



SHAREHOLDERS AGREEMENT

Attachment To Standards And Methodology For The Evaluation Of Financial Statements (Canada & Bermuda)

EXECUTED IN DUPLICATE

THIS AGREEMENT made the _____ day of _____ 20_____
AMONG (Names of Shareholders) _____

(hereinafter called the "Shareholders")

AND:

(Name of Company) _____

a company duly incorporated under the laws of and conducting business in _____
(Address) _____

(hereinafter called the "Company")

AND:

INTERNATIONAL AIR TRANSPORT ASSOCIATION, 800 Place Victoria, P.O. Box 113, Montreal, Quebec on behalf of its Member Airlines and the Agency Administrator of IATA on behalf of the Member Airlines of the Traffic Conference of the Air Transport Association of Canada (ATAC).

(hereinafter called "IATA")

WHEREAS:

- A. By a Passenger Sales Agency Agreement (hereinafter called the "Agency Agreement") made between the Company and IATA, the Company agrees to sell air passenger transportation on behalf of the Members of IATA, and/or ATAC and the Members agree to pay commission thereon when the Company has received approval to so represent IATA and/or ATAC and its Member Airlines.
- B. All the issued and outstanding shares of the Company are held by:

(Names of Shareholders) _____

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and of the covenants and conditions hereinafter contained, the parties hereto agree amongst themselves as follows:

1. The Shareholders represent and warrant to IATA that they are the registered and/or beneficial owners of all the issued and outstanding shares in the Company, and that they have a good and marketable title to such shares free and clear of liens, claims, encumbrances and restrictions of any kind.
2. The Shareholders represent, warrant, covenant and agree that they will not permit or cause the Company to, and the Company agrees that it will not:
 - (a) declare or pay any dividends on the issued and outstanding shares in the Company;
 - (b) make any repayments in any form, (including wages and salaries) to any shareholder, on account of any loan from, interest in or indebtedness of the Company, whether secured or otherwise;
 - (c) purchase or redeem any share in the Company;
 - (d) distribute capital or make any payment to any shareholder based on the shares owned or held by such shareholder;
 - (e) (e) issue, grant, or sell any additional shares, warrants, bonds or debentures of the Company.

If the effect of any of the foregoing transactions would jeopardize or reduce the financial position of the Company below standards for approval or retention as an Approved Passenger Sales Agent established from time to time by IATA and/or ATAC and which are set forth in the IATA and/or ATAC Travel Agent's Handbook.

3. If any of the goods and chattels of the Company shall be at any time seized or taken in execution or attachment or if the Company shall make an assignment for the benefit of creditors or shall become bankrupt or insolvent, or become subject to any legislative enactments relating to liquidation or winding-up, whether voluntary or compulsory, then and in any such event, the shareholders covenant and agree that they will not request or accept any payment from the Company, its liquidator, trustee, receiver or manager on account of any indebtedness to the Shareholder unless and until all amounts owing to the Member Airlines are paid in full.

In WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED	
Shareholders (Signatures):	Witness (Signatures):
_____	_____
_____	_____
_____	_____
_____	_____
Company:	
The Corporate Seal (if required)	

IATA on behalf of its Member Airlines and the Agency Administrator of IATA on behalf of the Members of the ATAC Traffic Conference.

by: _____
(Title)

_____ (Witness)