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ARTICLES OF ASSOCIATION



Definitions and Terminology

The following words or phrases shall have the adjacent interpretation or meaning:

Society: Kuwait Transparency Society.

Articles of Association: The Articles of Association of Kuwait Transparency Society.

Ministry: Ministry of Social Affairs and Labour.

Minister: Minister of Social Affairs and Labour.

Board: Board of Directors of Kuwait Transparency Society.

Chairman: Chairman of Kuwait Transparency Society.



Chapter One

Establishment, Objectives and Means of the Society

Article (1)

A public interest society shall be established under the name of (Kuwait Transparency Society) with its headquarters based in Kuwait.

Article (2)

By transparency we mean: The right of all those who have legal interest in information to access such information.

By corruption we mean: misuse of the power vested on an individual – in the public, private and civil sectors - to achieve personal gains or damage the interests of the state or the society by way of illicit means.

Therefore, the objective of establishing the Society is to achieve the following purposes:

- 1- To contribute towards improving the image of Kuwait in the local and international spheres in the field of reform and combating of corruption by ways of highlighting the civilization and bright aspects of Kuwait.
- 2- To disseminate virtuous values, which call for reform and combating corruption in all fields in the society.
- 3- To promote social awareness in the field of reform and disseminate the principles and values which call for a society free of all forms of corruption and misuse of power.
- 4- To seek to promote transparency and activate all supporting laws and resolutions in all government and private sectors.
- 5- To suggest rectifying deficiency aspects in legislations and bylaws in the fields of reform, combating corruption and misuse of power for personal gains.
- 6- To investigate the reasons behind corruption, suggest means to remedy and avoid them and notify the concerned authorities.
- 7- To strengthen the relations and social ties between Society members by ways of organizing social activities for the members.

Article (3)

To realize its purposes, the Society may use all legitimate means in compliance with the applicable legislations, laws and regulations in the State of Kuwait.

Article (4)

The Society may not seek to achieve an illicit purposes or purposes that violates public codes of ethics or does not fall within the purposes stated in the Articles of Association. The Society may not intervene in politics or religious disputes or incite sectarian, racial or tribal fanaticism.

Chapter Two Society Membership

Membership is subjected to the following provisions:

Article (5)

Membership Categories:

- 1- Active Members: A member who enjoys full membership in the Society and who exercises the rights and performs the duties as per the provisions in accordance with these Articles of Association.
- 2- Honorary Members: A figure whom the Board of Directors decides to enroll in the Society under the provisions of Articles (7) and (8) herein. The Board may elect an honorary chairman of the Society, who will be entitled to attend Board meetings. The term of the honorary chairmanship may be one year or for unlimited term. The honorary chairman or member shall be exempt from the subscription fees , enrollment application and the relevant fee.
- 3- Visiting Members: A non-working or a non-honorary member who may only benefit from the facilities of the Society as per the provisions of Article (14) of these Articles of Association.

Article (6)

An active member must fulfill the following conditions:

- 1- Be a Kuwaiti national.
- 2- Be at least 21 years of age at the time of submitting the application.
- 3- Has not been convicted with a felony or crime involving breach of honour or trust for which he has not been pardoned.
- 4- Accept and adhere to the Articles of Association of the Society.
- 5- Observe the necessary membership procedures and pay the prescribed membership fees.

Article (7)

All members are equal as to the specified rights and duties under the provisions of these Articles of Association and the bylaws issued by the Society, save the right to attend the General Assembly or run for Board Membership, which is restricted to active members with a minimum membership of six months.

Article (8)

Membership applications is to be submitted to the Secretariat of the Society on the form prescribed for this purpose; provided the membership fee is paid as per the provisions of the financial bylaws. Applicant names are entered in a special register according to the date of submitting the application for future reference. The Society's Secretary shall present the names to the Board for decision. Membership shall be effective from the date of issue of the Board's resolution to accept the member.

Article (9)

The applicant will be informed of the Board's resolution within two weeks from its issue. In case the application is rejected the applicant will be reimbursed the paid fee.

Article (10)

Rejected membership applications may not be reconsidered except after a minimum of one year from the date of rejection.

Article (11)

Membership may be forfeited in the following cases:

- 1- Death.
- 2- Resignation.
- 3- Failing to fulfill any membership condition.
- 4- Failing to pay the full subscription fee on time as per the terms and provisions of the financial bylaws provided he has been informed of the date of payment.
- 5- A resolution from the General Assembly to terminate the membership following a recommendation from the Board of Directors.

Article (12)

In case the reason for the termination ceases to exist, the forfeited membership may be reinstated upon an application submitted according to the formed procedures and subject to the approval of the authority that forfeited the membership.

Article (13)

A member whose membership has been forfeited for any reason, or his successors in case of death, may not redeem the joining or subscription fees or any donations or grants he may have made during his membership.

Article (14)

The Society may admit non-member visitors, who are not members, to benefit from its facilities without having the right to involve in its management in any manner. Such admission will be for limited periods based on a resolution from the Board of Directors. Visitors are required to pay a fee against benefiting from the Society facilities in addition to other fees as prescribed by the financial bylaws. The application must be submitted on the form prescribed for this purpose and will be subject to the procedures stated in articles (7) and (8) of these Articles of Association.

Chapter Three Finance

Article (15)

The Society's fiscal year starts on the first of January and end at the end of December of each year except for the first financial year which starts from the date of establishment and ends on December 31 of the same year.

Article (16)

The resources of the Society consist of the following:

1. Joining and subscription fees of the different categories as defined in the financial bylaws.
2. Donations and grants accepted by the Board of Directors.
3. Any other revenues approved by the Board of Director that do not conflict with the applicable regulations in the country.

The Society undertakes to disclose in its records all the contributions given by individuals, communities and institutions.

Article (17)

The Society shall deposit its funds in its name at one of the Kuwaiti banks and shall inform the Ministry of the same. The Treasurer may not keep in his custody an amount in excess of KD (500) for urgent expenses.

Article (18)

The Society may not use its funds for purposes other than those for which the Society was established. Further, the Society may not seek to obtain financial gains or practice financial speculations.

Article (19)

The accounts of the society shall be examined by an accredited auditor, who may not be a Board Member. The Auditor shall undertake the following responsibilities:

- 1- Regular examination of Society's accounts.
- 2- Review implementation of the budget items and forward comments thereon to the Board.
- 3- Review the final account before submission to the Board.
- 4- Forward a detailed report on the general financial situation of the Society to the General Assembly; expressing his/her remarks on the overall financial affairs of the Society.

Article (20)

In case the auditor's position becomes vacant, the Board shall elect a substitute, provided such substitute is presented in the first meeting of the first General Assembly for approval or selecting of an alternative.

Article (21)

The Society is to furnish the Ministry with a copy of the final accounts of the end fiscal year and the budget proposal for the next financial year within a maximum of one month after the lapse of the financial year. The final accounts must be signed by the Treasurer and the Chairman after having obtained the Board's approval. The concerned authorities at the Ministry and the concerned government bodies may examine the accounts of the Society in line with their applicable regulations.

Article (22)

Board Members may not be paid any salary or compensations for the jobs assigned to them in this capacity.

Article (23)

Society funds including subscription fees, fixed or movable assets, donations, contributions and aids are the property of the Society. A withdrawn or dismissed member has no right in the society funds.

Chapter Four The General Assemblies

Article (24)

The General Assembly consists of the acting members with a minimum membership of 6 months at the date of the General Assembly meeting, provided they have paid their subscription fees according to the applicable system of the Society.

Article (25)

The General Assembly holds a regular meeting once every year at the time set by the Board within two months as of the end of the fiscal year. Invitations to the meeting must be sent to the members in a minimum of two weeks prior to the designated date along with the following attachments:

- 1- Agenda.
- 2- Board's report on the administrative and financial status of the Society and its activities.
- 3- The final accounts of the last fiscal year approved by the auditor and the budget proposal for the coming year.
- 4- A statement of the members' suggestions presented to the General Assembly.

Article (26)

The Board must post copies of the invitation to the General Assembly meeting, invitation for Board elections and a list of names of the members who are eligible to attend the General Assembly meeting on the Society's billboard on the day of opening nomination for election. On the second day following the close of nomination, a list of candidates names must be posted on the billboard.

Article (27)

The General Assembly shall have the power to consider the following:

- 1- The Board's report.
- 2- Approving the final accounts of the ending fiscal year as well as the proposal of the next budget.
- 3- Considering members' proposals.
- 4- Electing Board Members and filling vacant posts.
- 5- Selecting an auditor and specifying his/her compensation.

Article (28)

An Ordinary General Assembly meeting will be deemed valid if attended by more than half the members who have the right to attend the meeting. If a quorum is not attained at the specified time, the meeting shall adjourn, to be held within a period of one week from the date of the first meeting. The meeting will be valid regardless of the number of present members provided it is stated in the invitation letter.

Article (29)

If quorum is attained at the beginning of the General Assembly meeting, the validity of its resolutions shall not be impaired by the withdrawal of any number of members present in the meeting.

Article (30)

Resolutions of the Ordinary General Assembly will be passed by the absolute majority of votes of the present members. However, Election of Board Members will depend on who obtains more votes. In case of a tie, a ballot shall be the determinant. If the number of those nominated for Board membership are equal to or less than the number of the Board members, members will be elected unopposed, without having to hold new elections.

Article (32)

The Board may call the General Assembly for an Extraordinary meeting if the need arises and in case such a meeting is requested by one third of the members who have the right to attend the General Assembly meeting provided the purpose of the meeting was specified.

Article (33)

The Extraordinary General Assembly shall have the power to consider the following:

1. Important and urgent issues which the Board or the members believe should be presented.
2. Deciding on the resignation of the Board's Chairman and all or some of the Members for reasons affecting the Society's existence, the public interests or organize elections to fill these offices.
3. Forfeiting the membership of all or part of the Board Members. The previous paragraph (2) applies to this case.
4. Amendment of the Society's Articles of Association.
5. Dissolution of the Society or unification or merger with other societies.

Invitations to the meeting will be sent to the members with the agenda and a copy of the issues to be presented, before a minimum of two weeks.

Article (34)

The Ordinary General Assembly or the Extraordinary General Assembly may not consider issues not included in the agenda.

An Extraordinary General Assembly meeting may not be held to consider an issue in which a decision has been taken except after the lapse of one year from the date of such resolution.

Article (35)

The resolution of the Extraordinary General Assembly shall not be valid unless passed by absolute majority of all members who have the right to attend the Ordinary General Assembly.

Article (36)

In case, for compelling circumstances, the General Assembly meeting will not be held on the specified date, the Board shall notify the members accordingly stating the new date and the reasons for postponing the meeting. In no event may a modification be made to the agenda or the names of the candidates for board membership or the members who have the right to attend the meeting. A copy of the letter sent to the members should be displayed on the billboard in the society.

Article (37)

In case the General Assembly convenes but compelling circumstances prevent finalizing all issues in the agenda, the meeting will remain in session and will extend till the date specified by the Board in order to consider the rest of the issues on the agenda. The Board has to notify the members of the date and time of the meeting. The resolutions adopted in the first meeting shall be considered valid and effective.

Article (38)

The General Assembly is presided by the Chairman or a Board Member delegated by the Chairman. If the Chairman cannot chair or delegate someone to chair, the General Assembly, the Board shall select a Chair from among its members. The Secretary shall carry out the secretarial duties of the meeting. In case the Secretary is absent or is chairing the General Assembly, the Board selects a substitute from among its members.

Chapter Five Board of Directors

Article (39)

The Board of Directors will manage the Society's Affairs and will consist of seven members elected by the General Assembly.

Article (40)

Board members should fulfill the following criteria:

1. Be an active member.
 2. Has the right to attend the General Assembly.
 3. At least 21 years old.
 4. Undertakes to disclose his financial status as per the bylaws of the Society.
- A member may not combine Board Membership and a job in the Society for which he receives a salary or remuneration.

Article (41)

Within a week from its formation, the Board shall elect a Chairman, Deputy Chairman, Secretary, Treasurer and any other office perceived by the Board from among its members. The Board may appoint full time paid employees, according the conditions specified by the Board.

Article (45)

A member who fails to attend five consecutive or seven separate Board meetings shall be deemed resigned and his position shall be considered vacant.

Article (46)

If, for any reason, the position of a Board member becomes vacant, such a position shall be filled by the member who obtained the highest number of votes next in line to the successful members in the last elections. If such a member refuses or does not exist, an Extraordinary General Assembly meeting shall be invited for elections of the remaining period provided this takes place within a maximum of two months from the date on which the Board Member's position became vacant. In case, for any reason, the Chairman's position becomes vacant, the number of Board Members shall be restored first as stipulated in this Article before the Board elects a substitute of the Chairman.

Article (47)

All Society's records, files and documents are to be kept in the society's headquarters by the Secretary and the Treasures, as appropriate, These records are:

- 1- Records of members' names and paid subscriptions.
- 2- Records of the minutes of the Board and the General Assembly meetings.
- 3- Books of revenues, expenses and donation accounts supported by approved evidence.

Each General Assembly member has the right to access such records upon approval from the Board.

Article (48)

The Chairman shall perform the following capacities:

- 1- Chairing General Assembly and Board meetings.
- 2- Representing the Society and speak in its name before the different authorities.
- 3- Signing contracts and agreements concluded with the Society.
- 4- Signing payment permits and cheques in conjunction with the Treasurer.
- 5- Following up Society's affairs and overseeing the implementation of the resolutions of the Board and General Assembly.

The Vice Chairman shall undertake the responsibilities of the Chairman in his absence.

Article (49)

The Secretary shall perform the following capacities:

- 1- Sending invitations and carrying out necessary arrangements for the General Assembly and Board meetings, writing the minutes and record the same in the books.
- 2- Editing the agenda and adding any topics that the Chairman wishes to add to the agenda of the Board meetings and topics to be included in the agenda of the General Assembly meetings.
- 3- Following up the implementation of all the relevant Board bylaws and resolutions.
- 4- Following up the activities of relevant administrative and technical committees.
- 5- Furnishing the Board with an annual report.
- 6- Presenting membership applications to the Board.
- 7- Preparing the budget proposal for the coming fiscal year in cooperation with the treasurer.
- 8- Signing Society's correspondence except the correspondence that the Board believes necessary to be signed by the Chairman.

Article (50)

The Treasurer shall perform the following capacities:

- 1- Collecting all Society revenues and funds depositing it in the Society's bank accounts.
- 2- Following up the implementation of Board resolutions from the financial aspect and ensuring its conformity with the budget items and the financial bylaws.
- 3- Signing payment vouchers and cheques in conjunction with the Chairman.
- 4- Supervising Society's accounts and maintain revenues and expenses documents. He is also responsible for all accounting data entered in the books.
- 5- Preparing the final accounts of the ending fiscal year, preparing the budget proposal of the coming fiscal year jointly with the secretary and submitting the same to the Board.
- 6- Keeping the records, books, documents, and all that is related to the financial aspect in Society Headquarters.
- 7- Paying of salaries and different purchase invoices.
- 8- Maintaining the petty cash.

Article (51)

The Board may, at its discretion, issue any special bylaws to organize the activities of the Society, especially the following bylaws:

1. The Internal bylaws.
2. The Financial bylaws.

Article (52)

After dissolution of the Society, all its fund shall devolve upon the Ministry.

Chapter Six General Provisions

Article (53)

Affiliation to any society or organization outside the State of Kuwait is not permissible unless a Ministry license has been obtained.

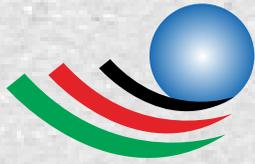
Article (54)

No money or benefits in the form of subscriptions or contributions whatsoever may be received or obtained directly, through third parties, or by any other means, from an individual or institution whose headquarters are outside the State of Kuwait, unless a Ministry license has been obtained.

Article (55)

The Society and its members throughout their membership term commit themselves to the anti corruption and combat misuse of power programme in all their transactions with others.

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Kuwait Transparency Society



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