

**DIRECTORATE GENERAL OF
STATE SUPPLY OFFICE
MAIN STATUS**

**SECTION 1
Objective, Scope, Basis, Definitions**

Objective and Scope

ARTICLE 1- (1) This Main Status has been prepared in order to regulate the legal status, field of activity, duties, bodies, organizational structure, subsidiaries, establishments and affiliates of the Directorate General of State Supply Office, and the relations between them, liquidation, audit, financial issues and other issues.

Basis

ARTICLE 2- (1) This Main Status has been prepared on the basis of the provisions of the Decree-Law on State Economic Enterprises dated 8/6/1984 and numbered 233.

Definitions and Abbreviations

ARTICLE 3- (1) Below are the definitions to be referred to in the practice of this Main Status;

- a) The Ministry: The Ministry of Treasury and Finance,
- b) Framework agreement: The agreement made with one or more entrepreneurs for the purpose of supplying the goods and services within the scope of this Main Status, regarding the determination of the price of the purchases to be accrued in a certain time period and the quantities envisaged, when necessary, of the institutions and organizations provided services for.
- c) DMO: Directorate General of State Supply Office, which is fully owned by the government and was established to operate in the economic field according to commercial principles,
- ç) Electronic tender: Transactions that are recurring in the form of conducting, evaluating, limiting all or any stage of the tender in electronic environment and completed with a decision,
- d) Electronic environment: Transmitting, transferring or receiving information by cable, radio, optical devices or other electromagnetic means, using electronic devices for data processing and storage, including digital data compression,
- e) Director General: Director General of State Supply Office,
- f) Catalogue: The service, also provided electronically, based on a contract, framework agreement or protocol, which shows the technical features and prices of the products and includes the mutual purchase and sale commitment between DMO and the entrepreneurs for a certain period,
- g) Entrepreneur: Real persons and public or private legal entities or joint ventures formed by them, engaged in the supply of goods or the performance of services,
- ğ) Board of Directors: The Board of Directors of Director General of State Supply Office.

(2) For subsidiaries, affiliates, entities and enterprises, the definitions in the Decree Law No. 233 are taken as basis.

SECTION 2
Legal Status, Objective, Field of Activity, Goods and Services
Groups Subject to Its Field of Activity and
Basic Principles of DMO

Legal Status

ARTICLE 4- (1) DMO is a state economic enterprise with legal personality, autonomous in its activities and limited by its capital.

(2) DMO is subject to the provisions of private law, without prejudice to the Decree Law No. 233 and the provisions of this Main Status.

(3) The headquarters of DMO is located in Ankara.

(4) The capital of DMO is 130.581.584,00 TL and it is completely owned by the government. The said capital can be changed by the President.

(5) The relevant Ministry of DMO is the Ministry of Treasury and Finance.

Objective and Field of Activity of DMO

ARTICLE 5- (1) DMO's objective is, in order to carry out the central purchasing function on behalf of public institutions and organizations, to supply and distribute the goods and services needs of public institutions and organizations that are subject to public law or under the control of the public or that use public resources by ensuring public interest, from domestic and foreign markets, in accordance with the principles of using public resources effectively and efficiently, preventing wastefulness, ensuring the standard and quality of the required material to the maximum extent, transparency, competition and accountability, and to ensure the supply of these needs through purchasing or bringing together buyer institutions and organizations with producers or sellers.

(2) DMO may also meet the needs of public benefit associations and their affiliates, tax exempt foundations and their affiliates, foundation higher education institutions, public professional organizations and public banks.

(3) DMO carries out or makes all kinds of transportation be carried out related to its purpose and field of activity, may purchase or rent transportation vehicles related to them; sets up and rents warehouses or may lease them.

(4) DMO may purchase, rent or lease movable and immovable properties for the performance of the works falling within the scope of its purpose and field of activity, may mortgage for its debts and receivables, pledge for or against including commercial enterprise pledge, may establish other real rights on its own immovables.

(5) DMO may provide the implementation of skills training programmes organized within the scope of employment development activities related to its purpose and field of activity, and guidance in administrative and technical fields to small and medium sized private institutions that have been established or will be established.

(6) The purpose and field of activity of DMO may be changed by the President.

Goods and services groups subject to its field of activity

ARTICLE 6- (1) Goods and services groups subject to DMO's field of activity are listed below:

- a) IT products (excluding software for corporate automation),
- b) Office machinery and equipment,
- c) Lighting devices and heating-cooling devices, excluding fixed facilities,
- ç) Paper and stationery products,

- d) Clothes and accessories,
- e) Furniture and office furnishings,
- f) Cleaning products and cleaning tools and equipment,
- g) Vehicles, superstructure vehicles and construction equipment; their batteries and tires, fuel and consumables,
- ğ) Leasing of vehicles, superstructure vehicles and construction equipment,
- h) Medicines, medical devices and health products,
- i) Travel and transportation services,
- i) Printed products and printing services,
- j) Electricity and fuel products,
- k) Other flooring, fixtures, machinery and equipment subject to common use by public institutions and organizations,
- l) Other goods and service groups to be determined by the Board of Directors.

Basic principles

ARTICLE 7- (1) DMO procures the goods and services specified in Article 6 from the domestic and foreign markets, in the most economical way with the usual commercial methods, primarily on-site and first hand, by making maximum use of the price advantages provided by bulk purchases,

(2) DMO may procure these goods and services within the framework of the Public Procurement Law No. 4734 or in terms of purchases falling within the scope of the exemptions regulated in subparagraph (g) of Article 3 of the same Law, within the scope of catalogue agreements or through electronic tendering or other procurement methods.

(3) Which of the goods and services groups specified in Article 6 will be provided by DMO is indicated in the catalogue. The issues related to the composition, implementation and publication of the catalogue and the products to be included in the catalogue are specified by the DMO. It is essential that the companies to be included in the catalogue have the competence to fulfill their commitment at the country level and that they are determined in a way that does not hinder competition. However, in order to integrate locally produced products and small-scale companies to the economy, measures are taken to ensure that companies serving a certain province or region are included in the catalogue.

(4) DMO may apply different catalogue applications in order to support domestic products or domestic manufacturers.

(5) DMO may give a procurement guarantee for the development of domestic production for products based on medium-high and high technology transfer, which do not have or are limited in domestic production.

(6) It is essential that DMO uses electronic tendering methods. The principles and procedures to be applied in the electronic tenders are determined by DMO.

(7) While DMO may supply the goods and services to be offered by means of tenders or negotiation between the entrepreneurs in the catalogue, it may also procure goods and services from the entrepreneurs in the catalogue through direct order up to the monetary amount to be determined.

(8) The demands of public institutions and organizations may be met by procuring goods and services that cannot be supplied by any of the above-mentioned methods or that have high market prices or whose bulk purchase is understood to be of public interest, within the framework of the principles and procedures to be determined by DMO.

(9) The service fee to be collected in return for the goods and services provided by the entrepreneurs in the catalogue, or through framework agreements or as a result of tenders, is determined by the Board of Directors.

(10) DMO's purchases for its own needs of goods and services included in its field of activity listed in Article 6 are subject to the procedures applied for other public institutions and organizations.

SECTION 3 Bodies of DMO

Bodies of DMO

ARTICLE 8- (1) The bodies of DMO are; Board of Directors and Directorate General.

Board of Directors

ARTICLE 9- (1) The provisions of the Decree Law No. 233 and the relevant legislation are applied on the formation, duties and powers of DMO's Board of Directors, and the assignment, qualifications and conditions, terms of office, dismissal of the members of the Board of Directors and in other related issues.

(2) The Board of Directors takes all necessary decisions regarding the realization and management of the purposes and activities of DMO.

(3) In case of the absence of the Director General, a deputy Director General assigned by the Director General from among the members of the Board of Directors presides the Board of Directors.

(4) Those who are assigned as a member of DMO's Board of Directors under the responsibility of public service may not take charge as a member of the Board of Directors and the Board of Supervisors of another enterprise, subsidiary and affiliate organization.

Meeting of the Board of Directors

ARTICLE 10- (1) The Board of Directors is called for a meeting by the Director General. The agenda, which also shows the date and time of the meeting, is determined by the Chairman of the Board and distributed to the members at least twenty-four hours in advance. The agenda may be changed with the decision of the Board of Directors.

(2) Members of the Board of Directors may also submit a proposal regarding the discussion and resolution of issues deemed necessary to be taken by the Board. If approved by the Board of Directors, this proposal is included in the agenda of the next Board of Directors meeting.

(3) The Board of Directors convenes whenever necessary and in any case at least twice a month. In addition, a meeting is held upon the request of the Chairman or the joint written request of at least two members.

(4) The meeting place is the headquarters of DMO. The Board of Directors may convene in another place, provided that a prior decision is taken.

(5) Those who have the right to attend the meeting of the Board of Directors may also attend these meetings electronically.

(6) The Board of Directors convenes with at least four members, which is the absolute majority of the total number of members, and takes its decisions with the absolute majority of the total number of members. In case of an equality of votes, the vote of the Chairman is deemed to set the majority.

(7) In the Board of Directors, votes are casted as "for" or "against". Abstentions are not allowed. The member voting against the decision writes the reason for rejection and signs it.

(8) Members who do not attend the meeting may not vote in writing or by appointing a proxy.

(9) It is essential that the Chairman and members of the Board of Directors attend all meetings. Members of the Board of Directors who have excuses not to participate must notify

the Board of Directors about their excuses before the meeting. Members who fail to attend four consecutive meetings or a total of ten meetings within a year without an excuse are deemed to have resigned. They are replaced by new Members by the procedure set forth in the Decree Law No. 233.

(10) The decisions of the Board of Directors are written under the date and sequence number in the decision book approved by the notary public of the district where DMO is located. Each page of the decision book is signed by the members attending the meeting.

(11) Decisions must be written in the decision book and the signing process must be completed within one month at the latest.

(12) In cases of emergency, the Board of Directors may convene upon the invitation of the Director General, regardless of the meeting and agenda terms mentioned in the above paragraphs.

Directorate General

ARTICLE 11- (1) DMO is composed of the Director General, the Deputy Directors General and the affiliated units.

Director General

ARTICLE 12- (1) The provisions of the Decree Law No. 233 and the relevant legislation are applied regarding the appointment, qualifications and terms, duties and powers of DMO Director General and in other related issues.

Deputy Directors General

ARTICLE 13- (1) The provisions of the Decree Law No. 233 and the relevant legislation are applied regarding the appointment, qualifications and terms, duties and powers of the Deputy Directors General and in other related issues.

(2) The division of labor among the Deputy Directors General is determined by the Director General.

(3) The number of the Deputy Directors General of DMO can be changed by the President.

Units of DMO

ARTICLE 14- (1) The establishment, abolition, change of status, expansion or reduction of the subjects of study, and merging with other units of the Directorate General units, up to the duties in the first and second levels after the Deputy Directors General in the main organization chart of DMO are determined by the Board of Directors upon the proposal of the Director General.

(2) The establishment, if required, the change or abolition of the other units of DMO and its units in the establishments are determined by the Director General upon the proposal of the relevant unit.

SECTION 4

Affiliates and Subsidiaries

Provisions applicable to affiliates

ARTICLE 15- (1) In the establishment of affiliates, the formation of the board of directors, the appointment or election of the member of the Board of Directors, the auditor, the director general and the deputy directors general, their qualifications and terms, the discharge of the board of directors and in other related issues, the Decree Law No. 233, the relevant

legislation, the articles of association and the provisions of the Turkish Commercial Code, for the matters for which there is no provision in them, shall apply.

(2) The private sector has the right to have one member in the board of directors if the share in the affiliate is between 20% and 40%, and two members if it is 40% or more.

(3) Except for the director general of the affiliate, all the members of the board of directors and the auditors appointed to represent the shares of DMO cannot be members of the administrative, supervisory and liquidation board of another affiliate or subsidiary.

(4) The obligation to issue shares of those who will act as a member of the board of directors of subsidiaries representing DMO is fulfilled by DMO.

(5) The articles of association and the provisions of the Turkish Commercial Code shall apply to the meeting of the board of directors and in other related issues.

(6) The director general of the affiliate is in charge of the implementation of the decisions taken by DMO and the board of directors of directors of the affiliate and of showing the necessary effort and prudence in the management of the affiliate, and is responsible for the contrary actions.

(7) The affiliate acts according to the main objectives of investment, planning and marketing determined by the DMO Board of Directors.

Provisions applicable to subsidiaries

ARTICLE 16- (1) In the formation, qualifications, management and other issues of the subsidiaries, the provisions of the Decree Law No. 233, this Main Status, the articles of association and the provisions of the Turkish Commercial Code, for the matters for which there is no provision in them, shall apply.

(2) There is at least one member for each 15% share representing DMO and its affiliate on the boards of directors of the subsidiaries of DMO and its affiliates. Provisions of the Provisional Article 2 of the Decree Law No. 233 are reserved.

(3) If the share in any subsidiary of DMO or the affiliate is 20% or less, there is at least one auditor, and if it is more than 20%, there are at least two auditors.

SECTION 5

Financial Provisions, Liquidation and Auditing

Financial provisions, liquidation and auditing

ARTICLE 17- (1) The provisions of the Decree Law No. 233 shall apply to matters regarding plans, programs and budgets, preparation of investment projects, investment and financing programs, minor completion, maintenance and renovation investments, prices and tariffs, accounting systems, financial statements, result calculations and activity reports, profit sharing, liquidation and auditing.

(2) DMO is responsible for carrying out investment and operating activities based on plans, programs and budgets.

(3) The annual general investment and financing program of DMO is decided by the President at least seventy-five days before the beginning of the calendar year.

(4) The budget of DMO is prepared based on the targets set forth by the annual general investment and financing program for each accounting period, and then approved by the Board of Directors.

(5) Should the annual general investment and financing program be amended, necessary adjustments are made in the budget accordingly.

(6) Copies of the finalized annual general investment and financing programs and the operating budget of DMO and its affiliates are sent to the Ministry, the Presidency of Strategy and Budget, the Court of Accounts and relevant ministries.

(7) DMO prepares its projects on time by carrying out the financial, economic and technical studies for the investments that must be made by itself according to the Development Plan and sends them to the Ministry and the Presidency of Strategy and Budget seven months before the beginning of the calendar year.

(8) The investment whose project is not finalized cannot be initiated.

SECTION 6

Other and Final Provisions

Provisions concerning the personnel

ARTICLE 18- (1) The provisions of the Decree Law No. 233 and the Decree Law No. 399 on the Regulation of Personnel Regime of the State Economic Enterprises and Annulment of Certain Articles of the Decree Law No. 233 shall apply to DMO personnel.

Cases with no provision in the Main Status

ARTICLE 19- (1) Provisions of the Decree Law No. 233 shall apply to the matters regarding the purpose and the field of activity of DMO, shares transferred into the Treasury, being considered government property, other rights, issuings bond, and other matters.

Repealed Main Status

ARTICLE 20- (1) The Main Status of the Directorate General of State Supply Office published in the Official Gazette dated 4/5/2007 and numbered 26512 has been repealed.

Transitional provisions

PROVISIONAL ARTICLE 1- (1) Existing regulations, directives, circulars and notices that are not contrary to this Main Status shall continue to be applied until new ones are duly put into effect.

Validity

ARTICLE 21- (1) This Main Status shall enter into force on the date of its publication.

Execution

ARTICLE 22- (1) The provisions of this Main Status are executed by the Board of Directors of the Directorate General of State Supply Office.