



Articles of Association
Of the
Arab Air Carriers Organization
“AACO”

2011

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Article I: Preamble

The following Articles of Association govern the activities and work of the organization, known as the Arab Air Carriers Organization. AACO is a non-political, non-profit Arab organization established upon the recommendation of the Transport Committee of the League of Arab States, and the endorsement of the Arab Transport Ministers for the agreement to establish AACO under Resolution No. 4 in 1964, the Economic and Social Council Resolution No. 265 dated 8.12.1964, and the consent of the Arab League Council Resolution No. 2101 dated 21/3/1965.

The Charter of the "Arab Air Carriers Organization" was signed in Cairo on 25/8/1965.

Article II: Definitions

(The order of these definitions has been placed as they appear in the Arabic version of the Articles of Association)

The following definitions will be applied in these Articles, unless there is a text that states otherwise:

- 1- "Secretariat General": shall mean the permanent bureau of the Arab Air Carriers Organization, comprising full-time or part-time staff in accordance with the provisions of these Articles, who work at the permanent headquarters of AACO or at its branches.
- 2- "AACO": shall mean the Arab Air Carriers Organization, an Arab organization with independent legal entity.
- 3- "General Reserve": shall mean the funds accumulated by AACO and its branches due to operational or non-operational surpluses.
- 4- "Basic Membership Dues": shall mean the amount of money specified by the General Meeting that an AACO Member be required to pay as part of the membership dues to continue as a member in AACO.
- 5- "Operational Membership Dues": shall mean the amount of money an AACO member is required to pay as part of the membership dues. It is calculated based on International RPKs of active members, except for all cargo members, in accordance with a General Meeting resolution that sets the ceiling of this type of membership.

- 6- "Geographical Distribution": shall mean the three regions of the Arab world: the Arabian Peninsula (Kingdom of Saudi Arabia, United Arab Emirates, State of Kuwait, Kingdom of Bahrain, State of Qatar, Sultanate of Oman and Yemen), Levant (Republic of Lebanon, Syrian Arab Republic, Hashemite Kingdom of Jordan, State of Palestine, and the Republic of Iraq), and the Arab region in Africa (Republic of Sudan, Arab Republic of Egypt, Libyan Arab Jamahiriya, Republic of Tunisia, Democratic People's Republic of Algeria, Kingdom of Morocco, Islamic Republic of Mauritania, Republic of Somalia, Republic of Djibouti, and the Islamic Federal Republic of the Comoros).
- 7- "League": shall mean the League of Arab States.
- 8- "General Meeting": shall mean the highest authority in AACO. It comprises the Chief Executive Officers of members, and shall meet annually and as needed.
- 9- "Dues": shall mean any other fees, other than Membership Dues, approved by the General Meeting in accordance with the provisions of these Articles.
- 10- "Fiscal year": shall mean the financial year implemented in the country where the Headquarters is located, and in other countries where AACO branches are located.
- 11- "Industry Partners": shall mean companies or associations that join the Industry Partners Program.
- 12- "Hosting Airline": shall mean the airline member that hosts the AGM, in accordance with the Statutes, and upon a duly approved invitation.
- 13- "Committee": shall mean the Executive Committee formed in accordance with article XII of the provisions of these Articles of Association.
- 14- "International Revenue Passenger Kilometer" (RPK): denotes - International Revenue Passengers Kilometers.
- 15- "Joint Projects": shall mean the projects established under the umbrella of AACO, which two or more members voluntarily opt to join and that are funded by the members participating in that project whose establishment is endorsed by the committee.
- 16- "Forum or Forums": shall mean the conferences to which AACO members and partners are invited to raise awareness of industry issues, and to evaluate the

possibility of launching new joint project initiatives.

- 17- "Articles of Association": shall mean the statute adopted by the majority of Airlines and Arab air carriers at their meeting in Cairo on 25 August 1965, and as amended from time to time by the General Meetings.
- 18- "Financial and Accounting System": shall mean the articles, adopted by the AGM upon the recommendation of the Executive Committee, that govern the financial and accounting procedures in AACO.
- 19- "Employees' Statutes": shall mean the articles, adopted by the AGM upon the recommendation of the Executive Committee, that govern the administrative and regulatory procedures adopted in AACO.
- 20- "Statute": shall mean the Articles of Association, including rules, provisions and Articles.
- 21- "International Air Transport": denotes public transport between two or more States on aircraft to carry passengers, cargo, or mail jointly or separately in exchange for a fee or charge.
- 22- "Air Services": shall mean regular air transport using aircraft available to the public to carry passengers, cargo and mail.
- 23- "Partner Airlines": shall mean non-Arab airlines that join AACO Partnership Program.
- 24- "Arab Airline": shall mean a body, company, or legal entity that is running Air Services and is registered as an airline with any of the Arab Civil Aviation Authorities.
- 25- "Member": shall mean an Arab airline member in AACO that has acceded to AACO in accordance with the provisions of Article V of the Articles of Association.
- 26- "Taskforces": shall mean the frameworks assigned to specific tasks by the Executive Committee and formed by the members.
- 27- "Steering Board": shall mean the framework in which members are represented in any Joint Project to manage that specific project, in accordance with the internal bylaws agreed upon by the members of each project, and endorsed by the

Committee.

- 28- “AACO Institutions”: shall mean AACO as an independent institution in its headquarters in Beirut and the Regional Training Center in Amman and its branch in Cairo, in addition to any quarters for specific activities within AACO, or additional branches thereof that are approved by AGM upon the recommendation of the Committee.

Article III: AACO Headquarters

The Headquarters of the Arab Air Carriers Organization shall be in the city of Beirut - Lebanon where it is registered under Decree No. 14322 dated 30/4/1970 and was granted certain immunities and exemptions by virtue of decree No. 4020 dated 14/09/1993. The Headquarters may be changed, or AACO branches at cities of member airlines where services can be rendered to AACO member airlines - upon the proposal of the Executive Committee and the approval of two thirds of active members at a General Meeting of AACO.

Article IV: AACO Vision, Mission and Objectives

1- AACO’s Vision

To stand out globally as THE association that serves with dedication the Arab airlines and to be instrumental in dealing with an evolving aviation industry.

2- AACO’s Mission

To serve the Arab airlines, represent their common interests and be the catalyst for their cooperation.

3- AACO’s Objectives

- a. To support the Arab airlines' quest for highest safety and security standards.
- b. To support the Arab airlines' quest for developing their environmental policies for processes in harmony with the environment.
- c. To actively contribute in the development of human resources.

- d. To interact with the regulatory bodies to support and protect the interests of the Arab airlines.
- e. To launch and serve joint projects between member airlines with the objective of reducing their costs, increasing their revenues and embracing best practices.
- f. To provide forums for members and for industry partners to enhance the knowledge base and improve cooperation amongst them.
- g. To reflect the positive image of The Arab Airlines Globally.

Article V: Membership

1- Membership Categories

- a. Membership at AACO is open to Arab airlines within the following categories:
 - i. Active Member: Airlines operating scheduled international services.
 - ii. Associate Member: Airlines operating charter or non-scheduled operations and airlines operating pure domestic flights.
- b. A member is required to promptly notify the Secretariat General about changes in the nature of operations that entail changing the membership category. The member is required to submit an application requesting the change of its membership category in accordance to Article V- 1- a.

In case the member does not comply with this article, AACO may consider that the membership category of that particular member has changed as far as the adoption of the relevant AACO statutes.

2- Members Rights and Obligations

The right to vote is held exclusively by active members. All other rights and duties apply to all members, including the following commitments:

- a. Implementation of the statutes of the Articles of Association.

- b. Endeavour to achieve AACO's objectives, and abide by the resolutions of the General Meeting.
- c. Avoid all actions that might harm the legitimate interests of AACO members, in accordance with the applicable laws.

3- Membership Qualifications

Any Arab airline may join AACO, provided it meets the following conditions:

- a. To bear the nationality of one or more of the Arab states and be headquartered in one of these states.
- b. To operate, under a license issued by the National Civil Aviation Authorities, air services to carry passengers, mail or cargo.
- c. More than 50% of its capital to be Arab.
- d. Should be in operation for two consecutive years, except in the case where at least five active AACO members support the membership application endorsed by the Executive Committee.
- e. To have safety certificates of its operations recognized by the Civil Aviation Authority or other internationally recognized certificates such as the IOSA.

4- Membership Applications

- a. All membership requests, in a form approved by the Executive Committee, would be presented through the Secretariat General. The Executive Committee shall review the applications at the first Executive Committee meeting following the date of the submission of the application request. The Executive Committee reserves the right to endorse or to decline membership applications and to advise the General Meeting the reasons thereto.
- b. The General Meeting has the right to accept or deny the membership upon hearing the recommendation of the Executive Committee.

- c. Membership becomes effective when the airline settles its full dues for the relevant year of membership.
- d. The Secretariat General shall inform all members of the joining of any new member of AACO.
- e. Any airline whose application for membership was rejected by the Executive Committee can appeal this decision at the General Meeting that follows the Executive Committee decision, where the decision of the General Meeting becomes binding.

5- Membership Dues

- a. Membership dues are divided into two parts:
 - i. The first part is called the Basic Equal Membership Dues among members, with the exception of air cargo operators and associate members who shall pay half the value of the Basic Membership. The Basic Membership is determined by the General Meeting upon the recommendation of the Executive Committee.
 - ii. The second part would be called Operational Membership, comprising fees paid by all members except air cargo operators and associate members. Operational Membership will be calculated on the basis of International RPKs, provided that the aggregate membership dues of any member shall not exceed a ceiling be set by the General Meeting upon the recommendation of the Executive Committee.
 - iii. In the event that membership dues should exceed that ceiling, the excess will be re-distributed onto active members with the exception of air cargo operators. For this purpose, RPKs for the year preceding the year of the proposed budget will be applied. In the absence of data for that year for any of the members, the latest yearly data available would be used, and 5% would be added for every calendar year to reach the year that precedes the budget year.
 - iv. If the Secretariat General achieves a financial surplus in a particular fiscal year, 20% of the surplus would be transferred to the General Reserve. The remaining balance would be credited to the membership fees in proportion with the members' contributions for the fiscal year in question. That credit is deducted from the membership fees of the year that follows.

- b. Membership dues, or any other fees approved by the General Meeting should be paid within a period not exceeding the first three months of the fiscal year adopted by AACO.
- c. Any member that withdraws from AACO membership should pay the full dues for the fiscal year of withdrawal regardless of the date of withdrawal.
- d. The member, whose membership is terminated, should settle the membership dues until the effective date of termination.

6- Termination of Membership

An airline's membership in AACO is terminated in one of the following cases:

- a. Withdrawal: any member can withdraw from AACO by sending a written request to the Secretariat General, whereby the withdrawal will take effect after the first ordinary General Meeting that follows the withdrawal request date, without prejudice to the statutes of the Articles of Association until that time.
- b. Membership Termination: if a member has lost any of the qualifying conditions of membership as stated in Articles V-2 and V-3, or if the member fails to settle the annual dues for a full year, the Executive Committee would freeze the membership within 90 days of the loss of the membership conditions. The following General Meeting would be notified, and the decision would be supported by the observations of the Executive Committee and/or proposed terms for the termination or retention of membership. The member concerned would be notified by the decision of the membership freeze, and the proposal of the Executive Committee.
- c. A member whose membership was frozen by the Executive Committee may request a meeting with the Executive Committee within a short notice to present the member's position. In this case, the Executive Committee may suspend a freeze until it has heard the member, or until the Committee had reached a specific decision in terms of lifting or retaining the membership freeze, whereby the provisions of item b above are taken into account.

- d. The member whose membership was frozen remains subject to the provisions of these Articles and committed to them until the final decision of the General Meeting, without the benefit of rights and privileges stated in these Articles of Association, or in other AACO provisions and regulations.
- e. It is up to the General Meeting to terminate or retain the membership at its first meeting after the date of the decision to freeze the membership. The member in question has the right to attend this General Meeting. The termination of membership by the General Meeting becomes effective in the event of approval of two thirds of active members.
- f. A member whose membership was terminated may return to AACO membership under a new membership request, and following the settlement of all applicable dues.

Article VI: Partnership Programs

1- Definition of Partnership Programs

AACO may establish a partnership program that is divided into two parts:

- a. Partner Airlines, whereby non-Arab airlines may participate in some of AACO's work as "Partner Airlines" in the areas specified here below:
 - i. Requests for participation by the interested airlines are conveyed to the Secretary General who shall submit them to the first Executive Committee meeting. These applications shall be in accordance to a form that is approved by the Committee and shall include information about the interested airline, the objectives of its participation and value-added areas to AACO.
 - ii. The Executive Committee shall review applications for partnership for interested airlines and shall take the decision that it deems appropriate. If the decision of the Committee was positive in principle, the Secretary General will circulate the request of the airline concerned to the active members not serving on the Committee requesting their consent. If any member advises the Secretary General, within fifteen days from the date of circulation, that it objects this request, this member(s) will be invited to the next Committee Meeting to show cause and hence for the Committee to take a final decision. If there was no objection then the Secretary General shall advise the members and the airline concerned that its entry into the partnership program has entered in force.

- iii. Partner Airlines are invited to participate in the AGM and to open forums that are not restricted to members, whereby they can participate in these meetings without the right to vote.
 - iv. Any partner airline may accede to joint projects upon the approval of the Committee. The provisions and work rules that are set forth in the Articles of Association of that project shall apply to the partner airline as they do to any of these other project members.
- b. Industry Partners are any other party that does not meet the AACO membership requirements or the Partner Airline requirements, such as manufacturers, service and system providers and others, Arab and non-Arab; application for participation by the interested party are submitted to the Secretary General, and shall become effective upon the approval of the Executive Committee.

2- Participation Fee

- a. The annual fee for Partner Airlines is set at 50% of the basic membership fee at AACO, in addition to their share of the costs of any other activities in which they take part in accordance with Article VI, 1-a-iv above.
- b. Industry Partners would pay to AACO annual fees or in-kind services, in form to be determined in accordance with the needs of the Secretariat, after presentation to and the approval of the Executive Committee, and is divided into three sections:
 - i. Grants to support the training fund, which is exclusively allocated for the benefit of AACO members and the Secretariat General.
 - ii. Support the Secretariat General's publications in accordance with AACO's needs.
 - iii. Industry partners may cover part of some AACO functions such as the AGM and others provided that this coverage is directly conducted between the member concerned and the industry partners, and provided that it does not affect the commitment of industry regarding the above conditions in this article.
- c. Membership fees and other fees that have been adopted by the AGM should be settled no later than three months of AACO's financial year.
- d. Any company that withdraws from the partnership program should settle the full fees for the financial year in question regardless of the date of withdrawal.
- e. If a partnership of any partner airline or industry partner is terminated, all fees that are owed by the company concerned must be settled for the financial year at which the partnership was ended.

3- Ending the Partnership

- a. Withdrawal: any company that has participated in the Partnership Program may withdraw from that program by sending a written notification to the Secretary General that the withdrawal will take effect at the end of the financial year during which the submission of the withdrawal demand was made.
- b. Upon a decision by the Executive Committee to end the partnership in case the partnership has become of no value to AACO or to the company concerned. In this case, the same procedure takes place as stated in Article V - 6 - c.
- c. Termination of the participation in any project upon the recommendation of the majority of the members of the project and the approval of the Committee.
- d. Non-payment of membership fees specified in these statutes.

Article VII: Authorities

- a. The General Meeting is the highest authority in AACO. It comprises the Chief Executive officers of member airlines or their representatives.
- b. The Executive Committee which exercises all the powers entrusted in it in accordance with these Articles of Association. The Committee shall be accountable to the General Meeting for the work it has been entrusted with.

Article VIII: Annual General Meetings

- 1- The Annual General Meeting is held at the time and place set by the previous General Meeting. In case this is not possible, the Executive Committee shall invite the General Meeting to convene at the headquarters of AACO or in any other agreed location.
- 2- Any member can submit working papers to the General Meeting 45 days prior to the date of the General Meeting through AACO Secretariat General. The Secretariat General would circulate the Meeting's agenda 30 days before it convenes. Any active member may propose additional items on the agenda at the beginning of the Annual General Meeting if it is approved by the majority of members present.

- 3- The Chief Executive Officer of the member airline hosting the Annual General Meeting shall preside over the Meeting's sessions, or alternatively one of the Chief Executive Officers from the country that is hosting the General Meeting in that particular year. In case of his absence, the Chairman of the Executive Committee shall preside over the work of the Annual General Meeting, and in case of his absence, the Secretary General.

Article IX: Functions of the General Meeting

AACO's Annual General Meeting will have full authority to look into all issues under the provisions of these Articles of Association, or beyond them. To do so, the terms of reference of the General Meeting are as follows:

- 1- Approval of the agenda, resolutions, and previous AGM minutes.
- 2- Confirmation, upon the recommendation of the Executive Committee, of members' invitations to hold General Meetings, for the coming year and for the year that follows.
- 3- To receive nominations to the Executive Committee membership and the election of its members, in accordance with Article 11 - 1 of the Articles of Association.
- 4- To appoint the Secretary General based upon the Executive Committee's recommendation.
- 5- To set the general policy of AACO, and to give necessary directives and define the functions and duties of the Executive Committee and the Secretariat General and all AACO bodies.
- 6- To receive, discuss, and adopt the report of the Secretary General.
- 7- To receive the Executive Committee's report and take appropriate decisions.
- 8- Ratification of membership fees for the following year.
- 9- To receive the financial auditors' report and approve the end of year statement of accounts.
- 10- To approve AACO budget, and of related bodies for the following year.
- 11- To appoint auditors for the current fiscal year and to determine their fees.

12- To revise AACO's Articles of Association, and to amend them, in accordance of the provisions of these Articles.

13- Ratification of the employees, financial, and accounting bylaws for AACO bodies.

Article X: Extra-Ordinary General Meeting

The Annual General Meeting can hold extra-ordinary sessions upon the request of three active members to the Secretary General, or upon a decision of the Executive Committee, provided that the call for these meetings to be circulated 30 days in advance. If necessary, the Executive Committee can shorten that period.

Article XI: Quorum and Voting at the General Meeting

The quorum is achieved upon the presence of more than half of the active members. Every member has one vote, whereby decisions are taken by a majority vote of the active members who are present, unless the Articles of Association state otherwise.

Article XII: Executive Committee

1- Formation of the Executive Committee

- a. The Executive Committee consists of eight elected members by the General Meeting serving as Chief Executive Officers from active members, or the equivalent of these designations among AACO members. The term of office of those members shall be for a three - year renewable term. Moreover, the Chairman of the AGM for the term of that Annual General Meeting, and the Chairman of the next AGM shall join the committee as non-elected members.
- b. The eight seats of the Committee that are subject to election shall be distributed between the three main regions in the Arab world as follows: three seats for the Arabian Peninsula, two for the Arabian Levant and three seats for the Arab region in Africa-
- c. Members of the Executive Committee do not represent their respective airlines in the committee, but rather the whole of the Arab Air Transport Industry.
- d. The Executive Committee is presided over and managed by one of its members who is elected by the majority votes of the members at a meeting held by the Committee during the General Meeting in which it was elected. The tenure of the Chairman of the Executive Committee is for a term of three years, non

renewable in a consecutive manner. In case the Chairman of the Committee is absent from any of its meetings, the Committee shall elect from amongst its members a Chairman to run the agenda of the meeting concerned. In case the status of the Chairman changes within his own company in a manner which prevents him from continuing his role as Chairman of the Committee, the Committee shall elect a Chairman to continue the tenure of the previous Chairman.

- e. The Committee must meet prior to the General Meeting at the venue of the AGM, in addition to holding at least two ordinary meetings every year at AACO headquarters, unless the Committee agrees otherwise. The Committee could also hold special meetings upon the invitation of its Chairman, upon request by at least two members, or upon request of the Secretary General after securing the approval of the Chairman of the Executive Committee.
- f. Meetings of the Committee shall be held upon the presence of the majority of its members; Members are not entitled to mandate proxy to represent them in the meetings of the Committee.
- g. Decisions are taken based on the majority vote of present members; in case of vote tie, the Chairperson of the Executive Committee shall have the deciding vote. Urgent decisions can be made by mail vote circulated by the Secretary General following the approval of the Chairman of the Executive Committee.
- h. In case a seat is vacated at the Executive Committee, the Committee shall elect a CEO of the member carriers to act as a substitute member at the Executive Committee for an ad interim period that ends with the first General Meeting after that date. The General Meeting shall elect a member for the vacancy to complete the mandate of the member who had vacated the seat.
- i. Each member of the Executive Committee is entitled to one assistant as an observer who would not participate in the discussion, and shall attend only with the CEO and shall not act as the CEO's representative.
- j. The Secretariat General shall circulate the Agenda of the Executive Committee 30 days prior to its meeting date. Any member of the Executive Committee may add items to the Agenda within 15 days of that circulation; members may at the beginning of the meeting and upon the approval of the majority of the attending members add other items that are proposed by any of the members.
- k. The Secretariat General is responsible for the administrative work of the Executive Committee.

2- Terms of reference of the Executive Committee

The Committee shall:

- a. Supervise the work of AACO and guide its work in the framework of the tasks identified in these Articles and the policy adopted by the General Meeting.
- b. Supervise the performance of the Secretariat General and the AACO institutions.
- c. Recommend the appointment of the Secretary General to the General Meeting. The Committee also determines his conditions of service.
- d. Receive invitations to host the General Meetings, and present the recommendation to the General Meeting, and to review and approve their agenda.
- e. Review reports of the Secretary General on industry issues, discuss and give guidance on, and endorses the auditors' report and the statement of accounts of AACO and its institutions and the draft budget of AACO and its institutions.
- f. Form the frameworks of AACO, and ratify their internal bylaws, and the formation of steering boards and taskforces, the definition of their terms of reference, and to endorse the launch of joint projects.
- g. Form subcommittees of the Executive Committee when necessary and develop their working conditions.
- h. Set the annual membership fees and their details, and to recommend to the General Meeting.
- i. Assess the AACO membership requests, and take the necessary decisions about it within the statutes of these Articles.
- j. Assess AACO Partnership requests by airlines, and take the necessary decisions about it within the statutes of these Articles.
- k. Decide on the Industry Partnership Program applications.
- l. Take the necessary action with regard to freezing the membership.
- m. Adopt the financial and accounting system and employees' statutes of AACO and its institutions, and recommend them to the General Meeting.
- n. Adopt the organizational structure of the Secretariat General and AACO institutions, to determine the hierarchy of ranks and salary scales within the approved budget and policy framework for AACO.

- o. Determine the banks that AACO and its institutions may open accounts in.
- p. Coordinate between members of the Executive Committee who are represented in other international or regional organizations to safeguard the interests of Arab Airlines.

3- Expiration of the Term of a Member of the Executive Committee

If the airline, whose Chief Executive Officer is a member of the Executive Committee, ceases to be a member of AACO, the Executive Committee membership is automatically suspended, and a substitute is elected. If a member of the Executive Committee fails to attend three consecutive meetings, his/her membership ends and a substitute is elected, unless the member is able to provide explanation for not attending based on health conditions, or force majeure circumstances, provided that the Executive Committee accepts these reasons.

Article XIII: Secretariat General

1- Formation

- a. Full Time Secretary General.
- b. A number of staff depending on the organizational structure approved by the Executive Committee.

2- Secretary General

- a. The Secretary General is the Chief Executive Officer of the Secretariat General, AACO and its institutions, and will exercise those powers under the supervision of the General Meeting and the Executive Committee. The role of the Secretary General is to manage the activities and functions of AACO, in addition to any work and other tasks directed by the Executive Committee or the General Meeting. The Secretary General reports on the work of AACO and his insight about the issues that fall under AACO's scope of work, to the Executive Committee and the General Meeting.
- b. The term of the Secretary General is 4 years, subject to renewal. In case of vacancy at that position during the period of service, the Executive Committee would assign one of its members to serve as Acting Secretary General on part-

time basis until the appointment of a new Secretary General in accordance with the provisions of these Articles during the first AGM that follows the vacancy.

3- Terms of reference of the Secretary General

The Secretary General runs the functions of AACO and its institutions. He represents AACO before all authorities, bodies and others, at headquarters and abroad and he is empowered to sign on behalf of AACO. For this purpose, the Secretary General's role is as follows:

Administratively:

- a. To recruit, promote, assign, dismiss employees and to determine their salaries and compensations within the administrative structure and in accordance with the employees bylaws and the financial and accounting statute adopted by the General Meeting upon the recommendations of the Executive Committee and within the limits of the approved budget.
- b. Promotion to a Director in AACO and its institutions, or above that level if applicable, is subject to the approval of the Executive Committee based upon the proposal of the Secretary General.

Financially:

- a. The Secretary General is entitled to open bank accounts for AACO and its institutions at banks and financial institutions that are determined by the Executive Committee after obtaining the prior approval of the Executive Committee when dealing with the bank or financial institution in question for the first time, and to deposit AACO's funds in these banks or institutions.
- b. The Secretary General is entitled to sign all the financial instruments in conjunction with the accountant or one of the managers in the Secretariat General.
- c. To vend and procure equipment for the Secretariat General and its institutions within the limits of the financial charts established by the accounting bylaws and within the framework of the approved budget.
- d. To sign all contracts and agreements in accordance with AACO rules and regulations.
- e. To prepare AACO budget for the following year, and to present it to the Executive Committee.

- f. To exercise the right of spending on the basis of the previous budget in case of a late adoption of the new budget, in accordance with the twelve months budget rule, following the consent of the Executive Committee.

Other Issues:

- g. To provide AACO members with information and suggestions.
- h. To seek suggestions from members 3 months prior to the AGM to prepare a draft agenda for the Annual General Meeting, to coordinate the proposals and circulate them to AACO members at least one month prior to the General Meeting.
- i. To receive complaints from members, to work on resolving differences with the appropriate means, summarize to the Executive Committee these issues and take its directives.
- j. To send invitations for the regular and extra-ordinary Annual General Meetings, the Executive Committee Meetings, and to circulate the agenda, minutes and resolutions after their adoption in accordance with the provisions of these Articles, and to follow up their implementation.
- k. To address the General Meeting and the Executive Committee with reports on the state of the Industry, with suggestions on the development of AACO's functions and its organization.

Article XIV: Voting

- 1- Voting is an exclusive right of active AACO members in good standing according to the Articles of Association.
- 2- The decisions made by the various institutions of AACO require the approval of the majority of the active members present, except in cases where these Articles state otherwise. Every active member in AACO has one vote regardless of the number of its representatives. The right to vote cannot be given in proxy from one member to another.
- 3- Voting is made over a proposal and a secondment. The Chairperson of the meeting in question shall request a show of hands to indicate approval, opposition or abstention of the proposal in question. Any active member may request a repeat of the show of hands to clarify the position of those who have voted. The majority of

members present may request a vote by secret ballot, whereby the Chairperson of the meeting would determine how this vote would be taken.

- 4- Active members whose membership is frozen, members who have not settled the payments and dues, or whose applications are still under evaluation may not take part in the voting.

Article XV: Audio-Visual Meetings

One-half of the members who are entitled to attend a meeting may request the meeting to be conducted over the telephone or videophone in a manner that allows all participants to hear or see each other. This provision does not apply to the General Meeting.

Article XVI: Signature of the Resolutions

The signature of the resolutions of the General Meeting by the Chairman of the AGM shall mean that those resolutions have entered into force, depending on the content and the mechanism of each resolution. The signature of the Chairperson of the Executive Committee or the Chairperson of a meeting implies that those decisions entered into force, in accordance with the provisions of these Articles.

Article XVII: Remuneration

Members of the Executive Committee or Steering Boards or Taskforces or Forums of AACO comprising executives from amongst its members are not entitled to receive any financial remuneration from AACO in exchange for participation in AACO's work.

Article XVIII: Notifications

All notices issued by AACO or any of its members under the provisions of these Articles of Association are considered to have been delivered to the person concerned one working day following the date of its electronic transmission, or following the date of receiving postal delivery notice in case it was sent by registered mail or courier.

Article XIX: Languages

The official language of AACO is Arabic. Discussions or specific reports can be issued in English when necessary. This shall not preclude AACO from issuing bulletins or special reports in English. It also shall not prevent conducting training courses in English and French when required.

Article XX: Amendments and Interpretation of the Statutes

These Articles can be modified upon the submission of the proposal of amendment by 3 active AACO members to the Executive Committee through the Secretary General. The Executive Committee would approve the proposal; then the Committee would present the said proposal to the General Meeting. The amendment shall become effective after two-thirds of active members approve the amendment in the General Meeting.

In case a certain situation arises that is not included in these Articles, or where the provisions are unclear, the Executive Committee has the jurisdiction to prepare a draft proposal for this case, or an interpretation of that situation. The Executive Committee shall present this to the first General Meeting for discussion and voting, in accordance with the stipulations of the paragraph above.

Article XXI: Dissolution of AACO

AACO has no specific timeframe, and can be dissolved only by the General Meeting in the presence and written authorization of two thirds of the active members. The exact date of dissolution must be determined. AACO's tangible and intangible assets, in case of the decision of dissolution is taken by the members, shall be transferred in accordance with an equation that would be decided by the Executive Committee, and that shall take into consideration the term of the membership and the level of contribution in AACO.

Article XXII: Acceptance of the Articles of Association

These statutes are deemed acceptable and valid by all members as soon as they are approved by the General Meeting and signed by AACO Chairman. Any new member that joins AACO after the adoption of these Articles is considered to have explicitly accepted the provisions of these Articles as soon as it has become a member of the AACO.