



**Azerbaijan Hotel
Association**

Azerbaijan Hotel Association

BYLAWS, ORGANISATIONAL AND OPERATIONAL RULES

MODIFICATION: BAKU, 04.12.2019



Table of Contents

ARTICLE 1. GENERAL PROVISIONS	2
ARTICLE 2. OBJECTIVES AND GOALS OF THE ASSOCIATION, MISSION AND VISION.....	3
ARTICLE 3. MEMBERS OF THE ASSOCIATION	4
ARTICLE 4. RIGHTS AND DUTIES OF MEMBERS AND ASSOCIATES	4
ARTICLE 5. MEMBERSHIP FEE.....	5
ARTICLE 6. TERMINATION OF MEMBERSHIP	5
ARTICLE 7. ORGANIZATIONAL STRUCTURE.....	6
ARTICLE 9. TERMINATION OF ACTIVITIES	12
ARTICLE 10. AHA “HOTEL OF THE YEAR” AWARD	12
ARTICLE 11. CLOSING REGULATIONS.....	12



ARTICLE 1. GENERAL PROVISIONS

1.1 The “National Hotel Association” Public Association is a non-commercial, non-governmental, non-profit organization established and organized as a public association in accordance with the laws of the Republic of Azerbaijan

1.2 The brand name of the Association shall be the “Azerbaijan Hotel Association” Public Association. The abbreviated name of the Association shall be: “AHA”.

1.3 In this document hotels, hotel companies or individual entrepreneurs shall be referred to as an “entity”.

1.4 The AHA has been established for an indefinite period. The AHA’s right as a legal entity commences from the date of its state registration and charter. The laws of Azerbaijan and these bylaws shall guide the activities of the Association. The laws of Azerbaijan shall regulate matters and issues not addressed in these bylaws.

1.5 The AHA was established based on a charter approved by the Ministry of Justice of Azerbaijan Republic on 13.11.2018.

Registration number 1118-Q65-3631

Legal Address 153, Neftchilar Avenue, Nasimi district, Baku, Azerbaijan

1.6 The AHA shall be liable for its obligations to the extent of its own assets, against which execution may be levied as provided by the laws of Azerbaijan.

1.7 The AHA has an official seal with its name and emblem on it.

1.8 The AHA shall file mandatory reports on its activities with the relevant state authorities in the form, procedure and time periods defined by the laws of Azerbaijan.

1.9 The AHA, within legal frameworks, may be a member of any international organization and have memorandums of understanding and partnership agreements with other related organizations that help to realize the objectives of the Association. AHA is an observer member of HOTREC and the HotelStars Union, the umbrella organization of hotel and restaurant associations of member states of the European Union.

1.10 The AHA’s working languages shall be Azerbaijani and English. The AHA shall be allowed to use either of these languages except where the use of any of these languages is mandatory by law.

1.11 The scope of these Bylaws and Organizational and Operational Rules (hereinafter “the Rules”) extends to AHA and its organs, employees, and members.

1.12 Logo of the Association:



ARTICLE 2. OBJECTIVES AND GOALS OF THE ASSOCIATION, MISSION AND VISION

2.1 The Objectives and Goals of the Association:

- Exchange best international and domestic practices
- Quality improvements for hotels – both in terms of physical product as well as service
- Assist and encourage to improve hotel performance
- Introduction of a European hotel classification system
- Share key European issues affecting tourism and hospitality
- Improve and enhance education and training in tourism and hospitality
- Cooperate with government bodies to improve regulations and efficient national marketing for hotels
- Participate in creating and enhancing the country’s tourism strategy
- Regular communication with members (newsletter, website, etc.)
- Recognize and celebrate excellent performance

2.2 Mission:

To encourage and ensure implementation of international standards and share best international and domestic practices among hotels in order to promote quality improvements and ensure competitiveness in the hospitality industry, thus supporting Azerbaijan as a transparent, acknowledged, competitive, appealing and successful tourism destination.

2.3 Vision: Support the growth of the hospitality industry and explore Azerbaijan's tourism potential .

ARTICLE 3. MEMBERS OF THE ASSOCIATION

3.1 The AHA shall have three (3) categories of affiliation with the Association: Regular Member, Associate Member and Exclusive Associate Member. Legal entities selected by the Executive Board to be affiliated with the AHA shall meet the qualifications of affiliation. The AHA may set up different categories for members and associates in the future.

3.2 To be eligible for affiliation with the AHA as a member, a candidate must:

- i. be a legal entity registered in Azerbaijan.
- ii. have a good business reputation;
- iii. be considered appropriate by the Executive Board, in accordance with the Bylaws.
- iv. should have a registered official star classification certificate.

3.3 Any legal entity, local and international supplier providing services for the hospitality industry is eligible to be affiliated with the AHA as an Associate and Exclusive Associate Member.

3.4 To apply for membership with the AHA, a candidate must submit an application in the form sent to the Executive Office adopted by the Executive Board.

3.5 A candidate meeting the objective requirements for affiliation with the AHA is accepted as either a member or associate upon receiving an affirmative majority vote of the Executive Board and paying the first year's fee for the candidate's category of affiliation.

3.6 To maintain an affiliation and remain in good standing with the AHA, a member or associate must continue to meet the eligibility requirements for affiliation and fulfill all financial obligations to the AHA.

ARTICLE 4. RIGHTS AND DUTIES OF MEMBERS AND ASSOCIATES

4.1 Members of the AHA are entitled to vote and are authorised to take part in the General Assembly of the AHA. Each member shall have equal voting privileges defined as one vote per member. Each member shall designate in writing a single representative by submitting the change in writing to the Secretary General.

4.2 The designated representative of a member is entitled to run for any elective office in the AHA.

4.3 Members and associates shall protect the interests and reputation of the AHA and abide by these bylaws and the laws of Azerbaijan.

4.4 Associates do not have voting rights and cannot be elected within the leading bodies of the Association.



4.5 An exclusive Associate Member has the exclusive right to offer a certain product, product group or a service to the members of the Association, having been given a special promotional opportunity within the AHA at its events and in its communication.

ARTICLE 5. MEMBERSHIP FEE

5.1 Members of the AHA shall pay annual fees for the right to be affiliated with the Association.

5.2 The fees for members and associates for the following year shall be confirmed by the Executive Board prior to the end of each financial year.

5.3 A hotel under construction shall pay 50% of the prevailing membership fee of the category until the opening of the hotel.

5.4 Members admitted until the end of June pay the annual membership fee. Members admitted after June till the end of the year pay a prorated amount, which is 50% of the annual membership fee.

5.5 The membership fees are shown in the attachment to these bylaws.

5.6 The annual membership fee is due to be settled within one (1) month after receiving the invoice issued by the Executive Office. In the case of missing the payment deadline of the membership fee, the Executive Office of the Association sends a written notice to the member or associate. After 30 days of the unsuccessful notice period, the Executive Board is eligible to suspend the membership.

5.7 If a member or associate delays payment of the membership fee for three (3) months, membership shall be cancelled by the decision of the Executive Board and written notification sent by the Executive Office.

ARTICLE 6. TERMINATION OF MEMBERSHIP

6.1 The affiliation of a member with the AHA shall automatically terminate upon the cancellation of hotel operations. The affiliation of a member or associate may be terminated through voluntary resignation or through involuntary termination.

6.2 The resignation of a member or associate must be submitted to the Executive Board by written notice delivered to the Executive Office. A resignation shall become effective immediately upon receipt of such a



notice. The resigning member or associate shall remain liable for any outstanding obligations to the Association.

6.3 The Executive Board may terminate the affiliation of a member or an associate with the AHA:

- i. when a member's activities defame the Association or damage its reputation;
- ii. when a member delays payment of the membership fee as stipulated in clause 5.7;
- iii. when a member acts contrary to the purposes of the Association defined in its charter;

6.4 A member whose affiliation with the AHA has been involuntarily terminated by the Executive Board may appeal that decision in the Disciplinary Council.

6.5 Suspension of the membership for a definite period may be decided by the Executive Board and if required, according to the decision of the Disciplinary Council.

ARTICLE 7. ORGANIZATIONAL STRUCTURE

7.1 The Organizational Structure of the Association and its administrative bodies:

- General Assembly
- Disciplinary Council
- President
- Executive Board
- Vice President
- Secretary General
- Treasurer
- Advisory Council

7.2 GENERAL ASSEMBLY

7.2.1 The General Assembly shall be the supreme decision-making governing body of the AHA. The Assembly shall be considered valid and a quorum constituted if authorized representatives of at least more than half of the members are present. However, authorized representatives of at least 2/3 of the members must be present to amend these bylaws.

7.2.2 The General Assembly shall be held minimum once a year. All General Assemblies other than the Annual General Assembly shall be called an Extraordinary General Assembly.



7.2.3 Any Annual or Extraordinary General Assembly shall be called with notice thereof sent by the Executive Office to members at least four (4) weeks in advance of the Assembly. The notice shall contain information on the date, place and agenda of the meeting.

7.2.4 Any decision of the General Assembly shall be deemed passed if the simple majority of the authorised representatives of members at the meeting vote in favour of such a decision. In case of a tied vote, the vote of the President, or in case of the President's absence, the vote of the Vice President, shall determine the outcome. Except for contested elections, unless otherwise agreed at the meeting, members shall vote by show of hands. A declaration by the Chairman of the General Assembly that a decision has been carried or lost and an entry to that effect in the minutes of the General Assembly shall be conclusive evidence of the fact. A decision taken by the General Assembly shall be recorded in writing by the Executive Office .

7.2.5 Minutes of the General Assembly shall be kept by the Executive Office and shared with members .

7.2.6 The following decisions are within the exclusive authority of the General Assembly:

7.3 DISCIPLINARY COUNCIL

8.3.1 The Disciplinary Council (hereinafter referred to as the Council) controls compliance of the activities of officials and members of the Association in accordance with the Charter and Bylaws, supervises the activities of members within the framework of ethical rules and considers applications received in this regard .

8.3.2 The number and composition of the members of the Council shall be determined as three (3) and elected by the General Assembly. Council members operate on a public basis. The Council's term of office is four (4) years. The Council's decisions are made by a simple majority of votes.

8.3.3 The Council should consider and respond to requests made by the organs and members of the Association within a month.

7.4 EXECUTIVE BOARD

7.4.1 The Executive Board shall be the executive management body of the Association and may take decisions on all matters, except those falling within the exclusive competence of the General Assembly, in accordance with these bylaws and the Charter.

7.4.2 The Executive Board operates on a public basis and must be in acting executive position in hotels or the hotel industry with a minimum of ten (10) years' experience in leading positions and having no conflict of interests with the Association.

7.4.3 The Executive Board shall consist of nine (9) voting members, including the President. Each member of the Executive Board shall, at the time of election or appointment, be the authorised representative of a



member. The President shall be the Chairman of the Executive Board, the Vice President shall be the Deputy Chairman of the Executive Board.

7.4.4 The members of the Executive Board shall be elected by the General Assembly maximum for two (2) consecutive terms, each consisting of four (4) years. A member elected to the Executive Board for two (2) consecutive terms may re-nominate his/her candidacy to the Executive Board only after having one election term break of four (4) years. Executive Board members may tender their written resignations at any time.

7.4.5 Vacancies on the Executive Board occurring between Annual General Assemblies may be filled by an Extraordinary General Assembly from among eligible authorized representatives of members, for a term expiring at the following Annual General Assembly.

7.4.6 The President shall be elected by the General Assembly maximum for two consecutive terms, each consisting of three (3) years. A member elected as president for two consecutive terms may re-nominate his/her candidacy for president only after having one election term break of three (3) years.

7.4.7 In the event that the position of president becomes vacant between Annual General Assemblies, the Vice President shall replace the President until the next following Annual General Assembly.

7.4.8 The President convenes the Executive Board as needed, minimum once in two (2) months with a minimum of fourteen (14) days' advance notice. If an Executive Board Member is absent from 50% of the meetings, he/she accepts that he/she may be asked to resign from the Executive Board, as he/she is not fulfilling his/her obligations.

7.4.9 At all meetings of the Executive Board, a majority of the voting members of the Board shall constitute a quorum for the transaction of statement. A majority vote among the members present at a meeting at which a quorum is present shall be an act of the Executive Board. The President shall have a tie-breaking vote. No member of the Board shall be permitted to abstain from voting. If at any meeting of the Executive Board a quorum is not present, a majority of the members present may adjourn the meeting until a quorum shall be present.

7.4.10 Unless restricted by mandatory law, board members may participate in a board meeting by means of a telephone conference or similar communications equipment by means of which all persons in attendance of the meeting can hear each other.

7.4.11 A resolution of the Executive Board shall be signed by the President and the Secretary General with the AHA's seal affixed and shall be entered in the Association's records.

7.4.12 An Executive Board member shall cease to hold office if:



- i. The board member's term of office expires;
- ii. The entity which the board member represents ceases to be a member of the Association;
- iii. The board member is removed from office by a simple majority of votes of the members present at a General Assembly or;
- iv. The board member misses six or more meetings within a one-year period for any reason. A representative of the absent board member will not be considered an adequate substitute for this purpose.

7.4.13 The Executive Board shall have the following functions, but not limited to:

- i. Give preliminary consideration to all matters which, in accordance with these bylaws, must be submitted for the consideration or approval of the General Assembly;
- ii. Take all measures to comply with the decisions of the General Assembly and ensure that such decisions are implemented;
- iii. Determine the yearly strategy of the Association, play an active role in Association activities. Be a part of working groups and initiate projects;
- iv. Approve the structure of the Association;
- v. Approve the necessary guidelines and statutes to provide effective management of the Association;
- vi. Actively participate in the lobbying activities of the Association;
- vii. Review and approve the yearly budget of the Association, motion for the acceptance thereof at the General Assembly;
- viii. Take part in the admission and termination of members according to these bylaws and the policy and guidelines of the Association;
- ix. Give proposals for membership fees;
- x. Election of members to the Advisory Council;

7.5 PRESIDENT

7.5.1 The President is elected by the General Assembly with a majority of votes in a secret ballot .

7.5.2 The President should operate on a public basis and must be an acting executive in hotels or the hotel industry with a minimum of ten (10) years' experience in a leading position and having no conflict of interests with Association.

7.5.3 The President leads (chairs) meeting of the Executive Board and General Assembly

7.5.4 The President has the following responsibilities:



i. The President personally handles, directs AHA's lobbying activities meets leaders of the tourism industry and Government as necessary. The activity is based on regular consultation with the Executive Board and other players of the hospitality industry and relies on the work as well as contributions of the Executive Office.

ii. The President of the Association directs the AHA in cooperation with the Executive Board.

7.6 EXECUTIVE OFFICE

7.6.1 The Secretary General shall be appointed and dismissed by the Executive Board and approved by the decision of the General Assembly.

7.6.2 The Secretary General is an official representative of the Association, who signs a contract of employment with the Association for a period of four (4) years with further re-election according to the terms mentioned in paragraph 7.6.1.

7.6.3 The Secretary General shall coordinate and manage the day-to-day activities of the Association and report to the President and the Executive Board.

7.6.4 The Secretary General is responsible for:

- i. Keeping the Executive Board informed of all aspects of the Association's operations;
- ii. Liaising with members, associates, banks, private companies, the State Tourism Agency of the Republic of Azerbaijan, Azerbaijan Tourism Board and other government authorities, press and individuals with respect to the issues of the Association's activities in Azerbaijan or elsewhere;
- iii. Executing agreements and signing all legal documents on behalf of the Association;
- iv. Managing and organizing the working process of the Association;
- v. The work of the staff of the Executive Office is directed by the Secretary General;
- vi. The Secretary General and his/her staff are employed in accordance with the conditions determined in a separate contract and their costs of travel shall be reimbursed by means of expense claims, which shall be approved by the Secretary General;
- vii. The Secretary General is entitled and is liable to manage the assets of the Association with proprietary solicitude. Payments can only be made if the remittance is signed by the Secretary General;

7.6.5 If the Secretary General is dismissed or resigns from his/her position for any reason, he/she shall deliver to the Executive Board at the Association's office all registered office books, records and documents in the possession or control of himself/herself relating to the Association.

7.7 TREASURER

7.7.1 The Treasurer is appointed by the General Assembly for the period of four (4) years to audit the financial reports, accounting performance and budget of the Association on a quarterly and yearly basis and report the results of the audit during the Annual General Assembly. The Treasurer shall be a member of the Executive Board.

7.8 ADVISORY COUNCIL

7.8.1 The Advisory Council is determined as the consulting body of the Association.

7.8.2 The Advisory Council consists of maximum twelve (12) experts according to the following criteria:

7.8.3 The functions of the Advisory Council:

7.8.4 The Advisory Council shall be appointed and approved by the decision of the Executive Board.

7.8.5 Meetings with the Advisory Council are held on the initiative of the Executive Board or the Secretary General of the Association. The members of the Advisory Council must receive at least fourteen (14) days' advance notice about the planned meetings.

ARTICLE 8. REPRESENTATION

8.1 Official (legal) representation of the Association may be performed by the Secretary General.

8.2 On behalf of the Association, the President, Vice President, and Secretary General shall have the right to give statements on subjects related to tourism, the hotel industry and hotel gastronomy. The statements must always be in line with the interests of the Association as well as with the standpoint of the Executive Board.



ARTICLE 9. TERMINATION OF ACTIVITIES

The activities of the Association shall be terminated by its reorganization (merger, accession, division, separation, transformation) and cancellation. Termination of the Association's activities shall be carried out in the manner prescribed by the existing legislation.

ARTICLE 10. CLOSING REGULATIONS

The detailed rules of operation of the Association – including modifications – are defined in the Bylaws and Organizational and Operational Rules in a uniform structure. These bylaws were approved by the Executive Board.

We, the undersigned, certify that the present text in the uniform structure of the Bylaws and Organizational and Operational Rules are in accordance with the prevailing content.