

IATP COMPETITION / ANTITRUST GUIDELINES

Introduction:

The purpose of these guidelines is to ensure that all IATP meetings and activities are conducted in compliance with applicable competition law rules (also known as “antitrust law”).

Antitrust violations are often criminal offences, and may result in fines and imprisonment for individuals, and in heavy fines for corporations and disqualification from government contracts, not to mention class actions for damages and enormous reputational damage to companies and individuals alike. Even civil (non-criminal) offences are serious and can result in significant fines, years of investigation, and private litigation.

IATP and its members (hereinafter referred to as "Members") believe that compliance with the rules of law and in particular the rules of competition law is a paramount priority. Most countries around the world have their own competition laws, and the rules are broadly similar, but there may be important differences between them. Members should seek independent legal advice regarding the specifics of the competition or antitrust laws in any jurisdiction in which they do business, and with respect to any particular fact situation. These guidelines do not constitute legal advice, and each Member bears the ultimate responsibility for assuring that their actions and the actions of those under their direction comply with all applicable laws.

The Purpose of Competition Laws:

The rules of competition law aim to preserve and promote free and undistorted competition between companies.

They strictly prohibit any agreement or arrangement between competitors the effect of which is to coordinate any aspect of pricing, to allocate markets or customers, limit production or distribution of goods and services, or to exclude a company from the market (boycott). It is also illegal to agree to fix or control wages of employees, or to refrain from or limit the degree to which they seek to solicit each other’s employees.

Such agreements or practices can be made in a very informal manner. Thus, the mere presence at a meeting at which an exchange of sensitive information takes place between competing companies may be sufficient circumstantial evidence of the existence of an illegal agreement.

Procedure applicable to meetings

Activities organized by IATP (meetings, workshops, etc.) necessarily involve competing firms - and exclude indirectly non-Member companies from these activities.

Therefore, during all IATP activities it is essential for Members:

- (i) to refrain from any discussion, exchange of data or recommendations on topics considered sensitive under the rules of competition law or sensitive information; and
- (ii) to comply with the procedures established for this purpose.

The IATP meetings shall be conducted pursuant to the following:

This procedure applies to any meeting held within or through IATP and taking place physically or by any means of communication, such as telephone, video conferencing or *via* the Internet.

(i) Before each meeting

Meetings shall be conducted at regular scheduled sessions, at special meetings initiated pursuant to procedures set forth in IATP’s internal governance rules or through the activities of duly designated committees.

An agenda containing all specific topics that will be discussed shall be sent to each participant within a reasonable time in advance, so that changes – if any - may be proposed and agreed upon before the meeting. As far as possible, the documents mentioned in the agenda shall be sent to participants along with the notification.

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(ii) During each meeting

All discussions or conversations among conference and other IATP meeting participants, including during breaks and scheduled or non-scheduled social activities, shall be connected with the meetings or shall comply with the Guidelines below regarding the exchange of confidential / sensitive information.

If a meeting participant does not feel that the subject matter of the discussion is appropriate, or has questions in that regard, the participant should speak up, and expressly note their objection. Should they choose to leave the meeting out of a concern for the propriety the discussion under the competition (or any other) laws, they should ensure that the chair of the meeting has noted their concern.

In case of doubt about a particular topic of discussion, Members agree to suspend discussion on this subject and to refer to their own legal counsel to determine whether and under what conditions discussions can take place lawfully on this subject.

(iii) After the meeting

Minutes of IATP meetings shall be kept by the IATP for five years following conclusion of the meeting. These minutes shall include indications about Member or a Partnership Program member absenting their self from the Meeting for a particular agenda item.

A report of each meeting shall be sent to all participants in draft, with an opportunity to make comments, before being finalized by the meeting Chair and distributed in final form to all participants.

Prohibited exchange of information, agreements and activities during meetings organized by IATP

The exchange of information between competitors on the following topics should be prohibited during or as a result of any IATP meeting. Should the gathering of such information by IATP be necessary for the purpose of legitimate IATP activities, it shall not be shared with Members other than in aggregated form from which individual information cannot be discerned:

- Any non-public information relating to the products or services they produce and / or market: margins, profits, terms and conditions of sale, market shares, product lists, costs of any kind (including the amount of compensation of employees ...), price, quality and diversity of products, inventory, customer and supplier lists, orders, quotes, shipments, volume and capacity, business plans ...;
- Anything non-public related to their industrial or commercial strategy, introduction of new geographic markets, launching new products or services, etc.

IATP Members shall refrain from making any recommendation, directly or indirectly, for or against the purchase of specific products or services, or from specific suppliers.

Unless attendees to meetings are advised to the contrary by competition counsel, the following types of agreements among Members, whether express or implied, are STRICTLY PROHIBITED:

- Any collective agreement concerning prices to be charged for airline services;
- Any collective agreement allocating markets, territories, customers, suppliers or agents;
- Any collective agreement relating to prices to be paid to suppliers, and any other agreement that is intended to, or that in operation is likely to, harm non-participants, including without limitation any agreement that is intended to, or in operation is likely to, exclude a non-participants from any market; and
- Any agreement that is intended to, or in operation is likely to induce airlines or their suppliers or agents to engage in collective anti-competitive behavior, or to collectively punish any business enterprise for its exercise of independent business judgment.

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Confidentiality

All data and information of any kind kept on any medium and disclosed in any form by IATP to Members or by a Member to IATP or by a Member to another Member during the activities of IATP or through IATP shall be considered to constitute Confidential Information for purposes of these Guidelines.

Data and information as defined above which (i) have fallen into the public domain without intervention or omission of a Member or IATP, (ii) was obtained by a Member independently, not through fraudulent means, and without being subject to any obligation of confidentiality, or (iii) for which the issuer has expressly and in writing waived confidentiality are not considered as Confidential Information.

Each Member shall respect the confidential nature of the Confidential Information and shall not disclose to a non-Member unless, with advance notice to the provider of the Confidential Information, the disclosure is requested by or authorized by laws.