

**Final Legal Documents**  
**Excellence in Institutional Development**  
A Non-Governmental Organization

Final Report  
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**FORWARD**

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*This final report was prepared by Larry Milner under the direction of Andrew Kaiser, Center of Excellence Program manager and Greta Boye, PSPI Component Leader and Chemonics International, prime contractor and TSG (The Services Group), subcontractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

**DATA PAGE**

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List of Key Words Contained in Report:

Accounting Practices  
Articles of Association  
Best Practices  
Board of Directors  
Bylaws  
Capital  
Chair  
Chief Executive Officer (CEO)  
Date of Commencement of Operations  
Dividends  
Excellence in Institutional Development (EXCELLENCE INC.)  
In-Kind Shares  
Liability of Shareholders  
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Memorandum of Association  
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Quorum  
Secretary-Treasurer  
Services  
Share Capital of Company  
Shareholder  
Shareholders  
Staff  
Strategic Objectives  
Vice Chair  
Vision

## **ABSTRACT**

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This report contains draft recommendations for three of the five fundamental legal documents needed to establish the new non-governmental organization (NGO) to be known as Excellence in Institutional Development (EXCELLENCE INC.). To become legally active, these document recommendations will have to be adopted by the General Assembly and the Board of Directors on the new NGO.

- The Articles of Association is an agreement between the Government of Jordan and the shareholders of EXCELLENCE INC. (Written by attorneys)
- The Memorandum of Association is an addendum to the Articles of Association detailing the specific agreements. (Written by attorneys)
- The Bylaws is an agreement between the shareholders of EXCELLENCE INC. and the Board of Directors (called the Management Committee in the Articles)(Written by Larry Milner)
- The Policy and Procedure Manual Outline is a compendium of agreements between the Board of Directors and the Management and volunteers of EXCELLENCE INC. which the new board and the staff of the NGO must develop (Written by Larry Milner).
- Other recommended documents to be completed upon the commencement of operations of EXCELLENCE INC. include an Employee Handbook, a Salary Administration Handbook, and a Retirement and Fringe Benefit Agreements Handbook.

This report contains the first three bullets listed above. Also included in this report is a brief synopsis of the necessary information for using parliamentary procedures during official meetings of the organization and a report developed by Larry Milner that outlines the internationally accepted ‘Best Practices’ for NGOs.

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## **EXECUTIVE SUMMARY**

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The Center of Excellence Program of AMIR is creating a new non-governmental organization under the association law of the Hashemite Kingdom of Jordan to carry forward into the future the concepts for institutional development that were created and refined by the COE staff under the AMIR Program's PSPI Component.

In an effort to bring to the new NGO the best practices possible, the various legal documents required for setting up a new organization were analyzed and recommendations for improvement were made. This report contains the recommendations for the five fundamental legal documents needed to establish the new non-governmental organization to be known as Excellence in Institutional Development (EXCELLENCE INC.). These documents must be adopted by the legally constituted General Assembly and the elected Board of Directors (Management Committee).

- The Articles of Association is an agreement between the Government of Jordan and the shareholders of EXCELLENCE INC.
- The Memorandum of Association is an addendum to the Articles of Association detailing the specific agreements.
- The Bylaws is an agreement between the shareholders of EXCELLENCE INC. and the Board of Directors (called the Management Committee in the Articles).
- The Policy and Procedure Manual Outline is a compendium of agreements between the Board of Directors and the Management and volunteers of EXCELLENCE INC. which the new board and the staff of the NGO must develop.
- Other recommended documents to be completed upon the commencement of operations of EXCELLENCE INC. include an Employee Handbook, a Salary Administration Handbook, and a Retirement and Fringe Benefit Agreements Handbook.

Also included in this report is a brief synopsis of the necessary information for using parliamentary procedures during official meetings of the organization and a report that outlines the internationally accepted 'Best Practices' for NGOs.

The key to success in operating this new NGO will be to secure dedicated directors, competent staff. The most important elements, in the opinion of this consultant, is the packaging and marketing of the technical knowledge that is to be transferred to other organizations.

It is recommended by this consultant that these documents be carefully analyzed by the new board and the new staff of the NGO for needed additions; however, it is important that very few, if any fundamental changes be made in the overall concepts of operating a NGO using internationally accepted "Best Practices."

**PART ONE: ARTICLES OF ASSOCIATION**

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**Excellence in Institutional Development (EXCELLENCE INC.)  
Section Page**

**PART ONE: ARTICLES OF ASSOCIATION**

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**Excellence in Institutional Development (EXCELLENCE INC.)**  
(Agreements between EID and the Government of Jordan)

**QUICK REFERENCE**

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## **PART ONE: ARTICLES OF ASSOCIATION**

### **Articles of Association of Excellence for Institutional Development Limited Liability Company**

In accordance with the provisions of the Companies Law and these Articles, between the founding Shareholders hereinafter mentioned, a Limited Liability Company is incorporated in accordance with the conditions hereinafter determined

#### **Article (1) :**

A- The following words and phrases wherever used in this Articles shall have the meanings ascribed thereto hereunder unless the context indicates otherwise .

<b>Articles</b>	: These Articles of Association, or any part thereof, as may be amended from time to time pursuant to the terms and conditions therein as permitted by the enacted Companies Law.
<b>Capital</b>	: The Company's share Capital as stipulated in Article (7) of these Articles.
<b>Companies Law</b>	: The Companies Law No. (22) for the Year 1997 as may be amended or replaced.
<b>Controller</b>	: The Companies General Controller.
<b>General Assembly</b>	: Every Shareholder.
<b>Management Committee</b>	: The Company's Management Committee appointed in accordance with the procedures and provisions stated herein to manage the Company and to carry out its affairs.
<b>Memorandum</b>	: The Company's Memorandum of Association, or any part thereof, as may be amended from time to time pursuant to the terms and conditions herein as permitted by the enacted Companies Law.
<b>Minister</b>	: Minister of Industry and Trade of the Kingdom.

**Private Sector** : Any business corporation or company in which the majority of its shares is held by non-governmental persons, and where no member of its board of directors is appointed by any authority of government.

**Shareholder** : The holder of Shares in the Capital of the Company from time to time.

B- The following rules govern interpretation of words and phrases in this Articles:

- 1- Words importing the singular include the plural and vice-versa;
- 2- Words importing the past tense include the present tense and vice-versa;
- 3- Words importing persons include juridical persons and vice-versa; and
- 4- Words importing the masculine include the feminine and vice-versa.

**Article (2): The Company's Name**

The name of the Company is < *Excellence in Institutional Development* > **Limited Liability Company.**

**Article (3): Headquarters**

The registered office of the Company shall be situated at <specify actual address>, Amman, P.O.BOX () ZIP Code () TEL: (.....) and it may establish branches elsewhere within or outside the Kingdom.

**Article (4): Date of Commencement & Duration of the Company**

A- The duration of the Company shall be perpetual commencing on the date of commercial registration.

B- The Company shall commence operations from the date of registration in the Directorate of Companies Control and the receipt of the Certificate of Commencement pursuant to the provisions of the Companies Law.

**Article (5): Status of Company & Liability of Shareholders**

- A- The Company is a Limited Liability Company as per the provisions of the Companies Law. Accordingly, the number of Shareholders may not be less than (2) two, except with the approval of the Controller.
- B- The Company is a not- for- profit able company, and consequently:
- 1- All revenues accrued to the Company shall be used only for the purposes of covering its expenses, furthering its objectives and/or raising its Capital.
  - 2- No dividends can be distributed among the Company's Shareholders.
- C- The Company may not offer its Shares for public subscription or increase its Capital or borrow by subscription.
- D- The Company may change its status to a Public Shareholding Company, a Private Shareholding Company or a Limited Partnership in Shares Company by following the procedures provided for in the Companies Law .
- E- The Company's assets may not be attached or pledged to guarantee personal debts of any of the Shareholders, members of the Management Committee or employees or to settle or pay up such debts.
- F- The Company may not stand as a guarantor of any of the Shareholders, members of the Management Committee or employees or any other person before banks or any other party.
- G- In the event the Company is liquidated or dissolved for any reason, the Company's funds shall accrue to any other not-for-profit company with similar objectives, a charity or an institution vested in public interest. This shall take place after that Company has paid all its commitments to its creditors.

**Article (6): The Objectives of the Company:**

- A- The Company's main objective is to promote Private Sector led economic growth by assisting dynamic public and private organizations to transform themselves into centers of institutional excellence. The Company will provide both private and public sector institutions with the services required to achieve their objectives. These services may include, but are not be limited to the following services:

**1- Institutional transformation services, and this includes:**

- Reform guidance.
- Strategic planning.
- Benchmarking assessments.
- Inter-agency criteria forums.
- Shared (management) constraint follow through.
- Tool-kit provision.
- On-line excellence exchange.

- Any other service which will support institutional transformation toward excellence.

**2- Advocacy services, and this includes:**

- King Abdullah Awards (in the various sectors) criteria revision, maintenance.
- Task force management.
- Policy advocacy.
- Service reform/improvement advocacy.
- Shared (exogenous/cost-prohibitive) constraint follow through.
- Benchmarking training.
- Any other service that will advance institutional advocacy capacity.

B- In carrying out its business, the Company shall perform all necessary acts and deeds in conformity with the applicable Companies Law for the realization and implementation of its objectives, including, without limitation:

- 1- To purchase or acquire some or all the rights, assets or obligations of any other person, commercial center or company, and to participate, merge or enter into agreements with same for mutual cooperation or to be affiliated or to cooperate with any person or Company.
- 2- To purchase, lease, exchange, rent, own and acquire for the Company's purposes any land or buildings or other real estate or rights, patents, patents on inventions, licenses, machines and equipment, or any movable or immovable property that the Company may need, and it may dispose of the same in its best interests, provided that the purchase of real estate shall not be for the purpose of trading therein.
- 3- To acquire patents or inventions, privilege rights, trade marks and industrial licenses and privilege and intellectual property rights in general which it deems advantageous to buy or acquire in any other manner and to maintain them and extend the limit of their terms, regardless of whether these advantages are in the Kingdom or outside. The Company shall also utilize and invest these advantages and agree to carry out trials and tests thereon and endeavor to make improvements on any of these privileges, inventions or rights which are acquired or intended to be acquired.
- 4- To invest and use money not immediately needed for the operation thereof in a manner that optimizes the revenue of the Company.
- 5- To accept grants, to borrow any money necessary for the operation thereof or related thereto and to mortgage some or all of its assets and moveable or immovable properties as security to the loans and obligations of the Company or those of other person or Company.

- 6- To enter with any other entity, private or public, into contracts and agreements deemed necessary and appropriate for the operation thereof and in relation thereto and to execute such agreements or arrangements.
- 7- To merge with any other Company having similar objectives by way of sale, purchase or partnership or by any similar or other arrangements, and to enter into any contract or other agreement with any party which advances the Company's objectives.
- 8- To open accounts at banks and to deposit into, withdraw from, close and change the type of same.
- 9- To import machines, equipment, services and programs that the Company may need to carry out any other matters or things that are or may be necessary to achieve the objectives stated above or any of them, whether stated clearly or not, and may carry out the said things either in person or through agents or representatives thereof.
- 10- To carry out any other matters or activities that are or may be necessary to achieve the objectives stated above or any of them, whether stated clearly or not, and may carry out the said activities either in person or through agents or representatives thereof.

**Article (7): Share Capital of the Company**

*A- The Capital of the Company shall be (30,100) thirty thousand and one hundred Dinars divided into (7) seven Shares with a par value of (4300) four thousands and three hundred Dinars per Share.*

B- Name, Class and Number of Shares, Nationality, Age, Address and Signature of each founding Shareholder:

<b>Name</b>	<b>Number of Shares</b>	<b>Nationality</b>	<b>Address</b>	<b>Signature</b>
Ghassan Nuqul	1	Jordanian		
Subhyiah Maani	1	Jordanian		
Samir Makdah	1	Jordanian		
Randa Ayyoubi	1	Jordanian		
Walid Al-Turk	1	Jordanian		
Walid Abu Obeid	1	Jordanian		
Ra'aed Bilbeisi	1	Jordanian		

C- No Shareholder may hold at any time more than (1) one Share in the Company.

**Article (8): In-Kind Shares**

A- If the Company's Capital or a part thereof is in-kind Shares, then the holders of such Shares shall keep same and refrain from disposing of them until they are delivered to the Company, registered in its name and the title thereto is transferred to it.

B- If the holders of in-kind Shares do not comply with delivering and transferring the title of these Shares, as the case may be, to the Company within (30) thirty days of the Company's registration, which is subject to renewal upon the Controller's approval, they such Shareholders shall be bound by operation of Companies Law *de jure* to pay the value thereof in cash, according to the price approved by the founders in the Company's Memorandum. The Controller has the right to request proof of the accuracy of the evaluation of the value of the in-kind Shares.

C-1- If the Controller is not convinced of the accuracy of the evaluation of the in-kind Shares presented by the Shareholders, the Minister shall, based on the Controller's recommendation, shall form a committee from specialized and experienced persons at the Company's expense to evaluate the concerned Shares' monetary value, provided that one of the Shareholders is a member of the committee. The committee shall present its report to the Controller within a period that does not exceeding (30) thirty days from the date of its formation.

2- The Shareholders may object to the Minister on this report within (10) ten days of its presentation to the Controller. The Minister shall arrive at a decision concerning the objection within (2) two weeks of its presentation to the Controller. If he accepts the objection, the Company's registration will be rejected unless the Shareholders accept the evaluation, in which case the registration procedures shall be completed in accordance with the provisions of this the Companies Law.

D- Concession rights, patents, technical know-how and other intangible rights are considered as in-kind assets.

***Executed with my knowledge:***

**Name of Advocate:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**PART TWO: MEMORANDUM OF ASSOCIATION**

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**Section Page**

**PART TWO: MEMORANDUM OF ASSOCIATION**

(Part of the Articles of Association – More detail description of Articles’ key provisions)

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## **PART TWO: MEMORANDUM OF ASSOCIATION**

### **Memorandum of Association of Excellence in Institutional Development Limited Liability Company**

In accordance with the provisions of the Companies Law and this Memorandum, between the founding Shareholders hereinafter mentioned, a Limited Liability Company is incorporated in accordance with the conditions hereinafter determined

#### **Definitions and Interpretation of Words**

##### **Article (1) :**

A- The following words and phrases wherever used in this Memorandum shall have the meanings ascribed thereto hereunder unless the context indicates otherwise .

- Applicable Law** : The Companies Laws, regulations, rules and any other instruments having the force of law in the Kingdom as issued, in force and effect and amended from time to time.
- Articles** : The Company's Articles of Association, or any part thereof, as may be amended from time to time pursuant to the terms and conditions therein as permitted by the enacted Companies Law
- Capital** : The Company's share Capital as stipulated in Paragraph (A) of Article (8) of this Memorandum.
- Chair** : The Chair of the Management Committee
- Company** : Excellence in Institutional Development Limited Liability Company.
- Companies Law** : The Companies Law No. (22) for the Year 1997 as may be amended or replaced.
- Controller** : The Companies General Controller.
- Court** : Court of First Instance in whose jurisdiction the headquarters of the Jordanian company or the main branch of the foreign company is

located.

- General Assembly** : Every Shareholder.
- Kingdom** : The Hashemite Kingdom of Jordan.
- Management Committee** : The Company's Management Committee appointed in accordance with the procedures and provisions stated herein to manage the Company and to carry out its affairs.
- Manager** : The Company's Manager appointed by the General Assembly according to the Companies Law.
- Memorandum** : This Memorandum of Association, or any part thereof, as may be amended from time to time pursuant to the terms and conditions herein as permitted by the enacted Companies Law.
- Minister** : The Minister of Industry and Trade of the Kingdom.
- Private Sector** : Any business corporation or company in which the majority of its shares is held by non-governmental persons, and where no member of its board of directors is appointed by any governmental body.
- Shareholder** : The holder of Shares in the Capital of the Company from time to time.

B- The following rules govern interpretation of words and phrases in this Memorandum:

- 1- Words importing the singular include the plural and vice-versa;
- 2- Words importing the past tense include the present tense and vice-versa;
- 3- Words importing persons include juridical persons and vice-versa; and
- 4- Words importing the masculine include the feminine and vice-versa.

*Memorandum & Articles Complimentary*

**Article (2) :**

This Memorandum shall form a part and parcel of the Articles and be complimentary to and be read along with the said Articles.

**Article (3):The Company's Name**

**The name of the Company is** < Excellence in Institutional Development > Limited Liability Company.

**Article (4):Headquarters**

The registered office of the Company shall be situated at <specify actual address>, Amman, P.O.BOX () ZIP Code () TEL: (.....) and it may establish branches elsewhere within or outside the Kingdom.

**Article (5): Date of Commencement & Duration of the Company**

- A- The duration of the Company shall be perpetual commencing on the date of commercial registration.
- B- The Company shall commence operations from the date of registration in the Directorate of Companies Control and the receipt of the Certificate of Commencement pursuant to the provisions of the Companies Law.

**Article (6):Status of Company & Liability of Shareholders**

- A- The Company is a Limited Liability Company as per the provisions of the Companies Law. Accordingly, the number of Shareholders may not be less than (2) two, except with the approval of the Controller.
- B- The Company is a not- for- profit company, and consequently:
  - 3- All revenues accrued to the Company shall be used only for the purposes of covering its expenses incurred in furthering its objectives and/or raising its Capital.
  - 4- No dividends can be distributed among the Company's Shareholders.
- C- The Company may not offer its Shares for public subscription or increase its Capital or borrow by subscription.
- D- The Company may not change its status to a Public Shareholding Company.

- E- The Company's assets may not be attached or pledged to guarantee personal debts of any of the Shareholders, members of the Management Committee or employees or to settle or pay up such debts.
- F- The Company may not stand as a guarantor of any of the Shareholders, members of the Management Committee or employees or any other person before banks or any other party.
- G- In the event the Company is liquidated or dissolved for any reason, the Company's funds shall accrue to any other not-for-profit company with similar objectives, a charity or an institution vested in public interest. This shall take place after that Company has paid all its commitments to its creditors.

**Article (7):The Objectives of the Company:**

A- The Company's main objective is to promote Private Sector led economic growth by assisting dynamic public and private organizations to transform themselves into centers of institutional excellence. The Company will provide private and public sector institutions with the services required to achieve their objectives. These services may include, but are not limited to the following services:

**1- Institutional transformation services, and this includes:**

- Reform guidance.
- Strategic planning.
- Benchmarking assessments.
- Inter-agency criteria forums.
- Shared (management) constraint follow through.
- Tool-kit provision.
- On-line excellence exchange.
- Any other service which will support institutional transformation toward excellence.

**2- Advocacy services, and this includes:**

- King Abdullah Awards (in the various sectors) criteria revision, maintenance.
- Task force management.
- Policy advocacy.
- Service reform/improvement advocacy.
- Shared (exogenous/cost-prohibitive) constraint follow through.
- Benchmarking training.
- Any other service that will advance institutional advocacy capacity.

B- In carrying out its business, the Company shall perform all necessary acts and deeds in conformity with the applicable Companies Law for the realization and implementation of its objectives, including, without limitation:

- 11- To purchase or acquire some or all the rights, assets or obligations of any other person, commercial center or company, and to participate, merge or enter into agreements with same for mutual cooperation or to be affiliated or to cooperate with any person or Company.
- 12- To purchase, lease, exchange, rent, own and acquire for the Company's purposes any land or buildings or other real estate or rights, patents, patents on inventions, licenses, machines and equipment, or any movable or immovable property that the Company may need, and it may dispose of the same in its best interests, provided that the purchase of real estate shall not be for the purpose of trading therein.
- 13- To acquire patents or inventions, privilege rights, trade marks and industrial licenses and privilege and intellectual property rights in general which it deems advantageous to buy or acquire in any other manner and to maintain them and extend the limit of their terms, regardless of whether these advantages are in the Kingdom or outside. The Company shall also utilize and invest these advantages and agree to carry out trials and tests thereon and endeavor to make improvements on any of these privileges, inventions or rights which are acquired or intended to be acquired.
- 14- To invest and use money not immediately needed for the operation thereof in a manner that optimizes the revenue of the Company.
- 15- To accept grants, to borrow any money necessary for the operation thereof or related thereto and to mortgage some or all of its assets and moveable or immovable properties as security to the loans and obligations of the Company or those of other person or company.
- 16- To enter with any other entity, private or public, into contracts and agreements deemed necessary and appropriate for the operation thereof and in relation thereto and to execute such agreements or arrangements.
- 17- To merge with any other Company having similar objectives by way of sale, purchase or partnership or by any similar or other arrangements, and to enter into any contract or other agreement with any party which advances the Company's objectives.
- 18- To open accounts at banks and to deposit into, withdraw from, close and change the type of same.
- 19- To import machines, equipment, services and programs that the Company may need to carry out any other matters or things that are or may be necessary to

achieve the objectives stated above or any of them, whether stated clearly or not, and may carry out the said things either in person or through agents or representatives thereof.

- 20- To carry out any other matters or activities that are or may be necessary to achieve the objectives stated above or any of them, whether stated clearly or not, and may carry out the said activities either in person or through agents or representatives thereof.

### **Article (8): Share Capital of the Company**

*A- The Capital of the Company shall be (30,100) thirty thousand and one hundred Dinars divided into (7) seven Shares with a par value of ( 4300) four thousands and three hundred Dinars per Share.*

B- Name, Class and Number of Shares, Nationality, Age, Address and Signature of each founding Shareholder:

<b>Name</b>	<b>Number of Shares</b>	<b>Nationality</b>	<b>Address</b>	<b>Signature</b>
Ghassan Nuqul	1	Jordanian		
Subhyiah Maani	1	Jordanian		
Samir Makdah	1	Jordanian		
Randa Ayyoubi	1	Jordanian		
Walid Al-Turk	1	Jordanian		
Walid Abu Obeid	1	Jordanian		
Ra'aed Bilbeisi	1	Jordanian		

C- No Shareholder may hold at any time more than (1) one Share in the Company.

### **Article (9): In-Kind Shares**

A- If the Company's Capital or a part thereof is in-kind Shares, then the holders of such Shares shall keep same and refrain from disposing of them until they are delivered to the Company, registered in its name and the title thereto is transferred to it.

B- If the holders of in-kind Shares do not comply with delivering and transferring the title of these Shares, as the case may be, to the Company within (30) thirty days of the Company's registration, which is subject to renewal upon the Controller's approval, such Shareholders shall be bound *de jure* to pay the value thereof in cash, according to the price approved by the founders in the Company's Memorandum. The

Controller has the right to request proof of the accuracy of the evaluation of the value of the in-kind Shares.

C- 1- If the Controller is not convinced of the accuracy of the evaluation of the in-kind Shares presented by the Shareholders, the Minister shall, based on the Controller's recommendation, form a committee from specialized and experienced persons at the Company's expense to evaluate the concerned Shares' monetary value, provided that one of the Shareholders is a member of the committee. The committee shall present its report to the Controller within a period not exceeding (30) thirty days from the date of its formation.

2- The Shareholders may object to the Minister on this report within (10) ten days of its presentation to the Controller. The Minister shall arrive at a decision concerning the objection within (2) two weeks of its presentation to the Controller. If he accepts the objection, the Company's registration will be rejected unless the Shareholders accept the evaluation, in which case the registration procedures shall be completed in accordance with the provisions of the Companies Law.

D- Concession rights, patents, technical know-how and other intangible rights are considered as in-kind assets.

Management of the Company

**Article (10): Constitution of the Management Committee**

The Company shall be managed by a Management Committee composed of (7) seven members, whether they are Shareholders or others.

**Article (11): Inaugural Management Committee**

The inaugural Management Committee of the Company shall consist of the Company's founding Shareholders stipulated in Paragraph (B) of Article (8) of this Memorandum. The inaugural Management Committee of the Company shall manage the Company for a period of not less than four months and not more than six months from the date of founding the Company. After four months but before the end of the sixth month, the founding Shareholders shall select the regular Management Committee according to the provisions of Article (12) of this Memorandum.

**Article (12): Members of the Management Committee**

A- After the inaugural Management Committee, the Management Committee shall be constituted as follows:

- 1- The Shareholders shall decide to fill one member seat on the Management Committee with the most senior person in any organization that wins one of the current King Abdullah Award for Government Performance and Transparency who has championed that organization's pursuit of such Award, or with some other senior person of that organization whom the Shareholders feel will adequately represent excellence on the Management Committee, provided that the organization selected would also have been selected for the same award by the Company according to the Company's established criteria for excellence. The office term of this member shall be for one year.
- 2- The Shareholders shall decide to fill one member seat on the Management Committee with the most senior person in any organization that wins one of the current King Abdullah Award for Private Sector who has championed that organization's pursuit of such Award, or with some other senior person of that organization whom the Shareholders feel will adequately represent excellence on the Management Committee, provided that the organization selected would also have been selected for the same award by the Company according to the Company's established criteria for excellence. The office term of this member shall be for one year.
- 5- The Shareholders shall decide to fill one member seat on the Management Committee with the most senior person in any organization that wins one of the current King Abdullah Award for Business Associations, or the current King Abdullah Award for Non-governmental Organizations, who has championed that organization's pursuit of such Award, or with some other senior person of that organization whom the Shareholders feel will adequately represent excellence on the board of Directors, provided that the organization selected would also have been selected for the same award by the Company according to the Company's established criteria for excellence. The office term of this member shall be for one year.
- 6- The Shareholders shall decide to fill up to three member seats on the Management Committee with individuals who are Shareholders of the Company, The office term of these members shall be for two years.
- 7- The shareholders shall fill up to two member seats on the Board of Directors with individuals who are not shareholders, provided at least one of these members is a full-time employee of a private sector multinational firm that has its headquarters in an OECD member country and has invested in Jordan. This (these) individual(s) representing (a) multinational(s) should be based in Jordan, manage the multinational company's Jordanian operations, have a demonstrated understanding of excellence (through awards received and/or participation in training/management development programs), and should have no more than seven years of experience living and/or working in the Middle East.

B- Should none of the organizations winning the awards stipulated in Subparagraphs (1-3) of Paragraph (A) of this Article meet the Company's established criteria for excellence, then the seat of such member on the Management Committee shall be

filled by either one of the Shareholders or the previous award winner currently sitting on the Management Committee

C- Should none of the organizations winning the awards stipulated in Subparagraphs (1-3) of Paragraph (A) of this Article have a legal mandate that allows for them to sit on the Management Committee, the seat of such member on the Management Committee shall be filled by one of these options sequentially:

- 1- By one of the other winners of the pertinent King Abdullah Award, whose law allows them to sit on the Management Committee and whom the Shareholders feel will adequately represent excellence on the Management Committee.
- 2- By one of the Shareholders.
- 3- By the member currently sitting on the Management Committee (from the previous year's award).

D- Selection of Certain Member of the Management Committee in the Event that no King Abdullah Award is Made:

In the event that one or more of the King Abdullah Awards is not made in any given year, and therefore a member seat for that award cannot be filled, then the Shareholders shall fill such member seat with one of the founding Shareholders or with individuals who are not Shareholders but who are acknowledged leaders of Private Sector companies in Jordan, including but not limited to fulltime employees of Private Sector multinational firms with headquarters in OECD member nations and has invested in Jordan.

E- In the event that new award winners are announced and the term of the member of the Management Committee of that specific award has not expired, the said member must then submit their resignation from the Management Committee, allowing for the selection of the member according to Paragraph (A), as the case may be, unless such member is the same winner of the new award. The new member shall serve for the remaining term.

F- Selection of members of the Management Committee according to the provisions of Article (12) of this Memorandum to replace the inaugural Management Committee shall take place at the annual General Assembly or at an extraordinary General Assembly meeting called for the purpose of complying with the timing specified for the selection of the Management Committee specified in Article (11) of this Memorandum.

### **Article (13): Chair of the Management Committee**

The Management Committee shall select on a yearly basis a Chair and a deputy Chair from members who are employed by Private Sector companies. The Management Committee shall also elect secretary and the Company's authorized signatories.

### **Article (14): Vacancy in the Management Committee**

If the office of any member of the Management Committee becomes vacant, for whatever reason, he shall be succeeded by a member elected by the remaining Management Committee members. The appointment, in such a manner, shall continue to be provisional until it is presented to the Company's General Assembly in its next meeting in order for it to approve such an appointment, or to elect the person who shall occupy the vacant post in accordance with the provisions of the Companies Law. In such a case, the new member shall hold office for the remaining period of the term of office of his predecessor and, thereafter, the provisions of this Article shall apply.

### **Powers of the Management Committee**

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

A- The Management Committee shall have full power to manage the Company.

B- 1- The Management Committee shall carry out all activities necessary to ensure the proper function of the company business and achievement of its objectives and goals. Such activities shall *inter alia* include borrowing from banks and financial companies, provision of guarantees, purchase of movable and immovable property and mortgage the same. However, the Company's borrowings may not exceed (5% ) of its Capital without the approval of the General Assembly.

2- The Management Committee shall be governed by written policies and procedures as clarified in the by-laws, have the option to hold meetings that are open to the stakeholders (not with prejudice to their duties of confidentiality under the Companies Law), and shall not interfere with the day-to-day management of the Company, as conducted by the chief executive officer provided such conduct is not in violation of the Company's Articles, this Memorandum, internal by-laws, or written policies and provided that such conduct does not endanger the financial viability of the Company. The fundamental responsibilities of the Management Committee will include: (1) hiring and firing the chief executive officer; (2) setting policies governing the Company; (3) maintaining the integrity of the Company's advocacy services by reviewing service requests, (4) monitoring the Company's financials, and (5) Convey select results/findings from the Company's services to relevant public and Private Sector entities that can benefit from such findings.

C- The Management Committee shall prepare the Company's annual balance sheet and final accounts including the profit and loss account, necessary clarifications and cash flow statement, fully audited by a licensed auditor in accordance with recognized and accredited international auditing principles, in addition to the

annual report on the Company's activities. The Management Committee shall then submit them to the Company's General Assembly, during its annual ordinary meeting and shall present the Controller with a copy thereof, accompanied with the appropriate recommendations. This should be done within the first (3) three months of the Company's new fiscal year.

- D- 1- Subject to the provisions of Subparagraphs (2) and (3) of this Paragraph, the Management Committee shall prepare by-laws to organize the Company's financial, accounting and administrative affairs. Such by-laws shall specify in detail the duties, responsibilities and powers of the Management Committee regarding the said issues. The said by-laws shall not contradict the provisions of the Companies Law and/ or any other legislation in force. Copies of these by-laws shall be sent to the Controller.
- 2- The organization of the Company's financial, accounting and administrative affairs, proposed in the Company's by-laws shall be compatible and in line with the relevant best international practices (to the extent possible).
- 3- The by-laws mentioned in Subparagraph (1) of this Paragraph, and any amendment or replacement thereto, shall be subject to the approval of the General Assembly in an extraordinary meeting.

**Article (16):**

Members of the Management Committee shall be prohibited from assuming any position in any other company with objectives similar to or competitive with the Company's business and from realizing any work similar to the Company's business, whether for their own account or for the account of others, with or without payment, or to participate in managing another company having objectives similar to or competitive with those of the Company, except with approval of the General Assembly by a majority vote of not less than (100%) of the Shares forming the Company's Capital.

**Article (17):**

The Management Committee and each of its members shall be responsible towards the Company, the Shareholders and others for any violation of the provisions of the Companies Law, the regulations issued pursuant thereto, the Company's Articles and Memorandum, and decisions issued by its General Assembly or Management Committee

**Article (18):**

A- The Management Committee shall meet upon a written invitation from its Chair or his deputy, in case of the Chair's absence.

B- The quorum of the Management Committee meetings shall be met if attended by the majority of its members. The resolutions of the Management Committee shall be adopted by an absolute majority of the members present at the meeting and in case of equality of votes the chairman of the meeting shall have a casting vote.

C- Voting on the Management Committee's decisions shall only be made in person and by the member thereof himself. Voting by proxy or by correspondence or by another indirect manner shall not be permitted.

D- The Management Committee shall have at least six meetings during the fiscal year of the Company, provided that not more than two months lapse before holding one meeting. The Controller shall receive a copy of the invitation for each of the said meetings.

E- The Chair may invite any person/party, or a representative thereof, to attend the meetings of the Management Committee. Such a person may attend the meetings of the Management Committee as an observer without having the right to vote on its resolutions.

**Article (19): Shareholders Register**

A- The Company shall keep at its headquarters a special register for the Shareholders in which the following information pertaining to them shall be recorded. The Management Committee shall be responsible for this register and for the accuracy of the information listed therein:

1. Name of the Shareholder, his title if any, nationality, domicile and exact address.
2. Number and value of Shares owned by a Shareholder.
3. Alterations that may occur on a Shareholder's Share(s), its details and dates thereof.

4. Attachments, mortgages or any other liens and the details that may occur to a Shareholders Share(s).
5. Any other information that the Management Committee decides to record in the register.

B- Each Shareholder in the Company shall have the right to examine the register either in person or through a person authorized in writing therewith.

C- The Chair shall annually and within the first month following the end of the Company's fiscal year provide the Controller with the particulars included in the Shareholders register provided for in Paragraph (A) of this Article and with any amendment, change or alteration that may occur in this respect thereof, within a period not exceeding (30) thirty days from the date the change or the alteration take place.

#### **Article (20): The Company's General Assembly**

A- The General Assembly shall hold at least one ordinary meeting per year upon the invitation of the Chair and in the place and on the date specified thereof, provided that this meeting shall be held within the four months following the end of the fiscal year of the Company.

B- 1- The General Assembly may hold one or more extraordinary meeting upon the request of the Management Committee to discuss any of the issues falling within its jurisdiction in accordance with the provisions of the Companies Law, in any of the following two situations:

- Upon the request of a number of Shareholders holding at least one quarter of the Company's Capital, provided that a copy of the request is sent to the Controller.
- Upon the request of the Controller should he receive a request from Shareholders holding at least (15%) of the Company's Capital, and is satisfied with the reasons indicated therein.

2- Should there be no response to the request from the Chair within a week of the date of its submittal, the Controller shall call for a meeting at the Company expense.

#### **Article (21): The Legal Quorum for General Assembly Meetings**

A- The quorum for the ordinary meeting of the General Assembly shall be met if attended by a number of Shareholders representing more than one-half of the Company's Capital, whether they attend in person or by proxy. If such quorum is not present within one hour from the time set for starting the meeting, then such meeting shall be postponed to another date which will be held within (15) fifteen days from the date set for the first meeting. The absent Shareholders shall be notified of this, and

the quorum at the second meeting shall be considered valid with the Shareholders present, regardless of their number or the percentage of Shares owned by them in the Capital.

- B- The quorum for the extraordinary meeting of the General Assembly shall be valid if attended by a number of Shareholders representing (100%) of the Shares which form the Company's Capital, whether in person or by proxy. If such quorum is not present within one hour from the time set for starting the meeting, then such meeting will be postponed to another date to be held within (10) ten days from the date set for the first meeting. The absent Shareholders shall be re-notified thereof, and quorum for the second meeting shall be valid if attended by (100%) of the Shares forming the Company's Capital, whether in person or by proxy. Should such quorum not be present, the meeting shall be cancelled irrespective of the reasons for calling it.

**Article (22): The Agenda for the Ordinary General Assembly Meetings**

- A- The agenda of the General Assembly in its ordinary annual meeting shall include the following:

1. Discussion of the report prepared by the Management Committee on the Company's operations, activities, financial position during the past fiscal year, and future Company plans.
2. Discussion and approval of the balance sheet, profit and loss account and cash flow of the Company after hearing and discussing the report of the auditors.
3. Election of the Manager or Management Committee, as the case may be, in accordance with the Companies Law.
4. Election of the Company's auditors and determination of his remuneration.
5. Any other matters which the Manager or Management Committee may present to the General Assembly, or any issue presented by any Shareholder which the General Assembly accepts to discuss, provided that none of these issues is of the type which can only be discussed in an extraordinary meeting in accordance with the Companies Law and this Memorandum.

- B- The General Assembly shall adopt its decisions with respect to any of the issues stipulated in Paragraph (A) of this Article by majority votes of the Shares of the Capital represented in the meeting and each Share shall have one vote.

**Article (23): The Agenda for the Extraordinary General Assembly Meeting**

- A- The General Assembly may be invited to an extraordinary meeting. None of the following issues can be discussed unless they have been stated in the agenda for this meeting:

1. The amending the text to the Company's Articles or Memorandum.
2. Increase or decrease of the Company's Capital and determination of the Share premium or discount, provided that the provisions stipulated in the

Companies Law pertaining to the decrease of the Company's Capital are observed and that the method of increasing the Capital is specified.

3. Merger or incorporation of the Company by any of the incorporation methods stated in the Companies Law.
4. Dissolution and liquidation of the Company.
5. Discharge of the Manager or Management Committee or any of its members.
6. Sale of the Company or all of its assets, or the ownership of another company or buying all or part of its assets.
7. Guarantee of third parties' obligations if the Company's interest so requires.
8. Any issue that falls within the jurisdiction of the extraordinary General Assembly stated in the Companies Law or this Memorandum.

B- If the aim is to restructure the Capital, the Company may decrease and re-increase its Capital at the same extraordinary meeting of the General Assembly convened for this purpose, provided that the invitation shall contain the justifications and feasibility which this procedure aims at, and that the restructuring of the Capital shall be published in two local newspapers for at least one time.

C- The General Assembly may at its extraordinary meeting discuss any of the issues mentioned in Paragraph (A) of Article (22) (the Agenda of the ordinary General Assembly meeting) of this Memorandum, provided that the said issues are listed in the invitation for the meeting. The General Assembly shall adopt its decisions by the majority of the Capital Shares represented in the meeting.

D- The General Assembly shall adopt its decisions in respect of any of the issues provided for in Paragraph (A) of this Article by (100%) of the Capital Shares represented in the meeting. Decisions adopted by the General Assembly regarding the issues mentioned in clauses (1), (2), (3), (4) and (6) of Paragraph (A) and Paragraph (B) of this Article shall be subject to the provisions of approval, registration and publication stipulated in the Companies Law

E- If the General Assembly fails, during its ordinary or extraordinary meetings, to reach a decision as a result of a tie in the votes in two consecutive meetings, the Controller shall grant it a period that does not exceed (30) thirty days to reach the appropriate decision. In case such a decision is not reached, the Controller is entitled to refer the same to the Court to decide on its liquidation.

#### **Article (24): Voting of Shares & Proxies**

At all meetings of the General Assembly, a Shareholder may vote either:

- (i) in person,
- (ii) by granting a proxy to another Shareholder or
- (iii) by duly notarized power of attorney in favor of a non-Shareholder. Proxies shall be in writing in accordance with the form below and must be signed by the Shareholder or his duly authorized legal representative:

Excellence in institutional Development of Limited Liability Company

I, the undersigned, of \_\_\_\_\_, being a registered shareholder of the **Excellence for Administrative Development of Private and Public Sector Institutions Limited Liability Company**, hereby appoint:

\_\_\_\_\_ of \_\_\_\_\_ or failing them,  
\_\_\_\_\_ of \_\_\_\_\_ or failing them,  
\_\_\_\_\_ of \_\_\_\_\_,

as proxy to attend at and vote for and on behalf of the undersigned at the General Assembly meeting to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ and at any adjournment of that meeting as follows:

Voting Instructions		
Resolution	In Favor	Against
(indicate instruction to proxy by way of a cross in the space provided above)		

and, absent such instructions, to vote as they think fit.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Shareholder

**Article (25): General Provisions of the General Assembly**

A- Each Shareholder in the Company shall be notified to attend the meetings of the General Assembly whether these meetings are ordinary or extraordinary. Invitations shall be delivered by hand against a signature of receipt, or sent via registered mail at least (15) fifteen days prior to the date set for the meeting, provided that the invitation includes the annual work schedule and is accompanied by the documents required in the Companies Law. The Shareholder shall be considered notified of the invitation within a period that does not exceed (6) six days of the date of its deposit in the registered mail on his address registered at the Company.

B- The Controller shall not be invited to attend meetings of the General Assembly, whether they are ordinary or extraordinary. However, the Management Committee shall provide the Controller with a copy of the minutes of the meeting signed by the meeting's chairman and the Secretary thereof within ten days of the date of convening such meeting. The Controller may attend the meeting upon the request of the Management Committee or upon a written request by Shareholders holding at least (15%) of the Shares which form the Company's Capital.

C- If the procedures set out in Paragraph (A) of this Article are not observed, the Controller may reject the meeting's minutes and the decisions issued thereof unless

the Shareholder(s) who were not notified and did not attend the meeting, agree in accordance with the aforementioned provisions to consider themselves notified without his or their Shares entering the quorum set for issuing the decision.

**Article (26): Increase of the Company's Capital**

- A- The Company may increase its Capital after the full payment thereof. The payment of the increase amount shall be determined according to the resolution of the extraordinary meeting of the General Assembly, provided that (50%) of such amount shall be deposited at a bank in the Kingdom. The remainder of the increase amount shall be paid within the (2) two years following the Controller's approval.
  
- B- The decision of the extraordinary General Assembly shall be notified to the Controller, accompanied with the minutes of the meeting in question and an amended version of the Company's Articles and Memorandum.
  
- C- The decision of the extraordinary General Assembly shall be subject to the Controller's approval and to the procedures of registration and publication in the Official Gazette.

**Article (27): Decrease of the Company's Capital**

- A- The Company may decrease its Capital if same exceeds its needs or if the Company sustains losses amounting to more than (50%) of the said Capital, provided that the relevant provisions of the Companies Law are observed.
  
- B- The Controller shall, at the expense of the Company, publish an announcement on (3) three consecutive days in at least one daily newspaper of the Company decision to decrease its Capital. The Company's creditors shall have the right to submit a written objection against the said decision to the Controller within (15) fifteen days from the last date of publication of the said announcement. Any creditor shall also have the right to appeal the decision regarding the decrease of the Company's Capital before the Court if the Controller fails to settle his objection within (30) thirty days from the date of the submission of the said objection thereto, provided that such an appeal does not stop the decrease procedures, unless the Court decides so.

**Article (28): Fiscal Year of the Company**

The fiscal year of the Company shall start on the 1<sup>st</sup> of January of each year and shall end on the 31<sup>st</sup> of December of the same year. However, the first fiscal year for the Company shall start from the date of its registration and ends in .....

**Article (29): Books of Account**

The Company shall organize its accounts and keep its registers and books in accordance with generally accepted accounting principles.

**Article (30): The Statutory Reserve and the Voluntary Reserve**

- A. The Company shall deduct (10%) of its annual net profits for the account of the statutory reserve and shall continue to deduct the same percentage each year, provided that the total deducted amounts for the said reserve shall not exceed the Company's Capital.
- B- The General Assembly may decide to deduct an amount not exceeding (20%) of the Company's annual net profits for the account of the voluntary reserve. The General Assembly shall only be used to further the Company's purposes and objectives.

**Article (31): Dividends**

The Company is a not-for-profit company, and hence no dividends may be distributed to the Shareholders.

**Article (32): Shareholder Assignment of his Shares in the Company**

- A- Subject to Paragraph (C) of Article (8) of this Memorandum, each Shareholder may assign his Shares in the Company to any of the Shareholders or to others as per an assignment deed in accordance with the form adopted by the Controller. The assignment deed shall be signed in accordance with the procedures followed in registering the Company in pursuance to the provisions of the Companies Law.
- B- In all cases, the assignment deed shall be authenticated with the Controller, announced and its due fees collected. This assignment may not be used as evidence against the Company, Shareholders or others except from the date of its authentication with the Controller.

**Article (33): The Sale by a Shareholder of his Share in the Company**

- A- Should a Shareholder in the Company wish to sell all or part of his Shares to a third party, the Shareholder shall submit an application regarding this issue to the Manager or Management Committee, as the case may be, and copies of same to the Shareholders and the Controller indicating the price he is requesting and the number of Shares he wishes to sell. The Manager or Management Committee shall notify the remaining Shareholders of the conditions for assignment, either by hand against signature or via registered mail within a week of the application. The Shareholders shall have a preemptive right to purchase the Shares at the offered price and the Manager or Chair shall notify the Controller in writing of his notification to the Shareholders. Otherwise, the same will be held responsible for any damage that may befall an affected Shareholder.
- B- Should more than one Shareholder offer to purchase the Share(s) to be assigned at the offered price, the Shares shall then be divided among those Shareholders wishing to

purchase each in proportion to the percentage of his Share in the Company's Capital. In event of disagreement on the price, the Controller shall, at the seller's and buyer's expense, appoint a licensed auditor in order to determine the price, and the evaluation of which shall be final and the Shares shall be divided among the Shareholders who wish to purchase. If the Shareholder does not observe the completion of the sale or purchase after the issuing of the report, he then shall be responsible for the expenses born towards the Company.

- C- Should a period of (30) thirty days lapse from the date on which the Shareholders are notified of the sale conditions without any of them expressing a wish to purchase, whether at the offered price or at the price evaluated by the licensed auditor, the Shareholder wishing to sell shall have the right to sell his Share to a third party at the price offered or at the evaluated price as a minimum.
- D- Should any of the Shareholders or a third party not express a wish to purchase the Share(s) on sale within (30) thirty days of the expiry of the period specified in the above-mentioned Paragraph (C) to the effect that the sale of the Share(s) becomes impossible, then the Shareholder wishing to sell may ask the Controller to sell the Shares at a public auction, in accordance with directives issued by the Minister pursuant to the Controller's recommendation for the purpose of carrying out the sale by public auction.

**Article (34): A Shareholder's Preemptive Right to Purchase a Shareholder's Share in the event an Execution Order Concerning the Share has been Issued**

If a Court decision is issued regarding an execution on the Share(s) of any Shareholder who is indebted, then the preemptive right for purchasing such Share(s) shall be given to the remaining Shareholders in the Company. If none of the Shareholders offers to purchase same or if agreement on the price has not been reached within (30) thirty days of the date of issue of the conclusive decision, then such Shares shall be offered for sale at a public auction. Each Shareholder may participate in his name in the auction on the same rank with others and purchase such Share(s) for himself.

**General provisions**

**Article (35): Company's Losses**

- A- Should the losses of the Company exceed half of its Capital, the Manager or Management Committee shall invite the General Assembly to an extraordinary meeting in order to decide on whether the Company should be liquidated or continue to exist in a manner that would rectify its position. If the General Assembly fails to reach a decision in this respect within (2) two consecutive meetings, the Controller shall grant the Company a grace period of not more than (1) one month to reach the decision. If it fails in reaching a decision, the Company shall be referred to Court for the purposes of compulsory liquidation in accordance with the provisions of the Companies Law .

B- Should the Company's losses amount to three quarters of its Capital, the Company shall be liquidated unless the General Assembly decides in an extraordinary meeting to increase the Company's Capital to deal with the losses or quench the losses in accordance with the accredited international accounting and auditing standards, provided that the total of the remaining losses does not exceed half of the Company's Capital in both cases

**Article (36): Application of Provisions Pertaining to a Public Shareholding Company over a Limited Liability Company**

The provisions pertaining to the Public Shareholding Company shall apply to the Company where there is no clear provision in respect thereof in the provisions relating to Limited Liability Companies.

*Executed with my knowledge:*

**Name of Advocate:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**PART THREE: BYLAWS**

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**Excellence in Institutional Development (EXCELLENCE INC.)  
Section Page**

**PART THREE: BYLAWS**

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**Excellence in Institutional Development (EXCELLENCE INC.)  
(Agreements between the Shareholders and the Board of Directors<sup>1</sup>)**

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<sup>1</sup> The term “Board of Directors” used in these by-laws is synonymous with the term “Management Committee” used in the Articles of Understanding and Memorandum of Understanding.

## **PART THREE: BYLAWS**

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### **Excellence in Institutional Development (EXCELLENCE INC.)**

(Agreement between members of the NGO and the Board of Directors)

- 1. Name:** *Excellence in Institutional Development* (EXCELLENCE INC.) a limited liability Jordanian company using EXCELLENCE INC. as a trade name..
- 2. Location of principal office:** Amman, Jordan
- 3. Purpose of EXCELLENCE INC.:** To promote private-sector-led economic growth by helping dynamic public and private organizations in Jordan and beyond transform themselves into centers of excellence in institutional leadership, management, and operations.
- 4. EXCELLENCE INC.'s Services:** To achieve its purpose, EXCELLENCE INC. on a fee basis will provide its clients with two primary services: 1) expertise for institutional transformation, and 2) expertise in public policy advocacy.
- 5. Clarification of EXCELLENCE INC.'s Expertise on Institutional Transformation:** Includes guidance for institutional reform by using international best practices in the management areas of a) leadership; b) human resources; c) knowledge; d) processes; and e) outcomes and by encouragement of the embracing of three institutional values known as the Pillars of Excellence (citizen-centered, results-focused, and transparency). Management methodologies to be used by EXCELLENCE INC. include strategic planning, benchmarking assessments, inter-agency forums, shared opportunities, training materials, and on-line idea exchanges.

**6. Clarification of EXCELLENCE INC.'s Expertise in Policy Advocacy:**

Includes guidance for gaining institutional excellence by using sound advocacy strategies in the public arena. Specific advocacy services include assisting clients in a) preparing for the King Abdullah Awards competition and other national and international awards; b) forming and managing inter-agency task forces created to gain synergy for institutional improvement; c) developing the strategies, the research, the funding, and the tools for public policy advocacy efforts to insure a climate for institutional excellence; and d) identifying, training, and certifying expertise of private consulting firms in benchmarking practices.

**7. The Board of Directors:** The members and the officers of the Board of Directors shall:

- a. Be named in accordance with the Articles of Association and the Memorandum of Association for the EXCELLENCE INC.
- b. Provide governance for EXCELLENCE INC., represent it both nationally and internationally, and accept the ultimate legal authority for the company.
- c. Establishes and maintains EXCELLENCE INC. as a legal entity and each director shall have the specific fiduciary duties of care, loyalty, and obedience to the law of the Kingdom of Jordan.
- d. Acts as trustee of shareholders' interests by being certain the assets are secure, the quality of service, programs, activities, the prestige, and good will of EXCELLENCE INC. are preserved.

- e. Accomplishes its functions through regular meetings and by establishing a committee structure that is appropriate to the size of the organization and the Board of Directors.
- f. Assures that the purpose of EXCELLENCE INC. and especially makes certain its Strategic Plan including its Vision and Mission Statements, its Strategic Objectives, and its Action Plans are current and are being followed by all parts of the organization.
- g. Participates fully in the development and the updating of the Strategic Plan.
- h. Approve major actions of EXCELLENCE INC., such as capital expenditures and major programs and service changes.
- i. Ensures that the management has realistic and strong marketing programs and targets to meet the financial sustainability goals of EXCELLENCE INC.
- j. Provides adequate supervision and support to the Chief Executive Officer, ensuring financial solvency of the organization, interpreting and representing the organization to the community, and instituting a fair system of policies and procedures for human resource management.
- k. Makes or ratifies all contracts on behalf of EXCELLENCE INC. and has authority to delegate full or limited contracting responsibility to the Chief Executive Officer.
- l. Evaluates the facilities and resources of EXCELLENCE INC.
- m. Prevents unauthorized actions.

- n. Reviews reports, staff performance, and financial statements of EXCELLENCE INC.
- o. Annually review and approve EXCELLENCE INC.'s budget.
- p. Approve major policies.
- q. Annually approve the Performance Review of the CEO and establish compensation based on recommendations of the Chair.
- r. Approves appropriate compensation and benefit policies and practices for all employees.
- s. Annually participates in a review of the performance of the Board of Directors and take steps to improve its performance.
- t. Assures that management succession is properly being provided.
- u. Assures that the financial structure of EXCELLENCE INC. is adequate for its current needs and its long-term strategy.
- v. Assures that the Board of Directors and its committees are adequately and currently informed, through staff reports and other methods, of the condition of EXCELLENCE INC. and its operations.
- w. Ensures that published reports properly reflect the operating results and financial condition of EXCELLENCE INC.
- x. Approves the appointment of independent auditors subject to approval by the General Assembly.
- y. Ascertain that the Chair and the CEO have established appropriate policies to define and identify conflicts of interest throughout the organization, and are diligently administering and enforcing those policies.

- z. View serving on the Board of Directors as a responsibility and not as a source of personal power.

**8. Officers of EXCELLENCE INC.:** The officers of the company will include a Chair, a Vice Chair, a Secretary-Treasurer, and a Chief Executive Officer. The terms of office are to be for one year with each being eligible for re-election by the General Assembly for an additional one year term.

**9. Chair of the Board of Directors:**

- a. As leader of the Board of Directors, the Chair assures that the Board of Directors fulfills its responsibilities for the governance of EXCELLENCE INC. and is the person responsible for maintaining and strengthening the philosophy of the organization by making certain all programs, actions, and expenditures are aimed at achieving the agreed-upon vision and the mission of EXCELLENCE INC. The chair will serve as the chief non paid officer and is elected by the Board of Directors.
- b. The Chair shall serve as the moderator for both the meetings of the Board of Directors and meetings of the General Assembly and will use proper parliamentary procedures as outlined in Robert's Rules of Order or other approved authoritative sources. The chair will insist on using good meeting management principles in all sessions of the Board of Directors.
- c. It shall be the tradition of EXCELLENCE INC. that the Chair will serve a term of two consecutive years and will not eligible for re-election as chair after serving for two years. The Chair may be elected to a second term of

office after a two year period of the office being filled by another individual.

- d. The Chair is responsible for moderating the meetings of the Board of Directors, insuring that it functions effectively, and interacts properly with EXCELLENCE INC.'s management.
- e. With the CEO, the Chair is responsible for the development of agendas for the meetings of the Board of Directors and the General Assembly. Also with the CEO, the Chair is responsible for recommending the composition of the Board of Directors subcommittees and the committee chairpersons.
- f. The Chair also assists the CEO in recruiting new Board of Directors member nominees and other talent for whatever non paid assignments are needed.
- g. Annually the Chair should focus the Board of Directors's attention on matters of institutional governance that relate to its own structure, role, and relationship to management.
- h. As a partner with the Chief Executive Officer, the Chair will help the CEO achieve the mission of the organization. It is the duty of the Chair to optimize the relationship between the Board of Directors and the management.
- i. The Chair is responsible for preparing an annual review of the CEO and recommending salary and benefit changes for consideration by the entire

Board of Directors. The Chair may delegate this responsibility to a Personnel Committee of the Board of Directors.

- j. The chair shall serve as the major spokesperson for EXCELLENCE INC.

#### **10. Vice Chair of the Board of Directors**

- a. The Vice Chair shall serve as moderator of the meetings of the Board of Directors and the General Assembly in the absence of the Chair. The position will also carry with it two additional titles of Chair-Elect and Parliamentarian.
- b. The Vice Chair shall serve as the chair of the Service Committee of the Board of Directors that has general oversight of the programs of EXCELLENCE INC.
- c. The Vice Chair shall also serve during Board of Directors and General Assembly meetings as the chief parliamentarian ruling on the procedures of voting on issues brought before the Board of Directors by the individual directors. The Vice Chair shall use as the rule of parliamentary law the latest edition of the book entitled “Robert’s Rules of Order” or other authoritative sources approved by the Board of Directors.
- d. The Vice Chair, in the role as Chair-Elect, shall assume the position of Chair at the end of the current Chair’s term of office, if confirmed by the Board of Directors by a majority vote of a quorum at a regularly scheduled meeting of the Board of Directors.

#### **11. Secretary-Treasurer of EXCELLENCE INC.**

- a. Will serve as the main financial supervisor for the Board of Directors by working closely with the Chief Executive Officer.
- b. Shall cause to be kept accurate financial records for the corporation and oversee the delegation of authority to staff members to deposit money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the Board of Directors;
- c. Will oversee the endorsements for deposit notes, checks, and drafts received by the corporation as ordered by the Board of Directors, making proper vouchers for the deposit;
- d. Will oversee the disbursements of corporate funds and issue checks and drafts in the name of the corporation as ordered by the Board of Directors;
- e. Upon request, provide the chair and the Board of Directors an account of transactions by the treasurer and of the financial condition of the corporation; and, shall perform other duties prescribed by the Board of Directors.

**12. Chief Executive Officer of EXCELLENCE INC.**

- a. Shall be responsible to the Board of Directors for the conduct and management of the business of the organization and will serve at the will of the Board of Directors;
- b. Shall be responsible for keeping current the Strategic Plan of the organization;
- c. As a partner of the chair, will be responsible for determining the general direction of the organization.

- d. As a partner with the Vice Chair, shall be responsible for carrying out the approved action plans for the organization.
- e. As a partner of the Secretary-Treasurer, shall be responsible for providing the necessary personnel to appropriately account for the financing of EXCELLENCE INC.
- f. Shall be responsible to see that orders and resolutions of the Board of Directors are put into effect;
- g. Shall have the authority to co-sign with the Chair or the Secretary-Treasurer and to deliver in the name of the corporation deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the Board of Directors to another officer or agent of the corporation;
- h. Shall cause to be maintained the official minutes and the records of the Board of Directors and the activities of EXCELLENCE INC.
- i. Shall be the alternative spokesperson for the chair;
- j. Shall have the sole hiring, training, and supervisory responsibilities for the paid employees of EXCELLENCE INC. whose positions have been approved by the Board of Directors and are included in the approved budget of the organization.
- k. Shall have the sole responsibility for reprimanding or firing of any employee.

1. Shall perform other duties prescribed by the Board of Directors.

**13. Officers of EXCELLENCE INC. Limitations:** No officer, director, or staff member of EXCELLENCE INC. shall make any representation in public or in private, orally or in writing, which states, or appears to state, an official policy or position of the company without specific and/or prior authorization to do so.

**14. Filling vacancies of officers and directors:** Should a vacancy occur among the officers or directors of EXCELLENCE INC., the vacancy will be filled by a person nominated and elected by a majority vote of the Board of Directors and shall serve the unexpired term of office of the vacancy.

**15. Quorum for conducting business:** A quorum for conducting business for EXCELLENCE INC. will be a majority of the duly elected directors. Therefore, with seven directors, at least four members of the Board of Directors must be present to conduct official business.

**16. Number and use of standing committees:** The Chair shall appointment as standing subcommittees of the Board of Directors a Nominating Subcommittee to recommend officers and directors for each election cycle; a Service Subcommittee to oversee the quality of services offered to clients of EXCELLENCE INC.; and a Finance Subcommittee to oversee the annual fiscal audit, the accounts, records, and financial reports to ensure the fiscal well-being of EXCELLENCE INC.

**17. Amendment of the Bylaws:** The bylaws can be amended only by an affirmative vote of all directors.

**18. Dissolution Clause:** Use of funds and disposition of surplus asset or all assets at dissolution of EXCELLENCE INC. may only be distributed to other nonprofit or charitable organizations in the Kingdom of Jordan.

