

**STANDING ORDER FOR THE CONDUCT OF BUSINESS  
of the Association BAR-Austria**

**Introduction:**

**While the Articles of Association generally reflect the applicable standards for associations in Austria, it is the intent of this Standing Order to clarify and regulate specific procedures and requirements needed for the actual daily operation of BAR-Austria.**

**Changes and additions to this Standing Order can be proposed by any member of the association and have to be agreed by the General Assembly with two thirds majority to become effective and binding.**

**(For easier reference, paragraphs used in this Standing Order correspond to the sequence and content of paragraphs in the Articles of Association.)**

**§ 1: Name, Location and Area of Activities**

No additions to Articles of Association

**§ 2: Objective of the Association**

The purpose of this Association is to allow legally permissible discussions and decisions on internal BAR matters and subjects of interest to the aviation industry in Austria.

It is BAR-Austria's intent that all meetings will be conducted in accordance with all applicable internal governance requirements; in full compliance with EU competition laws, United States antitrust laws, the competition rules of the Treaty of Rome, and the competition laws of other jurisdictions.

Therefore :

- (1) All Meetings shall be conducted at regular scheduled sessions, at special Meetings initiated pursuant to procedures set forth in the Articles of Association, or through the activities of duly designated committees. Informal sessions of delegates to take final action on agenda items are prohibited. All discussions or conversations among participants and attendees, including during breaks and scheduled or non-scheduled social activities connected with the Meetings, must follow these Guidelines.
- (2) Meetings shall be conducted in accordance with written agendas that recognise and observe the competition laws of the European Community and other relevant jurisdictions to assure that the agenda items are in compliance with these laws. Agendas will be distributed in advance of the Meetings.
- (3) Minutes of the Meetings shall include indications of any member absenting from the Meeting for a particular agenda item.
- (4) The following types of agreements, whether express or implied, are strictly prohibited:
  - (a) Any collective agreement concerning prices to be charged for airline services;
  - (b) Any collective agreement allocating markets, territories, customers, suppliers or agents;
  - (c) 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

- (d) limitation any agreement that is intended to, or in operation is likely to, exclude a non-participant from any market; and
  - (e) any agreement that is intended to, or in operation is likely to induce airlines or their suppliers or agents to engage in collective anticompetitive behaviour, or to collectively punish any business enterprise for its exercise of independent business judgment.
- (5) Recognising that the existence of an unlawful agreement or concerted practice may be inferred from circumstances, including the exchange of information by competitors, discussions or disclosures of the following types of information, are also prohibited , except when such information has otherwise been made public or external competition counsel advises that such discussions are legally permissible:
- (a) Individual airline fares, rates, charges or surcharges;
  - (b) Individual airline costs;
  - (c) Individual airline’s intentions regarding increasing, reducing or reallocating aircraft capacity (including entering or exiting routes);
  - (d) Information on individual airlines customers; and
  - (e) Any other sensitive commercial or proprietary information that the company would not disclose in the absence of an express or implied agreement to exchange such information for the purpose of reducing or restricting competition in the airline industry.

### **§ 3: Funding**

Annual contributions for ordinary members and joining as well as annual contributions for extraordinary members will be assessed by the Executive Committee, subject to formal approval by the General Assembly at the next meeting following this decision.

- (1) (a) The annual participation fee for ordinary members  
and
  - (b) Joining and participation fees for extraordinary members  
will be assessed for approval during last annual General Assembly meeting for each  
forthcoming year.
  - (c) Evidence of applicable annual fee structure will be given in “Annex for Membership Fee” to  
standing order
- (2) (a) The annual fee has to be paid prior to February 28 of each calendar year.
- (b) If this deadline is not met, two written reminders – the first one sent one month following the  
due date, the second one more month later by registered mail including the warning of the  
deletion from the list of membership – will be sent.
- (3) For ordinary members joining during the course of the year, the charge will be 100% of the  
annual fee for those joining during months JAN-JUN and 70% of the annual fee for those joining  
during months JUL-DEC.
- (4) For members leaving the association – irrespective of the reason – no refund of fees for the  
current year will be given.

#### **§ 4: Categories of Members**

No additions to Articles of Association

#### **§ 5 : How to obtain Membership**

- (1) Applications of airlines qualifying for ordinary membership shall be addressed to the Executive Committee in free format and shall be considered as approved at the time of receipt.
- (2) Filings for extraordinary membership need to be accompanied by
  - (a) a description of business of the applicant as well as
  - (b) written explanation on the reasons for the application.
  - (c) a statement of support of at least 3 ordinary members of the association.

Such filings should be discussed and decided at the next Executive Committee meeting or – in case of urgency - by mail vote to all Executive Committee members.

Acceptance or refusal (in this case giving the reasons but no individual votings leading to it) shall be provided to the applicant immediately following such action.

#### **§ 6 : Expiration of Membership**

- (1) Membership expires immediately if the conditions as per § 5 of the Articles of Association are no longer met.
- (2) It also expires, if the member fails to fulfil its financial obligations (see §(3) above for details)
- (3) Any member may withdraw from membership by written information to the Executive Committee on one month advance notice.
- (4) Expulsion from membership is also possible if the member has intentionally and rudely acted against the interest of the association or fails to attend General Assemblies for a considerable period of time  
Every member can apply for such expulsion.  
The Executive Committee has to deal with such request and decides upon the expulsion of a member with 2/3 majority.
- (5) Against the expulsion – which has to be notified to the party concerned via registered mail stating the reason(s) for the expulsion – the member concerned may appeal to the General Assembly within one month.  
The appeal has dilatory effect.  
The next General Assembly meeting shall decide upon the appeal with a 2/3 majority.

#### **§ 7 : Members rights and duties**

- (1) Association members are requested to nominate a delegate (and if needed an alternate) for participation in General Assembly meetings.
- (2) As far as ordinary members are concerned, delegates and alternates need not be on the payroll of the nominating carrier, provided that
  - (a) any person already representing another scheduled Air Carrier in BAR-AT may not be nominated as either delegate or alternate.

- (b) The nomination must include the full name of the person and the local organization – if any – in which he/she is employed as well as the persons function in such organization.
- (c) It must also include the name/department in the appointing carriers organization responsible for this nomination and recipient of all related correspondence, invoices, etc
- (d) Once written confirmation of BAR-ATs acceptance of such request is received – and subject to §9 (6) below - persons nominated may represent and speak/vote on behalf of the appointing carrier in BAR-Austria.
- (e) With the exception of invitations to meetings and other activities – which will be addressed to the nominated delegate with copy to the appointing carrier - all correspondence will be addressed directly to the appointing carrier.
- (f) Equally it is the prerogative and sole responsibility of the appointing carrier to inform BAR-Austria about any relevant changes to the status of the nominated delegate, alternate and their organisation.

**§ 8 : Bodies of the Association**

No additions to Articles of Association

**§ 9 : The General Assembly**

- (1) In addition to the annual Ordinary General Assembly, at least 3 additional meetings shall be held.
- (2) Meetings of the General Assembly shall be held and protocols and all correspondence related
- (3) thereto shall be issued in English language only.
- (4) All members of the association are free to participate in meetings of the General Assembly. In addition, for specific items on the agenda, the Executive Committee may decide to invite guest speakers, industry or technical experts or observers from other organizations.
- (5) Voting rights at General Assemblies are however limited to duly nominated delegates (or alternates) of ordinary members of the association.
- (6) In exceptional cases the Executive Committee may also seek General Assembly decisions by mailvote. However, results of such mail vote shall only be binding if at least 25% of the members participated and a 2/3 majority was reached. If this is not possible, the item must be placed on the agenda of the next General Assembly meeting.
- (7) (6) Notwithstanding (3) and (5) above, the board of BAR-AT may restrict participation (and voting rights) for participants that are not on the payroll of ordinary association members(i.e. extraordinary members and delegates as per § 7 above) in case of particular items on the agenda that might imply a conflict of interest between its role as delegate or observer at BAR meetings and its own organization.

**§ 10 : Competences of the General Assembly**

No additions to Articles of Association

**§ 11 : The Executive Committee.**

- (1) Members of the Executive Committee may only be persons employed or nominated as delegates by an ordinary BAR member.
- (2) The Executive Committee should meet regularly – at least prior to each General Assembly meeting to prepare agenda and documentation for such meeting. The Committee is free to invite own employees or outside experts to participate – without voting rights – in its meetings.
- (3) All items of general decided board meeting must be reported to and duly minuted with the next General Assembly Meeting.
- (4) Should no employee of Austrian Airlines be nominated or elected for the Executive Committee, a delegate of this carrier must be invited to all Executive Meetings for participation with full votingrights in this body.

**§ 12 : Competences and Responsibilities of the Executive Committee**

No additions to Articles of Association

**§ 13 : Particular Obligations of individual Executive Committee Members**

No additions to Articles of Association

**§ 14: Auditors**

No additions to Articles of Association

**§ 15: Settling of Disputes**

No additions to Articles of Association

**§ 16: Voluntary Dissolution of the Association**

No additions to Articles of Association