

THE CHARTER OF THE NATIONAL CENTER FOR COMMERCIAL LAW

Preamble

A National Center for Commercial Law at Free University, Tbilisi (*hereinafter* the “National Center for Commercial Law” or the “Center”) is established to serve law students, law professors, practicing lawyers, and other members of the legal community in Georgia, and to contribute to the development of Georgian society in general.

The National Center for Commercial Law seeks to achieve its Goals by participating in, promoting and assisting the development of commercial law, preparing Georgian law students to become competitive legal practitioners by equipping them with the knowledge, skills, and the professional values necessary to serve their clients, the Georgian legal profession and Georgian society effectively. Through teaching, research and scholarship, and by organizing and engaging in other activities including law clinics, skills development programs and publications, the National Center for Commercial Law will successfully bring together students, professionals, and the public at large for the common good. It is an ambition of the Center to identify and implement best practices, and become a model national academic center in Georgia.

The National Center for Commercial Law is established, developed, and operated in accordance with the Memorandum of Understanding (*hereinafter* the “MOU”) signed between Free University, Tbilisi (*hereinafter* the “Free University”), Washburn University School of Law (*hereinafter* the “WUSL”), and East-West Management Institute, Inc. and its program office, the Judicial Independence and Legal Empowerment Project in Georgia on September 12, 2011 (*hereinafter* EWMI”).

Chapter I General Provisions

Article 1

1. The National Center for Commercial Law is founded at Free University, created with support of WUSL and EWMI.
2. The National Center for Commercial Law is an independent, non-political, academic, and research structural unit of Free University.
3. The official name of the Center is:
„თავისუფალი უნივერსიტეტის ბიზნეს სამართლის ეროვნული ცენტრი” – in Georgian;
“National Center for Commercial Law at Free University” – in English
4. The National Center for Commercial Law may carry out its activities both in Georgia and beyond its boundaries.
5. The National Center for Commercial law may engage in activities of an auxiliary nature. Any and all revenues received from such activities shall remain with the National Center for Commercial Law and shall be used strictly for the achievement of the Goals of the Center.
6. The National Center for Commercial Law is located at the following address: Bedia Street, Nutsubidze Plateau, I Micro District, Tbilisi 0183, Georgia;
7. The National Center for Commercial Law shall be entitled to have its own logo, emblem, flag and other identity attributes;
8. The Annexes hereto constitute an integral part of the Charter.

Chapter II Principal Goals and Activities

Article 2

The principal Goals of the National Center for Commercial law are:

1. Provide a broad education in the field of commercial law both to students and law practitioners that will prepare them for both current and future professional and academic challenges;
2. Promote strong commitment to continued scholarship in the field of commercial law both among the students and law practitioners;

3. Promote and establish best practices of teaching of commercial law subjects through tailoring the teaching methodology on the development of analytical, drafting and litigation skills;
4. Carry out systematic research on various topics of commercial law and develop a body of knowledge that can be placed at the service of Georgian legal community and Georgian society;
5. Through continuous research and committed scholarship and pedagogy contribute to the development of commercial law in Georgia.

Article 3

For the achievement of its goals, the National Center for Commercial Law shall:

1. Provide different types of educational programs for students, professors, practitioners, and other members of Georgian society;
2. Serve as a forum for the exchange of ideas about commercial law within Georgia and internationally through organizing conferences, seminars, symposia, and competitions;
3. Extend educational and employment opportunities to law practitioners and students in Georgia to increase the human performance in and boost the development of the commercial law in Georgia;
4. Develop teaching materials and teaching methods in the field of commercial law;
5. Establish clinical programs and carry out pro-bono activities;
6. Promote and support continuing professional education of teachers;
7. Cooperate with members of the legal community and governmental institutions for the development of commercial law in Georgia;
8. Cooperate with various institutions of higher education, both within Georgia and outside.

Article 4

The National Center for Commercial Law may carry out any other activity that is not prohibited by the laws of Georgia and by the regulations of the Free University and that directly or indirectly serves the Goals of the Center.

Chapter III Structural Composition of the National Center for Commercial Law

Article 5

The National Center for Commercial Law shall be composed of the following bodies:

- The Supervisory Board
- The Advisory Board
- Academic Director and Administrative Director
- Academic Co-Directors

The Supervisory Board

Article 6

1. The supreme governing body of the National Center for Commercial Law is the Supervisory Board.
2. The Supervisory Board shall be comprised of 3 persons, each of which shall be appointed by and represent Free University, WUSL and EWMI respectively.
3. Free University, WUSL and EWMI shall each nominate one (1) individual to serve as an initial member of the Supervisory Board.
4. A citizen of any country may be appointed as a member of the Supervisory Board.
5. The members of the Supervisory Board shall be appointed for the term of three years, but may be removed and replaced by the appointing party at any time subject to prior approval of the other parties to this Charter.

Article 7

1. The Supervisory Board is authorized to:
 - a) Modify the present Charter;
 - b) Appoint and dismiss any of the Academic Director/Co-Directors and Administrative Director and supervise his/her activities;
 - c) Approve the composition of the Advisory Board;
 - d) Approve the principal policies, plans, programs and projects of the National Center for Commercial Law;
 - e) Approve the annual budget of the National Center for Commercial Law;
 - f) Modify and/or terminate the activities of the National Center for Commercial Law;
 - g) Decide on any other issues related to the National Center for Commercial Law.
 - h) Delegate any of its powers to the Administrative Director and/or Academic Director/Co-Directors based on the decision of the Supervisory Board, except for the issues listed in sub-paragraphs a), b), c), d), e) above.
 - i) Increase the number of members of the Supervisory Board not to exceed more than 7 individuals. Additional members of the Supervisory Board shall be nominated and confirmed by unanimous consent of Free University, WUSL and EWMI.
2. The initial composition of the Supervisory Board is provided in Annex 1 to the Charter.
3. The Supervisory Board shall be eligible to make decisions if all 3 of its members are present at the meeting. Decisions are made by unanimous consent. The Supervisory Board meeting may be held by a meeting in person as well as by telephone or video conference (i.e., for the purposes of decision making Board members are "present" even if not physically attending the meeting). Members of the Supervisory Board may vote at the meeting in person as well as by telephone, by videoconference or electronic mail. Each member of the Supervisory Board has one vote. The minutes of the meeting shall be kept in written form.

The Administrative Director and Academic Director/Co-Directors

Article 8

1. The Administrative Director of the National Center for Commercial Law shall be responsible for the day-to-day operations of the Center.
2. Academic Director/Co-Directors of the National Center for Commercial Law shall determine the activities of the Center and be responsible for the academic side of their implementation.
3. The Administrative Director and Academic Director/Co-Directors have representational authority on behalf of the National Center for Commercial Law.
4. The Supervisory Board appoints the Administrative Director and Academic Director/Co-Directors of the National Center for Commercial Law. The Supervisory Board may dismiss the Administrative Director and Academic Director/Co-Directors at any time based on its decision.
5. The Administrative Director and Academic Director/Co-Directors are appointed as provided in Annex 2 to this Charter.
6. The Administrative Director:
 - a) Manages the day-to-day activities of the National Center for Commercial Law
 - b) Represents the National Center for Commercial Law;
 - c) Recommends to the Free University to hire and dismiss the employees of the National Center for Commercial Law;
 - d) Ensures that decisions adopted by the Supervisory Board are duly executed;
 - e) Drafts the annual budget of the Center and submits it to the Supervisory Board for approval;
 - f) Manages the financial and other material resources of the National Center for Commercial Law in accordance with the approved annual budget of the Center;
 - g) Decides on allocating financing for a specific activity, in addition to what is provided under the annual budget of the Center, when such increase of financing is reasonably necessary for the

- effective functioning of the National Center for Commercial Law. The increase of financing for such activity shall not exceed 10% of the aggregate amount of expenditure / financial commitment provided by the respective annual budget of the Center. The Administrative Director shall report such cases to the Supervisory board as soon as practicable but not later than within 5 business days;
- h) With the approval of Academic Director decides on organizing any activity which is not envisaged by the annual budget of the Center but is reasonably necessary for its effective functioning, and the fulfillment of which requires the Center to incur financial commitment or expenditure equal to or less than 5,000 GEL. Notwithstanding the foregoing the aggregate value of such activities in any twelve month period shall not exceed 15,000 GEL.
 - i) Reports to the Supervisory Board and/or Academic Director/Co-Directors on implemented activities upon request of the Board and/or Academic Director/Co-Directors;
 - j) Exercises other functions based on the authority granted by the Supervisory Board;
 - k) Performs any other activity, which does not fall under the competence of the Supervisory Board and/or the Academic Director / Co-Directors;
7. The Academic Director/Co-Directors:
- a) Plan any and all parts of the academic/teaching/research activities of the National Center for Commercial Law;
 - b) Are responsible for the implementation of the activities of the National Center for Commercial Law;
 - c) Represent the National Center for Commercial Law;
 - d) Ensure execution of the decisions adopted by the Supervisory Board;
 - e) Report to the Supervisory Board on implemented activities upon the request of the Board or one of its members;
 - f) Exercise other functions based on the authority granted by the Supervisory Board;

Advisory Board

Article 9

1. The National Center for Commercial shall form an Advisory Board.
2. The Advisory Board shall be a consultative body to the National Center for Commercial Law.
3. The Supervisory Board shall approve the members of the Advisory Board from the list submitted by the Academic Director, the Co-Directors, Free University, WUSL and EWMI.
4. A legal person or a citizen of any country may be elected to the Advisory Board.
5. The Advisory Board shall give recommendations to and advise the Supervisory Board or any of the Directors / Co-Directors of the Center on any matter directly or indirectly related to or arising out of the activities of the Center.
6. The number of members of the Advisory Board shall not be limited.

Chapter IV

Sources of Financing of the National Center for Commercial Law

Article 11

1. The source of the funding for the National Center for Commercial Law can be any lawfully received funds, including:
 - a) Contributions of the Free University, WUSL, and EWMI;
 - b) Donations and grants;
 - c) Revenue received from auxiliary activities; and
 - d) Other funds not prohibited by the laws of Georgia.
2. The National Center for Commercial Law is a structural unit of the Free University, is not organized to operate for profit, has no profit objective, and shall not pay dividends or make other similar

distributions to any third parties. All funds received by the National Center for Commercial Law shall be used to support its present or future activities.

Chapter V
Reorganization and Liquidation

Article 12

The National Center for Commercial shall be reorganized and/or closed down in accordance with the regulations / by-laws of the Free University and applicable law.

Chapter VI
Approval and Effective Date

Article 13

The Charter of the National Center for Commercial Law shall become effective upon its approval by the authorized representative of the Free University, WUSL, and EWMI as defined under the MOU.

ANNEX 1

Initial Members of the Supervisory Board of the National Center for Commercial Law

The initial members of the Supervisory Board are:

1. Natia Khantadze, representing the Free University
2. Professor Will Foster, representing Washburn University School of Law
3. George Vashakidze, representing EWMI

ANNEX 2

Administrative and Academic Director/Co-Directors of the National Center for Commercial Law

1. The first Administrative Director of the National Center for Commercial Law shall be Eka Oniani.
2. The first Academic Director of the National Center for Commercial Law shall be Professor Archil Giorgadze.
3. The first Academic Co-Directors of the National Center for Commercial Law shall be [•]