

## C H A R T E R

of the

**Confederation of the Czech Aviation Industry**

## Basic Provisions

## § 1

## Name

(1) Confederation incorporated under the Act No. 40/1964 Coll. as amended, is called **Confederation of the Czech Aviation Industry** (hereinafter referred to as Confederation), with the abbreviation CCAI. In the Czech language, **Svaz českého leteckého průmyslu**, abbreviation SČLP.

(2) The Confederation is founded for an indefinite period of time.

## § 2

## Domicile

(1) The Confederation domicile is at the address U Letiště 374, 250 70 Odolena Voda.

## § 3

## Activities and Objectives of the Confederation

(1) Represent, stand for, and promote the Confederation and its members, develop cooperation between members, and cooperation aimed at acquiring and supporting new projects with industrial application, support and promote training for the aerospace industry, impact the alignment of business conditions, and enhance the competitiveness of the Czech aerospace industry.

(2) The Confederation especially:

- a) Independently promotes the interests of its members in the aerospace industry;
- b) Cooperates with similar organizations abroad and contributes to create conditions for direct cooperation;
- c) Supports research and development in the aerospace industry;
- d) Provides members according to its capabilities with consulting services and information, coordinates the interests and helps in solving their problems;
- e) Collaborates with other business and government organizations in order to further develop the aviation industry.

## § 4

## Membership in the Confederation

(1) Membership in the Confederation is of a regular and associate type.

(2) Regular new membership in the Confederation is opened to any legal entity, which has their registered address at the territory of the Czech Republic, which adopted the objectives

of the Confederation and will actively promote them, and which obtains an approval of the Board of the Confederation that decides with respect to protect the interests of the Confederation and its members. The application shall be in writing, it shall contain the necessary data on the requesting entity, and it shall be delivered to the attention of the President of the Confederation.

(3) The regular membership originates by the first payment of the membership fee.

(4) Associate membership in the Confederation is opened to universities, secondary schools, research institutes, or other individuals or legal entities / subjects. Admission as an associate member of the Confederation is only possible after approval of the application by the Board of the Confederation.

## § 5

### Termination of Membership

(1) Regular membership terminates by:

- Cancellation of regular membership by leaving;
- Extinction of the legal entity being a member of the Confederation;
- Expulsion.

(2) Associate membership terminates by:

- Cancellation of the associate membership by leaving;
- Expulsion.

(3) A regular and associate member may be expelled in the following cases:

- a) Serious breach of the Charter of the Confederation;
- b) Member's behavior, which is in serious conflict with the Activities and Objectives of the Confederation;
- c) Failure to pay membership fee despite reception of a written request of the Board providing additional time for the payment.

(4) Decision on expulsion of a regular member and of an associate member shall be taken by the General Meeting.

(5) A request for termination of membership in the Confederation shall be submitted by the member in writing to the Board. Membership will then be terminated by the date of examination of this request by the Board. The member of the Confederation whose membership has been terminated is not entitled to the property settlement, except of returning the property the member input to the Confederation above the frame of the members' contributions.

## § 6

### Rights and Obligations of Members

(1) Regular member has the following rights:

- a) The right to active protection of their professional interests, provided they comply with the interests of the Confederation and are consistent with applicable regulations.
- b) The right to have all the information resulting from and obtained during the activities of the Confederation.
- c) The right to elect and the right to be elected to the Confederation bodies.
- d) Every member is entitled to such number of votes which is equal to the re-calculated number of the skeleton employees rounded up to hundreds and divided by 100.
- e) Presence in negotiations of the Board and the General Meeting.

- f) Presence in negotiations with the state administration.
- (2) Regular member is obliged to:
- a) Pay membership fees in the specified amount within one (1) calendar month from the beginning of the calendar year.
  - b) Pay membership fees after it have received certified copies of the application within one (1) calendar month from the date of the application filed.
  - c) Protect the interests of the Confederation with professional expertise, their behavior and conduct.
  - d) Comply with the Charter.
  - e) According to its capabilities, actively support the objectives of the Confederation.
  - f) Actively cooperate in the performance of the activities in the working bodies of the Confederation.
- (3) Associate member has the following rights:
- a) Attend the General Meeting of the Confederation with an advisory vote.
  - b) Submit proposals for improving the activities of the Confederation.
- (4) An associate member shall comply with the Charter and support the objectives of the Confederation.

## § 7 Confederation Bodies

The Bodies of the Confederation are the following:

General Assembly, Board, President, Supervisory Board.

## § 8 General Assembly

- (1) The General Assembly of Members is the supreme body of the Confederation with the following powers:
- a) Approve the Charter and amendments thereof;
  - b) Approve management principles and set management rules;
  - c) Elect and recall members of the Supervisory Board;
  - d) Decide on termination of the Confederation;
  - e) Approve the Annual Report of the Board on the activities of the Confederation and the basic materials of the Confederation;
  - f) Approve the financial statements for the past year and the budget for the respective calendar year;
  - g) Approve the amount of the membership fee for the respective calendar year;
  - h) Decide on the remuneration of the members of the Board and of the Supervisory Board;
  - ch) Take decision on issues that were submitted on the agenda of the General Assembly meeting of the Confederation based on the proposal of the Board, Supervisory Board, or the members of the Confederation;

- i) Take decision on expulsion of a regular member and of an associate member;
- j) Other issues that they have reserved to take decision about.

(2) Regular General Assembly meeting shall be held once (1) per calendar year.

(3) The regular General Assembly meeting shall be convened by the Board. The regular General Assembly meeting shall be convened in writing; the relevant invitation with the agenda shall be sent 30 days before the date of the meeting, at the latest, to all members of the Confederation.

(4) Proposals to amend the agenda shall be submitted to the Board no later than 14 days before the regular General Assembly meeting. Amendments or additions to the agenda based on a member's suggestion at the beginning of the General Assembly meeting is possible if approved by the two thirds (2/3) majority of the present votes.

(5) An extraordinary General Assembly meeting shall be convened by the Board based on its own initiative, the initiative of the Supervisory Board, or upon written request of at least one third (1/3) of regular members of the Confederation. The Supervisory Board has the right to convene an extraordinary General Assembly meeting alone, if the Board does not comply with its initiative.

(6) Extraordinary General Assembly meeting shall be held no later than 6 weeks after receipt of the request to convene it.

(7) Unless otherwise specified in the Charter, the General Assembly meeting quorum to pass a resolution is when there are regular members present representing at least 50 % of the votes. If this requirement is not fulfilled, a substitute General Assembly meeting shall be convened within 30 days. This substitute General Assembly meeting shall constitute a quorum to pass a resolution even if the requirement specified in the first sentence of this provision is not met. Mutual representation of members is possible only based on a written power of attorney.

(8) Amendments to the Charter may be adopted by the General Meeting assembly if it has a quorum of 2/3 majority of regular members of the Confederation. The decision to dissolve the Confederation needs the approval of at least 2/3 of regular members of the Confederation.

(9) The General Assembly meeting shall be presided over by the President of the Confederation, or possibly by a Vice-President or by another member of the Board.

(10) For preparation of a resolution, the General Assembly meeting shall elect a selection committee; for making the minutes of the General Assembly meeting, the GA shall elect a minutes clerk and a verifier of the minutes ; for election of members of the Board and of the Supervisory Board, the GA shall elect a three-member Election Committee.

(11) The General Assembly meeting shall be recorded, the Minutes shall be signed by the President, by the minutes clerk and by the verifier of the minutes. The Minutes shall be received by all members of the Confederation. The Minutes may be provided for information also by delivery through mail, e-mail or fax.

## § 9

### Confederation Board

(1) The Board is the supreme governing body. It is accountable for their activities to the General Assembly. The Board has 5 members. Each member of the Confederation may have maximum one representative in the Board, nominated by the statutory body of the member of the Confederation.

(2) The members of the Board shall elect from among them and recall the President, Vice-president of the Board, and they shall elect and recall the Executive Director of the Confederation.

(3) The Board shall elect from among them a Treasurer. The Treasurer is responsible for managing all economic affairs of the Confederation.

(4) The Board is authorized, if it is appropriate, to set up specialized departments and units cooperating with the state administration bodies.

(5) The statutory representative of the Confederation is the President. The President is accountable for his activities to the Board and to the General Assembly. If not present, the President is represented by the Vice-President of the Confederation to the extent set by the President.

(6) The Board is authorized to co-opt new members in case of vacancy among the members of the Board between holding of General Assembly meetings, however, the maximum number of two.

(7) A member of the Board may be a representative of a legal entity, equipped with the necessary powers of attorney; however, it must be a full member of the Confederation.

(8) In case of objective impossibility of participation of an elected member at a meeting of the governing body, this elected member may be represented by a person designated by the elected person based on authorization.

(9) The Board may establish a secretariat to perform administrative tasks.

(10) Board Meetings are open to all members of the Confederation and to guests.

(11) The Board shall inform its members sufficiently in advance about the date of their meeting.

(12) Board meetings are held from time to time as occasion may require but at least once per quarter. The meeting is convened and presided over by the President, Vice-President, or by an authorized member of the Board.

(13) The Board has a quorum to take decisions if there are more than half of the members of the Board present. Other invited persons may participate in the Board meeting with the advisory vote. Resolutions are adopted in the Board by simple majority of votes of present members, while each member of the Board has 1 vote. In the event of a tie vote, the decision shall be taken by the President; if the President is not present, then by the Vice-President.

(14) The meetings of the Board shall be recorded in the Minutes, which shall be agreed by the Chairman and the minutes clerk. The Minutes shall be delivered to all members of the Confederation by mail, e-mail, or fax.

(15) The Board may authorize in writing a third person to represent the Confederation in individual and justified matters.

(16) The Board shall submit to the General Assembly, after having consulted it in the Supervisory Board, the financial statements for the past year, the draft budget for the respective calendar year and the proposed amount of the membership fees.

§ 10  
Supervisory Board

- (1) The Supervisory Board is elected by the General Assembly.
- (2) The Supervisory Board has three members. It is entitled to co-opt one new member in case of vacancy of a board member between the meetings of the General Assembly.
- (3) The Supervisory Board is authorized to check all activities of the Confederation and to discuss the complaints of its members.
- (4) The Supervisory Board shall, in particular, take care of adherence to the Articles of the Confederation and check its economy.
- (5) The Supervisory Board is accountable to the General Assembly.
- (6) The Supervisory Board shall provide statement to the annual financial statements.
- (7) The Supervisory Board shall notify to the Board the deficiencies found.
- (8) The Supervisory Board shall meet as necessary, however, at least once every 6 months.
- (9) The Supervisory Board shall elect from among its members a Chairman of the Supervisory Board who shall convene and conduct its meetings.
- (10) The Supervisory Board shall submit to the General Assembly a report on their activities.
- (11) Members of the Supervisory Board have the right to attend the Board meetings with an advisory vote.
- (12) The Supervisory Board shall provide statement to the annual financial statements draft and to the budget draft.

§ 11  
President of the Confederation

- (1) Represents the Association in relation to third parties;
- (2) Submits to the Board a draft of the main directions of the activities of the Confederation
- (3) Concludes contracts with third parties based on the recommendation of the Board
- (4) Presides over the General Assembly meetings
- (5) Checks fulfillment of the resolutions adopted by the Board
- (6) Performs other duties assigned by the Board and by the General Assembly

§ 12  
Function Term

- (1) Function term of the elected bodies of the Confederation shall be three years or until the election of new bodies by the General Assembly.
- (2) Re-election of members of the Confederation bodies is possible.

### § 13

#### Executive Director of the Confederation

(1) During the period between the meetings of the Board, the activities of the Confederation shall be coordinated by the Executive Director.

(2) The Executive Director shall be the accountable to the Board of the Confederation.

(3) The Executive Director shall:

Perform tasks assigned by the Board and by the President;

Receive suggestion of the members;

Ensure members are well informed;

Enforce performance of strategy of the Confederation and implement the appropriate steps;

As a representative of the Confederation, support important activities of the members;

Represent the interests of the Confederation.

(4) The Executive Director is entitled to:

Require cooperation of the members of the Confederation;

Request relevant information to ensure fulfillment of his tasks.

### § 14

#### Specialized Departments

(1) To ensure its activities and to perform individual tasks, the President of the Confederation may establish specialized bodies. Organizational structure, scope of work and other conditions of activities thereof shall be approved by the Board.

(2) For work in specialized departments, it is possible to nominate staff members of the individual members of the Confederation, in justified cases also experts from outside the Confederation.

(3) Specialized departments are accountable for their activities to the Board.

### § 15

#### Management and Property of the Confederation

(1) The Confederation manages independently its resources; these consist mainly of:

- Contributions from members;
- Income from economic activities;
- Income from own professional activity;
- Subsidies.

(2) Management of the Confederation shall be governed by generally applicable regulations.

(3) The Confederation by its Board of Directors or possibly by other authorized persons or bodies shall always act so that the Confederation's economy is balanced and so that to avoid any obligations resulting from its activity, which were not previously approved by the General Assembly.

(4) The Board shall submit to the General Assembly a draft budget for the current year.

(5) The assets of the Confederation consist of tangible and intangible assets.

(6) Board of the Confederation is responsible for managing the assets, and the Executive Director shall submit a report on management of this property to the Board as necessary and at General Assembly meetings.

(7) The Confederation is liable for its obligations to the amount of its assets. The Confederation is not liable for the obligations of the members. The members are not liable for the obligations of the Confederation and their contribution to the potential economic loss is limited to the liquidation balance of membership contributions.

(8) Active surplus according to the annual financial statements will be used at the discretion of the Board for the development of Confederation activities, for strengthening the Confederation's reserves or for another suitable agreed purpose.

#### § 16 Membership Fee

(1) The membership fee for regular members is set by the Contribution Rules; associate members are exempt from membership fees. Contribution Rules form an integral part of this Charter and they are edited and approved for each calendar year.

(2) The membership fee for the year, in which a regular member became a member, shall be paid in full amount.

(3) When the membership terminates, the paid contribution is not returned.

#### § 17 Dissolution of the Confederation

(1) The Confederation shall terminate:

- a) By voluntary dissolution or merger with another legal entity;
- b) By an enforceable decision of local authorities on its dissolution.

(2) Decision on a voluntary dissolution of the Confederation shall be taken by the General Assembly by at least 2/3 majority of regular members. The General Assembly shall also appoint a Liquidator who shall perform liquidation of the Confederation and property settlement in accordance with applicable legal regulations of the CR.

(3) The Board shall notify the termination of the association within 15 days to the competent regional office. The date, on which the liquidation of the association is reported to the competent local authorities, its bodies cease to exist. The Liquidator shall notify the entry of the Confederation into liquidation immediately to all members of the association and to all organizations, authorities and other entities that are affected by the liquidation of the Confederation. The Liquidator shall prepare the financial statement and accounting records to the date of entry of the Confederation into liquidation and shall submit them to the competent authorities.



(4) Within 30 days of appointment, the Liquidator shall establish an opening balance sheet and shall forward it to the members of the Confederation, together with the liquidation plan, liquidation budget, and inventory record of the extraordinary inventory-taking of the economic resources, performed to the date of commencement of liquidation.

(5) The Liquidator shall, in particular:

Concentrate financial means in one account at one financial institution;

Complete the current matters;

Settle payments to the state budget, taxes and fees;

Settle the obligations and receivables;

Convert into money the assets of the Confederation in the most economical and expeditious manner, or otherwise dispose of it in accordance with the decision of the General Assembly, which decided on the liquidation;

Submit to the members of the Confederation quarterly reports and an annual report on the liquidation process, supported by quarterly and annual financial statements.

(6) The Liquidator shall prepare financial statements to the date of the end of the liquidation process and shall submit it to members of the Confederation, together with a final report on the entire course of the liquidation. After examination and approval of the financial statement, the Liquidator shall dispose of the final liquidation balance as decided by the members of the association, and shall take care of safe storage of documentation material and accounting documents.

## § 18

### Transitional and Final Provisions

(1) Persons authorized on behalf of the Confederation are the President, Vice-President, and the Executive Director.

(2) The body authorized to resolve disputes arising in relation to a membership relation to the Confederation and to provide comments to the Charter is the Board of the Confederation. If a member of the Confederation considers a decision of any of its bodies, against which there is no appeal possible under the Charter, to be illegal or contrary to the Charter, they may – within 30 days from the date on which they learned about it, however within 6 months from the decision at the latest – ask the court to determine whether such decision is in accordance with the law and the Charter.

(3) The Confederation acquires legal capacity by registration in the Registry of Associations maintained at the competent body according to the registered address of the Confederation.

(4) The Confederation and its members use the logo of the Confederation, which is approved by the Board of the Confederation.

(5) The function term of the first members of the Board and of the Supervisory Board is 6 (six) months.

(5) Each member of the Confederation, regular and associate is entitled to use in general commercial relations the identification of **Confederation of the Czech Aviation Industry**, abbreviation CCAI. In the Czech language, **Svaz českého leteckého průmyslu**, abbreviation SČLP.



§ 19

These Articles were approved by the constitutive meeting of the Confederation on 2011-June-9.

Name and surname

President of the Confederation



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## CONTRIBUTION RULES

### **of the Confederation of the Czech Aviation Industry for the calendar year 2011**

The amount of the membership fee for regular members for the above-mentioned calendar year shall be calculated the following way:

An annual contribution fee is set to the amount of CZK 20,000 for one regular vote. The contribution fee shall be multiplied by the number of votes for each regular member and the resulting amount rounded up to the whole hundreds shall be the regular membership fee for the above-specified calendar year.

The calculation of the regular votes is determined from the numbers of employees to the date of December-31 of the previous calendar year for the current members, and to the date of the application for new regular member.

This contribution shall be paid at the latest to the date specified in the Charter of the Confederation. The contribution shall be paid to the bank account of the Confederation.

Approved by the Board of the Confederation on the date of June 9, 2011.

Signature of the President of the Confederation