



# Rules and Regulations of the Board of Governors

Status as of 1 December 2023

## I. Authority

1. An Act to Incorporate the International Air Transport Association, Statutes of Canada, 1945, Chapter 51 (assented to December 18, 1945), as amended from time to time ("the Act of Incorporation") provides that IATA may establish an Executive Committee with appropriate executive power.
2. The IATA Articles of Association establish a Board of Governors ("the Board") to exercise executive committee functions, accountable to a General Meeting, and authorize the Board to adopt its Rules and Regulations.
3. Accordingly, the Board adopts the following "Rules and Regulations of the Board of Governors".
4. All definitions contained in the Articles of Association shall apply to these Rules and Regulations.

## II. General

1. The Board acts on behalf and in the interests of IATA. In this capacity its members represent IATA as a whole.
2. The Board acts in close co-operation and co-ordination with the Director General.
3. Individual Board members may be consulted on matters affecting particular subjects and their good offices may be used in the general interests of IATA.
4. Each Board member will act as a representative of the interests of the membership as a whole and not as a representative of his or her region or Member airline.

## III. Election – Membership – Terms of Office

1. The Board is composed of:
  - (i) Not more than 31 persons, who serve without remuneration. Board members are elected by the Annual General Meeting (AGM), except for interim Board members who are elected by the Board itself to fill a vacancy arising between AGMs; and
  - (ii) The Director General during his or her term of office.



2. To be eligible for election as a member of the Board, an individual must:
  - (i) be nominated by a Member, noting that only one Board member may be elected from each Member at any one time and that a group of Members that share a common ownership structure may each nominate a candidate for election to the Board;
  - (ii) hold one of the following positions, or similar, allowing for differences of nomenclature:
    - (a) Chair of the Board;
    - (b) President of the Company;
    - (c) Chief Executive;
    - (d) Managing Director;

in either the nominating Member or a company that owns a majority of the voting shares in the nominating Member not suspended and whose primary business is the management of one or more airlines; and,
  - (iii) have the requisite knowledge of and experience in the airline industry.
3. The seats on the Board will be allocated on a regional basis according to the following geographical regions:
  - (i) Africa (except North Africa) and Indian Ocean;
  - (ii) Asia-Pacific;
  - (iii) Europe;
  - (iv) Latin America and the Caribbean;
  - (v) Middle East and North Africa;
  - (vi) North America; and
  - (vii) North Asia.
4. The following formula ("the Allocation Formula") will be applied to those geographical regions and used as a guide in the allocation of seats on the Board:
  - (i) the total amount of membership dues paid by Members in that region as a percentage of the total membership dues paid, this factor to be given a 50% weighting;
  - (ii) the number of Members in that region as a percentage of the total IATA membership, this factor to be given a 25% weighting; and
  - (iii) the total revenue tonne-kilometers performed by Members in that region as a percentage of the total number of revenue tonne-kilometers performed by all Members, this factor to be given a 25% weighting.

5. The statistics according to which these factors are to be considered should be based on an average of the three most recent years for which such statistics are available at the date when the Allocation Formula is applied.
6. The allocation of seats on the Board in accordance with the Allocation Formula will be reviewed by the Board every five years, using the Allocation Formula as a tool to guide the discussion and will, in any event, always ensure that each of the seven geographical regions is guaranteed a minimum of two seats on the Board.
7. If a vacancy arises on the Board more than three months prior to the next AGM, the Board shall elect a replacement, who shall hold office until the end of the next AGM.

The Director General shall request nominations from Members in the region where the vacancy exists. If only one nomination is received to fill the vacancy, the election will be confirmed by acclamation conducted by the Corporate Secretary. If more than one nomination is received, the election will be held by mail vote conducted by the Corporate Secretary and the election will require a majority of all Board members.

8. Subject to Rules III (7) and V (3), each Board member shall be elected for a three-year term.
9. Each Board member is eligible to serve three consecutive terms. If an individual has served three consecutive terms, a minimum of two years must expire before that person is eligible again for election to the Board.

The period of an interim appointment under Rule III (7) will not count as a term for the purpose of this paragraph.

The AGM may exceptionally approve the election of an individual to serve more than three consecutive terms on the basis of that individual's knowledge, experience or current responsibilities on the Board.

10. Limits on the length of a Board member's term and the number of consecutive terms permitted apply only to the individual Board member and not to the Member which nominated him or her for election.
11. Board membership shall terminate:
  - (i) if a Board member ceases to be a representative of the Member which he or she represented at the time of his or her election;
  - (ii) if such airline ceases to be a Member or its membership is suspended; or,
  - (iii) if a Board member fails to attend three consecutive regular Board meetings, unless the Board member presents to the Board, prior to the third meeting, a statement that failure to attend one or more meetings was due to circumstances considered acceptable to the Board.
12. Rules III (1) to (11) shall not apply in respect of the Director General, who shall serve as a member of the Board during his or her term of office in accordance with Article XIV of the Articles of Association.

## IV. Meetings

1. One Board meeting shall be held immediately before each AGM in the same locality as the AGM and at least one additional regular Board meeting shall be held each year on a date and at a place fixed by the Board.

Regular Board meetings shall be held in person. Board meetings may be conducted electronically:

- (i) with the consent of at least two-thirds of all Board members; and
  - (ii) if the AGM held immediately after the Board meeting is conducted electronically.
2. In addition to regular meetings, special meetings of the Board may be held:
    - (i) without prior notice, during or immediately following the AGM, should the Director General, in consultation with the Board Chair or the Chair Committee, determine that circumstances so warrant; or
    - (ii) on 30 days' notice, if four Board members so request, supported by a statement as to the purpose of the special meeting, or if the Director General, in consultation with the Board Chair, so requests.

After consulting the Board Chair, the Director General or the Corporate Secretary shall circulate the date, time, place and the agenda for a special meeting which shall set out the specific matters for which the meeting was requested.

3. At any Board meeting, only members of the Board, the Director General, the Corporate Secretary, and such other observers as the Board or the Director General may designate, shall be present.

Upon request by a Board member, the Board Chair or the Director General may authorize that Board members be accompanied by a personal interpreter for a specific Board meeting or for discussion on a specific agenda item.

4. The Director General shall prepare the preliminary agenda of any Board meeting for approval by the Board Chair with the object of limiting the agenda to matters requiring either a decision by the Board or policy guidance from the Board.

The preliminary agenda, together with the date, time and place of meeting, shall be sent to all Board members by the Corporate Secretary at least 45 days prior to a meeting.

Any Board member may suggest the inclusion of a matter on the agenda within seven days of receiving the preliminary agenda. The final agenda, together with supporting documentation, shall be sent to Board members by the Corporate Secretary at least twenty-one days before the date of the meeting.

5. Ten members of the Board shall constitute a quorum at any Board meeting but decisions of the Board will be valid only when approved by a majority of all Board members.
6. On all matters requiring the vote or action of the Board, each Board member shall be entitled to one vote. Board members not present at a regular meeting with a quorum are not allowed to vote by proxy but may cast their vote in advance of the meeting in written or electronic form.



7. Between meetings, the Board may decide, by mail vote expressed in written or electronic form:
  - (i) matters which can be decided by mail vote in accordance with these Rules and Regulations;
  - (ii) matters which any eight Board members have requested be put to a mail vote; and
  - (iii) matters which in the opinion of the Director General are of such a nature that they can be disposed of by mail vote.

In presenting a matter for mail vote, the Director General or the Corporate Secretary shall specify the issue to be decided and stipulate the date by which votes should be received.

8. The Corporate Secretary shall inform each Board member of the result of any vote.
9. A summary of actions taken by the Board at each meeting shall be circulated by the Corporate Secretary to all Members.
10. The Board shall report on its activities to the AGM.

## V. Board Chair

1. The Board Chair shall preside at meetings of the Board and of the Chair Committee and carry out such other duties and functions as the Board or the Chair Committee may require.
2. The Board Chair shall be elected by the Board from among the current Board members, except the Director General who is not eligible for election as Board Chair.

If there is only one candidate, the election will be confirmed by acclamation conducted by the Corporate Secretary. If there is more than one candidate, the election will be held by mail vote conducted by the Corporate Secretary and the election will require a majority of all Board members.

The Board Chair will serve a three-year term in the order stated below:

- (i) one year on the Chair Committee as the Board Chair-elect;
  - (ii) one year as both the Board Chair and the Chair Committee Chair; and
  - (iii) one year on the Chair Committee as Past Board Chair.
3. Upon election of a Board member to the position of Board Chair-elect, his or her term on the Board will automatically be extended if necessary to ensure that he or she can serve the three-year term described in Rule V (2). The extension to his or her term will not count as a new term for the purposes of Rule III (8).
4. An individual can only serve one term as Board Chair after which he or she will be ineligible for this role. However, if the current Board Chair is unable to fulfill his or her responsibilities at any time during his or her term, the Board can agree that a previous Board Chair may exceptionally act as Board Chair on an interim basis.



## VI. Officers of the Association

1. The Director General is appointed by the Board for a renewable term of five years, subject to the approval of the AGM.
2. The remuneration of the Director General is determined by the Board on recommendation of the Remuneration Committee
3. The Director General:
  - (i) advises and makes recommendations to the Board and Chair Committee on matters affecting the air transport industry, including initiatives to be taken and planning required;
  - (ii) expresses and implements the policies of IATA in conformity with its Mission and Aims and as decided by the Board in relation to particular matters which may arise from time to time;
  - (iii) has overall responsibility for the efficient organization and functioning of IATA, including preparation of the budget and control of all funds. Within the budget, he or she has authority to engage and dismiss IATA staff and to determine their duties, except for the:
    - (a) appointment and termination of the Corporate Secretary and the Chief Financial Officer which shall be subject to approval by the Board; and
    - (b) rules, regulations and procedures for the issuance of passes for free and reduced air fare transportation for IATA employees which are subject to Board approval under Resolution 788;
  - (iv) provides guidance to the Advisory Councils and the Traffic Conferences to ensure that Board and Chair Committee decisions and policies are taken into account;
  - (v) appoints the members of the Advisory Councils;
  - (vi) has authority to appoint a commissioner to exercise jurisdiction over certain matters in accordance with Passenger and Cargo Agency Conference Resolutions. Any such appointment will be notified to the Board;
  - (vii) acts in conformity with administrative responsibilities which may be assigned by a Traffic Conference in connection with programs established by Conference Resolutions;
  - (viii) in conformity with Board policy guidance, ensures the financial integrity and efficient management of industry settlement plans;
  - (ix) shall supervise the IATA Clearing House (ICH), in accordance with the ICH Regulations and in consultation with the Industry Finance Advisory Council;
  - (x) solicits at his or her discretion candidates for the position of Board Chair from among Board members and circulates the names of all such candidates to the Board;
  - (xi) monitors the activities of the IATA interest groups and ensures that they conduct their affairs in accordance with the guidelines and that the work of the IATA interest groups is publicized as widely as possible so that the broader IATA membership may benefit from their activities;



(xii) shall carry out any authorities, functions and duties as delegated or assigned by a General Meeting or the Board; and

(xiii) reports on the activities of IATA to the Board and the AGM.

4. The Corporate Secretary is appointed by the Board on the recommendation of the Director General. Subject to the supervision and authority of the Director General, he or she acts as Secretary and records the proceedings of General Meetings, the Board, and the Chair Committee and carries out such other duties and responsibilities as may be assigned to him or her.
5. The Chief Financial Officer is appointed by the Board on the recommendation of the Director General. Subject to the supervision and authority of the Director General, he or she is responsible for the accounts and financial records of IATA, for the custody and protection of its funds, acts as Secretary and records the proceedings of the Audit Committee, and carries out such other duties and responsibilities as may be assigned to him or her.

## **VII. Committees of the Board**

1. The Chair Committee is a Committee of the Board established to:
  - (i) oversee IATA's financial performance;
  - (ii) provide administrative guidance to the Director General;
  - (iii) oversee IATA's governance;
  - (iv) have overall responsibility for industry policy.
2. The Audit Committee is a Committee of the Board established to:
  - (i) review the financial reporting process;
  - (ii) review the system of internal control and management of financial risks;
  - (iii) review the audit process; and
  - (iv) review the process of monitoring compliance with laws and regulations.
3. The Remuneration Committee is a Committee of the Board established to review and advise on compensation policies.
4. Subject to the Rules adopted by the Board in relation to the individual Committees, each Committee may adopt its own rules of procedure.

## **VIII. Advisory Councils**

1. The Director General may establish Industry Committees, subject to the approval of the Board, and such Industry Committees shall be known as "Advisory Councils" for the purpose of these Rules and Regulations.



2. The following Advisory Councils are established to advise the Board and work closely with IATA management on issues referred to them by the Director General:
  - (i) Cargo Advisory Council;
  - (ii) Digital Transformation Advisory Council;
  - (iii) Distribution Advisory Council;
  - (iv) Industry Affairs Advisory Council;
  - (v) Industry Financial Advisory Council;
  - (vi) Legal Advisory Council;
  - (vii) Operations Advisory Council;
  - (viii) Security Advisory Council; and
  - (ix) Sustainability and Environment Advisory Council.
3. The Rules and Regulations and the Mandates of Advisory Councils shall be established by the Director General, subject to approval by the Board.

## **IX. Duties and Responsibilities**

1. The Board shall monitor the activities and performance of IATA and approve annual performance targets on the recommendation of the Chair Committee.
2. The Board shall approve industry policy and strategy on the recommendation of the Chair Committee and within the framework of the Act of Incorporation, the Articles of Association and the decisions of General Meetings.
3. The Board may amend the Provisions for the Conduct of the IATA Traffic Conferences. Nevertheless, the Board shall first obtain the approval of the AGM before making any amendment to Sections VIII and IX of said Provisions, the effect of which would be to alter the requirement for a unanimous vote of all the voting members of a Traffic Conference.
4. On the recommendation of the Director General, the Board approves and amends the guidelines for activities of IATA interest groups, and considers reports on their activities.
5. The Board may delete or amend the IATA Clearing House (ICH) Regulations. The Director General shall consider and approve the deletion or amendment of ICH Regulations proposed by the Industry Finance Advisory Council when allowed by the ICH Regulations.
6. Subject to the Articles of Association, the Board shall prescribe the form and content of the application for IATA membership.

Subject to confirmation by the Corporate Secretary that an application is in order, it shall be considered expeditiously by the Board.

Upon payment of all applicable Fees and Dues and approval by the Board, membership shall be effective.





If the application is rejected by the Board, the Director General shall advise the Applicant Airline of its right to appeal as provided for in the Articles of Association, the date and place of the next General Meeting and the procedures for pursuing an appeal to the General Meeting.

7. The Board, through the Director General, may require Members to submit such reports and data as may be necessary to calculate the Dues for the next year.
8. The Board shall determine the Dues and any Fees to be paid by each Member and the currency or currencies of payment on the recommendation of the Chair Committee and subject to approval of the AGM.
9. The rate of interest on arrears of dues shall accrue and be payable at a rate equal to the daily rate charged by IATA's primary bank operating lender from time to time, as determined by the Board or the Director General upon the Board's delegation to him or her, plus 1% per annum thereon. The Board or the Director General upon the Board's delegation to him or her may waive this requirement because of exceptional circumstances.
10. If a Member is unable to obtain the currency in which its Dues, or any other financial obligations, are payable and this is established to the satisfaction of the Director General, the Director General is authorized to accept payment in any other currency acceptable to him or her, provided that this is in conformity with any applicable exchange control laws.
11. The Board shall approve the annual budget on the recommendation of the Chair Committee.
12. The Board shall submit the audited annual consolidated financial statements to the AGM following their review and approval by the Audit Committee.
13. The Board shall select IATA's external auditor for appointment by the AGM and on the recommendation of the Audit Committee.
14. On the recommendation of the Director General, the Board shall determine the agenda of and program of the AGM and consider any matters submitted by Members for inclusion on the agenda in accordance with the Articles of Association.
15. The Board may recommend to the AGM for approval the place and time of the AGM and whether the AGM is to be conducted by electronic means at a specific time.
16. The Board shall submit to the AGM a report of its activities since the last AGM, designed to inform Members of important subjects and significant items, including those considered by the Advisory Councils during the preceding year.
17. The Director General shall immediately bring to the attention of the Board any request for a Special General Meeting and shall make recommendations as to date, time, place, and agenda.

## **X. Amendment of the Rules and Regulations**

1. The Board may from time to time amend these Rules and Regulations provided that the Corporate Secretary has circulated any proposed amendment together with an explanatory paper to all Board members at least twenty-one days prior to the meeting which will consider the amendment in accordance with Rule IV (5). Any such amendment will only take effect at the close of the meeting at which the amendment is decided by the Board unless the Board specifically decides otherwise.



## Annex 1: Rules of Procedure of the Chair Committee

### I. General

1. The Chair Committee is a Committee of the Board established to:
  - (i) oversee IATA's financial performance;
  - (ii) provide administrative guidance to the Director General;
  - (iii) oversee IATA's governance; and
  - (iv) have overall responsibility for industry policy.

### II. Duties and Responsibilities

1. The Chair Committee shall monitor the performance of IATA and recommend annual performance targets to the Board.
2. The Chair Committee shall monitor the overall financial performance of IATA.
3. The Chair Committee shall recommend to the Board the annual budget on a proposal from the Director General.
4. The Chair Committee shall recommend to the Board arrangements regarding payment of Members' outstanding financial obligations.
5. The Chair Committee shall approve non-budget expenditures up to amounts authorized by the Board.
6. The Chair Committee shall recommend to the Board the Membership Dues Assessment on a proposal from the Director General.
7. The Chair Committee shall, on the advice of the Director General, recommend to the Board appointment of the Chief Financial Officer and the Corporate Secretary.
8. The Chair Committee shall advise the Chief Financial Officer on matters related to the management and funding of pension plans.
9. The Chair Committee shall recommend to the Board the agenda for any General Meeting.
10. The Chair Committee shall review and determine the eligibility of any nominee for Board membership.
11. The Chair Committee shall monitor the effectiveness of the governance practices of IATA and make recommendations to the Board.
12. The Chair Committee shall recommend industry policies and strategy brought forward by the Director General or by the Advisory Councils to the Board for approval and give policy guidance to IATA management, Advisory Councils and Traffic Conferences to implement the policies approved by the Board and the decisions of General Meetings.



13. The Chair Committee shall monitor the activities and performance of the Advisory Councils and review their rules and regulations and mandates at least every three years to ensure they are appropriately tasked to advise the Board and work closely with IATA management on issues referred to them.
14. The Chair Committee shall carry out any other duties that may be referred to it from time to time by the Board.

### III. Membership

1. The Chair Committee will consist of ten Board members to be elected by the Board and will include:
  - (i) the Board Chair;
  - (ii) the Board Chair-elect;
  - (iii) the Past Board Chair; and
  - (iv) one representative from each of the seven geographical regions that comprise membership of the Board.
2. The members from each of the seven geographical regions will be elected by the Board based on the following criteria:
  - (i) the role of individuals in the industry as either global or regional leaders;
  - (ii) no more than one individual from a group of Member airlines that share a common ownership, common ownership meaning two or more Member airlines of whom the majority of the voting shares are held by another company whose primary business is the management of those Member airlines;
  - (iii) a reasonable mix of continuity and rotation; and
  - (iv) gender diversity.
3. The term of office for members from each of the seven geographical regions coincides with their remaining term on the Board. If re-elected to the Board, they are eligible for re-election to the Chair Committee for a second term. The Board may exceptionally elect an individual to serve more than two terms on the basis of that individual's knowledge, experience or current responsibilities on the Chair Committee.
4. Should a member of the Chair Committee no longer be eligible or able to serve on the Board, the Board shall fill the vacancy on the Chair Committee from amongst the Board members in the corresponding region.
5. The Board Chair shall act as Chair of the Chair Committee and shall have a casting vote in the event of a tied vote.
6. The Corporate Secretary shall act as Secretary to the Chair Committee.



## IV. Meetings

1. The Chair Committee shall meet at least four times a year, with at least two meetings held in person including one on a date appropriate to preparation of the budget.
2. Six members shall constitute a quorum at any meeting.
3. Decisions taken at a meeting or by mail vote will be valid only if approved by six members. Such approval by members not present at a meeting may be expressed in advance of the meeting in written or electronic form.
4. The Board shall receive the agenda and documentation of each meeting of the Chair Committee at the same time as it is received by the Chair Committee members.



## Annex 2: Rules of Procedure of the Audit Committee

### I. General

1. The Audit Committee is a Committee of the Board established to:
  - (i) review the financial reporting process;
  - (ii) review the system of internal control and management of financial risks;
  - (iii) review the audit process; and
  - (iv) review the process of monitoring compliance with laws and regulations.

### II. Duties and Responsibilities

1. The Audit Committee shall assess and make a recommendation to the Board for the selection of IATA's external auditor, for appointment by the AGM.
2. The Audit Committee shall review the audited annual consolidated financial statements with the external auditors and, upon reaching a determination that they are in order, approve the statements, cause them to be signed, and submit them to the Board for ratification prior to the Board's presentation of the statements to the AGM.
3. The Audit Committee shall review from time to time the adequacy of key financial and accounting policies and recommend changes to the Board as and when required.
4. The Audit Committee shall monitor the commercial risks of IATA operations and provide guidance to the Director General as and when required.
5. The Audit Committee shall review potential conflicts of interest arising from non-audit services provided by the external auditor.
6. The Audit Committee shall ensure that all potential material claims against IATA, or any litigation in which IATA is involved, have been properly evaluated and accounted for.
7. The Audit Committee shall review with management the effectiveness of internal controls.
8. The Audit Committee shall review significant findings and recommendations of the internal auditor.
9. The Audit Committee shall deal with reports of material violations or breaches of fiduciary duties.
10. The Audit Committee shall deal with any differences between the management of IATA and the external auditors.
11. The Audit Committee shall report to the Board on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem appropriate.



### III. Membership

1. The Audit Committee consists of five members:
  - (i) the Board Chair-elect;
  - (ii) the Past Board Chair;
  - (iii) one other member of the Board who is not a member of the Chair Committee and who shall act as Chair of the Audit Committee for a term coinciding with his or her remaining term on the Board;
  - (iv) two additional members of the Board who are:
    - (a) members of the Board not serving on the Chair Committee for a term coinciding with their remaining term on the Board; or
    - (b) chief financial officers or equivalent from member airlines represented on the Board and nominated by their respective Board member, if insufficient or no nominations are received from Board members themselves to fill any vacancies on the Audit Committee, for a term coinciding with the remaining term on the Board of their respective Board member.

Members of the Audit Committee are eligible for re-election to the Audit Committee if they or their respective Board members are re-elected to the Board.

2. The Chair of the Audit Committee and the two additional members shall be elected by the Board on the recommendation of the Director General.
3. IATA's Chief Financial Officer shall act as Secretary to the Audit Committee.

### IV. Meetings

1. The Audit Committee shall meet at least three times a year, including one meeting on a date appropriate to facilitate review and approval of the audited annual consolidated financial statements.
2. Three members shall constitute a quorum at any meeting.
3. Decisions taken at a meeting or by mail vote will be valid only if approved by three members. Such approval by members not present at a meeting may be expressed in advance of the meeting in written or electronic form.
4. The Board shall receive the agenda and documentation of each meeting of the Audit Committee at the same time as it is received by the Audit Committee members.
5. The Board Chair shall be invited to attend the meetings of the Audit Committee as an observer, at his or her discretion.



## Annex 3: Rules of Procedure of the Remuneration Committee

### **I. General**

1. The Remuneration Committee is a Committee of the Board established to review and advise on compensation policies.

### **II. Duties and Responsibilities**

1. The Remuneration Committee shall monitor the performance of the Director General and recommend to the Board changes in his or her remuneration; and
2. The Remuneration Committee shall advise the Director General on matters pertaining to the remuneration and appraisal of IATA's senior officers.

### **III. Membership**

1. The Remuneration Committee consists of three Board members:
  - (i) the Board Chair,
  - (ii) the Board Chair-elect, and
  - (iii) the Past Board Chair.
2. The Chief Financial Officer shall act as Secretary to the Remuneration Committee

### **IV. Meetings**

1. The Remuneration Committee shall meet twice a year.
2. Three members shall constitute a quorum at any meeting.
3. The Director General and the Independent Compensation Advisor may be invited to attend the meetings of the Remuneration Committee.