written notice that the accrued and accumulated membership dues are required to be paid in full within the said cure period of three months, or otherwise, the member will be deleted from the membership register.

CLAUSE 14- A member who is decided to be excluded from membership may raise an objection in writing against the decision of the Board of Directors relating to exclusion from membership, within a period of 60 days following receipt of the said decision of the Board of Directors.

Objections will be discussed and responded by the General Assembly in its next ordinary or extraordinary meeting following the date of objection.

CLAUSE 15- Members damaging the honor and esteem of the Society of Darüşşafaka or the establishments and entities under its control with their attitudes and behaviors, or cause loss thereto or prejudice thereon, or act against the objectives and intentions of the Association or endanger the achievement of its objectives and intentions, or breach the provisions of Clause 60 hereinbelow, are excluded from membership upon a recommendatory opinion of the Discipline Committee, a decision of the Board of Directors, and an approval of the General Assembly.

The quorum for approval of such a decision equals to the absolute majority of the attendants to the meeting.

A member excluded from membership pursuant to the provision of this clause can by no means be re-admitted to the Association.

CLAUSE 16- The membership status of members who subsequently lose their qualifications sought for by the applicable laws or by this By-laws is automatically terminated.

ORGANS

CLAUSE 17- The compulsory organs of the Society of Darüşşafaka are General Assembly, Board of Directors, and Board of Auditors.

Furthermore, in addition to these compulsory organs, Discipline Committee and Higher Advisory Board, as defined and outlined in this By-laws, are optional organs of the Society of Darüşşafaka advising recommendatory opinions.

GENERAL ASSEMBLY

CLAUSE 18- The highest ranking and decision making organ of the Society of Darüşşafaka is the General Assembly.

The General Assembly consists of the members that have no dues payable and outstanding.

The members who have paid by the end of the previous budget year all of their dues that have accrued by and as of the end of the budget year immediately preceding the date of meeting shall be assumed to have no dues payable and outstanding, in terms of the right of participation in the General Assembly.

CLAUSE 19- The duties and authorities of the General Assembly:

The following issues are discussed and agreed upon by the General Assembly:

- a) Selection of Association Organs,
- b) Amendments to the Association by-laws,
- c) Discussion of the reports issued and presented by the Board of Directors and the Board of Auditors, and the release of the members of the Board of Directors,
- d) Discussion of the budget drawn by the Board of Directors, and acceptance of the budget with or without amendments, also including the power indicating to which extent the Board of Directors may exceed the budgeted total expenses and transfer funds between the articles of budget (the budget period of the Association is a Calendar Year),
- e) Taking decisions on upper limit of borrowings and on procedures of borrowing, and authorization of the Board of Directors in connection therewith,
- f) Authorization of the Board of Directors to purchase any real properties if and when needed by or for the Association, or to sell any of the existing real properties of the Association, or to found and establish economic enterprises or companies,
- g) Taking decisions on foundation of foundations, and to this end, deciding the upper limit of allocations to be made from the real properties, assets, rights and interests of the Association,
- h) Liquidation of the Association, and
- i) Performance of other duties or issues required to be performed or decided by the General Assembly as per the pertinent applicable laws and regulations or as per this bylaws.

CLAUSE 20- The General Assembly:

- a) convenes for an ordinary (regular) meeting in March every year; and
- b) convenes extraordinarily (for special meetings) if and when deemed necessary by the Board of Directors or the Board of Auditors, or upon written request of minimum one fifth of the total number of members of the Association.

The General Assembly is called for meetings by the Board of Directors.

The Board of Directors must call the General Assembly for a meeting within one month upon a request of the Board of Auditors or a written request of minimum one fifth of the total number of members of the Association.

Otherwise, the relevant provisions of the Turkish Civil Code applies.

NOTICE OF CALL PROCEDURE FOR MEETINGS

CLAUSE 21- The Board of Directors organizes and issues a list of the Association members eligible for attending the General Assembly meeting as a result of paying by the end of the previous budget year their membership dues that have accrued by or as of the end of the previous budget year. The members eligible for attending the General Assembly meeting shall by no later than fifteen days prior to the scheduled date of meeting be called to the meeting by an advertisement published in the nationwide (Turkey) edition of a daily nationwide newspaper, showing the date, time, venue and agenda of the meeting, as well as the date of second meeting to be held in case of failure in reaching the required meeting quorum.

The mandatory procedure of notice of call for meetings is the advertisement to be published as described in the preceding first paragraph of this article. Provided, however, that the members will be further informed about the meeting in writing by a letter sent to the last known addresses or by electronic mail sent to electronic mail addresses of members, as well as by an advertisement published in the internet website of the Association.

Should the meeting be postponed, the members shall by no later than fifteen days prior to the scheduled date of second meeting be re-called to the meeting by an advertisement published according to the procedure defined in the first paragraph of this article, showing the date, time, venue and agenda of the second meeting, as well as the reasons of postponement of the original meeting.

QUORUM FOR MEETING

CLAUSE 22- The General Assembly convenes with presence of one plus half of the total number of members vested with the right of participation in the General Assembly, without prejudice to the special provisions pertaining to the quorum for meeting.

If the quorum cannot be achieved in the first meeting, no condition of quorum is sought for in the second meeting. However, the number of members attending this second meeting can in no case be less than twice the total number of full members of the Board of Directors and the Board of Auditors.

MEETING VENUE

CLAUSE 23- The General Assembly meetings cannot be held at a venue other than the head office of the Association.

PROCEDURE FOR HOLDING A MEETING

CLAUSE 24- The meetings of the General Assembly are held in the day, time and place set forth in the meeting advertisement.

The members to attend the General Assembly meeting will enter to the meeting place after signing opposite their names in the list prepared by the Board of Directors for that meeting. If and when the quorum stated in clause 22 is achieved, it will be recorded so in a memorandum of meeting, and the meeting will then be opened by the Chairman of the Board of Directors or by any one of the members of the Board of Directors to be assigned by the Chairman.

Following opening, a Chairman, a Vice Chairman and two Secretaries are elected for management of the meeting, in addition to a three-member Vote-Counters Committee for counting of the votes therein.

The management of meetings is under responsibility of the Chairman of the General Assembly.

The Secretaries are in charge of keeping and arranging the minutes and memoranda of meeting, and sign the same jointly with the Chairman and the Vice Chairman.

At the end of the meeting, all memoranda, minutes and documents are handed to the Board of Directors.

TOPICS OF DISCUSSION IN MEETINGS

CLAUSE 25- Only the issues that are included in the agenda of the meeting may be discussed in the General Assembly meeting, providing, however, that the issues requested to be discussed therein by minimum one tenth of the total number of members present at the meeting must also be included in the agenda.

DECISION QUORUM

CLAUSE 26- Decisions of the General Assembly are taken by majority vote of the attendants to the meeting, without prejudice to the special provisions pertaining to the quorum for decision.

Every member will have a right for only one vote, and the member exercises his right to vote personally by attending the meeting.

BOARD OF DIRECTORS

CLAUSE 27- The Board of Directors is comprised of fifteen associate and five alternate members to be elected by secret ballot system by the General Assembly.

Term of associate membership is three years, and term of alternate membership is one year, without prejudice to the provisions of clauses 30 and 31 hereinabove.

CLAUSE 28- The members of the Board of Directors serve on honorary basis.

Reimbursements for expenses incurred by the Directors during the year shall be indicated separately in the financial statements and final accounts submitted to the General Assembly every year.

CLAUSE 29- Elections will be held every year for the seats of one third of the full number of members of the Board of Directors pursuant to the provisions of clause 27.

Any member whose tenure is over may be re-elected.

CLAUSE 30- If all existing members of the Board of Directors are re-elected, the three-year tenure of membership of one-third of the members will be deemed to have expired as of the first ordinary (regular) General Assembly meeting following the elections, starting from the member elected with minimum number of votes in the new elections. Lots are drawn upon equality in votes. The same procedure applies in the years that follow.

CLAUSE 31- Alternate member elected with the highest number of votes will be brought to vacancies that occur in the Board of Directors due to death, resignation, or other reasons whatsoever. This alternate member completes the tenure of his predecessor.

For the purposes of clause 30 hereinabove, alternate members are treated and regarded as the associate member elected with the minimum number of votes.

In the event that vacancies occurring in the Board of Directors pursuant to paragraph one hereinabove cannot be filled by alternate members, and in the case of unenforceability of provisions of clause 32, then and in this case, a new Director will be elected for the vacant seat by the General Assembly and will complete the tenure of his predecessor.

CLAUSE 32- If and when the number of members of the Board of Directors falls below the two-thirds of the total number of members even after assignment of alternate members due to vacancies therein, then the General Assembly shall be called for a special meeting by the existing members of the Board of Directors or by the Board of Auditors within one month thereafter.

In case the General Assembly is not called for a meeting, the relevant provisions of the Turkish Civil Code shall apply.

CLAUSE 33- In the event that the members of the Board of Directors resign all at once, or the quorum for meeting cannot be achieved within the legal period of time or in three consecutive meetings depending on the issues intended to be negotiated and decided therein, then and in this case, the Chairman of the Board of Directors or the Board of Auditors is liable to call the General Assembly for a meeting within one month thereafter.

CLAUSE 34- The Board of Directors shall, at its first meeting following the annual Ordinary General Assembly meeting every year, elect a Chairman and two Vice Chairmen and a Treasurer from within the board by secret balloting. Furthermore, the Board of Directors appoints committees for “Education”, “Auditing”, “Asset Management”, “Organizational Management”, and “Donation, Communication and Fund Raising”, and elects chairmen of these committees by open or secret balloting according to the decision to be given.

Apart from the aforementioned Committees, the Board of Directors may set committees on other issues that may at any time be deemed necessary or expert committees, if finds it necessary by evaluating suggestions of the committees in this regard. In addition, the Board of Directors is authorized to establish and remove offices of advisors if and when deemed necessary. *(Accepted upon the decision of Ordinary General Assembly meeting dated 26.03.2016)*

CLAUSE 35- The quorum for meeting of the Board of Directors is minimum eight members. Its decisions are taken by affirmative vote of majority of the members attending the meeting. Upon equality of votes, the Chairman of the Board shall have a cast vote.

The provisions of clause 9 hereof are, however, reserved.

CLAUSE 36- The Board of Directors meets at least once a month on a routine basis.

The Secretary-General of the Association also attends the meetings of the Board of Directors. The Board of Directors may further invite to the meeting any of the officers of the Society if and when deemed necessary.

Those who attend the Board meetings pursuant to second and third sentences hereof do not have any right to vote therein.

(Accepted upon the decision of Ordinary General Assembly meeting dated 26.03.2016)

CLAUSE 37- Any director who fails to attend three consecutive meetings of the Board of Directors or one plus half of the total number of meetings of the Board of Directors held in the period between two consecutive annual ordinary General Assembly meetings without any reasonable excuse satisfactory to and acceptable by the Board of Directors will be deemed to have resigned from the Board of Directors.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

CLAUSE 38- The Board of Directors shall be authorized to bind and represent the Society of Darüşşafaka.

CLAUSE 39- The Board of Directors holds the full powers in administration of the works and activities of the Association. The Board of Directors is particularly vested with the authority to accept donations, as well as all and any liabilities and conditions of any kind in connection with donations; to enter into undertakings and assume obligations; to let or rent; to borrow debts and loans up to the borrowing limits and according to the borrowing procedures to be determined by the General Assembly; to establish and remove all types of mortgages; and to purchase all and any real properties deemed necessary for the Association if and to the extent specifically authorized so by a decision of the General Assembly, or to sell the existing real properties of the Association; to found and establish economic enterprises and companies; and in addition, in tandem with the decisions of the General Assembly, to found foundations and to make allocations from the Association's real properties, assets and rights to the to-be-founded foundations.

The Board of Directors is liable and authorized to perform and conduct all and any activities in respect of the income and expenditure accounts of the Association and to prepare and submit to the General Assembly the budget pertaining to the forthcoming period.

The Board of Directors will incorporate in the budget proposal to be submitted to the General Assembly the justification of investment allowances, and the explanations as to financial resources and anticipated benefits of investment, as well as its request for a power to exceed the limits of transfer between articles of budget and the budget allowances, and its other requests relating to borrowing limits and borrowing procedures.

In addition, the Board of Directors performs the works and uses the powers which lie within the scope of responsibilities of the Board of Directors, as specified in this bylaws and in the applicable laws and regulations.

The Board of Directors is liable and authorized to raise the income level of the Association and to increase the number of, and ensure more efficient operation of, the movable and immovable assets, personal and real properties, and all relevant rights and interests of the Association, with a view to ensuring that the main objectives of the Association are achieved to the highest extent possible so as to respond to the increasing demands and requirements of our country, and that both the Association and its school and other affiliated entities survive and even develop further.

The Board of Directors implements all decisions of the General Assembly.

CLAUSE 40- The Board of Directors shall further be authorized to issue the regulations referred to in this bylaws.

CLAUSE 41- The Board of Directors, where deemed necessary, may ask for vote of confidence from the General Assembly, or the members of the Association may also ask for recourse to vote of confidence.

The quorum of meeting for a request of or recourse to vote of confidence is minimum two-thirds of the members of the Association eligible for participation in the General Assembly meetings.

In case where the request of or recourse to vote of confidence is included in the agenda during a meeting of General Assembly, if the quorum for meeting specified in paragraph two hereof is not reached, then the General Assembly may decide to hold an extraordinary meeting on the issue of the vote of confidence. Thereupon, the Board of Directors shall, within maximum one month, be liable to call the General Assembly for an extraordinary meeting. Otherwise, the Board of Directors shall be deemed to have resigned all at once as of the end of said period of time, and the provisions of clause 33 shall apply.

No quorum is sought for extraordinary meetings to be held for a request of or vote of confidence as above, without prejudice to the provisions of second paragraph of clause 22.

In an ordinary (regular) meeting where the request for vote of confidence is also included in agenda prepared and announced by the Board of Directors, in the case of absence of quorum set forth in second paragraph hereof, the provisions of clause 22 shall apply as if the quorum specified in that clause could not be reached.

CHAIRMANSHIP OF THE BOARD OF DIRECTORS

CLAUSE 42- The Board of Directors is represented by the Chairman of the Board. The Chairman of the Board of Directors is the natural legitimate deputy of the Chairman of the Society of Darüşşafaka and the chief executive officer of the Association.

Maximum term of office of the Chairman of the Board of Directors is 6 years.

It is the duty of the Chairman of the Board of Directors to arrange the agenda of Board meetings by also considering the suggestions and proposals of the Directors, and to chair the meetings of the Board of Directors, and to have the decisions of the Board of Directors executed and enforced.

The Chairman of the Board of Directors shall at all times have the authority to call the Board of Directors to a meeting. The Chairman of the Board of Directors shall, either directly himself or indirectly through lawyers and deputies delegated by him, be authorized to represent the Association with full powers in all and any courts, tribunals and other bodies and authorities as and in the capacity of plaintiff or complainant, defendant or otherwise.

The Chairman of the Board of Directors will further carry out the duty of trusteeship assumed by the Society of Darüşşafaka subject to strict compliance with the pertinent laws and the applicable deeds of trust and charters of endowments. A prior underlying decision of the Board of Directors is essential in transactions such as buying and selling immovable assets and real properties, letting and renting, and establishment of mortgages and liens, borrowing of debts and loans, and settlement, release and discharge, and acceptance and admission of legal actions and suits or waiver from claims.

CLAUSE 43- The Chairman of the Board of Directors is vested with the right to inspect and audit all the works and activities and the general administration of the Association.

CLAUSE 44- In case of actual absence or excused absence of the Chairman of the Board of Directors, the powers, responsibilities and duties of the Chairman of the Board of Directors shall be assumed, used and performed by one of the Vice-Chairmen, who will be assigned by the Chairman of the Board of Directors to fulfill these responsibilities and duties and use these powers. The Board of Directors may further delegate and authorize one or more other people for a particular assignment or for ad hoc projects.

The Chairman, Vice-Chairmen and Treasurer of the Board of Directors constitute the Chairmanship Council.

The Board of Directors regulates the duties and the working principles and procedures of the Chairmanship Council. *(Accepted upon the decision of Ordinary General Assembly meeting dated 26.03.2016)*

COMMITTEES

CLAUSE 45- As for the committees referred to in clause 34 of this Bylaws:

The Education Committee keeps in contact with the directors of the General Directorate of Educational Institutions, and receives information about education and teaching activities of the school units, and reports its observations and proposals and suggestions relating thereto.

The Auditing Committee examines and audits the accounts of the Society and its affiliated enterprises and entities.

The Organizational Management Committee makes examinations with regard to compliance with the principles of organizational management, and identifies observations and suggestions.

The Asset Management Committee supervises management of the current assets and the designing and implementation stages of all investments for the sake of survival of and so as to enhance the economic strength of the Society of Darüşşafaka.

Donation, Communication and Fund Raising Committee supervises functionality and activity of donation, communication and fund raising system, and provides observations and evaluations for increasing fund raising and in terms of sustainability.

The chairmen of the committees, who are elected pursuant to clause 34 of the Bylaws, notify their committee member candidates to the Board of Directors within 1 month following their elections. The members of the Board of Directors, who wish to be members of these committees, may also apply as candidates to the Board of Directors within the same period. The Board of Directors appoints committees by selecting at least 3 and at most 7 committee members among all candidates.

The committees and expert committees make examinations, evaluations and observations on topics in their fields. The expert committees submit and present their results and proposals to the committees under which they work; and the committees submit and present their results and proposals to the Board of Directors.

The Board of Directors may authorize and instruct the Committees referred in this clause and expert committees and other committees to be appointed under this Bylaws to prepare and issue reports. *(Accepted upon the decision of Ordinary General Assembly meeting dated 26.03.2016)*

BOARD OF AUDITORS AND INTERNAL AUDIT

CLAUSE 46- The Board of Auditors is comprised of three associate and three alternate members to be elected by the General Assembly by secret balloting for a term of office of three years.

Alternate member elected with the highest number of votes will be brought to vacancies that occur in the Board of Auditors due to death, resignation, or other reasons whatsoever.

CLAUSE 47- The Board of Auditors meets during the week immediately after its election, and elects a chairman from among its own members.

CLAUSE 48- The internal audit of the Association will be handled by the Board of Auditors in compliance with the pertinent provisions of the Laws and Regulations on Associations and this by-laws.

Furthermore, in due consultation with the Board of Auditors, the Board of Directors may establish a separate unit in the Association for performance of internal audit activities and duties, and may hire and instruct independent audit firms for external audit of financial statements and operations of the Association. However, an audit conducted upon demand of the Board of Directors does not relieve the Board of Auditors from its obligations.

The Board of Auditors audits and examines whether the Association is carrying out its business activities and operations in line with the objectives shown in the by-laws of the Association and within the fields of activity required to be engaged in for achievement of objectives or not, and whether the Association's accounts, records and books are kept in accordance with the applicable laws and this by-laws or not, whenever deemed necessary and no less than twice during a budget period, in accordance with the principles and procedures referred to in this by-laws of the Association, and submits its findings and results to the Board of Directors in a report, and to the General Assembly in its next meeting.

CLAUSE 49- The Board of Auditors is entitled and authorized to examine all books, receipts and documents related to accounts of the Association, and to ask for and receive information and data from any of the officers on the issues being audited.

DISCIPLINE COMMITTEE

CLAUSE 50- A Discipline Committee comprised of five members shall be elected by the General Assembly by secret balloting for a term of office of three years.

CLAUSE 51- The Discipline Committee meets during the week immediately after its election, and elects a chairman and a vice chairman from among its own members.

The Discipline Committee meets with presence of minimum three members.

Its decisions are taken by affirmative vote of majority of the attendants to the meeting.

CLAUSE 52- The Discipline Committee takes the written, and, if need be, verbal defenses of the concerned parties. Any concerned party that fails to abide by or respond to the call made by the Discipline Committee shall be deemed to have refrained from defending himself.

SECRETARY-GENERAL

CLAUSE 53- The office of Secretary-General of the Society of Darüşşafaka consists of a Secretary-General and, where assigned by the Board of Directors, Vice Secretary-Generals and a sufficient number of officers pursuant to the staffing principles to be identified and accepted by the Board of Directors.

CLAUSE 54- The Secretary-General is in charge of performing and conducting all works and transactions of the Association as per the provisions of Bylaws and regulations, and in accordance with decisions of the Board of Directors. The Secretary-General is the executive organ of the Board of Directors and the paymaster for expenditures of the Association.

In the actual absence or excused absence of the Secretary-General, the Vice Secretary-General to be assigned by the Board of Directors will deputize the Secretary-General in terms of performance of his duties.

The Secretary-General, if deemed necessary, may delegate some of his own duties, powers and responsibilities to the Vice Secretaries-General.

HIGHER ADVISORY BOARD

CLAUSE 55- Members of the Higher Advisory Board are elected by the Board of Directors by open vote. Chairman and Vice Chairmen of the Board of Directors are natural members of the Higher Advisory Board.

The Board meets at least twice a year, one of them being two (2) months prior to the General Assembly meeting of the Association.

By making determinations and observations as to the activities and services of the Association and the Board of Directors, and reporting its constructive opinions and suggestions, and suggesting strategies for new goals and developments, and contributing to the development of vision of the Association in all aspects, the Higher Advisory Board makes contributions to achievement of the objectives defined in clause 2 of this Bylaws, and the activities and operations specified in clause 3 of this Bylaws as required for achievement of such objectives, at the highest level and as efficiently as possible. The Higher Advisory Board reports to the Board of Directors its suggestions and proposals in reliance upon information acquired, and determinations and observations made by it for its purposes and functions.

REGULATIONS

CLAUSE 56- The issues related to the services and activities of the Association and the Educational Institutions of Darüşşafaka and other enterprises and entities under control of the Association shall be governed by regulations that will be issued by the Board of Directors.

The Board of Directors may take all measures of any kind deemed fit and appropriate in order to ensure commitment and devotion of the personnel and teachers to the Association and its schools and other affiliated entities, and to assure their efficient and effective services and works therein.

CLAUSE 57- The Board of Directors may establish rest houses, nursing homes or similar facilities for the donators in order to fulfill and perform the obligations of the Association in respect of the donations granted to the Association.

CLAUSE 58- The income sources of the Association are:

- a) Member dues and subscriptions,
- b) Income from the activities and properties of the Association,

- c) Donations and grants, and
- d) Other sources of income stated in the applicable laws and regulations.

CLAUSE 59- The Society of Darüşşafaka acquires, holds and disposes of movable and immovable assets and personal and real properties subject to compliance with the pertinent provisions of the Law of Associations and other applicable laws and regulations for the sake of creating the sources of income, with a view to ensuring that the main objectives of the Association are achieved to the highest extent possible so as to respond to the increasing demands and requirements of our country, and that both the Educational Institutions of Darüşşafaka and its present and future schools and other affiliated entities survive and even develop further.

CLAUSE 60- The name of Darüşşafaka may by no means or ways whatsoever be used by any person or body without a prior written consent and authorization of the Society of Darüşşafaka.

Any insistent breach of this clause by any of the members shall constitute a just and good reason for exclusion from the Association. The Association reserves its right to have recourse to legal remedies and actions against any person who breaches the provisions of this clause.

AMENDMENTS TO BYLAWS

CLAUSE 61- The quorum for meetings of General Assembly to be called and convened for amendments proposed to this Bylaws shall be equal to two-thirds of the members eligible for attending the General Assembly meetings.

If the quorum cannot be achieved in the first meeting, no condition of quorum is sought for in the second meeting, without prejudice to provisions of second paragraph of clause 22 hereof.

A decision of amendments hereto is to be taken by affirmative vote of two-thirds majority of the members attending the meeting.

The provisions of clause 62 pertaining to dissolution of the Association are, however, reserved.

DISSOLUTION

CLAUSE 62- For a decision on voluntary dissolution of the Society of Darüşşafaka, at least two-thirds of the total number of registered members must be available at the meeting and the meeting must be presided personally by the Prime Minister himself, and the decision of dissolution taken by affirmative vote of two-thirds majority of the attendants at the meeting must be accepted and approved by the Prime Minister.

Even any amendments proposed to this clause are also subject to the same quorums and procedures mentioned above.

CLAUSE 63- Upon dissolution of the Association, all movable and immovable assets and personal and real properties and rights and interests of the Association shall be transferred to an institution to be agreed upon by the General Assembly taking the decision of dissolution.

Title on the properties and assets of the Association shall pass and be transferred to the National Treasury in the case of closing of the Association by a Court order.

Three members of the Board of Directors must be available in the Liquidation Committee.

CLAUSE 64- Dissolution, liquidation and transfer transactions are carried out by a board of seven members to be elected by secret balloting by the General Assembly that decides on the dissolution of the Association.

Dissolution, liquidation and transfer processes are performed under the supervision of the Government Commissioner and a representative of the Fiscal Authority and pursuant to the principles to be accepted by the General Assembly deciding on the dissolution of the Association.

CLAUSE 65- The Association shall keep the following books:

- a) Members registry book,
- b) Resolutions book,
- c) Incoming and outgoing documents book,
- ç) Income and expenses book,
- d) Budget final accounts and balance sheet book,
- e) Immovable assets and properties book,
- f) Fixtures book.

These books are required to be certified by a notary before use. The books which are required to be kept as per the Law of Associations shall be kept in accordance with the formal requirements set forth in the Law.

FINAL PROVISIONS

CLAUSE 66- The Society of Darüşşafaka was founded in 1863 under the name “Cemiyet-i Tedrisiye-i İslamiye” (The Society for Islamic Education).

The name of the Society was changed to Turkish Educational Institution on 26.4.1935, and to the Society of Darüşşafaka on 3.1.1953.

Cemiyet-i Tedrisiye-i İslamiye (The Society for Islamic Education) and Turkish Educational Institution have at all times been acknowledged and referred to as “Darüşşafaka”.

All rights, movable and immovable assets and properties, payables and receivables registered in the name of Cemiyet-i Tedrisiye-i İslamiye (The Society for Islamic Education), Turk Okutma Kurumu (Turkish Educational Institution) and Darüşşafaka belong to the Society of Darüşşafaka.

CLAUSE 67- The Society of Darüşşafaka is classified and categorized as an Association Serving Public Interests, pursuant to a decision, no. 2790/3087-305/313, of the State Council, Head of Civil Services and General Assembly, dated 17.11.1930, ratified with a decree of the Council of Ministers no. 2/14333 dated 11.9.1940. This decree was published in the Official Gazette issue 4625 on 30.9.1940.

This Bylaws of the Society of Darüşşafaka rearranged and reissued as per temporary clause 1 of the New Law of Associations no. 2908 was discussed and accepted in the Extraordinary General Assembly Meeting on 17.12.1983.

The conformity of this Bylaws with the New Law of Associations no. 2908 was approved with a letter no. 456625 dated 26.12.1985 of the Interior Ministry, Security Department, Desk of Associations, and a letter no. Şb. Güv. Der. 34-02/200 – 003834 dated 9.10.1986 of Istanbul Governorship, Security Department.

This Bylaws of the Society of Darüşşafaka rearranged and reissued as per temporary clause 1 of the New Law of Associations no. 2908 was discussed and accepted in the Annual Ordinary General Assembly Meeting on 21.3.1987.

The conformity of this Bylaws with the New Law of Associations no. 2908 was approved with a letter no. 209529 dated 3.7.1987 of the Interior Ministry, Security Department, Desk of Associations.

Clause 9/c of this Bylaws was amended by a decision of the Annual Ordinary General Assembly Meeting dated 11.3.1989 and this amendment was then approved with a letter no. 120390 dated 12.12.1989 of the Interior Ministry, Security Department, Desk of Associations.

Amendments made in clauses 8, 9, 10, 36, 53 and 54 of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 6.4.1991 were approved with a letter no. 03.(991)556 dated 28.5.1991 of Istanbul Governorship, Legal Affairs Department.

Amendments made in clause 9/c of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 13.03.1993 were approved with a letter no. M-7 34-02/200 051827 dated 15.06.1993 of Istanbul Security Department.

Amendments made in clauses 18 and 21 of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 20.03.1999 were approved with a letter dated 08.07.1999 of the Republic of Turkey, Kadıköy Governorship, District Police Headquarters.

Amendments made in clauses 3, 34, 36, 45, 56, 59 and 63 of this Bylaws by a decision of the Extraordinary General Assembly Meeting dated 18.11.2000 were approved with a letter no. B.05.1.EGM.4.34.59.12 dated 26.02.2001 of the Republic of Turkey, Kadıköy Governorship, District Police Headquarters.

Amendments made in clauses 3 and 34 of this Bylaws by a decision of the Extraordinary General Assembly Meeting dated 09.06.2001 were approved with a letter no. B.05.1.EGM.4.34.59.12 dated 14.08.2001 of the Republic of Turkey, Kadıköy Governorship, District Police Headquarters.

Amendments made in clause 2 of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 23.03.2002 were approved with a letter dated 06.08.2002 of the Republic of Turkey, Kadıköy Governorship, District Police Headquarters.

Amendments made in clauses 3, 10, 15, 28 and 42 of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 05.04.2008 were approved with a letter no. B.05.4.VLK.4.34.08.00.(07) 34-002/200 dated 25.06.2008 of the Republic of Turkey, Istanbul Governorship, Provincial Associations Directorate.

Amendments made in clauses 3, 9, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22, 24, 32, 33, 34, 39, 44, 46, 47, 48, 49, 55 and 58 of this Bylaws by a decision of the Annual Ordinary General Assembly Meeting dated 20.03.2011 were approved with a letter no. B.05.4.VLK.4.34.08.00/477.01.02.02/18947 dated 21.04.2011 of the Republic of Turkey, Istanbul Governorship, Provincial Associations Directorate.

Amendments made in clause 2 of this Bylaws were discussed and adopted by a decision of the Extraordinary General Assembly Meeting dated 14.04.2012, and were then approved with a letter no. B.05.0.DDB.4.34.00.00-477.01.02.02/23600 dated 25.04.2012 of the Republic of Turkey, Istanbul Governorship, Provincial Associations Directorate.

Amendments made in clause 10, 20, 34, 36, 44 and 45 of this Bylaws were discussed and adopted by a decision of the Ordinary General Assembly meeting dated 26.03.2016, and were then approved with a letter no. 87385697-477.01.02.02-E.31914 dated 19.04.2016 of the Republic of Turkey, Istanbul Governorship, Provincial Associations Directorate.

Amendments made in clause 10 and 15 of this Bylaws were discussed and adopted by a decision of the Ordinary General Assembly meeting dated 01.04.2017, and were then approved with a letter no. 87385697-477.01.02.02- E.38967 dated 12.05.2017 of the Republic of Turkey, Istanbul Governorship, Provincial Associations Directorate.