

## CHAPTER 323

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## CHAPTER 323

### THE UGANDA AIRLINES ACT.

*Commencement:* 17 May, 1976.

**An Act to establish the Uganda Airlines, to provide for its constitution and management and for other matters incidental thereto or connected therewith.**

*Interpretation.*

#### **1. Interpretation.**

In this Act, unless the context otherwise requires—

- (a) “air transport services” means the services specified in section 3(1);
- (b) “board” means the governing body constituted under section 5(1);
- (c) “chairperson” means the chairperson of the board;
- (d) “corporation” means the Uganda Airlines established under section 2(1);
- (e) “director” means a director of the board and includes the chairperson;
- (f) “financial year” means the period of twelve months ending on the 31st day of December or such other period of twelve months as the Minister may, by writing under his or her hand, authorise the corporation to adopt as its financial year;
- (g) “general manager” means the general manager of the board;
- (h) “secretary” means the secretary of the board.

*Establishment and seal of the corporation.*

#### **2. Establishment and seal of the corporation.**

(1) There is established a corporation to be known as the Uganda Airlines.

(2) The corporation shall be a body corporate with perpetual succession and a common seal and may sue or be sued in its corporate name and, subject to this Act, may do or suffer all such other things as bodies

corporate may lawfully do or suffer.

(3) The application of the seal of the corporation on any document shall be authenticated by the signatures of the chairperson, a director and the general manager.

(4) In the absence of the chairperson, two other directors may sign in his or her place, and the person performing the functions of the general manager may sign in the absence of the general manager.

(5) The signatures of the chairperson, the director and the general manager shall be independent of the signature of any other person who may sign any such document as a witness.

(6) Every document purporting to be an instrument issued by the corporation and to be sealed with the seal of the corporation authenticated in the manner provided by this section, shall be received and be deemed to be such an instrument without proof unless the contrary is shown.

### **3. Functions of the corporation.**

(1) The functions of the corporation shall be to establish, provide, develop and operate safe, efficient, adequate, economical and properly coordinated air transport services, that is to say—

- (a) air freight service within and outside Uganda;
- (b) air passenger service within and outside Uganda;
- (c) air passenger and freight chartered flights within and outside Uganda; and
- (d) airmail service.

(2) The corporation shall so perform its functions as to ensure that air transport services are developed to the greatest possible advantage in the interest of the country.

### **4. Powers of the corporation.**

The corporation shall have power, for the effective performance of its functions—

- (a) to operate any air transport service or any flight by aircraft for a commercial purpose, and to carry out all forms of aerial work;
- (b) to negotiate and enter into contracts or any arrangement with any

- person;
- (c) to hire, let or otherwise deal in aeroplanes for the carriage of passengers, freight or mail;
  - (d) to manage or participate in the running of any hotel, restaurant, café, roadhouse, motel or holiday or safari camp;
  - (e) to provide for and give instruction and training in the flying and use of aeroplanes;
  - (f) to maintain and work omnibuses and other vehicles appropriate to the carriage of passengers and goods;
  - (g) to carry on business as a tourist and travel agent;
  - (h) to hold or acquire shares in any company or other business;
  - (i) to establish subsidiary companies;
  - (j) to repair, overhaul, reconstruct, assemble or recondition aircraft, vehicles or other machines and parts, accessories and instruments of those machines or for them and also to manufacture such parts, accessories and instruments, whether the aircraft, vehicles or other machines are owned by the corporation or by any other person;
  - (k) to acquire, hold or dispose of any property, whether moveable or immovable;
  - (l) to do all or any of the things incidental to or connected with any of the matters in this section.

## **5. Board of the corporation.**

(1) The governing body of the corporation shall be a board consisting of not more than nine and not less than five directors, one of whom shall be its chairperson.

(2) The chairperson and the other directors shall be appointed by the President for a period of three years and upon such terms and conditions as may be specified in the instruments appointing them.

(3) Any director may resign his or her office by writing under his or her hand addressed to the President, and the President may remove any director from office for inability to perform the functions of his or her office or for any other sufficient reason.

(4) If the office of a director becomes vacant otherwise than by effluxion of time, the President may appoint another person to hold office in his or her place.

(5) A person appointed under subsection (4) shall cease to hold office on the date when the person in whose place he or she holds office would have ceased to hold office in accordance with this Act.

(6) Any director ceasing to hold office shall be eligible for reappointment.

## **6. Meetings of the board.**

(1) The board shall meet at least once every three months or upon the request in writing to the chairperson by at least three directors of the board at such time and place as the chairperson may appoint.

(2) The chairperson shall preside at all meetings of the board at which he or she is present, and in his or her absence such director as the directors present may elect shall preside.

(3) The board may, as it deems fit, invite any person to act as consultant or adviser at any of its meetings.

(4) Questions proposed at a meeting of the board shall be determined by a simple majority of the directors present and voting; and in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.

(5) Five directors including the chairperson shall form a quorum at every meeting of the board.

(6) Any director who has any personal interest in any transaction of the board or any matter before the board shall disclose the nature of his or her interest to the board and shall be disqualified from taking part in the deliberations of the board with respect to that transaction or matter, and the failure to make the disclosure required by this section may constitute a sufficient reason for the removal of the director from the board.

(7) Subject to this section, the board may regulate its own procedure.

## **7. Remuneration of directors, etc.**

The directors or any other person attending any meeting of the board may be

paid such remuneration or allowances as the Minister may, after consultation with the Minister responsible for finance, determine

*Staff.*

**8. General manager.**

(1) The corporation shall have a general manager, who shall be appointed by the President for such period and upon such terms and conditions as the President may determine.

(2) The general manager shall be the chief executive officer of the corporation and shall devote the whole of his or her time to the duties of his or her office.

(3) Subject to this Act and the general supervision and control of the board, the general manager shall be responsible for the management of the funds, property and business of the corporation and for the administration, organisation and control of the staff of the corporation.

**9. Secretary of the corporation.**

(1) The corporation shall have a secretary who shall be appointed by the Minister on such terms and conditions as the Minister may determine.

(2) In addition to any other functions conferred upon him or her by the Minister or the board, the secretary shall have custody of the seal of the corporation, be responsible for taking and keeping minutes at the meetings of the board and keeping the records of the transactions of the corporation.

(3) In the performance of his or her functions under this Act, the secretary shall, except where the Minister or the board otherwise directs, be responsible to the general manager.

**10. Staff of the board.**

- (1) The board may—
  - (a) from time to time, appoint such other officers and employees as may be necessary for the proper and efficient performance of the functions of the corporation; and
  - (b) with the approval of the Minister and on such terms and

conditions as it thinks fit, fix remuneration, grant pensions, gratuities or other benefits on retirement or termination of service of the officers and employees of the corporation and require them to contribute to any pension, provident fund or superannuation scheme.

(2) Public officers may be seconded to the corporation.

(3) Nothing done by an officer or employee of the corporation shall, if it was done bona fide for the purpose of carrying the provisions of this Act into effect, subject him or her to any civil liability.

#### *Financial provisions.*

### **11. Authorised capital.**

(1) The authorised capital of the corporation shall be five hundred million Uganda shillings which shall be taken up from time to time by the Government.

(2) The board may, from time to time, with the prior approval of the Minister, in consultation with the Minister responsible for finance, increase the authorised capital of the corporation.

### **12. Borrowing powers.**

(1) The corporation may, subject to the approval of the Minister, in consultation with the Minister responsible for finance, borrow sums required by it for meeting any of its obligations or performing any of its functions under this Act.

(2) An approval for borrowing given under subsection (1) may be either general or specific and may be subject to conditions.

### **13. Estimates.**

(1) The corporation shall, within such period after the end of each financial year as the Minister shall determine, make and submit to the Minister for his or her approval estimates of the income and expenditure of the corporation for the next ensuing year or any supplementary estimate to those estimates.



(2) No expenditure shall be made out of the funds of the corporation unless the expenditure has been approved by the Minister under the estimates for the year in which such expenditure is to be made or in any other estimates supplementary to those estimates.

#### **14. Corporation to operate on sound financial principles.**

In the performance of its functions under this Act, the corporation shall have due regard to sound financial principles and shall conduct its business in such manner that taking one transaction with another, and taking one year with another—

- (a) its revenue is sufficient for meeting all charges, including interest on capital and loans properly chargeable to revenue account;
- (b) sufficient provision is made to provide for depreciation of assets; and
- (c) where any loss or bad debt arises in respect of any transaction, provision is made in respect of other transactions, whether of a similar nature or otherwise, to offset the amount of that loss or debt.

#### **15. Investment.**

The corporation may invest any monies under its control in any undertaking or project approved by the Minister in consultation with the Minister responsible for finance.

#### **16. Accounts and audit.**

(1) The corporation shall keep proper books of account and proper records in relation to them.

(2) For the purposes of this section, proper books of account shall be deemed not to have been kept with respect to the business of the corporation if there are not kept such books as are necessary to give a true and fair view of the state of affairs of the corporation and to explain its transactions.

(3) The accounts shall, in respect of every financial year, be subject to audit by the Auditor General or any auditor appointed by him or her.

(4) The Auditor General shall submit to the Minister a copy of the

audited accounts of the corporation not later than six months after the end of the financial year to which they relate.

(5) The Minister shall lay before Parliament a copy of the audited accounts delivered under subsection (4).

*Miscellaneous.*

**17. Minister's power of direction.**

The Minister may, subject to this Act, give to the corporation written directions of a general or specific nature, and the corporation shall comply with those directions.

**18. Annual reports.**

The corporation shall, not later than six months after the end of each financial year, make and submit to the Minister a report showing the performance of the corporation during that financial year, including the extent to which any direction given by the Minister during that financial year has been carried out.

**19. Regulations.**

The Minister may make regulations to carry into effect the provisions of this Act.

**History:** Decree 15/1976; Decree 2/1979.