

# **IRANIAN BUSINESS COUNCIL**

MARCH 1995

# ARTICLES OF ASSOCIATION

## CHAPTER 1

### DEFINITION, NAME, DURATION, HEAD OFFICE, OBJECT

#### **Article 1:**

A non political and non profitable organization is formed by gathering of Iranian business personalities and Iranian /Emirates legal entities (with Iranian shareholders) who are involved in the business of commerce and related services within the U.A.E which is called in Persian “Shwraye Bazargani Iranian” in English “Iranian Business Council” and in Arabic “Al Majlis Al Tejari Al Irani”.

**N.B:** Iranian Business Council will be referred to hereinafter as Council.

#### **Article 2:**

Duration of the council is from the date of its establishment upto infinity.

#### **Article 3:**

The head office of the council is in the Emirate of Dubai, it may open offices or other branches in the other emirates after the approval of the Board of Directors.

#### **Article 4:**

The Council is established with the objective and impetus to strengthen and expand the commercial relationship between Iran and united Arab emirates as well as to create, preserve and foster good and sound relationship amongst the members and while protecting the ethics of sound commerce, facilitating the success of their commercial affairs. To this end, it will amongst others. Take the following steps:

- a) Holding regular monthly meeting and inviting officials and personalities familiar with commerce in their meetings in order to exchange views and acquire upto date information about commercial and business facilities.
- b) Endeavor in creation of necessary commercial facilities for members in their commercial dealings with relevant organizations.
- c) Establish relationship with chamber of commerce and similar organization of any country which influence commercial relations between Iran and Emirates in any way of form in order to exchange information.
- d) Gathering and centralizing of economic and commercial information, analyzing of international commercial events and problems and giving them to the members by organizing of lectures, seminars, publications and creation of Council's library.
- e) Endeavor to resolve the differences between members on the basis of equity and /or arbitration if both parties to the disagreement agree to leave it to the Council.

## CHAPTER 2

### MEMBERSHIP IN THE COUNCIL

#### **Article 5:**

Membership in the council shall be classified as follows:

- A. Honorary membership
- B. Permanent membership
- C. Ordinary membership
- D. Local membership
- E. Affiliate membership

#### **Article 6:**

Outstanding Iranian, local and foreign personalities who take effective steps in achieving the Council's aim and the Council can rely on their continued valuable support shall be given "Honorary Membership" by resolution of the Board of Directors.

**N.B.:** Honorary Members of the Council shall be exempt from payment of membership fees:

#### **Article 7:**

Iranian Government corporations and organizations affiliated to the Iranian government and foundations, who are engaged in trade and related commercial and social services in U.A.E may become "Permanent Members" of the Council and the chief executive officer of these organizations in U.A.E shall represent the organization in the Council.

**N.B.:** Membership fees of Permanent Members shall be fixed on the basis of the volume of commercial activities of each of these organizations in each year by mutual understanding between the board of directors and the chief executive of each organization. The duration of membership of Permanent Members shall continue until the end of the commercial activities of the organization in U.A.E.

#### **Article 8:**

All persons mentioned in Article 1 of these Articles of association who apply for membership in the council shall be "ordinary members" of the Council after completing membership application form and its approval by the membership committee.

**N.B.**: Membership fees of the “Ordinary Members” shall be fixed every year by the Board of directors of the council and notified to all members. the duration of membership of the “Ordinary Members” shall be one year and shall continue from year to year subject to regular payments of the membership fees.

**Article 9 :**

Local commercial companies who have connection and commercial interest with Iran and wish to be a member in the Council shall be “Local Member “ of the council after completing application form and its approval by the Membership Committee.

**N.B.**: Membership Fees of the “Local Members “shall be fixed and notified every year by the Board of Directors of the Council .the duration of membership of the “Local Members “ shall be one year and shall continue from year to year subject to regular payments of the Membership Fee.

**Article 10:**

Foreign companies who are interested in trading relations between Iran and U.A.E and wish to become members of the Council shall be “Affiliate Members” of the Council by completing membership application form and its approval by the Membership Committee.

**N.B** : membership fees of “ Affiliate Members” shall be fixed and notified each year by the Board of Directors.

Duration of membership of “Affiliate Members” shall be one year and may be extended each year subject to payment of Membership Fees.

**Article 11:**

The Council shall prepare a special certificate for “Honorary Members “which shall be presented to them during an appropriate ceremony.

**Article 12:**

For other members of the Council, a certificate and Membership Card bearing number, type of membership and validity as stamped by the Council and signed by the Chairman of the Board of Directors and Chairman of the Membership Committee shall be issued and presented to them.

**Article 13 :**

In the case of suspension of membership, the bearer of membership card is not authorized to use it and should return the card to the office of the Council maximum within 10 days of the date of suspension of membership, failing which the Board of Directors of the Council may inform the public through the media.

## CHAPTER 3

### THE COUNCIL ADMINISTRATION & ORGANIZATION

#### **Article 14:**

“The Council “has following administration.

- A. Founding Members.
- B. Annual General Assembly, Ordinary General Assembly and Extraordinary General Assembly.
- C. Board of Directors
- D. Inspector
- E. Secretariat
- F. Committees

#### **Article 15 :**

Founding Members: the idea of the Iranian Business Council formation emerged from a group of Dubai resident Iranian Businessmen and tremendous amount of efforts were made to setup this organization. Thanks to their idea and efforts the “Founding Members” are anticipated in continuation.

#### **Article 16:**

Ordinary General Assembly: as soon as the number reaches to 100 members, the first General Assembly of the Council shall be held. In this case, the members are invited by “Founding Members” and with attendance of 2/3 of the members” the first Board of Directors “shall be elected.

**N.B:** the first Board of Directors shall consist of:

- I. A Chairman
- II. Eight Permanent Directors
- III. Four Alternate Directors (as per article No .23) who are elected through secret votes in the first meeting of the General Assembly. period of their mission shall be fixed from the date of election up to Esfand 1373 (21<sup>st</sup> March '95).the first Board of Directors shall undertake to run affairs of the Council within that period and to prepare the Articles of Association for approval in General Assembly in Esfand 1373.inspite of these functions ,they have to prepare and submit the budget of Iranian year 1374 in Esfand 1373 (march '95).

### **Article 17:**

The second Ordinary General Assembly will be held in Esfand 1373 and shall decide the following issues:

- A. To review and approve the Articles of Association
- B. To elect the first Board of Directors, Permanent and Alternative Inspectors.
- C. Other matters which are placed on the agenda

### **Article 18:**

Ordinary General Assembly and Extraordinary General Assemblies shall be held by the attendance of at least 2/3 and  $\frac{3}{4}$  of the members respectively.

### **Article 19:**

In case the minimum number of members are not present in Ordinary and Extraordinary Assemblies as above, the members are invited for second time within 15 days and one half of the members plus one shall form a quorum for Ordinary and 2/3 for Extraordinary Assemblies.

**N.B.:** In the event of there being no quorum present, the members are invited for the third time within one week from the date of the previous meeting and those present shall be considered a quorum and decision may be approved by majority votes.

### **Article 20 :**

The Ordinary General Assembly will be held within the first quarter of the Iranian New Year (21<sup>st</sup> /March to 20<sup>th</sup> June) for review and approval of balance sheet and other issues.

### **Article 21 :**

The Extraordinary General Assembly will be held by the invitation of Board of Directors or 20% of the members whenever necessary for following matters:

- I. Change or rectification of the Articles of Association
- II. Dissolution of the Council

The quorum for above meeting will be as per article 18 & 19 and its clause.

### **N.B.:**

- I. Should the Board of Directors fail to invite the Ordinary General Assembly within time limit (3 months), the Ordinary General Assembly may be held by invitation of at least 20% of the members.

**N.B.:**

- II. Extraordinary General Assembly shall be held by proposal of Board of Directors or 20% of the members within 15 days from date of proposal.

**Article 22:**

The General (Ordinary & Extraordinary) Assemblies will be held only by the attendance of permanent and Ordinary Members. The members may give power of attorney to their representative to attend and vote on their behalf.

**Article 23 :**

The Board of Directors consists of nine Permanent and four Alternate Directors. They will be elected through secret votes submitted by the attended Permanent and Ordinary members for the course of two years amongst which one president, two Vice President, one Treasurer and Secretary will be elected.

**Article 24 :**

The Boards of Directors have joint responsibility for administration of the Council.

**Article 25 :**

The quorum for the Boards of Directors will be five Directors and all decisions shall be approved by the majority votes. in case of equal votes, the president vote will be acceptable.

**Article 26 :**

The Boards of Directors shall have full authorities for the administration.

**Article 27 :**

The President shall be responsible for enforcement of the board approved decisions and he is statutory representative of the Council before legal authorities. He can transfer his rights to third parties whenever required.

**Article 28:**

The Boards of Directors are not entitled to accept any remuneration or reward from anybody.

N.B: in case of a mission, all expenses will be paid to the person(s) who will be doing the job.

**Article 29 :**

The Boards of Directors undertake to prepare the balance sheet and after the inspector's confirmation to submit to the Annual General Assembly for final approval.

**Article 30:**

The Boards of Directors are advised to attend the meetings regularly .In case of three times absenteeism without good excuse submitted in writing, he will be assumed resigned automatically and will be substituted by an alternate director.

**Article 31:**

All Permanent and Ordinary members are welcomed to be candidate for the boards of directors either by their own discretion or introduction of five members and further acceptance of candidate.

**N.B.:** the formalities of selection of candidates for the membership for the Boards of Directors will be performed by a committee to establish the appropriate by – laws and supervise accordingly.

**Article 32 :**

Inspector: the General Assembly will elect one Permanent and one Alternate Inspector through secret votes. These Inspectors may be elected either among the members or the outsiders.

**Article 33:**

The responsibilities and authorities of Inspectors in this case are exactly the same as those for trading companies.

**Article 34 :**

Secretariat: the Council shall have a Secretariat .the Boards of Directors shall select and employ part or full time head of Secretariat, among the members or outsiders possessing the prescribed qualification to perform the duties.

**Article 35 :**

The head of Secretariat will report to the President and Executive all the Councils approved decisions. The description of duties, responsibilities, business hours salary or bonus will be advised to him by Boards of Directors.

**Article 36 :**

The Committees: their duties are to perform as such to achieve the aims and objectives of the Council. The major committees may be classified as under:

- A. Members selection Committee
- B. Business studies and Promotion Committee
- C. Social and Public Relations Committee
- D. Finance Committee
- E. Legal & Arbitration Committee

**Article 37:**

Members of the Committees will be elected among the members by the Board according to their qualifications.

**N.B.1:** Each committee has five members.

**N.B.2 :** Each members may be elected in one or two committees.

**N.B.3 :** The Chairman of the committee will be selected by the majority votes by the committee members.

**Article 38:**

Decisions in committees will be approved through majority votes and in equal cases the Chairman's vote will be acceptable.

**N.B:** The Committees' meetings shall be reach quorum with minimum three members.

**Article 39:**

The Committees are obliged to submit a report on their activities at the end of each month to the Board of Directors.

**N.B.:** participation of non-committee members shall be allowed with the permission of the chairman but without having voting rights.

## CHAPTER 4

### Miscellaneous

#### **Article 40 :**

Fiscal year of the Council will start from 1st day of Farvardin corresponding to 21<sup>st</sup> of March every year and ends with last day of Esfand corresponding to 20<sup>th</sup> of March of every year.

#### **Article 41 :**

In the following conditions, and subject to approval of at least 7 members of the Board of Directors, the membership of the Council shall be canceled:

- a) Fraudulent bankruptcy
- b) Criminal convictions
- c) Commitment of acts which are considered against accepted commercial ethics and codes of conducts.
- d) 3 times being absent from the monthly meeting without a written notice
- e) Non-payment of the prescribed membership fees.

#### **Article 42:**

If and when the Board of Directors receives a misconduct report regarding a member, then the board shall, with due respect to the member's rights, investigate the matter thoroughly and only after adequate proof of such misconduct, shall take final decision. In any way, in all conditions of article # 41, except fraudulent bankruptcy and criminal conviction which requires official governmental proof, after the Board of Directors is convinced with the proofs of misconduct, then the following procedure should be adhered to :

- a) Oral notice
- b) Written notice
- c) Suspension of membership
- d) Temporary dismissal
- e) Permanent dismissal

In case of permanent dismissal, the board of directors shall inform all members accordingly.

**N.B.**:when permanent dismissal of a member takes place, all other members are required to respect this decision of the Council by reviewing their commercial relationship with the dismissed member and minimize their commercial relationship with him to lowest possible degree.

**Article 43:**

Collection of any donations or similar actions under the name of the Council from the members are absolutely prohibited since it is recognized that Businessmen personally are adequately and voluntarily in charity and social welfares.

**N.B.:**

If it becomes absolutely necessary to assist a member in need, the Council shall, after through study and investigation of the need of the member and conviction of the Board of Directors, be allowed to take appropriate decision for financial assistance.

**Article 44:**

All implementary by-laws of this Article of Association shall be prepared, proposed and executed by the Board of Directors.

**Article 45 :**

This Article of Association is passed by the majority vote of the second Ordinary General Assembly on 23<sup>rd</sup> February, 1995 corresponding to 4<sup>th</sup> Esfand 1373 in 45 Articles and 17 Clauses.