

ARTICLES OF ASSOCIATION

Articles of Association

ARTICLE I

Title

Articles of Association to regulate the activities and affairs of an association known as the International Air Transport Association ("IATA").

ARTICLE II

Definitions

In these Articles of Association, unless the context otherwise requires:

1. "Act of Incorporation" shall mean An Act to Incorporate the International Air Transport Association, Statutes of Canada, 1945, Chap. 51 (Assented to December 18, 1945) as amended from time to time;

2. "air service" shall mean the public transport of passengers, mail or cargo by aircraft;

3. "airline" shall mean an entity operating an air service;

4. "Articles" shall mean these by-laws, articles of association, rules and regulations adopted pursuant to Section 5 of the Act of Incorporation (hereinafter "Articles");

5. "Board" shall mean the Board of Governors established pursuant to Article VIII(2)(a) of these Articles;

6. "dues" shall mean any prescribed amounts required to be paid by a Member to maintain membership in IATA, and any other duly authorised assessment;

7. "fees" shall mean any prescribed amounts required to be paid by an airline to apply for and to acquire membership in IATA;

8. "IATA Conferences" shall mean the conferences established by a General Meeting pursuant to Article IX(3)(c) of these Articles;

9. "Industry Committees" shall mean the committees established by the Director General with the approval of the Board;

10. "international air service" shall mean any air service operated between the territories of two or more States;

11. "Member" shall mean the member airlines of IATA, admitted pursuant to the terms of Article V of these Articles.

12. "Membership Office" shall mean the person(s) designated by the Director General from time to time, responsible for the membership matters set out herein.

ARTICLE III

Head Office

The Head Office of IATA shall be at Montreal, Canada, or at such other place as a General Meeting may determine by amendment to these Articles.

ARTICLE IV

Mission and Aims of IATA

The mission of IATA is to represent and serve the airline industry. In carrying out this mission IATA shall:

1. Promote safe, reliable and secure air services for the benefit of the peoples of the world;
2. Provide means of collaboration among airlines engaged directly or indirectly in international air transport;
3. Cooperate with the International Civil Aviation Organization and other relevant international organisations.

ARTICLE V

Membership

1. Category of Membership

a. Membership in IATA is available to airlines as:

- i. Active Member: any airline operating an international air service;
- ii. Associate Member: any airline operating an air service other than an international air service.

b. A Member who changes the nature of its business operations such that it is eligible for a different category of membership, shall immediately give written notice of such changes to the Membership Office, and may submit its application for membership in the appropriate category.

2. Rights and Privileges of Members

Except for the right to vote at relevant IATA meetings, which shall be available solely to Active Members, all Members shall enjoy the same rights and privileges attaching to membership in IATA.

3. Qualifications for Membership

a. Unless sponsored by at least two (2) Active Members, an applicant for Active or Associate membership shall have operated an air service for a period of not less than two (2) years, and performed for each such year at least five million (5,000,000) revenue tonne-kilometres. Notwithstanding the foregoing, an airline that does not meet these criteria may be admitted to membership if the Board considers such airline's membership to be in the interest of IATA.

b.All applications for membership in IATA shall be made in the form provided and submitted together with the application fee to the Membership Office. All applications are subject to the approval of the Board.

c.Membership shall become effective once payment in full of all fees and payment of dues for the current year are received and upon approval by the Board.

d.Any airline whose application for membership is not approved by the Board may appeal the decision to the next Annual General Meeting, the decision of which shall be final.

4.Fees and Dues

a.Upon the written request of the Director General, acting on behalf of the Board, a Member shall provide, by the date specified in the request, all data necessary to establish the annual dues payable by the Member. If such data is not provided by the specified date, the Board may prescribe the amount of dues to be paid.

b.Unless otherwise determined by the Board, annual dues shall be payable when invoiced and in the currency or currencies set out in the invoice.

c.Interest on arrears of dues shall accrue and be payable at the rate set by the Board, taking into account prevailing market rates for the relevant currency or currencies, unless due to exceptional circumstances, the Board waives this requirement.

d.A Member giving notice of resignation is liable to pay all dues payable up to and including the year of resignation.

e.Any Member under limitation is liable to pay all dues assessed during the period of limitation.

f.When membership in IATA has been terminated all dues outstanding on the effective date of termination are payable.

g.Payments of fees and dues are not refundable under any circumstances.

5.Membership Resignation, Limitation and Termination

a.Resignation

A Member may resign at any time by giving not less than thirty (30) days written notice to the Membership Office.

b.Limitation

i.Any Member in arrears in the payment of dues and interest for a period of more than ninety (90) days shall be placed in limitation by the Membership Office and lose all rights and privileges of membership during the period that the limitation is in effect, unless the Board has agreed to alternative financial arrangements.

ii.The Membership Office shall indicate in the notice of limitation to the Member the effective date of the limitation, and the conditions to be met for the limitation to be removed.

iii. A limitation on membership rights will be enforced against Members that have payments of USD 3000 or more overdue to IATA for more than 120 days.

c. Termination

i. A Member no longer meeting the criteria for membership may have its membership terminated by the Board ninety (90) days after the occurrence of the event giving rise to its ineligibility.

ii. A Member declared bankrupt or placed in receivership, or making a voluntary assignment for the benefit of its creditors, or ceasing to hold the authority to operate, or otherwise ceasing to carry on the business that qualifies it for membership, may have its membership terminated by the Board effective thirty (30) days from the date of occurrence of such event.

iii. Notwithstanding sections 5.c.i and 5.c.ii, the Board may, upon the written request of the Member concerned, postpone the effective date of termination for a fixed period, as appropriate.

iv. The Board may also terminate membership if:

1) a Member is in breach of these Articles or any rule or regulation adopted thereunder;

2) a Member has committed any act or omission which is prejudicial to the aims of IATA;

3) a Member has been placed in limitation for a period of at least one (1) year.

v. A membership may be terminated at any time by a vote of two-thirds of the Members present and voting at a General Meeting.

6. Right to be Heard and Arbitration

a. A Member that has had its membership terminated by the Board and received a notice of termination may, by written notification to the Corporate Secretary within thirty (30) days of receipt of the notice, invoke its right to be heard by the Board. Invocation of this right shall suspend the effective date of the termination, pending the results of the hearing by the Board.

b. A Member whose membership has been terminated by the Board or by a General Meeting may seek arbitration under the IATA Arbitration Rules. Invocation of this procedure shall suspend the effective date of the termination, pending the results of the arbitration.

c. The decision of the arbitration tribunal shall be final and binding. If the decision is in favour of IATA, the termination shall be effective on the date of the decision, and the costs of the arbitration shall be borne by the Member. If the decision is in favour of the Member, the termination shall be revoked as of the date of the original termination, and the costs shall be borne or reimbursed by IATA.

7. Voluntary Suspension of Membership

At the written request of a Member, the Board may agree to suspend its membership for a fixed period if the Board considers it in the interest of IATA. During the period of suspension, the Member shall not be required to pay any dues but shall not exercise any rights and privileges of membership.

8. Notice of Resignation, Limitation, Suspension or Termination

The Membership Office shall notify all Members in writing of the resignation, limitation, suspension, and lifting of suspension of a Member or its termination of membership.

9. Re-Application

An airline that ceases to be a Member whether through resignation or termination may re-apply for membership and in such event the Board may specify the terms and conditions to be fulfilled, including payment of any fees and dues, before membership can be effective.

ARTICLE VI

IATA Affiliates

The Board may establish a class of membership known as "IATA Affiliates", and determine the criteria for membership, and the rights and duties thereof.

ARTICLE VII

Annual Budget and Financial Statement

1. The Board shall approve the annual budget and prepare and approve and submit the audited annual financial statement to the next Annual General Meeting. A General Meeting may approve any special assessments and conditions and procedures relating thereto.

2. The approved audited annual financial statement shall be accompanied by a certification by each of the Director General and the Chief Financial Officer to the effect that:

a. the audited financial statements present fairly the financial conditions, results of operations and cash flows of IATA, and do not contain an untrue statement of material fact or omit to state any material fact; and

b. appropriate disclosure controls and procedures have been established to provide reasonable assurance that all material information is made known to the Director General and the Chief Financial Officer.

ARTICLE VIII

Authority/General Powers

1. A General Meeting is vested with the ultimate authority to exercise all of the powers of IATA.

2. a. There shall be an executive committee to be known as the "Board of Governors" with authority to exercise all such powers of IATA as are not by law, the Act of Incorporation or these Articles required to be exercised by a General Meeting.

b. The Board is accountable to a General Meeting for the overall performance of IATA.

ARTICLE IX

Annual General Meetings

1. The Annual General Meeting shall be convened at a place and time agreed to by a previous Annual General Meeting. In the absence of such decision or should the Board deem it impractical to hold the Meeting at the place and/or time so decided, the Board shall determine the place and/or time of the Meeting.

2. Not less than forty-five (45) days in advance of the Annual General Meeting, Active Members may submit to the Board, through the Corporate Secretary, matters for inclusion on the Agenda. The Corporate Secretary shall provide Members with not less than thirty (30) days written notice of, and the Agenda for, the Annual General Meeting. Upon a majority vote of Active Members present and voting at the Meeting, any other matter may be added to the Agenda.

3. The Annual General Meeting shall:

a. Elect its President;

b. Receive nominations to and elect members of the Board;

c. Establish IATA Conferences and such groups and subordinate bodies as it considers appropriate;

d. Confirm the appointment, term of office and duties of the Director General;

e. Receive and consider reports of the Board, Industry Committees, IATA Conferences, and of the Director General;

f. Approve the audited financial statements for the previous year;

g. On the recommendation of the Board, approve the applicable dues and fees;

h. On the recommendation of the Board, approve the currency or currencies in which, and the time by which, such dues and fees shall be payable;

i. Appoint the external auditor for the current year;

j. Transact any other business as may properly come before the Meeting.

4. The President of the Annual General Meeting shall, before conclusion of the Meeting, appoint a Nominating Committee to make recommendations to the next Annual General Meeting for election to the Board. The composition of and rules applicable to the Nominating Committee shall be as established by a General Meeting.

ARTICLE X

Special General Meetings

A Special General Meeting shall be convened at the written request of not less than one third of the Active Members made to the Corporate Secretary, or may be convened by the Board at any time. The Corporate Secretary shall provide thirty (30) days notice of, and a proposed Agenda for, such meeting. In the case of urgency, the Board may reduce the notice period as it deems appropriate.

ARTICLE XI

Quorum and Voting at General Meetings

A majority of Active Members registered at a General Meeting shall constitute a quorum for the duration of the Meeting. Each Active Member shall have one vote which may be cast solely by its official representative present and voting at the Meeting. No proxy may be appointed by any Member.

ARTICLE XII

Management

1. The Board shall be composed of not more than thirty-one (31) persons elected by the Annual General Meeting from among the Active Members. Allowing for the differences of nomenclature in the Member airlines, members of the Board shall hold any one of the following, or similar, positions: Chairman of the Board; President of the company; Chief Executive; or Managing Director. The terms of office shall be as set by the Annual General Meeting on the recommendation of the Board. Ten (10) members of the Board shall constitute a quorum but decisions shall require approval of a majority of Board members, which approval may be given in writing or by electronically transmitted and recorded means.

2. Should a vacancy arise on the Board, the Board shall elect a replacement from among the representatives of Active Members, who shall hold office until the next Annual General Meeting.

3. The Board:

a. Shall elect its Chairman;

b. Shall meet immediately in advance of the Annual General Meeting, and otherwise as appropriate;

c. Shall be vested with executive powers and duties, including the general management and control of the business, affairs, funds and property of IATA;

d. Shall determine, review and approve IATA policy within the framework of the Act of Incorporation, these Articles and the resolutions of General Meetings;

e. Shall take action in response to specific requests from Members as it deems appropriate;

f. Shall appoint the Director General, subject to the approval of the Annual General Meeting, and determine the term of office, duties and remuneration;

g. Shall appoint the Corporate Secretary, the Chief Financial Officer and such other officers of IATA as deemed appropriate, who shall be subject to the supervision and authority of the Director General;

h. Shall establish subsidiary corporations, industry settlement plan offices, branches, regional and other offices of IATA anywhere in the world as it considers appropriate;

i. Shall approve the Agenda for a General Meeting;

j. Shall approve the Rules and Regulations of the Industry Committees and the Provisions for the Conduct of the IATA Traffic Conferences;

k. Shall establish and determine the membership, duties and functions of any Committee of the Board;

l. Shall either establish and determine the rules and regulations of any Committee of the Board, or authorise any such Committee to adopt its own rules and regulations;

m. Shall recommend to the Annual General Meeting the fees and dues and the time by which they shall be payable, as well as the currency or currencies in which they are to be paid;

n. Shall consider for approval applications for membership in IATA;

o. Shall take such action as may be appropriate with respect to the limitation, suspension or termination of membership;

p. May delegate, as appropriate, authority to Committees of the Board or to the Director General;

q. May adopt and amend its Rules and Regulations as deemed appropriate for the exercise of its executive powers and the performance of its duties.

4. The Director General:

a. Shall be the Chief Executive Officer of IATA and shall exercise, under the authority of the Board, the supervision, direction and control over the business and affairs of IATA, as well as such other functions and duties that a General Meeting or the Board may delegate or assign to the Director General;

b. Shall supervise the mechanisms for the settlement of transactions between airlines, branches, regional and other offices of IATA, and such other entities that the Board may consider appropriate in the interest of IATA;

c. Shall carry out the duties assigned or delegated to the Director General by a General Meeting or the Board, and report on the activities of IATA to the Annual General Meeting;

d. May, with the approval of the Board, establish such Committee(s) to advise on subjects of significant interest to the air transport industry, appoint its members, and dissolve any such Industry Committee(s) at any time.

e. May establish such working groups and ad hoc task forces as necessary to address specific issues concerning the air transport industry, appoint their members and dissolve any such working groups or ad hoc task forces at any time.

ARTICLE XIII

Majority Vote

At any General Meeting or meeting of the Board, or of any committee of IATA, a vote shall be determined by a simple majority of those present and voting, unless a greater majority is otherwise specifically provided by these Articles or the relevant rules and regulations of the particular body. Each Active Member represented by its official representative at a meeting shall have the right to exercise one vote.

ARTICLE XIV

Voting Procedure (General)

i. Voting at any meeting of Members shall take place by a show of hands and any Active Member may request a repeat show of hands. However, a roll call vote or secret ballot may be requested at any time by a majority of the Active Members present and voting at a meeting.

ii. A roll call vote or vote by secret ballot shall be taken in such manner as the chair of the meeting directs.

ARTICLE XV

Telecommunication Meetings

With the consent of at least two-thirds of all Members entitled to participate in the meeting, a meeting of the Board or of any committee or subordinate body of IATA may be conducted by such means of telephone or other telecommunications facilities as permit all participants in the meeting to hear each other.

ARTICLE XVI

Signed Decision

A resolution in writing, signed by all the Members entitled to vote at a meeting of the Board, or of any committee, as the case may be, shall be a decision as valid as if it had been made at such meeting. The decision shall be effective from the date of the last signature. A copy of every signed decision shall be kept by the Corporate Secretary.

ARTICLE XVII

Committee Procedure

Unless otherwise determined by the Board or these Articles, each committee or subordinate body of IATA shall have the power to elect its chair, to regulate its procedure and to fix its quorum; provided that the approval of at least a simple majority of members of the committee or subordinate body, present and voting, shall be required for any decisions.

ARTICLE XVIII

Remuneration

No Member or representative of a Member shall receive any remuneration for their services on the Board, any Industry Committee or any other body of IATA. Nevertheless, nothing herein shall be construed to preclude any Member or representative of a Member from being remunerated under a specific mandate which has been conferred by decision of the Board, the Director General, an Industry Committee or other competent body of IATA.

ARTICLE XIX

The Corporate Secretary

The Corporate Secretary shall perform such duties as are specifically assigned to the Corporate Secretary in these Articles and as may be determined by the Board or the Director General, and in addition, shall act as the Secretary of General Meetings and of the Board.

ARTICLE XX

The Chief Financial Officer

The Chief Financial Officer, shall perform such duties as may be determined by the Board or the Director General.

ARTICLE XXI

Notices

All notices required to be given by IATA or by a Member in accordance with these Articles shall be deemed to have been effectively given upon delivery in person or on the day after electronic transmission or, if sent by registered or certified mail or by courier, on the date shown on the return receipt.

ARTICLE XXII

Languages

The languages of IATA shall be English, French, Spanish, Arabic (translation into Arabic is limited to those documents for a General Meeting as requested by Arabic speaking Active Members) and any other language that may from time to time be requested and as the Board may from time to time agree, provided that the cost of any such additional language shall be borne by the requesting Member(s).

ARTICLE XXIII

Amendment

These Articles may be amended by a two thirds majority vote of Active Members registered and voting at a General Meeting, provided the proposed amendment has properly come before the Meeting in accordance with these Articles.

ARTICLE XXIV

Dissolution

IATA may be dissolved solely by resolution of a General Meeting, approved in writing by two-thirds of all the Active Members, which resolution shall set the effective date for dissolution. In such event any net remaining assets of IATA shall be disbursed to the United Nations. Members shall be responsible for outstanding and contingent liabilities in the same proportion as their last dues relate to the total amount of annual dues assessed.

ARTICLE XXV

Indemnification

Subject to any limitations imposed by applicable law, IATA shall fully indemnify, defend and hold harmless current and former members of the Board, officers, heads of division, or legal counsel of IATA, and their heirs, from and against any and all claims, actions, demands, damages, losses, reasonable costs and expenses arising out of or in connection with the performance of the Indemnified Individual's duties and obligations pursuant to the terms of his or her appointment, engagement or employment, provided that he or she:

1. Acted honestly and in good faith; and
2. In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.

IATA shall maintain in force insurance for the purposes of giving effect to the indemnity referred to in this Article in such amounts as the Board may from time to time reasonably determine, and as permitted by applicable law.

ARTICLE XXVI

Powers of Attorney

The Director General or the Corporate Secretary may grant powers of attorney for the conduct of the activities of IATA and appoint any person or persons as the attorney or attorneys of IATA to execute and deliver any instrument or to execute and deliver a class or series of instruments.