AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF THE
REPUBLIC OF ICELAND

AND

THE GOVERNMENT OF THE
UNITED ARAB EMIRATES

New York,.....29 September.....2015

P07.08.865 · ODDI umhverfisvottuð prentsmiðja

The Government of the Republic of Iceland and the Government of the United Arab Emirates (hereinafter referred to as the "Parties");

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944;

Desiring to promote their mutual relations in the field of civil aviation and to conclude an agreement for the purpose of establishing air services between and beyond their respective territories;

Desiring to promote an international aviation system based on competition among airlines in the marketplace with minimum government interference and regulation;

Desiring to facilitate the expansion of international air service opportunities;

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air services and undermine public confidence in the safety of civil aviation;

Desiring to make it possible for airlines to offer the travelling and shipping public a variety of service options and wishing to encourage individual airlines to develop and implement innovative and competitive prices;

Have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement, unless otherwise stated, the term:

1. "Aeronautical authorities" means, in the case of the Republic of Iceland, the Ministry of Interior and any person or agency authorized to perform the functions exercised by the said authority, and in the case of the United Arab Emirates, the General Civil Aviation Authority, and any person or body authorised to perform any functions at present exercised by the said Authority in respect of Civil Aviation;

2. "Agreement" means this Agreement, its Annexes, and any amendments thereto;

3. "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes: any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by both Parties, and any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annexes or amendments are at any given time effective for both Parties;

4. "Designated airline" means an airline designated and authorized in accordance with Article 3 of this Agreement;

P07.08.865 - ODDI umhverfisvottuð prentsmiðja

5. "European Economic Area" is an enhanced free trade area established by the Agreement on the European Economic Area, done at Oporto on 2 May 1992, between the European Community and its member states on the one hand and the EFTA states with exclusion of Switzerland on the other hand. EFTA is an abbreviation for the European Free Trade Association of which Iceland is a member;

6. "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead;

7. "International air service" means an air service that passes through the airspace over the territory of more than one State;

8. "Price" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air service including surface transportation in connection with international air transportation, if applicable, charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;

9. "Stop for non-traffic purposes", "airline", "air service" and "territory" have the meaning specified in Articles 2 and 96 of the Convention; and

10. "User charges" means a charge imposed on airlines for the provision of airport, air navigation or aviation security facilities or services including related services and facilities.

Article 2
Grant of Rights

1. Each Party grants the other Party's designated airlines the following rights for the conduct of international air services:
   a. the right to fly across its territory without landing;
   b. the right to make stops in its territory for non-traffic purposes;
   c. the right, in accordance with the terms of their designation, to perform scheduled and charter international air services between points on the following routes with full traffic rights:
      (i) from points behind the territory of the Party designating the airline via the territory of that Party and any intermediate points to any point or points in the territory of the other Party and beyond;
      (ii) between the territory of the Party granting the right and any point or points; and
   d. the rights otherwise specified in this Agreement.

2. Each designated airline may on any or all flights and at its option:
   a. operate flights in either or both directions;
   b. combine different flight numbers within one aircraft operation;
   c. serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order;
   d. omit stops at any point or points;

P07 08 865 / ODDI umhverfisvottuð prentsmiðja

e. transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;
f. serve points behind any point or points in its territory with or without change of aircraft or flight number and hold out and advertise such services to the public as through services;
g. make stopovers at any points whether within or outside the territory of the other Party;
h. carry transit traffic through the other Party's territory; and
i. combine traffic on the same aircraft regardless of where such traffic originates;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement.

3. On any segment or segments of the routes above, any designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated.

4. The airline or airlines of one Party may take on board, in the territory of the other Party, passengers, baggage, cargo, or mail carried for remuneration and destined for another point in the territory of that other Party, without the said airline having to serve a point in the territory of the Party designating that airline.

Article 3
Designation and Authorization

1. Each Party shall have the right to designate an airline or airlines for the purpose of operating the agreed services on each of the routes specified in the Annex and to withdraw or alter such designations. Such designations shall be made in writing and transmitted to the other Party through diplomatic channels and shall identify the extent to which the airline is authorised to conduct the type of air transport specified in the Agreement.

2. Upon receipt of such a designation and of applications from the designated airline, in the form and manner prescribed for operating authorizations and technical permissions, the other Party shall grant the appropriate authorizations and permissions with minimum procedural delay, provided:

a) in the case of an airline designated by Iceland:
(i) it is established in the territory of Iceland in accordance with the Agreement on the European Economic Area, and is licensed in accordance with national law or European Community law adopted in accordance with the Agreement on the European Economic Area; and
(ii) effective regulatory control of the airline is exercised and maintained by a State which is a Contracting Party to the Agreement on the European Economic Area responsible for issuing its Air Operators Certificate and the relevant aeronautical authority is clearly identified in the designation;

b) in the case of an airline designated by the United Arab Emirates:
(i) it is established in the territory of the United Arab Emirates and is licensed in accordance with the applicable law of the United Arab Emirates, and

P07 08 865 - ODDI umhverfisvottuð prentsmiðja

United Arab Emirates has and maintains effective regulatory control of the airline; or

(ii) where a substantial ownership and effective control of that airline is vested in the United Arab Emirates and/or its nationals and effective regulatory control of the airline is maintained by a State Party to the Convention which is responsible for the issuance of an Air Operator Certificate to such airline; and

c) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the Party considering the application or applications.

3. Nothing in this Agreement shall be deemed to affect a Party's laws and regulations concerning the ownership and control of airlines that it designates.

Article 4

Revocation of Authorization

1. Either Party may revoke, suspend or limit the operating authorization or technical permissions of an airline designated by the other Party where:

a) in the case of an airline designated by Iceland:

(i) it is not established in the territory of Iceland in accordance with the Agreement on the European Economic Area, or is not licensed in accordance with national law adopted in accordance with the Agreement on the European Economic Area or in accordance with European Community law; or

(ii) effective regulatory control of the airline is not exercised or not maintained by a State which is a Contracting Party to the Agreement on the European Economic Area responsible for issuing its Air Operators Certificate, or the relevant aeronautical authority is not clearly identified in the designation;

(iii) the air carrier holds an Air Operator's Certificate issued by a State which is a Contracting Party to the Agreement on the European Economic Area and it can be demonstrated that by exercising traffic rights under this Agreement on a route that includes a point in that other State which is a Contracting Party to the Agreement on the European Economic Area including the operation of a service which is marketed as or otherwise constitutes a through service, it would in effect be circumventing restrictions on traffic rights imposed by a bilateral air services agreement between the United Arab Emirates and that other by a State which is a Contracting Party to the Agreement on the European Economic Area; or

(iv) the air carrier holds an Air Operator's Certificate issued by a State which is a Contracting Party to the Agreement on the European Economic Area and there is no bilateral air services agreement between the United Arab Emirates and that State which is a Contracting Party to the Agreement on the European Economic Area, and it can be demonstrated that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the air carrier(s) designated by the United Arab Emirates;

b) in the case of an airline designated by the United Arab Emirates:

P07 08 865 : ODDI umhverfisvottuð prentsmiðja

(i) in respect of an airline designated under Article 3 (2) b (i) above, it is not established in the territory of the United Arab Emirates or is not licensed in accordance with the applicable law of the United Arab Emirates or if effective regulatory control of the airline is not exercised or not maintained by the United Arab Emirates; or

(ii) in respect of an airline designated under Article 3 (2) b (ii) above, where substantial ownership and effective control of that airline is not vested in the United Arab Emirates and/or its nationals or where the effective regulatory control of the airline is not maintained by the State party to the Convention which is responsible for the issuance of its Air Operator Certificate; or

(iii) the air carrier is majority owned and controlled by nationals of a state other than the United Arab Emirates and it can be demonstrated that by exercising traffic rights under this Agreement on a route that includes a point in that other state, including the operation of a service which is marketed as or otherwise constitutes a through service, it would in effect be circumventing restrictions on traffic rights imposed by a bilateral air services agreement between a State which is a Contracting Party to the Agreement on the European Economic Area and that other state; or

(iv) the air carrier is majority owned and controlled by nationals of a state other than the United Arab Emirates and there is no bilateral air services agreement between a State which is a Contracting Party to the Agreement on the European Economic Area and that other state, and it can be demonstrated that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the air carrier(s) designated by the a State which is a Contracting Party to the Agreement on the European Economic Area concerned.

c) that airline has failed to comply with the laws and regulations referred to in Article 7 of this Agreement.

2. Unless immediate action is essential to prevent further non-compliance with this Article, the rights established by this Article shall be exercised only after consultation with the other Party.

Article 5

Application of Laws

1. While entering, within, or leaving the territory of one Party, its laws and regulations relating to the operation and navigation of aircraft shall be complied with by the other Party's airlines.

2. While entering, within, or leaving the territory of one Party, its laws and regulations relating to the admission to or departure from its territory of passengers, crew or cargo on aircraft (including regulations relating to entry, clearance, aviation security, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the other Party's airlines.

P07 08 865 - ODDI umhverfisvottuð prentsmiðja

3. Neither Party shall give preference to its own or any other airline over a designated airline of the other Party engaged in similar international air services in the application of its immigration, customs, quarantine and similar regulations.

Article 6
Recognition of certificates

1. Each Party shall recognize as valid, for the purpose of operating the air services provided for in this Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the State responsible for the regulatory control of a designated airline and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention.

2. Each Party reserves the right, however, to refuse to recognize as valid for the purpose of flight above or landing within its own territory, certificates of competency and licenses granted to or validated for its own nationals by the other Party.

Article 7
Safety

1. Each Party may request consultations at any time concerning the safety standards maintained by the other Party in areas relating to aeronautical facilities, flight crew, aircraft and operation of aircraft. Such consultations shall take place within thirty (30) days of that request.

2. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph (1) above that meet the Standards established at that time pursuant to the Convention, the other Party shall be informed of such findings and of the steps considered necessary to conform with the said Standards. The other Party shall then take appropriate corrective action within an agreed time period.

3. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Party, on service to or from the territory of another Party, may, while within the territory of the other Party be the subject of a search by the authorised representatives of the other Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention.

4. When urgent action is essential to ensure the safety of an airline operation, each Party reserves the right to immediately suspend or vary the operating authorisation of an airline or airlines of the other Party.

5. Any action by one Party in accordance with paragraph (4) above shall be discontinued once the basis of the taking of that action ceases to exist.

P07 08 865 · ODDI umhverfisvottuð prentsmiðja

6. With reference to paragraph (2) above, if it is determined that one Party remains in non-compliance with the said Standards when the agreed time period has lapsed, the Secretary-General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

7. Where one Party has designated an airline whose regulatory control is excercised and maintained by a third State, the rights of the other Party under this article shall apply equally in respect of the adoption, exercise or maintaince of safety standards by that third state and in respect of the operating authorisation of that airline.

Article 8
Aviation Security

1. In accordance with their rights and obligations under international law, the Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, done at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal on 23 September 1971 and its protocol done on 24 February 1988 and the Convention on the Marking of Plastic Explosives for the Purpose of Detection done at Montreal on 1 March 1991 and any other convention on aviation security to which both Parties become members.

2. Upon request the Parties shall provide each other with all necessary assistance to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, of airports and air navigation facilities, and address any other threat to the security of civil air navigation.

3. The Parties shall, in their mutual relations, act in conformity with all aviation security standards and appropriate recommended practices established by the International Civil Aviation Organization and designated as Annexes to the Convention; they shall require that operators of aircraft of their registry, operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions.

4. Each Party agrees to observe the security provisions required by the other Party for entry into the territory of that other Party and to take adequate measures to protect aircraft and to inspect passengers, crew, and their baggage and carry-on items, as well as cargo and aircraft stores, prior to and during boarding or loading. Each Party shall also give positive consideration to any request from the other Party for special security measures to meet a particular threat.

5. When an incident or threat of an incident of unlawful seizure of aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and

P07 08 865 - ODDI umhverfisvottuð prentsmiðja

other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

6. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its Territory is detained thereon unless its departure is necessitated by the overriding duty to protect the lives of its passengers and crew.

7. When a Party has reasonable grounds to believe that the other Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Party may request immediate consultations with the aeronautical authorities of the other Party. Failure to reach a satisfactory agreement within 15 days from the date of such request shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airline or airlines of that Party. When required by an emergency, a Party may take interim action prior to the expiry of 15 days. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Party with the security provisions of this Article.

Article 9
Commercial Opportunities

1. The airlines of each Party shall have the right to establish offices in the territory of the other Party for the promotion and sale of air services.

2. The designated airlines of each Party shall be entitled, in accordance with the laws and regulations of the other Party relating to entry, residence and employment, to bring in and maintain in the territory of the other Party managerial, sales, technical, operational and other specialist staff required for the provision of air services.

3. Such representatives and staff requirements mentioned in paragraph 2 of this Article may, at the option of the designated airline, be satisfied by its own personnel nationals or non-nationals or by using the services of any other airline, organization or company operating in the territory of the other Party and authorized to perform such services in the territory of such other Party.

4. Each designated airline shall have the right to perform its own ground-handling in the territory of the other Party ("self-handling") or, at its option, select among competing agents for such services in whole or in part. The rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airlines; charges shall be based on the costs of services provided; and such services shall be comparable to the kind and quality of services as if self-handling were possible.

5. Any airline of each Party may engage in the sale of air services in the territory of the other Party directly and, at the airline's discretion, through its agents, except as may be specifically provided by the charter regulations of the country in which the charter originates that relate to the protection of passenger funds, passenger cancellation and refund rights. Each airline shall have the right to sell such transportation, and any person

P07 08 865 · ODDI umhverfisvottuð prentsmiðja

shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies.

6. Each airline shall have the right to convert and remit to its country, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for remittance.

7. The airlines of each Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Party in local currency. At their discretion, the airlines of each Party may pay for such expenses in the territory of the other Party in freely convertible currencies according to local currency regulation.

8. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into co-operative marketing arrangements such as blocked-space, code-sharing or leasing arrangements, with

i) an airline or airlines of either Party; and

ii) an airline or airlines of a third country,

provided that all airlines in such arrangements 1) hold the appropriate authority and 2) meet the requirements normally applied to such arrangements.

Article 10

Customs Duties and Charges

1. Each Party shall on the basis of reciprocity exempt a designated airline of the other Party to the fullest extent possible under its national law from customs duties, excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including but not limited to such items of food, beverages and liquor, tobacco and other products destined for sale or to be used solely in connection with the operation or servicing of aircraft) and other items, such as printed ticket stock, air waybills, staff uniforms, computers and ticket printers used by a designated airline for reservations and ticketing, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed free of charge by that designated airline intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Party operating the agreed services.

2. The exemptions granted by this article shall apply to the items referred to in paragraph 1:

a) introduced into the territory of the Party by or on behalf of the designated airline of the other Party;

b) retained on board aircraft of the designated airline of one Party upon arrival in or leaving the territory of the other Party; or

c) taken on board aircraft of the designated airline of one Party in the territory of the other Party and intended for use in operating the agreed services;

P07.08.865 - ODDI umhverfisvottuð prentsmiðja

whether or not such items are used or consumed wholly within the territory of the Party granting the exemption, provided the ownership of such items is not transferred in the territory of the said Party.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the designated airline of either Party, may be unloaded in the territory of the other Party only with the approval of the customs authorities of that territory. In such case, they may be placed under supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

4. The exemptions provided by this Article shall also be available where the designated airlines of one Party have contracted with another airline, which similarly enjoys such exemptions from the other Party, for the loan or transfer in the territory of the other Party of the items specified in paragraphs (1) and (2) of this Article.

Article 11
User Charges

1. User charges that may be imposed by the competent charging authorities or bodies of each Party on the airlines of the other Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Party on terms not less favourable than the most favourable terms available to any other airline at the time the charges are assessed.

2. User charges imposed on the airlines of the other Party may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

3. Each Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and shall encourage the competent charging authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs 1 and 2. Each Party shall encourage the competent charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.

4. Neither party shall be held, in dispute resolution procedures pursuant to Article 16, to be in breach of a provision of this Article, unless (i) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Party within a reasonable amount of time; or (ii) following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

P07 08 865 · ODDI umhverfisvottuð prentsmiðja

Article 12
Avoidance of Double Taxation

1. Income and profits derived from the operation of aircraft in international traffic by an airline of one Party, including participation in a pool service, a joint air transport operation or an international operating agency, shall be exempt from income tax, profits tax and all other taxes on income and profits imposed in the territory of the other Party.

2. Capital and assets of an airline of one Party relating to the operation of aircraft in international traffic shall be exempt from taxes on capital and assets imposed in the territory of the other Party.

3. Gains from the alienation of aircraft operated in international traffic and movable property pertaining to the operation of such aircraft which are received by an airline of one Party, the income and profits of which according to paragraph 1 are taxable only in the territory of that Party, shall be exempt from any tax or gains imposed in the territory of the other Party.

4. For the purposes of this Article:

a) the term "income and profits" includes revenues and gross receipts from the operation of aircraft for the carriage of persons, livestock, goods, mail or merchandise in international traffic including:

(i) the charter or rental of aircraft if such charter or rental is incidental to the operation of aircraft in international traffic;

(ii) the sale of tickets or similar documents, and the provision of services connected with such carriage, for the airline itself or for other airlines, but in the latter case only if such sales or provisions of service are incidental to the operation of aircraft in international traffic; and

(iii) interest on funds directly connected with the operation of aircraft in international traffic;

b) the term "international traffic" means any carriage by an aircraft except when such carriage is solely between places in the territory of the other Party;

5. The competent authorities of the Parties shall, through consultation, endeavour to resolve by mutual agreement any disputes regarding the interpretation or application of this Article. Article 16 (Consultations and Settlement of Disputes) shall not apply to such disputes.

6. Notwithstanding Article 20 (Entry into Force), each Party shall in writing notify the other that the internal procedures necessary to implement this Article have been completed. The Article shall enter into force on the date of receipt of the latter of these notifications and shall thereupon have effect in respect of income, profits and gains arising on or after the first day of any tax year beginning on or after the first day of January of the year next following that in which this Agreement enters into force and on capital and assets held.

7. Notwithstanding Article 18 (Termination), this Article shall cease to have effect, in relation to income, profits and gains received as well as capital and assets held on or after the first day of January in the calendar year next following the expiry of six months after the date of receipt of such notice.

P07.08.865 ODDI umhverfisvottuð prentsmiðja

8. This Article shall cease to have effect in the event that an agreement for the avoidance of double taxation with respect to taxes on income, providing for similar exceptions to those stipulated in this Article, enters into force between the Parties.

Article 13
Fair Competition

1. Each Party shall allow a fair and equal opportunity for the designated airlines of both Parties to compete in providing the international air services governed by this Agreement.

2. Each Party shall allow each designated airline to determine the frequency and capacity of the international air services it offers based upon commercial considerations in the marketplace. Consistent with this right, neither Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Party, except as may be required for customs, technical, operational, or environmental reasons under uniform conditions consistent with Article 15 of the Convention.

3. Neither Party shall impose on the other Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.

4. Neither Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Party for approval, except as may be required on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph 2 of this Article or as may be specifically authorized in an Annex to this Agreement. If a Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air services intermediaries and on designated airlines of the other Party.

Article 14
Pricing

1. Each Party shall allow prices for air services to be decided by each designated airline based on commercial considerations in the marketplace. Intervention by the Parties shall be limited to:
a) prevention of unreasonably discriminatory prices or practices;
b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and
c) protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.

2. Each Party may require notification to or filing with its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Party. Notification or filing by the airlines of both Parties may be required no more than 30 days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Party shall require the

P07 08 865 · ODDI umhverfisvottuð prentsmiðja

notification or filing by airlines of the other Party of prices charged by charterers to the public, except as may be required on a non-discriminatory basis for information purposes.

3. Notwithstanding the paragraphs 1 and 2, the prices to be charged by the designated airline of United Arab Emirates for carriage wholly within the European Economic Area, where such a service serves a point in Iceland shall be subject to the Agreement on the European Economic Area. However, each designated airline has the right to match any price offered in the marketplace.

Article 15
Intermodal Services

Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of both Parties shall be permitted, without restriction, to employ in connection with international air services any surface transportation for cargo to or from any points in the territories of the Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air services. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

Article 16
Consultations and Settlement of Disputes

1. In a spirit of close co-operation, either Party may, at any time, request consultations relating to this Agreement, its implementation and satisfactory compliance with the provisions of this Agreement. If any dispute arises between the Parties relating to the interpretation or application of this Agreement, the Parties shall in the first place endeavour to settle it by consultation.

2. Any dispute which cannot be resolved by consultations, may at the request of either Party of the agreement be submitted to a mediator or a dispute settlement panel. Such a mediator or panel may be used for mediation, determination of the substance of the dispute or to recommend a remedy or resolution of the dispute.

3. The Parties shall agree in advance on the terms of reference of the mediator or of the panel, the guiding principles or criteria and the terms of access to the mediator or the panel. They shall also consider, if necessary, providing for an interim relief and the possibility for the participation of any Party that may be directly affected by the dispute, bearing in mind the objective and need for a simple, responsive and expeditious process.

4. A mediator or the members of a panel may be appointed from a roster of suitably qualified aviation experts maintained by ICAO. The selection of the expert or experts

P07 08 865 - ODDI umhverfisvottuð prentsmiðja

shall be completed within fifteen (15) days of receipt of the request for submission to a mediator or to a panel. If the Parties fail to agree on the selection of an expert or experts, the selection may be referred to the President of the Council of ICAO. Any expert used for this mechanism should be adequately qualified in the general subject of the dispute.

5. A mediation should be completed within sixty (60) days of engagement of the mediator or the panel and any determination including, if applicable, any recommendation, should be rendered within sixty (60) days of engagement of the expert or experts. The Parties may agree in advance that the mediator or the panel may grant interim relief to the complainant, if requested, in which case a determination shall be made initially.

6. The Parties shall cooperate in good faith to advance the mediation and to implement the decision or determination of the mediator or the panel, unless they otherwise agree in advance to be bound by decision or determination. If the Parties agree in advance to request only a determination of the facts, they shall use those facts for resolution of the dispute.

7. The costs of this mechanism shall be estimated upon initiation and apportioned equally, but with the possibility of re-apportionment under the final decision.

8. The mechanism is without prejudice to the continuing use of the consultation process, the subsequent use of arbitration, or Termination under Article 18.

Article 17
Modification

1. If either Party considers it desirable to modify any provision of this Agreement, including eventual Annex thereto, it may request consultations between the aeronautical authorities of both Parties in relation to the proposed modification. Such consultations shall commence within a period of sixty days (60) from the date of receipt of the request. Any modifications so agreed shall enter into force when they have been confirmed by both Parties by an exchange of diplomatic notes. Pending the entry into force of such amendments, the Aeronautical Authorities shall give provisional effect to such amendments.

2. A modification to any Annexes to this Agreement may be made by direct agreement between the aeronautical authorities of both Parties and shall enter into force when it has been confirmed by exchange of diplomatic notes. Pending the entry into force of such amendments, the Aeronautical Authorities shall give provisional effect to such amendments.

3. The Parties may, to the extent agreed, amend this Agreement so as to conform with any multilateral convention or agreement concerning air transport which may become binding on both Parties.

P07.08.865 · ODDI umhverfisvottuð prentsmiðja

Article 18
Termination

Either Party may, at any time, give notice in writing to the other Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organization. This Agreement shall terminate at midnight at the place of receipt of the notice immediately before the first anniversary of the date of receipt of the notice by the other Party, unless the notice is withdrawn by agreement of the Parties before the end of this period. In the absence of acknowledgement of receipt by the other Party, notice shall be deemed to have been received fourteen (14) days after the date it was received by the International Civil Aviation Organization.

Article 19
Registration with ICAO

This Agreement and all amendments thereto shall be registered upon its signature with the International Civil Aviation Organization.

Article 20
Entry into force

This Agreement shall enter into force upon an exchange of diplomatic notes confirming that the internal procedures necessary to implement the Agreement have been completed.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at New York this 29 day of September, 2015 in duplicate, in the Icelandic, Arabic and English languages, each text being equally authentic. In case of divergence of interpretation, the English language text shall prevail.

For the Government of
the Republic of Iceland

Gunnar Bragi Sveinsson
Minister for Foreign Affairs

For the Government of
the United Arab Emirates

Abdullah bin Zayed Al Nahyan
Minister of Foreign Affairs

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ANNEX
ROUTE SCHEDULE

Section 1:
Routes to be operated by the Designated Airline(s) of United Arab Emirates.

FROM	INTERMEDIATE POINTS	TO	BEYOND POINTS
Any Points in the UAE	Any Points	Any Points in Iceland	Any Points

Section 2:
Routes to be operated by the Designated Airline(s) of Iceland

FROM	INTERMEDIATE POINTS	TO	BEYOND POINTS
Any Points in Iceland	Any Points	Any Points in the UAE	Any Points

Operation of the Agreed Services

The Designated Airline(s) of both Contracting Parties are entitled to exercise, in any type of service (passenger, cargo, separately or in combination), in addition to unrestricted third, fourth freedom rights, full fifth freedom traffic rights to/from any intermediate or beyond point(s) without any restriction whatsoever.

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