

GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

Law Firm of .....

Notary Public

North Tripoli Court of First Instance

## Articles of Association

..... **Joint -Venture for .....**

**Articles of Association**  
**..... Joint Venture Company .....**

**Chapter One**  
**Establishment of the Company**

**Article (1)**

A Libyan Joint-Venture Company between the shareholders was established in accordance with the provisions of laws in force and the provisions set out in these regulations.

**Article (2)**

The Name of the Company shall be : “..... **Joint - Venture Company for .....**”

**Article (3)**

**Objectives of the Company**

**The objectives of the Company shall be :**

Carry on the works of general contracting, building and construction of bridges, viaducts, maintenance, building and pavements of roads, airfields, ports and runways, construction, engineering, electrical and hydro-mechanical works.

The Company for the purpose of achieving its objectives may undertake the following :

1. Participate in any manner whatsoever with other companies and bodies carrying on similar activity or those may cooperate therewith in achieving its objectives, in and outside the Great Jamahiriya or to merge therewith in accordance with the laws and rules relevant to its activity.

2. Import the operation equipment and requirements and raw materials as necessary for its works.
3. Acquire real properties and transportation means as required for its activity.
4. Contract loans and banks facilities.

#### **Article (4)**

The main centre of business and legal domicile of the company shall be in the city of Tripoli and the Board of Directors may establish branches, offices and agencies within the Great Jamahiriya or abroad.

#### **Article (5)**

The period specified for the company is twenty-five (**25**) years starting from the date of its registration with the commercial register after the issue of its establishment permission in accordance with the applicable legislations and any prolongation thereof shall be issued under a special permission from the competent bodies.

### **Chapter Two**

#### **Capital**

#### **Article (6)**

The capital of the company is specified at an amount of LD 1,000,000 (one million Libyan Dinars) divided into 10,000 shares, each at the value of (LD 100) one hundred Libyan Dinars, all as monetary shares .

### Article (7)

The subscribers have paid altogether an amount of (LD **300,000**) three hundred thousand Libyan Dinars equivalent to (30%) of the value of monetary shares.

### Article (8)

The remaining amount of each of the cash shares shall be fulfilled within **five years**, as maximum from date of registration of the Company in the Commercial Register, in times and by the way specified by the Board of Directors, provided that these times shall be announced for, at least, one month before the date of maturity, and the amounts paid shall be registered on shares instruments and each share, not correctly marked for the fulfillment of the amounts to be paid, shall be definitely stopped the negotiation thereof.

Any Amount which payment is delayed from the specified date shall definitely be subjected to an interest in favour of the Company at the rate of **5%** per annum from the date of maturity till the day of actual payment.

The Board of Directors of the Company shall have the right to sell the delayed shares and to pay the due amount(s) from their value at the account of their holder and at the commitment and under the responsibility thereof, after notifying him by a registered letter and after 30 days (thirty days) of publishing of this notice in Official Gazette and the application of Article (487) of the Commercial Law in case the selling is not possible.

The share certificates sold according to proceedings Article shall be definitely cancelled provided new certificates shall be delivered to the buyer in place of the cancelled certificates and they will bear the same numbers born by these certificates.

The Board of Directors shall deduct, from the sale price, the amounts required to the company of assets, profits, penalties and charges and the share holder whose shares were sold, shall be paid any increase or claimed for any difference if there is

shortage, without prejudice to the right of the Company to take all other legal procedures towards the shareholder.

#### **Article (9)**

Shares of the company are nominal.

#### **Article (10)**

The share and the certificates representing the share shall be extracted from a register of coupons, to be given serial numbers, signed by signatories and stamped by the companies stamp and they shall include the data provided for in Article (506) of the Commercial Law and the share shall have coupons of serial numbers and including the share number .

#### **Article (11)**

The shares property shall be transferred by registering, in writing, the assignment in a special register to be called Register of Shares, transfer after submission of a declaration to be signed by the assignor and assignee and the Company shall have the right to ask the authentication on both parties and to prove their eligibility by legal methods.

The transfer shall be finally made through authentication thereon, by the Board of Directors and to prove that at the back of shares by the signatures of their Chairman and one of the members of Board of Directors.

#### **Article (12)**

A shareholder should only be liable for the value of shares he owns and shall not be claimed in excess of that.

#### **Article (13)**

The ownership of a share shall involve acceptance of the articles of association and abidance by the decisions of the General Assembly.

#### **Article (14)**

Each share shall be indivisible and if more than one person, participated in the property of one share, they must appoint a representative who practices their rights otherwise the procedures taken by the Company towards any of them shall be valid for all.

#### **Article (15)**

Each share shall give the right for a portion equal to the portion of other without any distinction in the property of Assets of the Company and in dividing the surplus of the activity as shown in the Sixth Chapter of this Articles of Association.

#### **Article (16)**

The amounts due for the share shall be paid, whether they are portions in the surplus of the activity of a share in the assess of the Company, to the last owner registered in the Company's Register.

#### **Article (17)**

The successors of the shareholder or his creditors may not, under any pretext whatsoever, claim to put the stamps on the Company's books or papers or the properties thereof and not to claim for dividing it or the whole shale thereof due to non-possibility of division and not to enter in any way into the management of the company and they must in using their rights depend on the inventory lists of the company and the final accounts thereof and decisions of the General Assembly.

#### **Article (18)**

The capital of the Company may be increased by issuing of new shares having the same nominal value of the original share and they may also be reduced and the new shares may not be issued with less than their nominal value, and if they were issued with

more than that, then the difference shall definitely be added to the legal reserve with the amount necessary for completion thereof.

The increase or reduction of the capital shall be by a decision of the extraordinary General Assembly of the shareholders on basis of the proposal of the Board of Directors showing, in case of increase, the amount thereof and the price of shares issuance and the extent of the right of old shareholders in priority of contribution in this increase and showing, in case of reduction, the amount and kind of this reduction, and in all cases, the capital of the company may not be increased except after the full payment of the amount of original shares and to observe, when increasing, the percentage specified for Libyans.

### **Chapter Three**

#### **Debentures**

##### **Article (19)**

The extraordinary General Assembly shall have the right to decide the issuance of debenture bonds not exceeding the paid capital according to the last approved balance sheet with the observance of the provisions of conditions and terms provided for in the Commercial Law.

### **Chapter Four**

#### **The General Assembly of Shareholders**

##### **Article (20)**

The correctly formed General Assembly represents all shareholders and it shall hold its meetings in the Company's headquarters.

### **Article (21)**

Subject to the provisions of the next article, each contributor shall have the right to attend the General Assembly of the contributors personally or by deputation and in this case, the deputation and its documents must be in writing and they must be kept at the center of the Company and the members of the Board of Directors and the employees of the Company may not represent the shareholders in attending the assembly.

### **Article (22)**

The shareholders whose names are registered in the register of the Company since a period not less than five days prior to the meeting shall have the right to attend the meetings of the General Assembly.

No registration of shares ownership titles in the company's register shall be made during the five days preceding the date of meeting shall be made and until the closure of such meeting.

### **Article (23)**

The Board of Directors shall have the right to call the General Assembly when it deems necessary and the Board shall call the Assembly for meeting without delay, if that was requested by, at least twenty percent (20%) of the capital, showing in their request the problem required to be discussed, and for this purpose, it is conditioned that the contributors shall deposit their shares at the center of the Company at least five days before their request and they may not withdraw the same except after the end of the meeting of the General Assembly.

In all cases, the call for the General Assembly shall be by an advertisement in one of the daily newspapers, showing therein the date, hour, place and the agenda.



### **Article (24)**

The Control Committee may, when great necessity arises and in the cases specified by Law, call the General Assembly for the meeting if the Board of Directors failed to do that.

### **Article (25)**

The meeting of the ordinary General Assembly shall be correct if it is attended by a number of members representing, at least, half the capital of the Company and the General Assembly shall take its decisions by the absolute majority of the attendance represented capital, and if this number is not available in the first meeting, then the General Society shall meet by the Second Call (invitation) during the next thirty days, if the first meeting has not fixed the time of the Second one and the second meeting shall be considered correct whatsoever the number of shares represented therein.

### **Article (26)**

The General Assembly shall be headed by the Chairman of Board of Directors and in case of his absence, it shall be headed by the Deputy Chairman if he was already appointed and in case of his absence or being not yet appointed, it shall be headed by the Member of the Board of Directors who deposes temporarily the Head of the Committee.

The Chairman shall appoint a Secretary and two tellers for counting votes, provided the General Assembly shall agree on their appointment and it shall not be necessary to appoint a Secretary if the minutes of the meeting was recorded down by a Notary Public.

### **Article (27)**

The ordinary General Assembly may meet without observing the situations shown in the seventh Article and its decisions will be correct if it was represented by the full capital, and the meeting was attended by the Board of Directors and Control Committee with full members.

### **Article (28)**

The ordinary General Assembly shall be held every year, during the four months next to the end of the fiscal year of the Company, in the place, day and hour specified in the notice for the meeting call.

It shall be especially held to hear the report of the Board of Directors about the Company's activity, its financial position, Control Committee's report and the ratification of the balance sheet and profit and loss account and to specify the profit dividends to be distributed amongst the shareholders and to elect and appoint the Board of Directors, Accounts Controllers, members and chairman of the Control Committee and fixing of their remuneration.

### **Article (29)**

The decisions of the extraordinary General Assembly shall be correct in its first meeting by obtaining majority representing more than two thirds of the capital of the Company and the decisions in the second meeting shall be taken by a majority of two thirds of the capital of the Company.

However, if the agenda of the extraordinary general assembly included the change of the objectives of the Company, amendment thereof, or its dissolution prior to the prescribed term or the shifting of its domicile to abroad or the issuance of premium shares, then the quorum for the correctness of the taken decisions in the second meeting shall be only by the approval of more than the two thirds of the Company's capital.

### **Article (30)**

The General Assembly may not negotiate other business except those mentioned in the agenda shown in the invitation for meeting.

### **Article (31)**

The minutes of the General Assembly shall be registered in a special register signed by the Chirman and the Secretary or the Notary Public.

### **Article (32)**

The decisions taken by the General Assembly in accordance with the Law, Memorandum of Association and Articles of Association shall be binding to all shareholders even the absentees and opponents.

## **Chapter Five**

### **Management Committee**

### **Article (33)**

The administration of the Company shall be managed by a Board of Directors consisting of (5) five members to be elected by the General Assembly.

As exception of the aforementioned, the founders have appointed the First Board of Directors as follows :

<b>S/N</b>	<b>Name</b>	<b>Title</b>	<b>Nationality</b>	<b>Date of Birth</b>
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				

An annual financial remuneration is specified for them equal to only (LD 1000).

### **Article (34)**

The Members of the Board of Directors elected by the General Assembly shall be appointed for a period of three years and they may be always re-elected.

### **Article (35)**

The Board shall appoint, among its Members a Chairman, unless he is already appointed by the Assembly and the Board has the right to delegate some of its powers to one or more of its Members without, this authorization, being extended to elaboration of the balance sheet or modifying the capital by increase or decrease.

If the power was vested to one member, he will be designated "the Managing Director", if they were more, they will form an "Executive Committee".

### **Article (36)**

If a position in the Board of Directors has become vacant during the year, the Board of Directors shall, by the approval of Control Committee, appoint a Member that fills the vacant position, with the observance of the majority provided for in Article (39), provided that the ordinary General Assembly shall approve that at the first meeting thereof, and the new member shall occupy his position for the remaining period of the membership period of his predecessor.

### **Article (37)**

The Board of Directors shall be responsible for the management of the Company and it shall, for this purpose, have the right to exercise all works and disposals, except what is kept, by the Commercial Law and Articles of Association of the company for the General Assembly.

### **Article (38)**

The Board of Directors shall hold one meeting at the Company's Headquarters at least when necessary by a notice from the Chairman or his deputy in case of his absence and the Board of Directors may be invited for meeting on the request of two of its members. The Board of Directors may also be convened outside the Company's premises.

The members should be invited to each meeting using electronic means (such as e-mail and fax) provided this shall be followed by hand copies to be sent by registered mail within minimum 30 days prior to the date appointed for meeting. In case of holding the meeting outside the Company's domicile, all members of the Board of Directors should be present.

### **Article (39)**

The meeting of the Board of Directors shall not be correct unless it is attended by the majority of the members and any of the Board members may not depute other one when voting. Decisions of the Board shall be taken by majority of votes of the attendants.

### **Article (40)**

Decisions of the Board of Directors shall be registered in a special register to be signed by the Chairman and the Secretary of the Board.

### **Article (41)**

The Chairman shall represent the company in its relation with the others and before judiciary whether as plaintiff or defendant.

### **Article (42)**

Each of the Chairman, mandatory member and each other member entrusted by the Board of Directors for this purpose, shall have the right to sign on behalf of the company.

The Board of Directors shall have the right to appoint a director, or authorized agent or more and to empower them with the right of signing on behalf of the Company separately or jointly.

### **Article (43)**

The members of the Board of Directors shall not be personally bound in respect to the undertakings of the company due to the performance of their jobs within the limits of their authority.

## **Chapter Six** **Control Committee**

### **Article (44)**

The Company shall have a Control Committee that consists of three acting members and two alternates, to be appointed by the ordinary General Assembly. At least a member of the Committee should have experience in financial or accounting affairs. The ordinary General Assembly shall specify the annual remuneration to be received by Controllers.

### **Article (45)**

The Controllers term of office shall be 3 years and they may be re-appointed.

### **Article (46)**

As an exception of the foregoing two articles regarding the method of appointing the Controllers and specifying their annual remunerations, the founders have appointed the first Control Committee for a period of three years formed of :

S/N	Name	Nationality	Title	Date of Birth
1				
2				
3				

They shall given an annual remuneration equal to LD 500 to each of them.

There have been also appointed alternate controllers, namely :

S/N	Name	Nationality	Title	Date of Birth
1				
2				

They shall given an annual remuneration equal to LD 300 to each of them.

#### **Article (47)**

The Controllers shall have all the rights and obligations prescribed therefor in the Commercial Law and the Law No. (65) of the year 1970 concerning certain provisions for merchants and Commercial Companies and supervision thereon.

### **Chapter Seven** **Balance Sheet-Distribution of Profits**

#### **Article (48)**

The fiscal year of the company shall start on 01/01 and ends on 31/12 of each year provided the first fiscal year of the company shall start as from date of registration thereof in the Commercial Register till 31/12 of the consecutive year.

### **Article (49)**

The Board of Directors shall prepare at the end of each fiscal year of the Company, an inventory list of the assets and liabilities of the company. The Board of Directors shall also prepare, at the end of each fiscal year, within a time that allows the meeting of the ordinary General Assembly during the period provided for in Article (28) of these Articles, the balance sheet of the company, the profit & loss account and a report about the activity of the company during the fiscal year and its financial position at the end of the same fiscal year.

The Board of Directors shall submit to the Control Committee, the balance sheet, the report and the related documents within thirty days at least, before the day specified for the meeting of the General Assembly.

The said papers and the report of the Control Committee shall be deposited at the headquarters of the Company during the fifteen days prior to the meeting of the General Assembly for the perusal thereof by the shareholders

### **Article (50)**

The Net Profits of the Company after deduction of all general / overhead expenses and other costs shall be distributed as follows :

- 1- First to start by deducting an amount equal to 5% of the Company's profit to form the legal reserve until it amounts to (50%) fifty percent of the paid-up capital. If the reserve is reduced for any reason, it shall be completed.
- 2- Then, an amount equivalent to (5%) five percent shall be distributed amongst the shareholders as first portion of dividends.
- 3- The remaining profits or part thereof shall be distributed amongst the shareholders as an additional dividend or carried forward based on the recommendation of Board of



Directors to the next year or to be allocated to form reserve fund or exceptional consumption fund as determined by the ordinary General Assembly.

### **Article (51)**

The profit dividends shall be paid to the shareholders in the company, at the place and time specified by the Board of Directors.

## **Chapter Eight** **Dissolution of the Company - Liquidation**

### **Article (52)**

The Company shall be dissolved before its duration by the occurrence of any of the reasons provided for in article (595) of the Commercial Law.

### **Article (53)**

At the end of the term of the company or in case of earlier dissolution before the specified duration, the extraordinary General Assembly shall, upon the request of the Board of Directors, specify the methods of dissolution and shall appoint one or more liquidators and to specify their powers.

The authority of the Board of Directors shall cease by appointing the liquidators, but the authority of the General Assembly shall remain existent throughout the period of dissolution until the liquidators are released.

**Chapter Nine**  
**Final Provisions**

**Article (54)**

These articles of association shall be deposited and published according to law. All expenses, fees, wages and cost incurred and paid for the purpose of establishing the Company shall be deducted from the account of general / overhead expenses.

**Attested :**  
***(Signed & stamped)***  
Notary Public

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**North Tripoli Court of First Instance**