

Uganda

Uganda Air Cargo Corporation Act Chapter 322

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Uganda

Uganda Air Cargo Corporation Act Chapter 322

Commenced on 15 December 1994

[This is the version of this document at 31 December 2000.]

[Note: This legislation was revised and consolidated as at 31 December 2000 and 31 December 2023 by the Law Reform Commission of Uganda. All subsequent amendments have been researched and applied by Laws.Africa for ULII.]

An Act to provide for the establishment of the Uganda Air Cargo Corporation and to provide for its composition, powers, objects and functions, administration and finance and other connected matters.

Part I – Interpretation

1. Interpretation

In this Act, unless the context otherwise requires—

- (a) "**air transport services**" means the services specified under [section 5](#);
- (b) "**board**" means the board of directors established under [section 6](#);
- (c) "**chairperson**" means the chairperson of the board appointed under [section 6](#);
- (d) "**corporation**" means the Uganda Air Cargo Corporation established under [section 2](#);
- (e) "**director**" means a director of the board and includes the chairperson;
- (f) "**financial year**" means for any accounting period a period of twelve months ending on the 30th June;
- (g) "**general manager**" means the general manager of the corporation appointed under [section 8\(1\)](#);
- (h) "**Minister**" means the Minister responsible for defence;
- (i) "**secretary**" means the secretary to the corporation appointed under [section 9\(1\)](#).

Part II – Establishment, powers, objects and functions of the corporation

2. Establishment of the corporation

- (1) There is established a corporation to be known as the Uganda Air Cargo Corporation.
- (2) The corporation shall be a body corporate, shall have perpetual succession and a common seal and may sue and be sued in its corporate name.

3. Powers of the corporation

The corporation may, for and in connection with its objects and functions under this Act, borrow money, purchase, hold, manage and dispose of any property, whether movable or immovable, and may enter into any contract and other transaction as may be expedient and may charge for services provided by it and may do any other act or thing as in law may be done by a body corporate.

4. Objects of the corporation

The objects of the corporation are to establish, provide, develop and operate safe, efficient, adequate, economical and properly coordinated air transport services.

5. Functions of the corporation

The functions of the corporation shall be—

- (a) to establish and operate air transport services within or outside Uganda relating to—
 - (i) air freight services;
 - (ii) air passenger services;
 - (iii) air passenger chartered flights services;
 - (iv) air mail services;
- (b) to give instructions and provide for training in the flying and use of aeroplanes;
- (c) to do anything connected with, or necessary in the performance of, the above functions.

Part III – The board of directors

6. Board of directors

- (1) There shall be a board of directors of the corporation which shall be its governing body and shall consist of not less than five and not more than nine members appointed by the Minister on such terms and conditions as he or she may determine and specify in the instruments of appointment.
- (2) The Minister shall appoint the chairperson of the board from members appointed under subsection (1).
- (3) A member of the board shall hold office for a term of two years and shall be eligible for reappointment for not more than three consecutive terms.
- (4) The members appointed under subsection (1) shall be prominent and capable persons who qualify for that appointment by virtue of their experience in air services management, commerce, finance, public administration or in matters relating to economic planning and development.
- (5) A member of the board shall vacate office by either—
 - (a) resignation; or
 - (b) removal from office by the Minister.
- (6) If the office of a member of the board becomes vacant before the expiration of his or her term of office, the Minister may appoint another person to hold office in his or her place.
- (7) A person appointed under subsection (6) shall cease to hold office on the date on which the person in whose place he or she holds office would have ceased to hold office.
- (8) The Schedule to this Act shall apply to the custody and application of the corporation seal and to the meetings of the board; and the Minister may, by statutory instrument, amend the Schedule.

7. Functions of the board

The functions of the board shall be—

- (a) to formulate and review the policy of the corporation;

- (b) to set targets for the annual performance of the corporation;
- (c) to appraise and evaluate the performance of the management of the corporation;
- (d) to appoint and discipline members of the staff of the corporation;
- (e) to determine the organisational structure and staffing of the corporation; and
- (f) to perform any other function relating to the above as the Minister may direct.

Part IV – Staff of the corporation

8. General manager

- (1) There shall be a general manager of the corporation appointed by the Minister on the recommendation of the board and on such terms and conditions as the Minister may determine.
- (2) The general manager shall be the chief executive of the corporation and shall be responsible for the day-to-day operations of the corporation.
- (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.
- (4) The general manager shall be entitled to attend and participate in all the meetings of the board but shall not have a voting right.
- (5) The general manager shall, from time to time, in writing, keep the Minister and the board informed of the progress of the corporation's business.
- (6) The Minister or the board may, from time to time, in writing, direct the general manager to submit a report on any matter affecting the affairs of the corporation.

9. Corporation secretary

- (1) The corporation shall have a secretary who shall be appointed by the board on such terms and conditions as the board may determine and specify in the instrument of appointment.
- (2) In addition to any other functions that may be conferred upon him or her by the board, the secretary shall have the custody of the seal of the corporation and be responsible for—
 - (a) the taking of the minutes of the meetings of the board; and
 - (b) the keeping of the records of all transactions of the corporation.
- (3) In the performance of his or her functions under this Act, the secretary shall, except where the board otherwise directs, be responsible to the general manager.

10. Other staff

- (1) There shall be heads of departments and such other officers and employees of the corporation as the board may determine.
- (2) The board may, on such terms and conditions it deems fit and with the approval of the Minister, fix remuneration, grant pensions, gratuities or other benefits on retirement or termination of service of the officers and employees of the corporation and may require them to contribute to any pension, provident fund or superannuation scheme.

11. Protection of officers against civil liability

Nothing done by an officer or employee of the corporation shall, if done *bona fide* for the purpose of putting this Act into effect, subject him or her to civil liability.

12. Duties of Ministries, departments and parastatals to cooperate

Every Ministry, department or parastatal shall, to the greatest possible extent consistent with the corporation's functions under this Act, afford the corporation all reasonable opportunity for consultation and shall, subject to any law, provide the corporation with such information as the corporation may require.

Part V – Financial and related provisions

13. Funds of the corporation

The funds available for the purpose of enabling the corporation to perform its functions under this Act shall consist of—

- (a) money from time to time appropriated by Parliament for that purpose;
- (b) all monies received by the corporation for goods or services provided under the authority of this Act;
- (c) all monies borrowed by the corporation;
- (d) any such other monies received by, or made available to, the corporation for the purposes of performing its functions under this Act.

14. Duty of the corporation to operate on commercial principles

The corporation shall—

- (a) perform its functions in accordance with commercial principles and shall ensure as far as possible that its revenue is sufficient to meet expenditure properly chargeable to revenue;
- (b) determine and charge a fee or commission for the provision of its services to enable it to cover its expenditure; and
- (c) ensure that sufficient provision is made to provide for losses and depreciation of assets.

15. Estimates

- (1) The general manager shall, within not less than three months before the end of each financial year, prepare and submit to the board for its approval estimates of income and expenditure of the corporation for the next ensuing year and may, at any time before the end of a financial year, prepare and submit to the board for approval any estimates supplementary to the estimates of a current year.
- (2) No expenditure shall be made out of funds of the corporation unless that expenditure is part of the expenditure approved by the board under the estimates for the financial year in which the expenditure is to be made or in the estimates supplementary to those estimates.

16. Accounts, audit and annual report

- (1) The corporation shall keep proper accounts and records of its transactions and affairs and shall ensure that all monies received are properly brought to account, all payments out of its monies are

correctly made and properly authorised and that adequate control is maintained over its property and over the incurring of liabilities by the corporation.

- (2) The annual accounts of the corporation shall be audited by the Auditor General.
- (3) The corporation shall, within six months after the end of each financial year, submit—
 - (a) to the Minister and the board an annual report in respect of that year containing—
 - (i) financial statements;
 - (ii) performance indicators and such other information relating to those performance indicators;
 - (iii) a report on the operations of the corporation; and
 - (iv) such other information as the board may, prior to the completion of the annual report or as otherwise supplementary to it, direct in writing;
 - (b) to the Auditor General—
 - (i) the accounts of the corporation for the year; and
 - (ii) the annual report referred to in paragraph (a).
- (4) The Auditor General shall audit the accounts of the corporation and, within two months of the receipt by him or her of such accounts and annual report, submit his or her opinion on them to the Minister and the board.
- (5) The Minister shall cause copies of each annual report together with a copy of the opinion of the Auditor General to be laid before Parliament within six months after he or she has received them.

17. Transfer of assets and liabilities

The Minister may transfer to the corporation the ownership or possession of assets belonging to the Government which, by virtue of this Act and in his or her opinion, are necessary for the corporation's performance of its functions; and thereupon the corporation shall, in respect of those assets, have all the rights and be subject to all the liabilities attaching to them.

18. Winding up of company

- (1) Notwithstanding anything in the Companies Act or in the memorandum and articles of association of the Uganda Air Cargo Limited, that company shall be deemed to have been wound up voluntarily on the coming into force of this Act.
- (2) The Minister shall cause the value of the shares belonging to the shareholders of the company to be assessed, and the shareholders of Uganda Air Cargo Limited shall be paid the value of their shares as the Minister may determine.

19. Regulations

The Minister may, after consultation with the board, make regulations for carrying into effect the provisions of this Act.

Schedule (Section 6(8))

Corporation seal and meetings of the board

1. Application of the seal of the corporation

- (1) The common seal of the corporation shall be such device as the corporation may determine and shall be kept in the custody of the secretary.

- (2) The common seal shall, when affixed onto any document, be authenticated by the signatures of the chairperson, the general manager and the secretary.
- (3) In the absence of the chairperson or when he or she is unable to act as such, two other members of the board designated for that purpose by the board shall sign in the place of the chairperson.
- (4) A person performing the functions of general manager or secretary shall sign in the absence of the general manager or the secretary.
- (5) A contract or instrument which if entered into or executed by a person not being a body corporate would not be required to be under seal may be entered into or executed without seal on behalf of the corporation by the secretary or any other person authorised for that purpose by the board.
- (6) Every document purporting to be—
 - (a) an instrument issued by the corporation and sealed with the common seal of the corporation and authenticated in the manner prescribed in this paragraph; or
 - (b) a contract or instrument entered into or executed under subparagraph (5) of this paragraph,shall be received in evidence without further proof as such an instrument duly entered into or executed unless the contrary is proved.

2. Meetings of the board

- (1) The board shall meet for the transaction of business at such places and at such times as may be decided upon by the board, but the board shall meet once every three months.
- (2) The chairperson may at any time call a special meeting of the board, and shall call a special meeting upon a written request by a majority of the members of the board.
- (3) The chairperson shall preside at every meeting of the board and in his or her absence or inability to act as such, the members present may appoint a member from among themselves to preside at that meeting.

3. Quorum

The quorum at a meeting of the board shall be four members.

4. Decisions of the board

- (1) All questions proposed at a meeting of the board shall be decided by a majority of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a casting vote in addition to his or her deliberative vote.
- (2) A decision may be made by the board without a meeting by circulation of the relevant papers among the members of the board and by the expression of the views of the majority of the members in writing, but any member shall be entitled to require that the decision be deferred and the matter on which a decision is sought be considered at a meeting of the board.

5. Disclosure of interest

- (1) A member of the board who has a direct or indirect pecuniary interest in a matter being considered or about to be considered by the board shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the board.
- (2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meeting of the board; and the member making the disclosure shall not, unless the board otherwise determines in respect of that matter—
 - (a) be present during any deliberation on the matter by the board;
 - (b) take part in the decision of the board.

- (3) For the purpose of the making of a decision by the board under subparagraph (2) in relation to a member who has made a disclosure under subparagraph (1), the member who has made the disclosure shall not—
- (a) be present during the deliberations of the board for the making of that determination; or
 - (b) influence any other member or take part in the making by the board of the determination.

6. Minutes of proceedings

- (1) The board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and the minutes of each meeting shall be confirmed by the board at the next meeting and signed by the chairperson of the meeting.
- (2) The chairperson of the board shall submit to the Minister a copy of the minutes of each meeting of the board as soon as those minutes have been confirmed.

7. Board to regulate its proceedings

Subject to this Schedule, the board may regulate its own proceedings.