



LAW no. 103 of 30 November 1982 (published on 13 December 1982)

**Articles of Association of the Public Works Autonomous State  
Corporation (A.A.S.P.)**

**We the Captains Regent**

**of the Most Serene Republic of San Marino**

*Hereby promulgate and order the publication of the following Law, approved by the Great and General Council during its sitting of 30 November 1982.*

**TITLE I**

**NATURE, PURPOSE AND BODIES OF THE CORPORATION**

**Art. 1**

The Public Works Autonomous State Corporation shall be governed by Law no. 88 of 26 November 1980, by the special rules in force on the subject and by these Articles of Association.

**Art. 2**

The Corporation's purpose is the management of productive economic activities in the following sectors:

- 1) Building
  - a) traditional building;
  - b) prefabricated and concrete building;
  - c) installation (carpentry, workshop, plumbing, electricity).
- 2) Road System and Reclamation
  - a) road construction and maintenance;
  - b) sewer construction and maintenance;
  - c) badlands and hydrogeological reclamation.
- 3) Agriculture and Forestry
  - a) agricultural activities (crops, vineyard, livestock);

b) forestry (planting, maintenance, cleaning, landscaping and gardening);

c) processing of agricultural and livestock products (oenology, dairy, oil).

#### 4) Special Services

a) press centre;

b) other activities decided by the Board of Directors.

The Corporation shall be established in the form of an enterprise and may conclude public and private contracts. It shall have legal personality and may perform all acts and transactions necessary or useful to achieve its statutory purposes.

### **Art. 3**

The Corporation may, by decision of the Great and General Council, expand, reduce or change its corporate purpose.

### **Art. 4**

The bodies of the Corporation shall be the Board of Directors, the Chairman of the Board of Directors and the Board of Statutory Auditors.

## **TITLE II**

### **ADMINISTRATION**

### **Art. 5**

The administration of the Corporation shall be entrusted to a Board of Directors consisting of five full members, including the Chairman.

The members of the Board of Directors shall be chosen from among persons with administrative or technical competence and who do not engage in any other activity, whether public or private, that conflicts with the interests of the Corporation.

The term of office for the members of the Board of Directors and its Chairman shall be five years and shall be renewable.

State employees working in related fields of competence, or in any case connected with the Corporation's activity, shall be incompatible with the office of member of the Board of Directors.

### **Art. 6**

Members of the Board of Directors who fail to attend three consecutive meetings without a justified reason, or whose conduct is detrimental to the interests of the Corporation, shall be removed from office.

Removal from office shall be declared, with immediate effect, by the Congress of State within 30 days of notification of the measure by the Board of Directors.

The proposed removal shall be notified to the person concerned at least five days before the decision adopted by the Congress of State.

The Board of Directors shall take note of resignations of its members and shall notify the Congress of State thereof. If it fails to take note thereof or to notify it, this shall be done by the Congress of State.

Resigning members shall remain in office until their replacement by the Great and General Council.

#### **Art. 7**

Members shall be immediately replaced after the vacancy has occurred.

The Chairman of the Board of Directors shall be obliged to notify the Congress of State of any vacancies within five days of their occurrence.

Replacements shall take effect from the date of their approval by the Great and General Council.

Replacing members shall remain in office as long as their predecessors would have.

#### **Art. 8**

The meetings of the Board of Directors shall not be public.

The Board of Directors shall meet in ordinary session at least once a month. It shall meet in extraordinary session, provided that it is necessary:

- upon invitation of the Chairman;
- upon request of two members of the Board of Directors;
- upon request of the Director;
- by order of the competent Minister.

The Chairman shall be responsible for drawing up the notices of the sitting containing the agenda and for sending them five days in advance.

In cases of justified urgency, the Board of Directors may also meet on the same day when the notice of the sitting is sent.

#### **Art. 9**

For the meeting to be valid, the presence of an absolute majority of the members of the Board, including the Chairman or his/her delegate, shall be required.

The Board shall decide by an absolute majority of votes. In the event of a tie, the Chairman shall have the casting vote.

#### **Art. 10**

The Director shall attend the meetings of the Board of Directors in an advisory capacity, unless he/she has been exempted therefrom by the Chairman or the Board.

#### **Art. 11**

The minutes of the meetings shall be drawn up by the Director or by another official designated by the Board of Directors to act as Secretary.

Copies of the minutes shall be forwarded to the Congress of State, or, on its behalf, to the competent Minister, by the Chairman.

At the end of the year, the original minutes shall be collected at the end of the year and signed by the Chairman or by the person acting as Secretary.

A copy of the minutes of the decisions may be provided to any member of the Great and General Council who requests it in writing; such minutes may be read or referred to by any citizen upon request and following an authorisation by the Chairman.

The Auditors shall always be allowed to consult the minutes.

#### **Art. 12**

The members of the Board of Directors shall not take part in any discussions, decisions, acts, contracts or measures in which they, or their blood relatives or relatives by affinity up to the second degree, have a personal interest.

#### **Art. 13**

For the performance of competence-related functions, the Congress of State shall establish, in addition to the reimbursement of any expenses incurred, a monthly allowance or an attendance fee in favour of the Chairman and members of the Board of Directors.

#### **Art. 14**

The Board of Directors may assign special tasks to its members within the scope of its competences.

#### **Art. 15**

In case of absence or temporary impediment, the Chairman shall be replaced by the member of the Board of Directors expressly delegated by him/her. If this is not possible, the oldest member shall replace him/her.

#### **Art. 16**

The functions of administrative audit shall be performed by the Board of Statutory Auditors referred to in Article 8 of Law no. 88 of 26 November 1980.

#### **Art. 17**

Members of the Board of Statutory Auditors who fail to attend, without a justified reason, three consecutive meetings of the Board of Statutory Auditors or who, by their conduct, damage the interests of the Corporations shall be removed from office.

Removal from office shall be declared, with immediate effect, by the Congress of State within thirty days of reporting by the Corporations.

The proposed removal shall be notified to the person concerned at least five days before the decision adopted by the Congress of State.

The Board of Statutory Auditors shall take note of resignations of its members and shall notify the Corporations and Congress of State thereof. If it fails to take note thereof or to notify it, this shall be done by the Congress of State.

Resigning members shall remain in office until their replacement by the Great and General Council.

### **Art. 18**

Members shall be immediately replaced after the vacancy has occurred.

The Chairman of the Board of Statutory Auditors shall be obliged to notify the Congress of State of any vacancies within five days of their occurrence.

Replacements shall take effect from the date of their approval by the Great and General Council.

Replacing members shall remain in office as long as their predecessors would have.

### **Art. 19**

Minutes of the meetings of the Board of Statutory Auditors and the results of quarterly audits shall be drawn up and sent to the Congress of State or, on its behalf, to the competent Minister by the Chairman of the Board of Statutory Auditors.

## **TITLE III**

### **DIRECTOR**

### **Art. 20**

Direction function and duties shall be entrusted to a natural person who shall assume the title of Director.

### **Art. 21**

The functions of Director shall be incompatible with any other employment, trade, industry or profession.

The Director shall not carry out any duties outside the Corporation without the authorisation of the Chairman.

In the Corporation, the Director shall chair the Technical Steering Committee, whose task shall be to stimulate the participation of the technical staff in the elaboration and control of the company's activities and to plan vocational training and updating of production techniques.

#### **Art. 22**

The following requirements shall be met to be appointed as Director:

- a) being a San Marino citizen;
- b) enjoying civil and political rights;
- c) not having been convicted by a criminal judgement of a crime committed intentionally and punished with more than one year's restriction of personal liberty or disqualification from public offices, to be demonstrated by submitting the criminal record;
- d) having obtained a university degree.

#### **Art. 23**

The Director shall be appointed for a term of three years.

The Director may be reconfirmed every three years upon proposal of the Board of Directors. The Director shall not be removed from office before the expiry of the three-year term for which he/she was appointed without a reasoned decision adopted by the Board of Directors with at least two-thirds majority of its members.

If, before the expiry of a three-year period, the Congress of State has not decided on the removal or confirmation in office of the Director, he/she shall be deemed tacitly confirmed for another three-year period.

The Director shall be notified of the decision not to confirm him/her at least six months before the expiry of the three-year term.

#### **Art. 24**

During the three-year period, the Director may be removed from office if he/she is guilty of serious misconduct, in particular if he/she:

- a) has failed to fulfil the duties of his/her office in such a way as to seriously jeopardise the smooth running of the activity;
- b) has committed serious violations of laws and regulations relating to the Corporation;
- c) has shown, in the unquestionable opinion of the Board of Directors, ineptitude, incapacity, poor performance and disloyalty.

The Board of Directors may propose that the Director be relieved from duty if he/she is no longer able to perform his/her functions for duly established health reasons.

Against the removal from office or relief, the Director shall be entitled to lodge an appeal to the Council of the Twelve, which shall decide with an obligation to consult an advisor.

**Art. 25**

The Director's remuneration shall be set by Article 14 of Law no. 88 of 26 November 1980.

**TITLE IV**

**INTERNAL ORGANISATION OF THE CORPORATION**

**CHAPTER I**

**Organisation**

**Art. 26**

The Corporation shall consist of the following Sectors:

- a) Administration;
- b) Building;
- c) Road System and Reclamation;
- d) Agriculture and Forestry;
- e) Special Services.

**Art. 27**

The Administration shall be divided into:

- 1) General Secretariat, accounting and personnel
- 2) Procurement and contracts.

**Art. 28**

The tasks of the Administration shall be:

- 1) General Secretariat, accounting and personnel. To deal with correspondence, compile decision-making acts, conclude contracts, organise the registry and the archive, deal with general affairs.

To deal with accounting entries, revenues and payments, calculates salaries of employees, draws up the budget upon instruction of the management, compiles the balance sheet, keeps the accounting books regularly up to date, deals with stock records and the related organisation.

2) Procurement and contracts.

To purchase the various materials based on requests and indications from the technical sectors. It shall manage the procurement related to supplies and relevant contracts.

Procurement procedures shall be defined in internal regulations to be approved by the Board of Directors.

### **Art. 29**

The tasks of the technical sectors shall be the execution, technical management and accounting of the works of such sectors.

Each sector shall include:

1) Sector Direction. It shall supervise, together with the Directorate General, the scheduling of works assigned. It shall verify the punctual fulfilment of the orders and shall be responsible for the appropriate allocation of the available human and material resources. It shall monitor the good performance of the sector.

2) Works supervision. It shall supervise the execution and accounting of works. It shall verify the punctual fulfilment of contractual commitments. It shall fulfil the requests for material procurement. It shall keep tender specifications and price lists up-to-date.

### **Art. 30**

The task of the Special Services Sector shall be the management, execution and accounting of the contracts concluded by the Sector.

The sector is organised into units with managers responsible directly to the Corporation's Directorate General.

The units shall be organised internally according to staffing plans proposed by the Board of Directors and approved from time to time.

## **CHAPTER II**

Personnel

### **Art. 31**



The employment relationship of the personnel of the Autonomous Corporation shall be governed by Law no. 88 of 26 November 1980 and the relevant regulations in force.

All economic and regulatory aspects regarding salaried personnel, the number of which may vary, shall be left to sectoral bargaining.

### **Art. 32**

The Corporation's personnel structure, including job specifications, salary levels, requirements and procedures for the placement of personnel, shall be established in accordance with Law no. 88 of 25 November 1980.

## **TITLE V**

### **ASSETS - ACCOUNTING - FINANCE**

### **Art. 33**

The State shall provide the Autonomous Corporation with an initial endowment capital consisting of real estate, furniture, installations, machinery, equipment and money necessary for the operation of the Corporation.

The inventory of the initial endowment capital shall be drawn up within twelve months of the approval of these Articles of Association.

### **Art. 34**

Operating profits, net of depreciation charges, mandatory funds and reserve funds shall be paid to the State, if there is enough liquidity for the normal operation of the Corporation.

Operating losses shall be covered by the State, by means of a cash payment, if the company does not have sufficient liquidity for its normal operation and resorting directly to the financial market is not deemed appropriate.

Operating losses shall be an exception for the Corporation and not the norm. If operating losses persist, the Congress of State, having heard the Corporation, shall cover them directly or shall propose to the Great and General Council, if competent, the most appropriate solutions for the elimination or reduction of the losses.

### **Art. 35**

For anything not provided for in these Articles of Association with regard to management, accounting, financial and asset-related rules reference shall be made to administrative regulations.

## **TITLE VI**

Liability

**Art. 36**

The members of the Board of Directors, the Director and executives shall be liable for any financial damage caused to the Corporation due to gross negligence and non-compliance with laws and regulations.

**Art. 37**

The Director shall be personally liable for anything concerning the technical and administrative operation of the Corporation within the limits of his/her powers, both for his/her own actions and omissions and for those of other employees.

The Director's liability shall not exempt employees from any liability that they may personally incur for their actions and omissions, taking into account the powers and duties of each of them.

**Art. 38**

These Articles of Association shall enter into force on the fifth day following that of its legal publication.

**Done at Our Residence, on 2 December 1982/1682 since the Foundation of the Republic.**

THE CAPTAINS REGENT

Libero Barulli - Maurizio Gobbi

THE MINISTER OF

INTERNAL AFFAIRS

Alvaro Selva