

RESOLUTION 850 - Attachment 'C'

COUNTERINDEMNITY AGREEMENT

Relating to the Operation of BSP Bank Accounts by IATA

("Single Counterindemnity")

An Agreement entered into

Between
(name of airline)

having its registered office at
(full address)

.....

hereinafter called "the Airline",

and

the International Air Transport Association (IATA), a nonprofit corporation under Canadian law, having its registered office at 800 Place Victoria, Montreal, Quebec, hereinafter called "IATA",

WHEREAS the Airline, jointly with other Airlines participating in the same respective Billing and Settlement Plan ("BSP"), has considered it desirable that IATA operates and maintains certain BSP bank accounts (including a "Hinge Account" for clearing services) on its behalf, and WHEREAS IATA has agreed to provide such services subject to the Airline and other such airlines providing a counterindemnity relating to the risks arising therefrom,

IT IS THEREFORE AGREED AS FOLLOWS:

1. DEFINITION AND APPLICABILITY

For the purposes of this Agreement, the term "Hinge Account" shall mean the bank account into which agents' remittances are paid and from which monies are distributed to Participating Airlines.

This Agreement applies to all bank accounts established and operated in the name of IATA on behalf of a Billing and Settlement Plan ("BSP") for the purpose of operating through the Settlement Bank clearing services or administrative or other associated services, for the benefit of the Airline and other airlines participating in the respective BSP.

2. INDEMNITY

The undersigned Airline will indemnify IATA, its officers and employees, against any liability and costs, for any action taken or omitted in good faith in the performance operation of the Hinge Account or other accounts mentioned in paragraph 1 above, or arising in any other way from the operation of these accounts. Such liability may include, inter alia, shortfalls caused by under-remittance or non-remittance by Agents in cases where the Settlement Bank has credited the Airlines, in anticipation of full and timely remittance by the Agents. In case of such under-remittance or non-remittance, the undersigned Airline, when so requested by the ISS Manager, undertakes to immediately refund the corresponding amount(s) remitted to it to the BSP Hinge Account, and herewith acknowledges and agrees that IATA and the ISS Manager may take all such action, including legal action, as deemed

required in this connection, both on behalf of IATA and the BSP and on behalf of the Participating Airlines concerned. In the event of a liability arising otherwise than by way of non-remittance or under-remittance, the undersigned Airline undertakes to pay the amount of the obligation under this Agreement within 15 days of it being called upon to do so.

3. PRELIMINARY JOINT INDEMNIFICATION

If it cannot be established immediately for which participating Airline(s) a transaction not supported by a full Agent remittance was effected, the undersigned Airline, jointly with the other Participating Airlines having signed an identical agreement, shall forthwith reimburse and indemnify IATA for any shortfalls which shall be deemed to be operating costs and expenses of the BSP. Such cost of reimbursement shall be reapportioned as soon as it has been established for which Participating Airline(s) the respective remittance has been effected, in proportion to each of the undersigned Participating Airline's share in the respective remittance.

4. COLLECTIVE BINDING AGREEMENT

Upon signature, the present document, in conjunction with identical documents signed by other Airlines and IATA, shall constitute a collective binding Agreement which shall continue in full force and effect for as long as IATA operates any bank accounts as referred to in paragraph 1 above, provided that if any Participating Airline withdraws from a BSP, it shall cease to be a party to the Agreement with respect to that BSP, The under-signed Participating Airline shall nevertheless remain liable in respect of any of its liabilities arising prior to withdrawal from the respective BSP or termination of IATA's operation of respective bank accounts as referred to in Paragraph 1 above.

AS WITNESS WHEREOF on behalf of the Parties hereto by their duly authorised officers in duplicate on the day and year following hereto,

For and on behalf of Airline
Participating in the BSP

For and on behalf of
International Air Transport
Association

(Full name of Airline)

(Signature)

(Signature)

(Name)

(Name)

(Title)

(Title)

(Place, Date)

(Place, Date)