

AGREEMENT ON THE REFUND OF TICKETS

AGREEMENT BETWEEN:

Compañía Mexicana de Aviación, S.A de C.V., an airline incorporated under the laws of Mexico, holding IATA designator code and accounting prefix MX-132, with its registered office located at Xola 535, piso 29, Colonia Del Valle, México, D. F., CP 03100, represented by Claudio Visintini Freschi, Executive VicePresident Finance and Francisco Javier Christlieb Morales, Executive Vice President Legal duly empowered for the purpose of entering into this Agreement, ("**Mexicana**");

and,

International Air Transport Association, incorporated by a special act of the Parliament of Canada, with its head office at 800 Place Victoria, P.O. Box 113, Montreal, Canada, H4Z 1M1, and an executive office at 33 Route de l'Aéroport, CH-1215 Geneva 15, Switzerland, represented by Aleksander Popovich, Senior Vice President, IDFS and Richard Rigby, Director, Corporate Finance, duly empowered for the purpose of entering into this Agreement, ("**IATA**");

hereinafter collectively referred to as "the Parties";

WHEREAS MEXICANA participated in the IATA Billing and Settlement Plan ("BSP") in each of the following BSPs: Mexico, Canada, Argentina, Brazil, Venezuela, Spain, Guatemala, Colombia, England, Costa Rica, Germany, France, Italy, Panama, El Salvador, Switzerland, Japan, Austria, Norway, Chile, Sweden, Denmark, Ecuador, Santo Domingo and Peru (each a "Participating BSP");

WHEREAS pursuant to PAConf Resolution 850 Attachment F, IATA suspended **MEXICANA** from each Participating BSP and withheld funds derived from ticket sales following Mexicana's filing of a petition in bankruptcy and inability to post an adequate security deposit by 23:59 in Geneva, Switzerland on 4 August 2010;

WHEREAS Mexicana on August 5, 2010, filed that certain proceeding, No. 500-11-039418-104, styled *In the Matter of the Judicial Reorganisation Proceedings of Compañía Mexicana de Aviación, S.A. de C.V., Insolvent Debtor, and Maru E. Johansen, Foreign Representative*, in the Superior Court (Commercial Division) of Canada (Province of Quebec, District of Montreal) (the "Court");

WHEREAS on or about August 16, 2010, Mexicana announced that it had suspended all flights and passenger operations;

WHEREAS the Parties have agreed that IATA subject to approval of this Agreement by the Court will commence the process of refunding to passengers all Standard Traffic Documents ("STD") eligible for refund and issued by Agents in each Participating BSP;

WHEREAS it is not known at this time how many tickets are still unflown and/or eligible for refund;

IATA AF; Mexicana: [Signature]



NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Subject to and once approved by the Court, IATA will process the refunding of **Mexicana's** STD issued by Agents in each Participating BSP in accordance with the procedures specified at Annex A.
2. In addition to the procedures set out at Annex A, **Mexicana** shall:
 - 2.1. ensure that it complies with IATA Resolutions, rules and procedures for the sole requirements of the refund operation;
 - 2.2. pay to IATA the fees and charges described in article 3 below;
 - 2.3. establish a dedicated team at **Mexicana's** office that is qualified to receive, verify, analyze and process promptly the refund applications (the "MX Team"). The MX Team shall complete the analysis according to dates and procedures set out at Annex A. Any refund application filed and sent to **Mexicana** within the periods established in Annex A not analysed or rejected by December 15, 2010 shall be considered to be fully refundable. **Mexicana** shall ensure that individuals nominated by IATA may be present at all times at the **Mexicana's** office to audit and review the refund applications with the MX Team, and at the same time to address expeditiously issues such as eligibility of a ticket for refund in order to reduce complaints in the future;
 - 2.4. ensure that it notifies IATA promptly which numbered STD are eligible for refund and which ones are not, specifying the reasons for ineligibility. Thereafter, IATA and **Mexicana** shall review the ineligible tickets for confirmation and assess whether the funds available will cover the refunds and what steps to take if the funds available are insufficient.
 - 2.5. download BSPLink data immediately for any use **Mexicana** may have for this information in the future, bearing in mind that BSPLink data is available in BSP Link for a limited time only.
3. Fees and charges payable to IATA.

In consideration for the services rendered or to be rendered by IATA through its BSP under articles 1 and 2 above, IATA shall be entitled to deduct from the monies withheld by IATA a fee of USD 10,000.00 (Ten Thousand United States dollars) to process the refund applications and for other administrative and other expenses and costs incurred or to be incurred by IATA to perform the services in connection with this Agreement plus, in addition, IATA's reasonable and documented supported attorneys fees and expenses. This deduction shall be deemed to be a final and irrevocable settlement by **Mexicana** to IATA of administrative and other expenses and costs directly or indirectly incurred by IATA with respect to those tickets processed, including reasonable and documented supported legal fees and expenses.

4. Disposal of withheld funds.

4.1 After IATA has completed the refund process described in this Agreement and deducted all fees and charges payable to IATA, any funds remaining in the possession of IATA shall be returned to **Mexicana**.



4.2 In the event that the withheld funds are insufficient to refund all STD eligible for refund and to pay IATA's fees and charges set out at article 3 above, either

a) **Mexicana** shall deposit funds with IATA the total of which equals the difference between the withheld funds and the total amount of STD eligible for refund plus IATA's fees and charges; or

b) IATA shall prorate the available funds for distribution to the Participating BSPs and satisfaction of IATA's fees and charges.

5. Agent Debit Memo (ADM).

Mexicana agrees that should it raise an ADM to collect any amount resulting from a post-suspension refund application analysis, and should the concerned Agent dispute such ADM, **Mexicana** and the Agent shall take such reasonable action as is necessary to resolve this matter outside the IATA Settlement System procedures.

6. Indemnification and Liability.

Mexicana agrees that IATA shall assume no liability of any nature whatsoever in connection with the performance of the services described in this Agreement. In particular, IATA shall not be responsible for verifying whether duplicated requests for reimbursement were sent to both IATA and **Mexicana** directly and for determining whether a request for reimbursement sent to IATA is fraudulent. Subject to article 2.3 above, IATA shall not refund any ticket which IATA or **Mexicana** agree or determine is a duplicate or fraudulent. **Mexicana** agrees to indemnify, defend and protect IATA, its officers, employees, contractors and agents against any legal action, damage, costs and fees that IATA may incur or be subject to in connection with this Agreement, including reasonable legal fees, except in case of gross negligence or willful misconduct.

7. Effective Date. This agreement shall be effective on the date set out in the signature page, subject to approval by the Court.

8. Notices. All notices authorized or required to be given by one of the Parties shall be in English, and in writing, and shall be effective when sent by facsimile confirmed by registered mail with return receipt requested to the other Party at the address stated in the beginning of this Agreement as they may be amended from time to time by notice.

9. Entire agreement, amendments or modifications. Save as provided herein, this Agreement contains the entire agreement among the Parties with respect to the subject matter hereof, and it cancels and supersedes all prior agreements, whether oral or written, with respect to this subject matter. This Agreement or any of its terms may not be amended or modified except by an instrument in writing signed by the Parties.

10. Waiver. The failure by either of the Parties to enforce any or all of the provision(s) of this Agreement shall not be deemed a waiver or an amendment of the same and shall not prevent future enforcement thereof.

IATA AP; Mexicana: _____



11. Severability. If any one or more of the provisions of this Agreement are adjudged by a court to be invalid or unenforceable, this shall in no way prejudice or affect the binding nature of this Agreement as a whole, or the validity or enforceability of each and every other provision of this Agreement.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of Switzerland.

13. Dispute Resolution. All disputes arising in connection with this Agreement shall be finally settled under the IATA Rules of Arbitration by one or more arbitrators appointed in accordance with the said Rules.

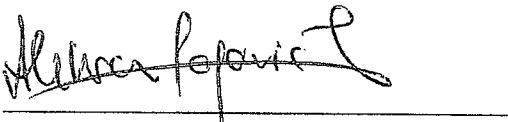
14. Counterparts. This Agreement may be executed in any number of counterparts and by each of the Parties as separate counterparts, each of which when executed and delivered shall be deemed to be an original but all the counterparts together shall constitute one and the same agreement.

16. Language. This Agreement may be translated into other languages. In case of any dispute in the meaning or interpretation of a term, the English version shall prevail.

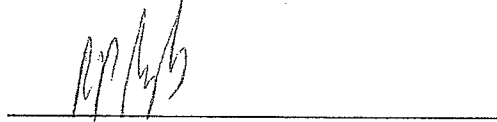
Signed on August 17th, 2010

ACKNOWLEDGED, UNDERSTOOD AND AGREED:

Signed on behalf of IATA:



Aleksander Popovich
Senior Vice President IDFS

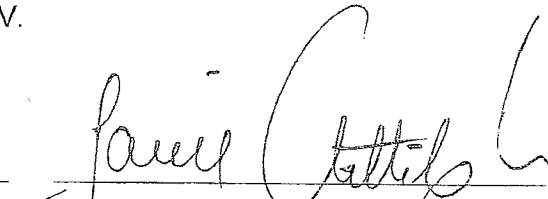


Richard Rigby
Director, Finance

Signed on behalf of COMPAÑIA
MEXICANA DE AVIACIÓN, S.A. DE C.V.



Claudio Visintini Freschi
Executive V.P. Finance



Francisco Javier Christlieb Morales
Executive V.P. Legal



ANNEX A

MEXICANA REFUND OF STD's

1. All STD's filed for refund should be inserted in BSPlink by Agents from August 17, 2010 until October 15, 2010;
2. IATA will provide Mexicana with file extracts from BSPlink containing all received submissions from Agents beginning the date of signature of the Agreement until the week of 1st. November 2010;
3. Mexicana will analyze all transactions and submit a list of all approved transactions no later than December 15, 2010, as per the Agreement.
4. IATA GVA will check that the approved amount can be covered by the withheld funds.
5. IATA GVA will process proportionally all approved transactions through BSPlink up to the funds withheld.
6. Subject to paragraph 5 above, IATA GVA will transfer monies to the appropriate country in order to allow for their proportional disbursement to the Agents.

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IATA AP; Mexicana: [Signature]

