



المركز العربي لتطوير حكم القانون والنزاهة

Arab Center for the Development of the Rule of Law and Integrity

**Articles of Association
of a Civil Company**

Article 1: Aim, objectives and fundamentals

This company relies on the awareness by its founders, partners and members of the key role of the rule of law and the fundamentals of justice, to serve the social and economic development of Arab societies and natural or legal persons, and to serve the structure of good governance, based on respect of human rights and dignity, with the support of sound democratic practice according to the principles of sharing, accountability and transparency.

This company brings together experts and specialists in legal, judicial, social and economic sciences within the frame of an expertise house, to employ their knowledge in the carrying out of training studies and works and in cultural meetings. Their cooperation will lead to internal integration and not conflict with their academic entities which will remain existent and have an independent production.

The company also seeks to spread on its website, free of charge, intellectual work related to its specialization to make knowledge accessible to the public. It is a non-speculative and not-for-profit organization of which finances are limited to managing the studies and works performed by the partners. The amounts that the company collects are limited to covering the charges required to the continuation of the work progress and the publication requirements.

In the event where the company is terminated or dissolved prior to its term, the net residual of its funds shall, after reserving all the due and payable rights, equally pass to the United Nations Arab Office and a regional Arab development fund, specified by the members of the last general assembly convened prior to the dissolution of the company.

On the above grounds, the undersigned founders have reached an understanding on the following:

Article 2: Form of the Company

A not-for-profit civil limited partnership company.

Article 3: Name of the Company

Arab Center for the Development of the Rule of Law and Integrity¹. A.C.R.L.I.

Article 4: Scope of Business and Specialization of the Company

1- The company activity covers all legal, judicial, social and economic sciences fields.

2- The company shall, to achieve its objectives and object as mentioned in Article 1, perform the following works:

⁽¹⁾ Amended by the resolution of the extraordinary general assembly of the partners held on the 27/2/2004.



2.1 To carry out studies within the scope of its business, on its own initiative or on the initiative of individual partners or at the request of others.

2.2 To perform training works that serves the rule of law, justice and social and economic development, on its own initiative or at the request of others.

2.3 To hold conferences, workshops or seminars within the scope of its specialization, on its own initiative or at the request of others.

2.4 To post on the Internet, free of charge, the studies, works and activities carried out by the company or by the partners, or any intellectual work or activity whose owner wishes to post on the company's website.

2.5 To manage in their interest and name, the property rights of experts and authors linked to the works that they perform, within the scope of specialization of the company, whether as members of the company or as parties seeking its assistance, and whether such works have been performed in their own name or completed in the name of the company.

3- The company may, within the scope of its specialization, launch, on its own initiative or on the initiative of one of the partners, any of the works mentioned under Paragraph 2, and therefore, provide the required financing or conclude a contract with any party outside the company to perform any of the works mentioned in Paragraph 2 above. The said works shall be performed by priority to the company members, and, where required, by seeking the assistance of experts outside the company.

4- The company shall, for each project that it initiates or for the completion of which it concludes a contract with others, keep a file specifying all the rights, including the rights of the company and the rights of the parties entrusted with performance, according to the administrative and financial regulations laid down by the extraordinary general assembly of partners at the first meeting thereof.

Article 5: Duration of the Company

The Duration of the company shall be twenty-five years commencing on the date of registration of the company. The said term shall be renewable by the extraordinary general assembly.

Article 6: Nationality and Head Office of the Company

The company is of the Lebanese nationality with headquarters in Beirut. It has an elected place of domicile at Badaro, Antelias Street, Property of Hikmat Abi Khalil, 7th Floor.

The company may have branches in the Arab countries or in any other place.

The ordinary general assembly of partners shall have the right to change the nationality and head office of the company.

Article 7: Membership of the Company

- 1- The company shall be formed among an active partner who shall be the authorized signatory and an unlimited number of sleeping partners.
- 2- The company has, upon setting up, been formed among the partners who have signed the memorandum of association.
- 3- The founding partners shall elect the active partner at their first meeting.
- 4- Every natural or legal person shall have the right to join the company in the capacity of partner after submitting an application in which they announce their consent and commitment to the company's contract and regulations and in which they announce their wish to become a partner. The application shall be addressed to the ordinary general assembly through the active partner who shall enclose in the application a report indicating the position of the applicant. The application shall be accepted in a separate minutes signed with the approval of the relative majority of partners. The application shall be joined to the official papers of the company. The decision of the general assembly shall be notified to the applicant and the membership of the new partner shall apply from the date of approval of the minutes.
- 5- Each partner shall have the right to withdraw from the company at any time he wishes so, by virtue of a written request addressed to the ordinary general assembly through the authorized signatory partner. Written minutes shall be drawn up with respect to such withdrawal, indicating that note has been taken of the request for withdrawal and stating the rights and obligations of the withdrawing partner. The said request shall be approved by the relative majority of the votes in such manner that the minutes shall constitute the official document under which the rights and obligations of the withdrawing partner shall be settled. The said request shall be joined to the company papers for acting in accordance therewith. The date of approval of the minutes shall be considered the set date on which the partner is deemed to have withdrawn.

Article 8: Authorities of the Company and their competence

The company shall consist of the following authorities:

- 1- The Administrative Authority: It shall be made up of the Company Management, the Projects Section, the Publication Section and the Legal Section. The sections shall be regulated within the framework of the administrative and financial regulations of the company.

1.1 The company management shall be exclusively vested in the active partner who shall be named the company manager, assisted by a team specified under the administrative and financial regulations of the company. The powers of the manager shall be limited to running the financial and administrative business of the company, representing the company with others and concluding contracts in its name. The active partner shall have the right to delegate some of his powers to one of his team members and shall have the right to change the place of domicile of the company and open new branches thereof.



1.2 The administrative business also includes keeping the company papers, opening and operating bank accounts, collecting monies in the name of the company and depositing them in the fund or bank accounts of the company, paying monies from the fund or bank accounts of the company, performing all banking operations correlative to or branching off the aforementioned and signing all the required contracts and documents.

1.3 The active partner shall perform all the other works provided for in the Articles of association or by-laws of the company.

1.4 The active partner shall be elected by the absolute majority of the ordinary general assembly for a definite period and shall be replaced on the same conditions.

2- The General Assembly: the general assembly of partners shall be divided into two types, ordinary and extraordinary, and shall be made up of all the partners.

2.1 Ordinary General Assembly:

- The general assembly shall hold a meeting once a year during the second half of December, at the invitation of the active partner or on the initiative of one third of the partners.
- The general assembly shall, upon meeting, be presided over by the oldest partner present. The youngest partner present shall act as secretary of the sessions.
- The general assembly shall meet with a quorum of the absolute majority at the first session or of the persons present at the next session.
 - The ordinary general assembly shall discuss and decide upon the following matters:
 - Approval of the accounts of the ended financial year.
 - Approval of the budget of the company for next year.
 - Approval of the strategy of the company.
 - Perusal and approval of the annual administrative report and the projects statement submitted by the active partner.
 - Acceptance of the applications of new partners or the applications for withdrawal of existing partners.
 - Appointment of the active partner.
- The general assembly shall pass its resolutions by relative or absolute majority as mentioned in the memorandum of association or by-laws.
- The proceedings of the sessions of the ordinary general assembly shall be recorded in minutes considered as official company papers.

2.2 Extraordinary General Assembly:

- The extraordinary general assembly shall meet whenever necessary, at the invitation of the active partner or on the initiative of one third of the partners. The sessions of the said assembly shall be chaired by the oldest partner present. The youngest partner present shall act as secretary of the session.
- The agenda and necessary explanations shall be enclosed in the invitation to the extraordinary general assembly.
- The quorum for the extraordinary general assembly meeting shall be the qualified majority, i.e. three quarters of the partners and an absolute majority at the next session.
- The extraordinary general assembly shall have the authority to examine:
 - All the responsibilities of the ordinary general assembly.
 - The approval of the administrative and financial regulations of the company.
 - The amendment of the articles of association in whole or in part.
 - The dissolution of the company prior to the term thereof or the renewal of the term.
 - The approval of a plan of liquidation of the company.
 - The appointment of the Arab party who shall benefit from half of the net assets of the company.
- The resolutions of the general assembly shall be passed by the absolute majority, except for the resolution to dissolve the company which requires two thirds of the partners.

3- The Supervising Authority:

A supervising authority shall be set up with the task of drawing up the strategy and general plan of the company and appraising its activities to preserve high quality standards. The authority shall make an annual report which shall constitute a reference for the company business and a framework, guiding its activities indicating the annual status of the developments of the rule of law, justice and development in the Arab countries.

The said authority shall be made up of twelve members, two thirds of whom are partners and the other third are renowned specialists or personalities from supporting entities, selected by the general assembly every three years.

The by-laws of the company shall specify the rules and criteria of selection and the rules of procedure of the authority.



Article 9: Assets and Finances of the Company²

- 1- The finances of the company shall consist of two items: income and expenses.
- 2- The income of the company consists of:
 - 2.1 Donations by the partners and supporting foreign entities. The donations of foreign entities shall be accepted under agreements indicating the manner, purpose and destination of such donations. The donator shall, at the end of execution, receive a report indicating the manner of spending and the benefit derived from such spending.
 - 2.2 A certain percentage of the total value shall be allocated to the projects for the performance of which contracts are concluded between the financing party and the company. The said percentage shall cover the expenses of engineering, management and legal follow up of the project and control of the accounts thereof.
 - 2.3 The budget of each project shall include the banking and financial charges relating to the financing of the project. The budget shall be drawn up according to the rules adopted by international and regional organizations and according to the banking services standards.
- 3- The company expenses consist of the following:
 - 3.1 The cost of the administrative charges, including the legal charges and accounting.
 - 3.2 The cost of project engineering and the writing of different reports.
 - 3.3 The cost of setting up, feeding and managing a website.
- 4- An auditor shall be appointed by the ordinary general assembly. He shall lay down the rules of accounting, budgeting and projects, audit the income and expenses items annually and prepare an annual report for submission to the ordinary general assembly.
- 5- The company assets shall consist of its fixed assets and the balance of its fund upon liquidation, after calculation of the rights pertaining to administrative charges and the rights of partners or third parties participants in the studies. The intellectual property rights relating to the studies carried out by the partners are not included in the fixed assets, they shall remain the right of the partners. The company shall reserve the right to mention its name as publisher and nurser.
- 6- The company shall form a reserve of 10% of its annual budget to cover the results of termination of the contracts to which it is party.

⁽²⁾ - This article was amended by a decision of the extraordinary general assembly held on the 19th-12-2003 by adding the following clause: The Capital of the company is variable. It is fixed at the beginning for an amount of 2 500 000 L.L. (Two million five hundred thousand Lebanese pounds) where the said amount should increase according to the increment of the partners member. The share part of each partner is fixed for the amount of 500 000 L.L five hundred thousand Lebanese pounds. The responsibility of the sleeping partners is limited to their share parts as it was fixed by this article.

Article 10: Dissolution and Liquidation of the Company

- 1- The company shall be dissolved prior to the term thereof by a resolution of the extraordinary general assembly.
- 2- The assets of the company shall be liquidated starting with the liquidation of the projects currently under way. The rights of the beneficiaries should be reserved, then the administrative charges shall be liquidated. The net amount shall be donated, as mentioned in the preamble of the articles of association.
- 3- A liquidator shall be appointed by the extraordinary general assembly. Liquidation shall be carried out according to the legal rules, with the participation of the auditor.

Article 11: Settlement of Disputes

All types of disputes shall be resolved through arbitration. Two arbitrators shall be nominated. They shall select a third arbitrator as Chairman of the Arbitration Committee. The arbitration decisions shall be final, conclusive and based on the provisions of the Lebanese laws in force.

These articles of association were made in Beirut on in one copy signed by all the founding partners for registration according to the rules.

Partner

Name

Signature