**Unit 3: Business Incorporation**

« If you want to go fast, go alone, if you want to go far, go together », African proverb.



Incorporation is the legal process by which a company is founded. It is a set of rules to follow to set up a business. Among these rules, preparing two main ducuments :

* **The memorandum of association**
* **The articles of association** that we named in US English « articles ».

The memorandum of association is a legal statement signed by all initial shareholders agreeing to found the company. The articles of association states the following:

* The company’s name and location.
* The company’s aim. It can be a very broad purpose or a specific one.
* The share capital, number of shares and type.
* The process for appointing managers and the handling of financial reports.
* The rights and duties of both shareholders and directors.
* How to issue shares and how to pay dividends.
* How to audit financial reports.
* How to provide voting rights.
* Rules that organize shareholders meetings.

The name of the company is necessary followed by a suffix such as « ltd », « plc » or « Inc» in order to identify the company, to indicate that the name doesn’t relate to a public organization or an association.

**Comprehension:**

1. What is incorporation ?
2. What document can be considered as a user’s manual of the company?
3. Is there any other statement to be shown in the articles?

**Vocabulary:**

1. Find in the text synonyms of these words: selecting, operating, to show.
2. What is the meaning of memorandum?
3. Give the opposite of these words: necessary, public, to provide, legal, initial, agreeing.
4. Complete this definition with the appropriate word : a - by – on - in

A company is a legal entity formed ……………a group of individuals to engage in and operate……… business - commercial or industrial - enterprise. A company may be organized ………….various ways for tax and financial liability purposes depending …………..the corporate law of its jurisdiction.

**Grammar** :  ***The possessive nouns***

Possessive nouns are used to show ownership or belonging to. Ownership is the act of owning or having something.

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| **Cases** | **Examples** |
| If the noun is **singular**, we add **s** | The car of this man = This **man’s** car |
| If the noun is **singular but ends in s**, we add either **s** or just ‘, and it sounds **z.** | The book of Jess = **Jess's** book, **Jess’** book.  The company of the boss = the **boss's** company. |
| If the noun is **plural**, we just use ‘. | The room of the girls = **girls’** room. |
| If **two people own something**, we add **s** to the second person only. | The house of John and George = **John and George's** house. |
| If **two people own separate things**, we add **s** for each person. | The office of the director and the office of the assistant = **Director’s and assistant’s offices.** |
| If **a plural noun does not end in s**, we add **s.** | The work of these women = these **women's work.** |
| To refer to **shops, restaurants**….. | I'm going to the **Mcdonald’s.** |