

## **I. Bases**

### **Article 1 Name, location, duration**

Under the name "AIFFLA, International Cooperative for Development of Latin American Railways" exists a cooperative under Article 828ff of the Swiss Code of Obligations OR.

It uses the following foreign-language names:

Spanish:

AIFFLA, Cooperativa Internacional para el Desarrollo de los Ferrocarriles Latinoamericanos

Portuguese:

AIFFLA, Cooperativa Internacional para o Desenvolvimento das Ferrovias Latinoamericanas

English:

AIFFLA, International Cooperative for the Development of Latin American Railways

The cooperative is headquartered in Zurich, Switzerland.

The duration of the cooperative is unlimited.

### **Article 2 Purpose**

The purpose and objectives of the cooperative are

- Conceptual, moral and financial support to railway projects in Latin America
- Cooperation for development in the field of railway engineering; assistance and support for self-help with setting up and operation of railroads, including financial interests in the same

To achieve these objectives and in direct relation with projects which are initiated or supported by the Cooperative it may provide consulting services in the railway sector.

### **Article 3 Relations with other organizations**

The cooperative maintains close contacts and a partnership with the association "Friends of Latin American Railways" (FLB). In the case of a profound rift, the cooperative commits itself to start a professional mediation in order to settle the disputes.

## **II. Cooperative capital, liability**

### **Article 4 Cooperative capital**

The cooperative capital is divided into shares of CHF 50 - [Swiss Francs fifty] and CHF 100 - [Swiss Francs one hundred].

### **Article 5 Liability**

For the debts of the cooperative only the assets of the cooperative are liable. Any personal liability or funding commitment to the cooperative by the shareholders is excluded.

## **III. Membership**

### **Article 6 Acceptance**

Membership is open to all natural and legal persons, partnerships and corporate bodies under public law. The acceptance is performed by the Administration on receipt of a written declaration of adherence including a formal appreciation of the statutes. The administration holds the right to make a final decision about the acceptance or non-acceptance of an applicant.

### **Article 7 Shares**

Each member has to buy at least one share certificate. It remains the decision of the member whether to buy a share certificate of CHF 50.00 or one of CHF 100.00. The share certificate serves as proof of membership.

The members may voluntarily commit themselves to annually buy one or more share certificates.

### **Article 8 Leaving**

Each member may withdraw from the cooperative by written declaration to the end of a fiscal year subject to a term of six months advance notice.

### **Article 9 Death**

The membership ends with the death of the member. The heirs of a deceased member may take over his share certificate(s), if they submit a written transfer application within a year since the death.

## **Article 10 Exclusion**

The Administration may exclude members for important reasons. An important reason exists in particular if the statutes or decisions of the cooperative's organs are being disobeyed or if the interests of the cooperative are being harmed.

An excluded member has the right to appeal to the next Annual General Meeting. The appeal document shall be submitted to the President of the cooperative within 30 days of the receipt of the decision taken by the Administration.

Pending the decision of the General Assembly the excluded members are suspended in the exercise of their rights of membership.

## **Article 11 Right to redeem**

Withdrawn or excluded members are not eligible for claims towards the assets of the cooperative or redemption of their shares.

# **IV. Organization**

## ***A. General Assembly***

### **Article 12 Powers**

The supreme organ of the cooperative is the General Assembly. It has the following powers:

1. Adopt and amend the statutes;
2. Election and dismissal of members of the Administration and the Auditing committee;
3. Election of the President of the cooperative from among the elected members of the Administration;
4. Approval of the annual report, annual accounts, balance sheet and budget and any decision on the use of any net profit in the context of Article 24 of the statutes;
5. Discharge of the members of the Administration;
6. Decision on subjects which are reserved for the General Assembly by law or the statutes or are presented to it by the Administration.

### **Article 13 Meetings**

The Annual General Meeting is held every year within six months after closure of the fiscal year.

Extraordinary General Meetings are convened whenever it is necessary, especially in the cases provided by law.

The Administration has to schedule an extraordinary general meeting within 60 days if at least ten percent of the cooperative members request the convention in writing

and thereby state the items to be discussed and the proposals.

#### **Article 14 Convocation**

The General Assembly will be convened by the administration or, if necessary, by the Auditing committee. The liquidators also have the power to convene a General Assembly.

The General Assembly is convened at least 20 days before the meeting. The convening contains, in addition to the date, time and place of the meeting, the items to be discussed, and in the case of an amendment of the statutes, the substance of the proposed changes.

No decisions can be taken on subjects that have not been announced by this way, unless provided by the provisions about the Universal meeting, except on a request to convene another General Meeting. However, no advance notice is needed for making a request in connection with the scheduled matters to be discussed and for negotiations without decision-making.

Not later than 20 days before the Annual General Meeting the annual report, the financial statement and the report of the Auditing committee are available for inspection by the members at the registered office of the cooperative.

#### **Article 15 Presidency, protocol**

The General Assembly shall be chaired by the President of the cooperative or, in his absence, another member of the Administration or another person who is elected by the General Assembly to chair the assembly.

The Chairman designates the secretary and the scrutineers, which need not to be members of the cooperative.

The Administration shall ensure the keeping of the minutes which the Chairman and the secretary have to sign.

#### **Article 16 Decision**

Each member has one vote in the General Assembly.

Each member can be represented in the General Assembly by another comrade member, a family member or another person living with him in the same household. Those persons have to identify themselves by a written power of attorney. The same member can submit a maximum of two votes.

The General Assembly passes resolutions and elections with an absolute majority of votes represented unless provisions of the law or the statutes contain different provisions.

If no election can be achieved in the first ballot, a second ballot will take place in which the relative majority decides.

For the dissolution and merger of the cooperative, and for the revision of the statutes, there must be a majority of two thirds of the votes present, unless the law provides deviating provisions.

The chairman has the casting vote in a tie.

Elections and voting will take place openly, unless at least one quarter of the members present require a secret election or voting.

## ***B. Administration***

### **Article 17 Election, constitution**

The Administration consists of a maximum of nine members. The members are normally elected at the Annual General Meeting and for a period of four years. The term of office of all members of the Administration will end at the time when the General Assembly for the last financial year for which the members of the Administration have been elected is being held. Reserved are the rights to prior resignation and dismissal. New members are entering the tenure of those who replace them.

The members of the Administration are eligible for re-election at any time.

The Administration constitutes itself. President and Vice President must be a member of the cooperative.

### **Article 18 Supervision, delegation**

The Administration is responsible for the supreme management of the cooperative and the monitoring of the management. It represents the cooperative to the outside and is responsible for all matters which are not conferred by law, the statutes or regulations to another organ of the cooperative.

The Administration may delegate the management or parts thereof, and the representation of the Association to one or more members of the administration or, in exceptional cases, to third parties. The management issues organizational regulations and assigns the appropriate contractual relationships.

The management informs the members and those cooperative creditors who state a protection-worthy interest, on request in writing about the organization of the management.

### **Article 19 Tasks**

The Administration has, among others, the following tasks:

1. Supreme management of the cooperative and issue of the necessary directives;
2. Establishment of the organization;
3. Design of the accounting, financial auditing and financial planning;
4. Decisions on spending outside of the budget amounting to CHF 50'000.00, but which must not exceed one third of the cooperative's capital;
5. Appointment and dismissal of the management and representatives of the Company and regulation of signing authority;
6. Supervision of the persons entrusted with the management, especially with a view to compliance with laws, statutes, regulations and directives;
7. Preparing the annual report and financial statements and preparation of the General Assembly and implementation of its resolutions;
8. Notify the court in case of insolvency.

## **Article 20    Organization, protocols**

Meeting rules, quorum set (presence) and decision-making of the Administration must be in accordance with Organisation Regulations.

The chairman has the casting vote.

Of the deliberations and decisions of the Administration, a record must be kept. The protocol is signed by the chairman and the secretary of the Administration.

## **Article 21    Remuneration**

Attendance fees and reimbursement of expenses are based on a set of regulations to be approved by the General Assembly.

## ***C. Auditing committee***

### **Article 22    Eligibility, duties**

The General Assembly shall elect every two years several natural persons or one legal person as an auditing authority according to Article 906ff OR with the rights and obligations set out in the law.

The Auditing committee is required to attend the Annual General Meeting.

## **V. Accounting**

### **Article 23    Financial Statements**

The fiscal year begins on 1 January and ends on 31 December.

The annual accounts and balance sheets are established in accordance with the provisions of the Swiss Obligationenrechts, in particular Article 958 et seq, as well as in

accordance with generally accepted commercial and business principles.

#### **Article 24 Use of net profits**

A net profit falls in its full extent in the cooperative's assets and serves to the build-up of statutory reserves.

#### **Article 25 Donations**

The Association may accept donations, bequests from estates and legacies. Unless those amounts are not punished with a purpose, they flow into the general funds of the cooperative.

### **VI. Termination**

#### **Article 26 Dissolution and Liquidation**

The General Assembly may decide at any time of dissolution and liquidation of the cooperative in accordance with the legal and statutory requirements.

The liquidation is carried out by the Administration, if it is not assigned to another party by the General Assembly.

The liquidation of the cooperative is in accordance with the Article 913 OR in conjunction with Article 742 et seq. The liquidators are authorized to sell assets (including real estate) free-handed, too.

After successful eradication of the debt the assets are distributed among the cooperative's members in proportion to the amounts paid.

### **VII. Notifications**

#### **Article 27 Information and Notices**

Convening of the General Assembly and announcements made to the members are made by letter to the addresses listed in the Cooperative member's register.

Publication organ of the cooperative is the Swiss Commercial Gazette.

### **VIII. Final provisions**

#### **Article 28 Entry into force**

These statutes were approved by the Founding Assembly on 03.12.2005. They become effective with the entry into the commercial register.

Winterthur, 03.12.2005

IN THE NAME OF THE FOUNDING ASSEMBLY

The Chairman:      The Secretary:

Peter Lais

Urs Gisler