

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 2
to
Form F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

COPA HOLDINGS, S.A.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Republic of Panama
*(State or other jurisdiction of
incorporation or organization)*

4512
*(Primary Standard Industrial
Classification Code Number)*

Not Applicable
*(I.R.S. Employer
Identification No.)*

**Boulevard Costa del Este, Avenida Principal y Avenida de la Rotonda
Urbanización Costa del Este
Complejo Business Park, Torre Norte
Parque Lefevre
Panama City, Panama
(+507 303-3348)**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
(1-302-738-6680)**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

David L. Williams
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Francesca Lavin
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(3)
Class A common shares, without par value	16,100,000 shares	\$17	\$273,700,000	\$29,285.90

(1) Includes Class A common shares that the underwriters may purchase solely to cover over-allotments, if any.

(2) Estimated solely for purposes of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Amendment No. 2 to the Registration Statement on Form F-1 of Copa Holdings, S.A. is being filed solely for the purpose of filing exhibits.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 6. Indemnification of Directors and Officers

According to the Registrant's Articles of Incorporation and so far as may be permitted by the Law, every Director or Officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto, including any liability incurred by him in defending any proceeding which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is rendered in his favor (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute/regulation for relief from liability in respect of any such act or omission in which relief is granted to him by a court of law or similar tribunal. The Registrant intends to enter into indemnity agreements with its directors and officers and to purchase insurance for the benefit of the directors and officers prior to the offering.

Item 7. Recent Sales of Unregistered Securities

None.

Item 8. Exhibits

(a) The following documents are filed as part of this Registration Statement:

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|--------|---|
| 1.1 | Form of Underwriting Agreement |
| 3.1* | Articles of Incorporation (<i>Pacto Social</i>) of the Registrant |
| 5.1 | Opinion of Galindo, Arias & Lopez, Panamanian legal counsel of the Registrant, as to the legality of the Class A shares |
| 8.1* | Opinion of Galindo, Arias & Lopez, as to tax matters |
| 8.2* | Opinion of Simpson Thacher & Bartlett LLP, as to tax matters |
| 10.1+* | Aircraft Lease Agreement, dated as of October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of Boeing Model 737-71Q Aircraft, Serial No. 29047 |
| 10.2+* | Letter Agreement dated as of November 6, 1998 amending Aircraft Lease Agreement, dated October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of One Boeing Model 737-71Q Aircraft, Manufacturer's Serial No. 29047 |
| 10.3+* | Aircraft Lease Amendment Agreement dated as of May 21, 2004 to Aircraft Lease Agreement, dated October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of Boeing Model 737-71Q Aircraft, Serial No. 29047 |
| 10.4+* | Aircraft Lease Agreement, dated as of October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of Boeing Model 737-71Q Aircraft, Serial No. 29048 |
| 10.5+* | Letter Agreement dated as of November 6, 1998 amending Aircraft Lease Agreement, dated as of October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of Boeing Model 737-71Q Aircraft, Serial No. 29048 |
| 10.6+* | Aircraft Lease Amendment Agreement dated as of May 21, 2003 to Aircraft Lease Agreement, dated October 1, 1998, between First Security Bank and Compañía Panameña de Aviación, S.A., in respect of Boeing Model 737-71Q Aircraft, Serial No. 29048 |
| 10.7+* | Aircraft Lease Agreement, dated as of November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 28607 |

- 10.8†* Letter Agreement No. 1 dated as of November 18, 1998 to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 28607
- 10.9†* Letter Agreement No. 2 dated as of March 8, 1999 to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 28607
- 10.10†* Lease Extension and Amendment Agreement dated as of April 30, 2003, to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 28607
- 10.11†* Aircraft Lease Agreement, dated as of November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 30049
- 10.12†* Letter Agreement No. 1 dated as of November 18, 1998 to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 30049
- 10.13†* Letter Agreement No. 2 dated as of March 8, 1999 to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 30049
- 10.14†* Lease Extension and Amendment Agreement dated as of April 30, 2003, to Aircraft Lease Agreement, dated November 18, 1998, between Aviation Financial Services Inc. and Compañía Panameña de Aviación, S.A., Boeing Model 737-700 Aircraft, Serial No. 30049
- 10.15†* Aircraft Lease Agreement, dated as of November 30, 2003, between International Lease Finance Corporation and Compañía Panameña de Aviación, S.A., New B737-700 or 800, Serial No. 30676
- 10.16†* Aircraft Lease Agreement, dated as of March 4, 2004, between International Lease Finance Corporation and Compañía Panameña de Aviación, S.A., New B737-700 or 800, Serial No. 32800
- 10.17†* Aircraft Lease Agreement dated as of December 23, 2004, between Wells Fargo Bank Northwest, N.A. and Compañía Panameña de Aviación, S.A., in respect of Boeing B737- 800 Aircraft, Serial No. 29670
- 10.18† Embraer 190LR Purchase Agreement DCT-006/2003 dated as of May 2003 between Embraer—Empresa Brasileira de Aeronáutica S.A. and Regional Aircraft Holdings Ltd.
- 10.19† Letter Agreement DCT-007/2003 between Embraer—Empresa Brasileira de Aeronáutica S.A. and Regional Aircraft Holdings Ltd., relating to Purchase Agreement DCT- 006/2003
- 10.20† Letter Agreement DCT-008/2003 between Embraer—Empresa Brasileira de Aeronáutica S.A. and Regional Aircraft Holdings Ltd., relating to Purchase Agreement DCT- 006/2003
- 10.21* Aircraft General Terms Agreement, dated November 25, 1998, between The Boeing Company and Copa Holdings, S.A.
- 10.22†* Purchase Agreement Number 2191, dated November 25, 1998, between The Boeing Company and Copa Holdings, S.A., Inc. relating to Boeing Model 737-7V3 & 737-8V3 Aircraft
- 10.23†* Supplemental Agreement No. 1 dated as of June 29, 2001 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
- 10.24†* Supplemental Agreement No. 2 dated as of December 21, 2001 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
- 10.25†* Supplemental Agreement No. 3 dated as of June 14, 2002 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
- 10.26†* Supplemental Agreement No. 4 dated as of December 20, 2002 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
- 10.27†* Supplemental Agreement No. 5 dated as of October 31, 2003 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
- 10.28†* Supplemental Agreement No. 6 dated as of September 9, 2004 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.

10.29†*	Supplemental Agreement No. 7 dated as of December 9, 2004 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
10.30†*	Supplemental Agreement No. 8 dated as of April 15, 2005 to Purchase Agreement Number 2191 between The Boeing Company and Copa Holdings, S.A.
10.31†*	Maintenance Cost per Hour Engine Service Agreement, dated March 5, 2003, between G.E. Engine Services, Inc. and Copa Holdings, S.A.
10.32†*	English translation of Aviation Fuel Supply Agreement, dated July 18, 2005, between Petróleos Delta, S.A. and Compañía Panameña de Aviación, S.A.
10.33†*	Form of Amended and Restated Alliance Agreement between Continental Airlines, Inc. and Compañía Panameña de Aviación, S.A.
10.34*	Form of Amended and Restated Services Agreement between Continental Airlines, Inc. and Compañía Panameña de Aviación, S.A.
10.35*	Amended and Restated Shareholders' Agreement, dated as of November 23, 2005, among Copa Holdings, S.A., Corporación de Inversiones Aéreas, S.A. and Continental Airlines, Inc.
10.36*	Form of Guaranteed Loan Agreement
10.37*	Form of Registration Rights Agreement among Copa Holdings, S.A., Corporación de Inversiones Aéreas, S.A. and Continental Airlines, Inc.
10.38*	Copa Holdings, S.A. 2005 Stock Incentive Plan
10.39*	Form of Copa Holdings, S.A. Restricted Stock Award Agreement
10.40	Form of Indemnification Agreement with the Registrant's directors
10.41*	Form of Amended and Restated Trademark License Agreement between Continental Airlines, Inc. and Compañía Panameña de Aviación, S.A.
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young, Panama
23.2	Consent of Galindo, Arias & Lopez, Panamanian legal counsel of the Registrant (included in Exhibit 5.1)
23.3*	Consent of Simpson Thacher & Bartlett LLP, United States legal counsel of the Registrant (included in Exhibit 8.2)
24.1*	Powers of Attorney (included in the signature pages to this registration statement)

* Previously filed

† Portions of the exhibit will be omitted pursuant to a request for confidential treatment.

(b) Financial Statement Schedules
Previously filed.

Item 9 *Undertakings*

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 6 of this Registration Statement, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby also undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement at the time it was declared effective.
2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, California, on December 12, 2005.

COPA HOLDINGS, S.A.

By: _____ *

Name: Pedro Heilbron
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons on December 12, 2005 in the capacities indicated:

<u>Name</u>	<u>Title</u>
_____ *	
_____ Pedro Heilbron	Director and Chief Executive Officer (Principal Executive Officer)
_____ /s/ Victor Vial	
_____ Victor Vial	Chief Financial Officer (Principal Financial Officer)
_____ *	
_____ Adrian Thiel	Director - Financial Reporting and Accounting (Principal Accounting Officer)
_____ *	
_____ Stanley Motta	Chairman and Director
_____ *	
_____ Osvaldo Heilbron	Director
_____ *	
_____ Jaime Arias	Director
_____ *	
_____ Ricardo Alberto Arias	Director
_____ *	
_____ Alberto C. Motta, Jr.	Director
_____ *	
_____ Mark Erwin	Director
_____ *	
_____ George Mason	Director

Name

Roberto Artavia

José Castañeda

*

Donald Puglisi

Title

Director

Director

Authorized Representative in the United States

* By: /s/ Victor Vial
Victor Vial,
as Attorney-in-Fact

14,000,000 SHARES

COPA HOLDINGS, S.A.

CLASS A COMMON STOCK, NO PAR VALUE

FORM OF UNDERWRITING AGREEMENT

December 14, 2005

December 14, 2005

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Goldman, Sachs & Co.
One New York Plaza
New York, New York 10004

Dear Ladies and Gentlemen:

Corporacion de Inversiones Aereas, S.A., ("CIASA") and Continental Airlines, Inc. ("CONTINENTAL" and, together with CIASA, the "SELLING SHAREHOLDERS") severally propose to sell to the several Underwriters named in Schedule I hereto (the "UNDERWRITERS"), an aggregate of 14,000,000 shares of Class A Common Stock, without par value (the "FIRM SHARES") of Copa Holdings, S.A., a Panamanian corporation (the "COMPANY"), each Selling Shareholder selling the amount set forth opposite such Selling Shareholder's name in Schedule II hereto. Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") and Goldman, Sachs & Co. ("GOLDMAN SACHS"), shall act as representatives (the "REPRESENTATIVES") of the several Underwriters.

The Selling Shareholders also propose to sell to the several Underwriters not more than an additional 2,100,000 shares of Class A Common Stock, without par value, of the Company (the "ADDITIONAL SHARES") if and to the extent that you, as Representatives, shall have determined to exercise, on behalf of the Underwriters, the right to purchase such Additional Shares granted to the Underwriters in Section 4 hereof. To the extent the Underwriters elect to purchase less than the full number of Additional Shares, such shares shall be sold pro rata, subject to rounding, according to the Firm Shares sold by each of the Selling Shareholders. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "SHARES." The outstanding shares of Class A Common Stock, without par value, of the Company, are hereinafter referred to as the "COMMON STOCK."

The Company has filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement on Form F-1 (File No. 333-129967), including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), is hereinafter referred to as the "REGISTRATION STATEMENT"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "PROSPECTUS." If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to

1

Rule 462(b) under the Securities Act (the "RULE 462 REGISTRATION STATEMENT"), then any reference herein to the term "REGISTRATION STATEMENT" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "FREE WRITING PROSPECTUS" has the meaning set forth in Rule 405 under the Securities Act and "TIME OF SALE PROSPECTUS" means the preliminary prospectus, together with the free writing prospectuses,

if any, as each are identified in Schedule III hereto and the price to the public and the underwriting discount on the cover page of the Prospectus, considered together. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and Prospectus shall include the documents, if any, incorporated by reference therein. The terms "SUPPLEMENT," "AMENDMENT," and "AMEND" as used herein with respect to the Time of Sale Prospectus or any free writing prospectus shall include all documents subsequently filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), that are incorporated by reference therein.

1. Representations and Warranties of the Company and Compania Panamena de Aviacion, S.A. Each of the Company and Compania Panamena de Aviacion, S.A. ("COPA AIRLINES") represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering and at the Closing Date (as defined in Section 6), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (iv) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an "ineligible issuer," as defined in Rule 405 of the Securities Act, in connection with the offering pursuant to Rules 164, 405 and 433 under the

2

Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule III hereto, and electronic road shows, if any, furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation (sociedad anonima) in good standing under the laws of the Republic of Panama ("Panama"), has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing or to have such power an authority would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company (including Copa Airlines) has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing or to have such power and authority would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company (with the exception of the minority interests therein, as described in the Time of Sale Prospectus), free and clear of all liens and similar encumbrances, except as described in the Time of Sale Prospectus.

(f) This Agreement has been duly authorized, executed and delivered by the Company and Copa Airlines.

(g) The authorized capital stock of the Company conforms in all material respects as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock (including the Shares to be sold by the Selling Shareholders) have been duly authorized and are validly issued, fully paid and non-assessable.

3

(i) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) the certificate of incorporation or by-laws of the Company, (ii) any agreement or other instrument binding upon the Company or any of its subsidiaries or (iii) applicable law or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except in the case of (ii) and (iii), as would not have a material adverse effect on the Company and its subsidiaries, taken as a whole. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except (i) such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares or (ii) such as would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the Company's ability to perform its obligations under the Agreement.

(j) The execution and delivery by Copa Airlines of, and the performance by Copa Airlines of its obligations under, this Agreement will not contravene any provision of (i) the certificate of incorporation or by-laws of Copa Airlines, (ii) any agreement or other instrument binding upon Copa Airlines or (iii) applicable law or any judgment, order or decree of any governmental body, agency or court having jurisdiction over Copa Airlines, except in the case of (ii) and (iii), as would not have a material adverse effect on Copa Airlines. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by Copa Airlines of its obligations under this Agreement, except (i) such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares or (ii) such as would not have a material adverse effect on Copa Airlines or on Copa Airlines' ability to perform its obligations under the Agreement

(k) There has not occurred any material adverse change in the condition, financial or otherwise, or in the earnings, business, operations or prospects of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or, to the Company's knowledge, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required. The Time of

Sale Prospectus does not contain any description of the foregoing matters that is materially different from those contained in the Prospectus.

(m) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

4

(n) Neither the Company nor Copa Airlines is, and immediately after giving effect to the offering and sale of the Shares neither of them will be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except in each case where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) that would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) There are no contracts, agreements or understandings either between the Company or Copa Airlines and any person granting such person the right to require the Company or Copa Airlines to file a registration statement under the Securities Act with respect to any securities of the Company or Copa Airlines or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except as contemplated in the registration rights agreement by and among the Company, CIASA and Continental (the "REGISTRATION RIGHTS AGREEMENT") dated as of the date hereof.

(r) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively; and (iv) there has been no prohibition or suspension of the operation of either the Company's or Copa Airlines' aircraft, including, but not limited to, as a result of action taken by the Panamanian Department of Civil Aviation (the Autoridad de Aeronautica Civil) (the "AAC") or other applicable bodies in the other jurisdictions in which Copa Airlines or AeroRepublica S.A. ("AEROREPUBLICA") operates, except as would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

5

(s) The Company and its subsidiaries have good and marketable title to all real property and good and marketable title to all personal property owned by them that is material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances and defects except such as are described in the Time of Sale Prospectus or such as do not materially affect the value of such property or do not materially interfere with the use made and proposed to be made of such property by the Company and its

subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases except as are not material or do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus.

(t) The Company and its subsidiaries own or have the valid right to use, or can acquire on reasonable terms, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed by them in connection with the business now operated by them, except where the failure to so own or have the right to use would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(u) No material labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that could have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(v) The Company and each of its subsidiaries and its owned and leased properties, including its airplanes, are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(w) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses except where the failure to so possess would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the

6

Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(x) Except as described in the Time of Sale Prospectus, the Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting.

(y) Except as described in the Time of Sale Prospectus, the Company has

not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(z) There are no contracts, agreements or understandings between either the Company or any of its subsidiaries and any person that would give rise to a valid claim against either the Company or any of its subsidiaries or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(aa) The Company's auditor and the Audit Committee of its Boards of Directors have not been advised of (i) any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize, and report financial data, (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls and (iii) any material weaknesses in internal controls identified by the Company's auditors; and since the date of the most recent evaluation of the Company's disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly and adversely affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses, other than as described in the Time of Sale Prospectus.

7

(bb) The Company is a "foreign private issuer," as defined in Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT").

(cc) As of the date hereof, the Company and each of its subsidiaries, as well as the directors and officers of the Company, are each in compliance in all material respects with all applicable to the Company effective provisions of the Sarbanes-Oxley Act of 2002 in effect and applicable as of the date hereof and the rules and regulations of the Commission and the New York Stock Exchange (the "NYSE") promulgated thereunder as of the date hereof.

(dd) Ernst & Young, who have certified certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the Exchange Act and the rules and regulations of the Commission thereunder.

(ee) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Except as disclosed in the Prospectus, the Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting.

(ff) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective, except as described in the Prospectus.

(gg) Each of the Company and Copa Airlines has the power to submit, and pursuant to Section 16 of this Agreement has legally, validly, effectively and irrevocably submitted, to the jurisdiction of the courts of the State of New York and of the United States sitting in the Borough of Manhattan and has the power to designate, appoint and empower, and pursuant to Section 16 of this Agreement, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding arising out of or relating to this Agreement.

(hh) The Company has applied to (i) list the Shares on the NYSE and (ii) register the shares with the National Securities Commission of Panama (the Comision Nacional de Valores).

(ii) The audited consolidated financial statements as of and for the period ending December 31, 2004 and the unaudited consolidated financial statements as of and for the period ending September 30, 2005, included in each of the Time of Sale Prospectus and the Prospectus, together with the related notes and schedules, present fairly in all material respects the financial position of each of the Company and its subsidiaries as at the dates indicated and the results of

8

operations and statement of changes in financial position of each of the Company and its subsidiaries for the periods specified; such financial statements have been prepared in conformity with U.S. GAAP applied on a consistent basis during the periods involved (except as otherwise disclosed therein); the other financial and statistical data set forth in the Prospectus are accurately presented in all material respects and prepared, where applicable, on a basis consistent with the financial statements and books and records of each of the Company and its subsidiaries; and neither the Company nor its subsidiaries has any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not disclosed in the Time of Sale Prospectus or the Prospectus.

(jj) Neither the Company nor any of its subsidiaries has sustained, since the date of the last audited financial statements, any material loss or interference with its business from fire, explosion, flood or other calamity, regardless of whether covered by insurance.

(kk) Any statistical and market-related data included in each of the Time of Sale Prospectus and Prospectus are based on or derived from sources that each of the Company and Copa Airlines believes to be reasonably reliable and accurate, and the Company or Copa Airlines has obtained the written consent to the use of such data from such sources to the extent required.

(ll) All tax returns required to be filed by each of the Company and its subsidiaries in all applicable jurisdictions have been filed, and all taxes and other assessments of a similar nature (whether imposed directly or through withholding) including any interest, additions to tax or penalties applicable thereto due or claimed to be due from either the Company or any of its subsidiaries have been paid, other than those being contested in good faith and for which adequate reserves have been provided, except as otherwise described in the Time of Sale Prospectus or where the failures to so file or so pay would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(mm) Except as described in the Time of Sale Prospectus, there is no tax, duty, levy, impost, deduction, charge or withholding imposed by Panama or any political subdivision thereof or taxing authority therein either (i) on or by virtue of the execution, delivery, performance or enforcement of this Agreement or of any other document to be furnished hereunder or thereunder by the Company or Copa Airlines, or (ii) on any payment to be made pursuant to this Agreement.

(nn) Neither the Company nor any of its subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in the Time of Sale Prospectus, except where such termination or non-renewal would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and no such termination or non-renewal has been threatened by either the Company or any of its subsidiaries, or, to the best of each of the Company's and Copa Airlines' knowledge, by any other party to any such contract or agreement.

(oo) This Agreement is in proper legal form under the laws of Panama for the enforcement thereof in Panama against the Company and Copa Airlines, and it is not necessary

9

in order to ensure the legality, validity, enforcement or admissibility into evidence of this Agreement in Panama that this Agreement be filed or recorded with any court or other authority in Panama or that any tax or fee be paid in Panama on or in respect of this Agreement or any other document, other than court costs, including (without limitation) filing fees and deposits to secure judgments, except that, with respect to enforcement or admissibility into

evidence (i) the signatures of the parties thereto signing outside Panama shall have been notarized by a notary public licensed as such under the law of the place of signing and the signature of such notary public shall have been legalized by the relevant Panamanian Consulate or by an apostille, and (ii) this Agreement shall have been translated into Spanish by a licensed translator in Panama.

(pp) The audiovisual presentation made available to the public by the Company at [[http://www.netroadshow.com/\[address\]](http://www.netroadshow.com/[address])][or Copa address] is a "bona fide electronic roadshow" for purposes of Rule 433(d)(8)(ii) of the Securities Act, and such presentation, together with the Time of Sale Prospectus, does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in such presentation or Time of Sale Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter expressly for use therein.

2. Representations and Warranties of the Selling Shareholders. Each Selling Shareholder, severally and not jointly represents and warrants to and agrees with each of the Underwriters that:

(a) Except for the free writing prospectuses, if any, identified in Schedule III hereto, and electronic road shows, if any, furnished to you before first use, such Selling Shareholder has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(b) This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder.

(c) The execution and delivery by such Selling Shareholder of, and the performance by such Selling Shareholder of its obligations under, this Agreement will not contravene (i) any provision of applicable law, (ii) the certificate of incorporation or by-laws of such Selling Shareholder (if such Selling Shareholder is a corporation), or (iii) any agreement or other instrument binding upon such Selling Shareholder or any judgment, order or decree of any governmental body, agency or court having jurisdiction over such Selling Shareholder, except for such contraventions in the case of (i) and (iii) as would not have a material adverse effect on the Company or its subsidiaries, taken as a whole, or on such Selling Shareholder's ability to consummate the transactions contemplated hereby. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by such Selling Shareholder of its obligations under this Agreement, except (i) such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares and (ii) as would not have a material adverse effect on the Company or its

10

subsidiaries, taken as a whole, or on such Selling Shareholder's ability to consummate the transactions contemplated hereby.

(d) Such Selling Shareholder owns, and on the Closing Date will own, the Shares to be sold by such Selling Shareholder free and clear of all security interests, claims, liens, equities or other encumbrances and has, and on the Closing Date will have, the legal right and power, and all authorizations and approvals required by law, to enter into this Agreement and to sell, transfer and deliver the Shares to be sold by such Selling Shareholder.

(e) Upon payment for the Shares to be sold by such Selling Shareholder pursuant to this Agreement, delivery of such Shares, as directed by the Underwriters, to Cede & Co. ("CEDE") or such other nominee as may be designated by the Depository Trust Company ("DTC"), registration of such Shares in the name of Cede or such other nominee and the crediting of such Shares on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any adverse claim (within the meaning of Section 8-105 of the New York Uniform Commercial Code (the "UCC")) to such Shares), (A) DTC shall be a "protected purchaser" of such Shares within the meaning of Section 8-303 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Shares and (C) no action based on any "adverse claim", within the meaning of Section 8-102 of the UCC, to such Shares may be asserted against the Underwriters with

respect to such security entitlement; for purposes of this representation, such Selling Shareholder may assume that when such payment, delivery and crediting occur, (x) such Shares will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(f) Upon payment for the Shares to be sold to the Underwriters by such Selling Shareholders pursuant to this Agreement, all right, title and interest in the Shares will be transferred to the Underwriters free and clear of all security interests, claims, liens, equities or other encumbrances.

(g) Such Selling Shareholder has no knowledge that the representations and warranties of the Company and Copa Airlines contained in Section 1 are not true and correct, is familiar with the Registration Statement and Prospectus and has no knowledge of any untrue statement of material fact or omission to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such Selling Shareholder is not prompted by any information concerning the Company or its subsidiaries that is not set forth in the Time of Sale Prospectus to sell its Shares pursuant to this Agreement. The liability of each Selling Shareholder for a breach of the representations and warranties contained in this paragraph shall be limited to an amount equal to the aggregate Public Offering Price of the Shares sold by such Selling Shareholder under this Agreement.

11

(h) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering and at the Closing Date (as defined in Section 6), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (iii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph 2(h) apply only to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to the Selling Shareholder that is furnished to the Company in writing by such Selling Shareholder expressly for use therein. The liability of each Selling Shareholder for a breach of the representations and warranties contained in this paragraph shall be limited to an amount equal to the aggregate Public Offering Price of the Shares sold by such Selling Shareholder under this Agreement.

(i) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Shareholder will deliver to the Representatives prior to or at the Closing Date a properly completed and executed U.S. Treasury Department Form W-9 (or other applicable form or statement specified by the U.S. Treasury Department regulations in lieu thereof).

(j) Except as disclosed by such Selling Shareholder in writing to the Representatives, neither such Selling Shareholder nor any of his, her or its affiliates directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, or has any other association with (within the meaning of Article 1(q) of the By-laws of the National Association of Securities Dealers, Inc. (the "NASD")), any member firm of the NASD.

3. Representations and Warranties of CIASA. CIASA represents and warrants to and agrees with each of the Underwriters that:

(a) This Agreement is in proper legal form under the laws of Panama for the enforcement thereof in Panama against CIASA, and it is not necessary in order to ensure the legality, validity, enforcement or admissibility into

evidence of this Agreement in Panama that this Agreement be filed or recorded with any court or other authority in Panama or that any tax or fee be paid in Panama on or in respect of this Agreement or any other document, other than court costs, including (without limitation) filing fees, except that, with respect to enforceability or admissibility into evidence (i) the signatures of the parties thereto signing outside Panama shall have been notarized by a notary public licensed as such under the law of the place of signing and the signature of such notary public shall have been legalized by the relevant

12

Panamanian Consulate or by an apostille, and (ii) this Agreement shall have been translated into Spanish by a licensed translator in Panama.

(b) CIASA has the power to submit, and pursuant to Section 16 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the jurisdiction of the courts of the State of New York and of the United States sitting in the Borough of Manhattan and has the power to designate, appoint and empower, and pursuant to Section 16 of this Agreement, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding arising out of or relating to this Agreement.

4. Agreements to Sell and Purchase. Each Selling Shareholder, severally and not jointly, hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from such Selling Shareholder at \$[] a share (the "PURCHASE PRICE") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the number of Firm Shares to be sold by such Selling Shareholders as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Selling Shareholders, severally and not jointly, agree to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to 2,100,000 Additional Shares at the Purchase Price. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least two business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 5 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "OPTION CLOSING DATE"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

Each of the Company and the Selling Shareholders hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for

13

Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, or (b) transactions by a Selling Shareholder relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the offering of the Shares, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions or (c) any existing employee benefits plan. In addition, each Selling Shareholder, agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, make any demand for, or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. Each Selling Shareholder consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of any Shares held by such Selling Shareholder except in compliance with the foregoing restrictions. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify the Representatives of any earnings release, news or event that may give rise to an extension of the initial 180 day restricted period.

5. Terms of Public Offering. The Selling Shareholders are advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Selling Shareholders are further advised by you that the Shares are to be offered to the public initially at \$[] a share (the "PUBLIC OFFERING PRICE") and to certain dealers selected by you at a price that represents a concession not in excess of \$[] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of \$[] a share, to any Underwriter or to certain other dealers.

6. Payment and Delivery. Payment for the Firm Shares to be sold by each Selling Shareholder shall be made to such Selling Shareholder in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [], 2005 or at such other time on the same or such other date, not later than [], 2005 as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

14

Payment for any Additional Shares shall be made to the Selling Shareholders in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 4 or at such other time on the same or on such other date, in any event not later than [], 2005, as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in the name of Cede. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

7. Conditions to the Underwriters' Obligations. The obligations of the Selling Shareholders to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [5:00 p.m.] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date (i) a certificate, dated the Closing Date and signed by an executive officer of the Company and Copa Airlines, to the effect set forth in Section 7(a) above and to the effect that the representations and warranties of each of the Company and Copa Airlines contained in this Agreement are true and correct as of the Closing Date and that each of the Company and Copa Airlines has complied in all material respects with all of the agreements and satisfied all of the conditions on its part to be performed

15

or satisfied hereunder on or before the Closing Date and (ii) a certificate, dated the Closing Date and signed by an executive officer of CIASA, containing such certifications as the Underwriters have previously requested in writing from CIASA, and which certifications shall constitute representations and warranties of CIASA to the same extent as if made by CIASA in Section 2 hereof.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion of Galindo, Arias & Lopez, special outside counsel for each of the Company, Copa Airlines and CIASA, dated the Closing Date, to the effect that:

(i) the Company and each of its subsidiaries has been duly incorporated, is validly existing as a corporation in good standing under the laws of Panama, has all requisite power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(ii) the authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus;

(iii) the issued shares of Common Stock (including the Shares to be sold by the Selling Shareholders) have been duly and validly authorized and issued and are fully paid and non-assessable;

(iv) all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company (with the exception of the minority interests therein, as described in the Prospectus), free and clear of all liens, encumbrances, equities or claims;

(v) CIASA owns, and on the Closing Date will own, the Shares to be sold by it free and clear of all security interests, claims, liens, equities or other encumbrances and has, and on the Closing Date will have, the legal right and power, and all authorizations and approvals required

by law, to enter into this Agreement and to sell, transfer and deliver the Shares to be sold by it;

(vi) this Agreement has been duly authorized, executed and delivered by each of the Company, Copa Airlines and CIASA;

16

(vii) assuming this Agreement has been duly authorized, executed and delivered by each of the other parties thereto, this Agreement is a valid and binding obligation of each of the Company, Copa Airlines and CIASA, enforceable against the Company, Copa Airlines and CIASA in accordance with its terms;

(viii) the execution and delivery by each of the Company, Copa Airlines and CIASA of, and the performance by each of the Company, Copa Airlines and CIASA of its respective obligations under, this Agreement will not contravene any provision of applicable law or the Pacto Social (Articles of Incorporation) of the Company, Copa Airlines or CIASA or, to the best of such counsel's knowledge, any agreement or other instrument binding upon any of the Company, any subsidiaries or CIASA that is material to any of the Company and its subsidiaries, taken as a whole, or CIASA, or, to the best of such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, any subsidiary, or CIASA;

(ix) no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by any of the Company, Copa Airlines or CIASA of its respective obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares;

(x) the statements relating to Panamanian legal matters, documents or proceedings included in (A) the Time of Sale Prospectus and the Prospectus under the captions "Business -- Litigation," "Regulation -- Panama," "Description of Capital Stock," "Certain Income Tax Consequences -- Other Panamanian Taxes" and "Underwriting" and (B) the Registration Statement in Items 6 and 7, in each case fairly summarize in all material respects such matters, documents or proceedings;

(xi) to the best of such counsel's knowledge, after due inquiry, there are no actions, suits or proceedings by or before any arbitrator or governmental body pending or threatened against or affecting the Company or any of its subsidiaries which, if adversely determined, could reasonably be expected to, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus;

(xii) upon payment to the Selling Shareholders for the Shares to be sold to the Underwriters by the Selling Shareholders, pursuant to this Agreement, all right, title and interest in the Shares will be transferred to the Underwriters free and clear of all security interests, claims, liens, equities or other encumbrances;

(xiii) Copa Airlines possesses the governmental licenses necessary to conduct its commercial airline operations as described in the Prospectus under the caption "Regulations," and Copa Airlines is in compliance with the terms and conditions of all such governmental licenses, except where the failure to so comply would not, singly or in the aggregate, have a material adverse effect on either the Company or Copa Airlines;

17

and all of the governmental licenses are valid and in full force and effect, except where the invalidity of such governmental licenses or the failure of such governmental licenses to be in full force and effect would not, singly or in the aggregate, have a material adverse effect on either the Company or Copa Airlines, in all cases except as disclosed in the Time of Sale Prospectus; and

(xiv) nothing has come to the attention of such counsel that causes

such counsel to believe that (A) the Registration Statement or the Prospectus included therein (except for the financial statements and financial schedules and other financial data included therein, as to which such counsel need not express any belief) at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) the Time of Sale Prospectus (except for the financial statements and financial schedules and other financial data included therein, as to which such counsel need not express any belief) as of the date of this Agreement or as amended or supplemented, if applicable, as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (C) the Prospectus (except for the financial statements and financial schedules and other financial data included therein, as to which such counsel need not express any belief) as of its date or as amended or supplemented, if applicable, as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Underwriters shall have received on the Closing Date an opinion of Simpson Thacher & Bartlett LLP, outside United States counsel for the Company and Copa Airlines, dated the Closing Date, to the effect that:

(i) this Agreement has been duly executed and delivered by each of the Company and Copa Airlines under the law of the State of New York;

(ii) assuming this Agreement has been duly authorized by the each of the Company and Copa Airlines and duly authorized, executed and delivered by each of the other parties thereto, this Agreement is a valid and binding obligation of the Company and Copa Airlines, enforceable against each of the Company and Copa Airlines in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing and (iv) the effects of the possible judicial application of foreign laws or foreign governmental or judicial action affecting creditors' rights;

(iii) the execution and delivery by each of the Company and Copa Airlines and the performance by each of the Company and Copa Airlines of its obligations under this

18

Agreement will not violate any U.S. federal or New York statute or any rule or regulation that has been issued pursuant to any U.S. federal or New York statute and will not breach the terms of any agreement identified on a schedule to such opinion;

(iv) no consent, approval, registration or qualification of or with any U.S. federal or New York governmental agency is required for the performance by either the Company or Copa Airlines of its obligations under this Agreement, except for the registration under the Securities Act and the Exchange Act of the Shares, and such consents, approvals, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(v) the statements made in the Time of Sale Prospectus and the Prospectus under the caption "Income Tax Consequences--United States," insofar as they purport to constitute summaries of matters of U.S. federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects;

(vi) neither the Company nor Copa Airlines is, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus neither will be, required to register as an investment company, under the Investment Company Act of

1940, as amended;

(vii) under the laws of the State of New York relating to submission to personal jurisdiction, each of the Company and Copa Airlines has, pursuant to Section 16 of this Agreement, submitted to the personal jurisdiction of the courts of the State of New York and of the United States sitting in the Borough of Manhattan in any action arising out of or relating to this Agreement, has to the fullest extent permitted by law waived any objection to the venue of a proceeding in any such court, and has appointed CT Corporation as its authorized agent for the purpose described in Section 16 hereof, and service of process effected on such agent in the manner set forth in Section 16 hereof will be effective to confer valid personal jurisdiction over the Company in any such action; and

(viii) (A) such counsel advises that the Registration Statement, as of its effective date, and the Prospectus, as of its date (except for the financial statements and financial schedules and other financial data contained therein or omitted therefrom, as to which such counsel need not express any opinion) appear on their face to be appropriately responsive in all material respects to the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder, and (B) nothing has come to the attention of such counsel that causes such counsel to believe that (1) the Registration Statement (except for the financial statements and financial schedules and other financial data contained therein or omitted therefrom, as to which such counsel need not express any belief) at the time the Registration Statement became effective contained any untrue statement of a material fact

19

or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (2) the Time of Sale Prospectus (except for the financial statements and financial schedules and other financial data contained therein or omitted therefrom, as to which such counsel need not express any belief) as of the date of this Agreement or as amended or supplemented, if applicable, as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (3) the Prospectus (except for the financial statements and financial schedules and other financial data contained therein or omitted therefrom, as to which such counsel need not express any belief) as of its date or as amended or supplemented, if applicable, of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The Underwriters shall have received on the Closing Date an opinion of Simpson Thacher & Bartlett LLP, United States counsel for CIASA, dated the Closing Date, to the effect that:

(i) this Agreement has been duly executed and delivered by CIASA under the laws of the State of New York;

(ii) assuming this Agreement has been duly authorized by CIASA and duly authorized, executed and delivered by each of the other parties thereto, this Agreement is a valid and binding obligation of CIASA, enforceable against CIASA in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith and fair dealing and (iv) the effects of the possible judicial application of foreign laws or foreign governmental or judicial action affecting creditors' rights;

(iii) the execution and delivery by CIASA and the performance by CIASA of its obligations under this Agreement will not violate any U.S. federal or New York statute or any rule or regulation that has been issued pursuant to any U.S. federal or New York statute and will not breach the terms of any agreement identified on a schedule to such opinion;

(iv) no consent, approval, registration or qualification of or with any U.S. federal or New York governmental agency is required for the performance by CIASA of its obligations under this Agreement, except for the registration under the Securities Act and the Exchange Act of the Shares, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters; and

20

(v) assuming CIASA has full power, right and authority to sell the Shares to be sold by CIASA, upon the payment and transfer contemplated by the Underwriting Agreement, the Underwriters will acquire a security entitlement with respect to the Shares and no action based on an adverse claim to such Shares may be asserted against the Underwriters. In giving this opinion, counsel for CIASA may assume that when such payment, delivery and crediting occur, (w) such Shares will have been registered in the name of Cede or another nominee as may be designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (x) neither DTC nor any Underwriter has notice of any adverse claim within the meaning of Section 8-105 of the UCC to such Shares, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC; and

(vi) under the laws of the State of New York relating to submission to jurisdiction, CIASA has, pursuant to Section 16 of this Agreement, submitted to the personal jurisdiction of the courts of the State of New York and of the United States sitting in the Borough of Manhattan in any action arising out of or relating to this Agreement, has to the fullest extent permitted by law waived any objection to the venue of a proceeding in any such court, and has appointed CT Corporation as its authorized agent for the purpose described in Section 16 hereof, and service of process effected on such agent in the manner set forth in Section 16 hereof will be effective to confer valid personal jurisdiction over CIASA in any such action; the waiver by each Selling Shareholder pursuant to Section 16 hereof of any immunity to jurisdiction to which they may otherwise be entitled (including sovereign immunity and immunity from pre-judgment attachment, post-judgment attachment and execution) is legal, valid and binding under New York and federal law.

(f) The Underwriters shall have received on the Closing Date an opinion of Vinson & Elkins LLP, counsel for Continental, dated the Closing Date, to the effect that:

(i) assuming this Agreement has been duly authorized, executed and delivered by each of the parties thereto, this Agreement is a valid and binding obligation of Continental, enforceable against Continental in accordance with its terms subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing;

(ii) the execution and delivery by Continental of, and the performance by Continental of its obligations under, this Agreement will not violate any U.S. federal or New York statute or any rule or regulation that has been issued pursuant to any U.S. federal or New York statute except for any violation that would not have a material adverse effect on Continental's performance of its obligations under this Agreement;

21

(iii) no consent, approval, registration or qualification of or with any U.S. federal or New York governmental agency is required for the performance by Continental with its obligations under this Agreement, except for the registration under the Securities Act and the Exchange Act of the Shares, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters except for any violation that would not have a material

adverse effect on Continental's performance of its obligations under this Agreement; and

(iv) assuming Continental has full power, right and authority to sell the Shares to be sold by Continental upon the payment and transfer contemplated by the Underwriting Agreement, the Underwriters will acquire a security entitlement with respect to the Shares sold by Continental and no action based on an adverse claim may be asserted against the Underwriters.

(g) The Underwriters shall have received on the Closing Date an opinion of in-house counsel for the Company and Copa Airlines, dated the Closing Date, to the effect that:

(i) there are no actions, suits or proceedings by or before any arbitrator or governmental body pending or threatened against or affecting the Company or any of its subsidiaries which, if adversely determined, could reasonably be expected to, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus; and

(ii) Copa Airlines possesses the governmental licenses necessary to conduct its commercial airline operations as described in the Prospectus under the caption "Regulations," and Copa Airlines is in compliance with the terms and conditions of all such governmental licenses, except where the failure to so comply would not, singly or in the aggregate, have a material adverse effect on either the Company or Copa Airlines; and all of the governmental licenses are valid and in full force and effect, except where the invalidity of such governmental licenses or the failure of such governmental licenses to be in full force and effect would not, singly or in the aggregate, have a material adverse effect on either the Company or Copa Airlines, in all cases except as disclosed in the Time of Sale Prospectus.

(h) The Underwriters shall have received on the Closing Date an opinion of Jennifer Vogel, Senior Vice-President and General Counsel for Continental, dated the Closing Date, to the effect that:

(i) this Agreement has been duly authorized by Continental and has been duly executed and delivered by Continental

(ii) the execution and delivery by Continental of, and the performance by Continental of its obligations under, this Agreement will not contravene any provision of the organizational documents of Continental or any agreement or other instrument

22

binding upon Continental or any judgment, order or decree of any governmental body, agency or court having jurisdiction over Continental except for any violation that would not be reasonably expected to have a material adverse effect on Continental's performance of its obligations under this Agreement;

(iii) no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by Continental of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the States of the United States or securities laws of other jurisdictions in connection with the offer and sale of the Shares (as to which such counsel expresses no comment or opinion) or have been obtained or effected under the Securities Act or Exchange Act or in connection with the listing of the Shares on the NYSE or the failure of which to be obtained would not reasonably be expected to have a material adverse effect on Continental's performance of its obligations under this Agreement; and

(v) Continental owns, and on the Closing Date will own, the Shares to be sold by it free and clear of all security interests, claims, liens, equities or other encumbrances and has, and on the Closing Date will have, the legal right and corporate power, and all authorizations and approvals required by law, to enter into this Agreement and to sell, transfer and deliver the Shares to be sold by it.

(i) The Underwriters shall have received on the Closing Date an opinion of

Arias, Fabrega & Fabrega, Panamanian counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections 7(c)(iv), 7(c)(vi), 7(c)(x) (but only as to the statements in each of the Time of Sale Prospectus and the Prospectus under "Description of Capital Stock" and "Underwriting") and 7(c)(xiv) above.

(j) The Underwriters shall have received on the Closing Date an opinion of Cleary Gottlieb Steen & Hamilton LLP, counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections 7(c)(x) (but only as to the statements in the Prospectus under "Underwriting") and letter covering the matters referred to in 7(d)(viii) above.

(k) With respect to Section 7(c)(xiv) above, Galindo, Arias & Lopez and Arias, Fabrega & Fabrega, with respect to Section 7(d)(viii) above, Simpson Thacher & Bartlett LLP, Vinson & Elkins LLP and Cleary Gottlieb Steen & Hamilton LLP may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, Time of Sale Prospectus and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified. With respect to Sections 7(d) and 7(e) above, Simpson Thacher & Bartlett LLP may rely upon with respect to factual matters and to the extent such counsel deems appropriate, upon the representations of the parties hereto contained herein and in other documents and instruments. With respect to Section 7(f) above, Vinson & Elkins LLP may rely upon opinion or opinions of in-house counsel for Continental and, with respect to factual matters and to the extent such counsel deems appropriate, upon the representations of the parties hereto contained herein and in other documents and instruments.

23

(l) The opinions of Galindo, Arias & Lopez, Simpson Thacher & Bartlett LLP and Vinson & Elkins LLP described in Sections 7(c), 7(d), 7(e) and 7(f) above shall be rendered to the Underwriters at the request of the Company or one or more of the Selling Shareholders, as the case may be, and shall so state therein.

(m) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Ernst & Young independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(n) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain shareholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(o) The Shares shall have been approved for listing on the NYSE, subject only to official notice of issuance.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

8. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, six signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 4:00 p.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 8(e) or 8(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and to make such modifications as you may reasonably suggest, and file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

24

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder without the consent of such Underwriter and the Representatives.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request, provided that the Company shall

25

not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(h) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering the twelve month

period ending December 31, 2006 that satisfies the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) To use its best efforts to effect the listing of the Shares on the NYSE, including the filing with the NYSE of all required documents and notices for non-U.S. companies that have securities that are traded on the NYSE.

(j) To file any documents or reports with respect to the Shares required to be filed with the National Securities Commission of Panama (the Comision Nacional de Valores) in the time period required for such filing.

(k) To make available to the holders of the Shares and the Representatives, (A) after the end of each fiscal year, an annual report (in English) that will include a review of operations and annual audited consolidated financial statements (including consolidated balance sheets, statements of income, statements of change in shareholders' equity and statements of cash flow) with an opinion by an independent accountant and prepared in conformity with U.S. GAAP; and (B) after the end of each of the first three quarterly periods of each fiscal year, unaudited consolidated financial information prepared in accordance with U.S. GAAP, equivalent in substance to the information that would be required to be filed on Form 10-Q, if the Company were required to file quarterly reports on Form 10-Q.

9. Expenses. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all expenses incident to the performance of their obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel, the Company's accountants and counsel for the Selling Shareholders in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 8(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such

qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the NASD, (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NYSE, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depository, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) the document production charges and expenses associated with printing this Agreement and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in Section 11 entitled "Indemnity and Contribution" and the last paragraph of Section 12 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising

expenses connected with any offers they may make.

The provisions of this Section shall not supersede or otherwise affect any agreement that the Company and the Selling Shareholders may otherwise have for the allocation of such expenses among themselves.

10. Covenant of the Underwriters. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter and not to use or refer to any free writing prospectus without the prior written consent of the Company.

11. Indemnity and Contribution. (a) The Company and Copa Airlines, jointly and severally, agree to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus, any "issuer free writing prospectus" as defined in Rule 433(d) of the Securities Act relating to the Shares or any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Securities Act or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged

27

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter, expressly for use therein.

(b) Each Selling Shareholder agrees, severally and not jointly, to indemnify and hold harmless each Underwriter, each person, if any, who controls the Company, Copa Airlines or any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus, any "issuer free writing prospectus" as defined in Rule 433(d) of the Securities Act relating to the Shares or any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Securities Act or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Selling Shareholder furnished in writing to the Company by or on behalf of such selling Shareholders expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any "issuer free writing prospectus" as defined in Rule 433(d) of the Securities Act relating to the Shares or any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Securities Act or the Prospectus or any amendment or supplement thereto. The liability of each Selling Shareholder under the indemnity agreement contained in this paragraph shall be limited to an amount equal to the aggregate Public Offering Price of the Shares sold by such Selling Shareholder under this Agreement.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, the Selling Shareholders, the directors of the Company, the officers of the Company who sign the Registration Statement and each person, if any, who controls the Company or any Selling Shareholder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to

such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any "issuer free writing prospectus" as defined in Rule 433(d) of the Securities Act relating to the Shares or any "issuer information" filed or required to be filed pursuant to Rule 433(d) of the Securities Act, the Prospectus or any amendments or supplements thereto.

(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 11(a), 11(b), or 11(c) such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing, but the

28

omission to so notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party, and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a actual or potential differing interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize in writing the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 16 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act, (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such Section, (iii) the fees and expenses of more than one separate firm (in addition to any local counsel) for Continental and all persons, if any, who control Continental within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred and (iv) the fees and expenses of more than one separate firm (in addition to any local counsel) for CIASA and all persons, if any, who control CIASA within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by the Representatives. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. In the case of any such separate firm for Continental and such control persons of Continental, such firm shall be designated in writing by Continental. In the case of any such separate firm for CIASA and such control persons of CIASA, such firm shall be designated in writing by CIASA. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, such consent not to be unreasonably withheld, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party

and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) To the extent the indemnification provided for in Section 11(a), 11(b) or 11(c) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 11(e) (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 11(e) (i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and Selling Shareholders on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by each of the Company and Selling Shareholders and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company or the Selling Shareholders, as the case may be, on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Shareholders or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 11 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint. The liability of each Selling Shareholder under the contribution agreement contained in this paragraph shall be several and not joint, and shall be limited to an amount equal to the aggregate Public Offering Price of the Shares sold by such Selling Shareholder under this Agreement.

(f) The Company, Copa Airlines, the Selling Shareholders and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 11 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 11(e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 11(e) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 11, no Underwriter shall be

required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 11 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this Section

11 and the representations, warranties and other statements of the Company, Copa Airlines and the Selling Shareholders contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter, any Selling Shareholder or any person controlling any Selling Shareholder, or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

12. Termination. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the NYSE, the American Stock Exchange or the Nasdaq National Market (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over the counter market (iii) material disruption in securities settlement, payment or clearance services in the United States or Panama shall have occurred, (iv) a change or development involving a prospective change in Panamanian taxation affecting the Company, the Shares or the transfer thereof shall have occurred, which makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus (v) any moratorium on commercial banking activities shall have been declared by Federal, New York State or Panamanian authorities or (vi) there shall have occurred any outbreak or escalation of hostilities, or any change in financial, political or economic conditions or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (vi), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

13. Effectiveness; Defaulting Underwriters. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares that such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall

be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares that such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 13 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you, the Company and the Selling Shareholders for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Shareholders. In any such case either you, the Company or the Selling Shareholders shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the

absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company or any Selling Shareholder to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or any Selling Shareholder shall be unable to perform its obligations under this Agreement, the Company or any Selling Shareholder will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

14. Entire Agreement. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arms length, are not agents of, and owe no fiduciary duties to, the

32

Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

15. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

16. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

17. Submission to Jurisdiction; Appointment of Agent for Service. (a) Each of the Company and CIASA irrevocably submits to the non-exclusive jurisdiction of the courts of the State of the New York and of the United States sitting in the Borough of Manhattan over any suit, action or proceeding arising out of or relating to this Agreement, the Prospectus, the Registration Statement or the offering of the Shares. Each of the Company and CIASA irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company or CIASA has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, the Company or CIASA, as applicable, irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

(b) Copa Airlines irrevocably submits to the non-exclusive jurisdiction of the courts of the State of the New York and of the United States sitting in the Borough of Manhattan over any suit, action or proceeding arising out of or relating to this Agreement and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that Copa Airlines has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, Copa Airlines irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

(c) Each of the Company, Copa Airlines and CIASA hereby irrevocably appoints CT Corporation, with offices at 111 Eighth Ave., New York, New York 10011 as its agent for service of process in any suit, action or proceeding described in the preceding paragraph and agrees that service of process in any such suit, action or proceeding may be made upon it at the office of such agent. Each of the Company, Copa Airlines and CIASA waives, to the fullest extent permitted by law, any other requirements of or objections to personal jurisdiction with

33

respect thereto. Each of the Company, Copa Airlines and CIASA represents and warrants that such agent has agreed to act as the Company's, Copa Airlines' and CIASA's agent for service of process, and each of the Company, Copa Airlines and CIASA agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect.

18. Taxes. All payments to be made by the Company, Copa Airlines and the Selling Shareholders under this Agreement shall be paid free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies or imposts by Panama or by any department, agency or other political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto (collectively, "TAXES"). If any Taxes are required by law to be deducted or withheld in connection with such payments, the Company, Copa Airlines and the Selling Shareholders will increase the amount paid so that the net amount received by the Underwriters equals the amount that would have been received in the absence of such deduction or withholding.

19. No Fiduciary Duty. Each of the Company and the Selling Shareholders acknowledges that in connection with the offering of the Shares: (a) the Underwriters have acted at arms length, are not agents of, and owe no fiduciary duties to, the Company, the Selling Shareholders or any other person, (b) the Underwriters owe the Company and the Selling Shareholders only those duties and obligations set forth in this Agreement and (c) the Underwriters may have interests that differ from those of the Company and the Selling Shareholders. Each of the Company and the Selling Shareholders waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

20. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

21. Notices. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you in care of the Representatives: Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department and Goldman, Sachs & Co., One New York Plaza, New York, New York 10004, Attention: Registration Department, Fax: (212) 902-3000; if to the Company shall be delivered, mailed or sent to Avenida Principal y Avenida de la Rotonda, Costa del Este, Complejo Business Park, Torre Norte, Parque Lefevre, Panama City, Panama, Attention Pedro Heilbron, Fax: 507-227-1952; if to CIASA shall be delivered, mailed or sent to Attention Stanley Motta, care of the Company, and if to Continental shall be delivered, mailed or sent to 1600 Smith Street, Houston, Texas 77002, Attention Mark Erwin, Fax: [-] with a copy to General Counsel.

34

Very truly yours,
Copa Holdings, S.A.

By: -----
Name:
Title:

Compania Panamena de Aviacion, S.A

By: -----
Name:
Title:

35

The Selling Shareholders named in Schedule II
hereto, acting severally

By: Corporacion de Inversiones
Aereas, S.A.

By: -----
Name:
Title:

By: Continental Airlines, Inc.

By: -----
Name:
Title:

36

Accepted as of the date hereof

Morgan Stanley & Co. Incorporated
Goldman, Sachs & Co.

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I hereto

By: Morgan Stanley & Co. Incorporated

By: -----
Name:
Title:

By: Goldman, Sachs & Co.

By:

(Goldman, Sachs & Co.)

37

SCHEDULE I

UNDERWRITER -----	NUMBER OF FIRM SHARES TO BE PURCHASED -----
Morgan Stanley & Co. Incorporated	
Goldman, Sachs & Co.	
Citigroup Global Markets Inc.	
J.P. Morgan Securities Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
 Total:	 ----- =====

I-1

SCHEDULE II

SELLING SHAREHOLDERS -----	NUMBER OF FIRM SHARES TO BE SOLD -----
Corporacion de Inversiones Aereas, S.A.	7,000,000
Continental Airlines, Inc.	7,000,000
 Total:	 ----- 14,000,000 =====

II-1

SCHEDULE III

TIME OF SALE PROSPECTUS

1. Preliminary Prospectus issued November 28, 2005
2. Free Writing Prospectuses: None

II-2

EXHIBIT A

[FORM OF LOCK-UP LETTER]

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Goldman, Sachs & Co.
One New York Plaza
New York, New York 10004

Dear Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") and Goldman, Sachs & Co. ("GOLDMAN SACHS" and, together with Morgan Stanley, the "REPRESENTATIVES") propose to enter into an Underwriting Agreement (the "UNDERWRITING AGREEMENT") with Copa Holdings, S.A. a Panamanian corporation (the "COMPANY"), providing for the public offering (the "PUBLIC OFFERING") by the several Underwriters, including Morgan Stanley and Goldman Sachs (the "UNDERWRITERS") as the representatives (the "REPRESENTATIVES") of the several Underwriters, of ___ shares (the "SHARES") of Class A Common Stock, without par value, of the Company (the "COMMON STOCK").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus relating to the Public Offering (the "PROSPECTUS"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made

A-1

during the restricted period referred to in the foregoing sentence. In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

If:

(1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period;

the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The undersigned shall not engage in any transaction that may be

restricted by this agreement during the 34-day period beginning on the last day of the initial 180-day restricted period unless the undersigned requests and receives prior written confirmation from the Company or the Representatives on behalf of the Underwriters that the restrictions imposed by this agreement have expired.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

A-2

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

(Name)

(Address)

A-3

[GALINDO, ARIAS & LOPEZ LETTERHEAD]

November 28, 2005

Copa Holdings, S.A.
Ave. Aquilino de la Guardia y Calle 50
Torre Banco Continental
Panama City, Republic of Panama

RE: LEGAL OPINION REGARDING THE VALIDITY OF THE SHARES ISSUED BY
COPA HOLDINGS, S.A.

Ladies and Gentlemen:

We act as Panamanian counsel for Copa Holdings, S.A. (the "Company"), a corporation duly organized and existing under the laws of Panama, in connection with the offer and proposed sale of the Company's Class A Common Stock, without par value, of which 14,000,000 shares will be sold by each of Continental Airlines and Compania Panamena de Aviacion, S.A. (Copa), in accordance with the Underwriting Agreement to be entered into among the Company, the Selling Shareholders and a group of underwriters represented by Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. (the "Representatives"). An additional 2,100,000 shares may be sold by the Company in connection with the over-allotment option, as contemplated by the Company's Registration Statement on Form F-1 (No.333-129967), filed with the SEC on November 28, 2005 (as amended, the "Registration Statement.") Except as otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Underwriting Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of the Registration Statement, the Prospectus, the Articles of Incorporation, the power of attorney and other such documents, corporate records and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion. We have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies or facsimiles.

Based upon the foregoing, we are of the opinion that the Company's Class A shares are duly and validly authorized, legally issued, fully paid and non-assessable.

We are qualified to practice law in the Republic of Panama and accordingly, express no legal opinion herein based upon any other laws other than the laws of Panama.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the captions "Validity of Securities" and "Enforcement of Civil Liabilities" in the Prospectus constituting a part of the Registration Statement.

Yours Very Truly,

GALINDO, ARIAS & LOPEZ

Ramon Ricardo Arias

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED
SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION
PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Exhibit 10.18

EMBRAER 190LR

PURCHASE AGREEMENT DCT-006/2003

BETWEEN

EMBRAER - EMPRESA BRASILEIRA
DE AERONAUTICA S.A.

AND

REGIONAL AIRCRAFT HOLDINGS LTD.

INDEX

ARTICLE -----	PAGE -----
1. DEFINITIONS.....	3
2. SUBJECT.....	5
3. PRICE.....	5
4. PAYMENT.....	6
5. DELIVERY.....	7
6. CERTIFICATION.....	7
7. ACCEPTANCE AND TRANSFER OF OWNERSHIP.....	8
8. STORAGE CHARGE.....	9
9. DELAYS IN DELIVERY.....	9
10. INSPECTION AND QUALITY CONTROL.....	11
11. CHANGES.....	11
12. WARRANTY.....	13
13. PRODUCT SUPPORT PACKAGE.....	13
14. ASSIGNMENT.....	13
15. RESTRICTIONS AND PATENT INDEMNITY.....	13
16. MARKETING PROMOTIONAL RIGHTS.....	14
17. TAXES.....	14
18. APPLICABLE LAW.....	14
19. JURISDICTION.....	14
20. TERMINATION.....	15
21. OPTION FOR THE PURCHASE OF ADDITIONAL AIRCRAFT.....	16
22. INDEMNITY.....	17
23. NOTICES.....	18
24. CONFIDENTIALITY.....	18
25. SEVERABILITY.....	19
26. NON-WAIVER.....	19
27. INTEGRATED AGREEMENT.....	19
28. NEGOTIATED AGREEMENT.....	19
29. WAIVER OF JURY TRIAL.....	19
30. WAIVER OF IMMUNITY.....	19
31. PAYMENTS IN US DOLLARS.....	20
32. COUNTERPARTS.....	20
33. ENTIRE AGREEMENT.....	20

Page 1

ATTACHMENTS

- "A" - AIRCRAFT SPECIFIC CONFIGURATION, FINISHING AND REGISTRATION MARKS
- "B" - FERRY EQUIPMENT AND PRODUCT SUPPORT PACKAGE
- "C" - WARRANTY CERTIFICATE - MATERIAL AND WORKMANSHIP
- "D" - PRICE ESCALATION FORMULA

"E" - **Material Redacted**
"F" - **Material Redacted**
"G" - **Material Redacted**
"H" - PERFORMANCE GUARANTEE

Page 2

PURCHASE AGREEMENT DCT-006/2003

THIS AGREEMENT IS ENTERED INTO THIS ____ DAY OF MAY, 2003, BY AND BETWEEN EMBRAER - EMPRESA BRASILEIRA DE AERONAUTICA S.A. AND REGIONAL AIRCRAFT HOLDINGS LTD., FOR THE PURCHASE AND SALE OF EMBRAER AIRCRAFT.

THE SALE COVERED BY THIS AGREEMENT SHALL BE GOVERNED SOLELY BY THE TERMS AND CONDITIONS HEREIN SET FORTH, AS WELL AS BY THE PROVISIONS SET FORTH IN THE ATTACHMENTS HERETO.

THIS AGREEMENT SHALL NOT BE EFFECTIVE UNLESS AND UNTIL IT IS SIGNED BY AN AUTHORIZED OFFICER OF REGIONAL AIRCRAFT HOLDINGS LTD. AND EXECUTED BY TWO AUTHORIZED OFFICERS OF EMBRAER - EMPRESA BRASILEIRA DE AERONAUTICA S.A.

1. DEFINITIONS

For the purpose of this Agreement, the following definitions are hereby adopted by the Parties and, unless otherwise expressly provided, the singular includes the plural, the masculine includes the feminine and neutral genders:

- 1.1 "Actual Delivery Date" shall mean, with respect to each Aircraft, the date on which Buyer obtains title to that Aircraft in accordance with Article 7.
- 1.2 "AD's" shall mean Airworthiness Directives issued by either the CTA or the Air Authority, in connection with and with respect to the Aircraft.
- 1.3 "Agreement" or "Purchase Agreement" shall mean this Purchase Agreement DCT-006/2003 together with all attachments, supplements and exhibits hereto, all as modified and amended from time to time.
- 1.4 "Air Authority" shall mean the Autoridad de Aviacion Civil ("AAC") of Panama, or a successor to the AAC from time to time charged with the administration of civil aviation in Panama.
- 1.5 "Aircraft Basic Price" shall mean the Aircraft price, as defined in Article 3.1.
- 1.6 "Aircraft Purchase Price" shall mean, in respect of an Aircraft, the Aircraft Basic Price, escalated up to the Contractual Delivery Date of such Aircraft in accordance with and by application of the Escalation Formula.
- 1.7 "Aircraft" shall mean the EMBRAER 190LR aircraft (certification designation ERJ 190-100 LR) (the "EMBRAER 190 Aircraft"), manufactured by Embraer according to the Preliminary Technical Description PTD-190-Rev.3 dated November 2002, (which, although not attached hereto, are incorporated herein by reference) and the Aircraft Specific Configurations, Finishing and Registration Marks described in the Attachment "A", for sale to Buyer pursuant to this Agreement, equipped with two engines GE CF-34-10E5A1, manufactured by

Page 3

General Electric Company, all cases in the condition and configuration required hereunder,

and shall include Firm Aircraft and Option Aircraft unless the context requires otherwise.

- 1.8 "Buyer" shall mean Regional Aircraft Holdings Ltd., a company with its address c/o Galindo, Arias y Lopez, Avenida Federico Boyd Numero 51 Piso 11, Panama, Rep of Panama.
- 1.9 "Business Day(s)" shall mean a day other than a Saturday or Sunday on which banks are open for business in Sao Jose dos Campos, Sao Paulo, Rio de Janeiro, New York and Panama.
- 1.10 "Contractual Delivery Date" shall mean the delivery date referred to in Article 5.
- 1.11 "CTA" shall mean the Aerospace Technical Center of the Brazilian Ministry of Aeronautics.
- 1.12 "Day(s)" shall mean natural calendar day(s).
- 1.13 "Embraer" shall mean Embraer - Empresa Brasileira de Aeronautica S.A., a Brazilian corporation with its principal place of business at Av. Brigadeiro Faria Lima, 2170 - Putim, Sao Jose dos Campos, Sao Paulo, Brazil.
- 1.14 "Escalation Formula" shall mean the escalation formula contained in Attachment "D".
- 1.15 "Firm Aircraft" shall mean the firm order Aircraft referred to in Article 2.1
- 1.16 "Initial Deposit" shall mean the initial non-refundable deposit referred to in Article 4.1.1.
- 1.17 "Major Changes" shall mean the changes to the design or approved specification of the Aircraft, as defined in Article 11.2.2.
- 1.18 "Mandatory Service Bulletins" shall mean the service bulletins applicable to the Aircraft, which are issued by Embraer to implement the AD's referred to under Article 11.4.
- 1.19 "Minor Changes" shall mean the changes to the design of the Aircraft defined as per the terms and conditions of Article 11.2.1.
- 1.20 "Option Aircraft Basic Price" shall mean the unit price of the Option Aircraft, as per the terms and conditions of Article 21.2.
- 1.20 "Option Aircraft Initial Deposit" shall mean the initial deposit referred to under Article 21.1.
- 1.21 "Option Aircraft Purchase Price" shall mean the Option Aircraft Basic Price escalated in accordance with and by application of the Escalation Formulas ****Material Redacted**** as per the terms and conditions of Article 21.3.
- 1.22 "Option Aircraft" shall be the additional Aircraft that Buyer shall have the option to purchase as per the terms of Article 21.
- 1.23 "Parties" shall mean Embraer and Buyer.
- 1.24 "Product Support Package" shall mean the products and Services to be provided by Embraer as per Article 13.
- 1.25 "Scheduled Inspection Date" shall mean the date on which a certain Aircraft hereunder is available for inspection and acceptance by and subsequent delivery to Buyer, as

per the terms and conditions of Article 7.1.

- 1.26 "Services" shall mean the familiarization and on-site support for the Aircraft, part of the Product Support Package, as specified in Attachment "B".
- 1.27 "Technical Publications" shall mean the technical documentation pertaining and related to the Aircraft as listed in Exhibit 1 to Attachment "B".
- 1.28 "USD" or "US\$" shall mean the legal currency of the United States of America.
- 1.29 "Working Day(s)" shall mean a day, other than Saturday, Sunday, or holiday, on which Embraer in Sao Jose dos Campos, SP, Brazil is open for business.

References to Articles or Attachments in the main body of this Purchase Agreement shall be deemed to be references to Articles of or Attachments to this Agreement, respectively, except as the context requires otherwise.

2. SUBJECT

Subject to the terms and conditions of this Agreement:

- 2.1 Embraer shall sell and deliver and Buyer shall purchase and take delivery of ten (10) Firm Aircraft;
- 2.2 Embraer shall provide to Buyer the Services and the Technical Publications; and
- 2.3 Buyer shall have the option to purchase up to twenty (20) Option Aircraft, in accordance with Article 21.
- ## 3. PRICE
- 3.1 Buyer agrees to pay Embraer, in United States dollars, the Aircraft Basic Price of USD**Material Redacted** for each EMBRAER 190 Aircraft **Material Redacted**.
- 3.2 The Services and Technical Publications are to be provided **Material Redacted** to Buyer. Additional technical publications as well as other services shall be billed to Buyer in accordance with Embraer's rates prevailing at the time Buyer places a purchase order for such additional technical publications or other services.
- 3.3 The Aircraft Basic Price shall be escalated according to the Escalation Formula. Such price as escalated shall be the Aircraft Purchase Price and it will be provided to Buyer **Material Redacted** months prior to each Aircraft Contractual

Page 5

Delivery Date.

4. PAYMENT

- 4.1 The prices specified in the previous Article shall be paid by Buyer by wire transfer in immediately available United States dollars funds, to a bank account to be timely informed by Embraer to Buyer, as follows:
- 4.1.1 The Initial Deposit of **Material Redacted** per Aircraft is due and payable **Material Redacted**.
- 4.1.2 A **Material Redacted** percent (**Material Redacted**%) **Material Redacted** progress payment in respect of each Aircraft **Material Redacted** is due and payable **Material Redacted** prior to the relevant Aircraft Contractual Delivery Date, or upon the execution of this Agreement, whichever occurs later.
- 4.1.3 A **Material Redacted** (**Material Redacted**%) **Material Redacted** progress payment in respect of each Aircraft **Material Redacted** is due and payable **Material Redacted** prior to such relevant Aircraft Contractual Delivery Date, or upon the execution of this Agreement, whichever occurs later.

4.1.4 A **Material Redacted** (**Material Redacted**) **Material Redacted** progress payment in respect of each Aircraft **Material Redacted** is due and payable **Material Redacted** prior to each relevant Aircraft Contractual Delivery Date, or upon the execution of this Agreement, whichever occurs later.

4.1.5 The balance of the Aircraft Purchase Price in respect of an Aircraft, shall become due and payable upon acceptance of such Aircraft by Buyer.

4.2 Late Payments:

In respect of any amounts which are or may become due and payable pursuant to Articles 4.1.1 through and including 4.1.4 which amounts are not paid within **Material Redacted** and payable as set forth in Article 4.1, interest shall accrue on the relevant amount at the rate of **Material Redacted** per annum (the "Default Rate") following the Due Date and ending on the date the relevant amount is received by Embraer. In respect of accounts which may become due and payable pursuant to Article 4.1.5, interest shall accrue thereon at the rate set forth herein above. Without prejudice to Embraer's rights set forth in Article 4.3 below, interest accrued will be invoiced by Embraer on a monthly basis, beginning one month after **Material Redacted**, and payment thereof shall be made by Buyer in accordance with the instructions contained therein.

4.3 Termination for failure to make payments:

Without prejudice to the payment of interest on late payments set forth above, should Buyer fail to make any payment on or before the due date, Embraer shall have the right, at its sole discretion, to either (i) postpone, the relevant Aircraft Contractual Delivery Date; or (ii) terminate this Agreement in relation to the affected Aircraft in accordance with Article 20.3, if such failure shall not have been cured within **Material Redacted** Days after the date on which Embraer has issued a written notice to Buyer of such failure.

4.4 Net payments:

4.4.1 All payments to be made by Buyer under this Agreement shall be made without set-off or withholding whatsoever (except for Embraer Taxes, as defined in Article 17). If

Buyer is obliged by law to make any deduction or withholding from any such payment (other than for Embraer Taxes), the amount due from Buyer in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, Embraer receives a net amount equal to the amount Embraer would have received had no such deduction or withholding been required to be made.

4.5 Payment Date

Unless otherwise agreed by the Parties in writing, payment of the amounts referred in Articles 4.1.2, 4.1.3, and 4.1.4 shall be made by Buyer on **Material Redacted** Day of the month on which each of such payments is due.

5. DELIVERY

5.1 Aircraft: Subject to payment in accordance with Article 4 and the provisions of Articles 7 and 9, the Aircraft shall be tendered by Embraer to Buyer in the condition required hereunder, by means of a written notice, for inspection, acceptance and subsequent delivery in Fly Away Factory condition (i.e., Ex works (Incoterms 2000), with the Aircraft to be flown away by Buyer), at Sao Jose dos Campos, State of Sao Paulo, Brazil, according to the following schedule:

Aircraft Number	Contractual Delivery Date
1	Material Redacted /2006
2	Material Redacted
3	Material Redacted
4	Material Redacted
5	Material Redacted

6 **Material Redacted**
7 **Material Redacted**
8 **Material Redacted**
9 **Material Redacted**
10 **Material Redacted**/2008

5.2 **Material Redacted**

6. CERTIFICATION

- 6.1 By **Material Redacted**, the Embraer 190LR model aircraft shall be type certified by the Brazilian Airworthiness Authority (CTA) and type validated by (a) USA FAA in accordance with 14 CFR FAR 25 Amendment 25-84 effective 10 July 1995 and (b) by the Airworthiness Authority of Panama ("AAC"), provided that **Material Redacted**.
- 6.2 The Aircraft shall be delivered to Buyer in conformity with **Material Redacted** and with the requirements set forth herein. Embraer will provide Buyer with an export certificate of airworthiness issued by CTA, which will certify that, as of the date of its issuance, the Aircraft has been inspected and found to conform in all respects to the CTA / AAC approved Type Design and in a condition **Material Redacted**. The condition of the Aircraft on delivery and the documentation delivered with the Aircraft, including the above mentioned export certificate of

Page 7

airworthiness, shall **Material Redacted**. Subject to the above, it shall be Buyer's responsibility to obtain such certificate of airworthiness for and the registration of the Aircraft, at Buyer's sole expense. **Material Redacted**

7. ACCEPTANCE AND TRANSFER OF OWNERSHIP

- 7.1 Unless Buyer is notified of any delay in delivery in accordance with and in conformity with the terms and conditions of this Agreement, the Aircraft shall be delivered in accordance with all of the provisions and schedules specified in Article 5 and otherwise in such condition as required under this Agreement. Embraer shall give Buyer **Material Redacted** Days advance facsimile notice of the date on which Embraer considers that each Aircraft will be ready for inspection, acceptance and subsequent delivery. Upon successful completion of ground and flight tests performed by Embraer, Buyer will receive a written confirmation of the Scheduled Inspection Date, on which date Buyer shall promptly start inspecting such Aircraft.
- 7.2 Buyer shall have up to **Material Redacted** Days, as necessary, to inspect and conduct an acceptance flight of each Aircraft prior to its delivery. Embraer will provide the fuel and insurance for the Aircraft's acceptance flight in accordance with Embraer insurance policy.
- 7.3 If Buyer finds an Aircraft acceptable, Buyer shall promptly pay any and all amounts then due and payable pursuant to this Agreement, including but not limited to all amounts referred to under Articles 4.1, 4.2, 7.8 and 8 as applicable and accept delivery of such Aircraft, whereupon the necessary title and risk transfer documents shall be executed and exchanged in order to effect title transfer, subject to all express warranties set forth in this Agreement that by their terms survive delivery.
- 7.4 Buyer may decline to accept an Aircraft, which does not materially comply with the requirements of Article 6, the specification set forth in Attachment "A" or is not in an airworthy condition. For the purposes of **Material Redacted**, an Aircraft shall be deemed not to be materially compliant when one or more of the Aircraft characteristics identified in Article 11.2.1 **Material Redacted** are adversely affected by such non-compliance vis-a-vis the specification set forth in Attachment A.
- 7.5 If Buyer declines to accept an Aircraft, Buyer shall immediately give Embraer written notice including its reasons for such refusal and Embraer shall have **Material Redacted** Days, commencing on the first Working Day after receipt of such notice, to take all necessary actions in order to resubmit the Aircraft to Buyer for re-inspection.

7.6 Buyer shall be allowed ****Material Redacted**** Days to re-inspect the Aircraft, starting immediately upon receipt of notice from Embraer that all necessary actions were taken. The period required for inspection as well as the one mentioned in Article 7.5 shall not be considered as part of the ****Material Redacted**** Day grace period provided for in Article 9.2.1. In the event Buyer declines to accept an Aircraft after ****Material Redacted****, the Parties shall convene promptly after final refusal to accept the Aircraft in order to negotiate possible solutions. If within ****Material Redacted**** Days counted from the date in

Page 8

which Embraer receives notice of such final refusal to accept the Aircraft, Embraer and Buyer fail to reach an agreement, then ****Material Redacted****.

7.7 Should Buyer fail to perform the acceptance and accept transfer of title to an Aircraft ****Material Redacted**** provided for and in accordance with this Article 7, Embraer shall be entitled, at its reasonable discretion, to either re-negotiate the terms of this Agreement with Buyer or terminate this Agreement with regard to the affected Aircraft pursuant to Article 20.3. ****Material Redacted****

7.8 Notwithstanding the provisions of Article 7.7 and in addition to Embraer's rights pursuant to Article 20.3 and ****Material Redacted**** should Buyer fail to perform the acceptance and transfer of title to the Aircraft within the time period specified in Articles 7.2, 7.5 and 7.6, as applicable ****Material Redacted****, interest will accrue at the rate of ****Material Redacted**** over the unpaid balance of the relevant Aircraft Purchase Price, prorated from the date ****Material Redacted**** Days after ****Material Redacted****. Without prejudice to Embraer's rights set forth in Article 7.7, interest accrued will be invoiced by Embraer on a monthly basis, beginning one month after the date on which the Aircraft acceptance or transfer of title should have been performed, and payment thereof shall be made by Buyer in accordance with the instructions contained therein.

8. STORAGE CHARGE

8.1 A storage charge equal to USD****Material Redacted**** per Day shall be charged by Embraer to Buyer commencing on: 8.1.1 Buyer's failure to perform inspection or re-inspection of an Aircraft, per the date or time period properly specified in writing by Embraer, according to Articles 5 and/or 7, as applicable.

8.1.2 Buyer's acceptance of an Aircraft when Buyer defaults in the fulfillment of any payment due and in taking title to such Aircraft promptly thereafter.

8.1.3 Buyer's failure to remove an Aircraft from Embraer's facilities after title transfer has occurred.

8.2 If however, Buyer notifies Embraer in writing ****Material Redacted**** Days in advance of its expected delay in the performance of its obligations set forth in Articles 8.1.1, 8.1.2 and 8.1.3, the storage charge shall commence on the ****Material Redacted**** Day after the occurrence of the events set forth in Articles 8.1.1, 8.1.2 or 8.1.3, as applicable.

8.3 In the event that an Aircraft Contractual Delivery Date must be extended by Embraer from that which is designated in Article 5, due to Buyer's failure to perform any action or provide any information contemplated by this Agreement other than the ones specified in Article 8.1, the storage charge shall commence on the ****Material Redacted**** Day after the Contractual Delivery Date relative to such Aircraft.

8.4 Buyer shall pay the storage charge as set forth in Articles 8.1. or 8.3, as applicable, in United States dollars, per each month of delay or prorated for part thereof, within ****Material Redacted**** Days after the presentation of each invoice by Embraer.

9. DELAYS IN DELIVERY

Page 9

9.1 Excusable Delays:

9.1.1 Embraer shall not be held liable or be found in default for any delays in the delivery of an Aircraft or in the performance of any act to be performed by Embraer under this Agreement, resulting from, but not restricted to, the following events or occurrences (hereinafter referred to as "Excusable Delays"): (a) force majeure (including, but not limited to acts of God, war or state of war, civil war, insurrection, fire, accident, explosion, flood, act of government, requisition, strike, labor disputes causing cessation or interruption of work, including but not limited to walkouts, sick-outs, protests or slowdowns), (b) inability despite due and all commercially reasonable efforts to procure any materials, equipment, accessories, parts or means of transport, or (c) any delay resulting from any failure by Buyer to perform any action or provide any information contemplated by this Agreement or, (d) delays resulting from any other cause to the extent it is beyond Embraer's control or does not result from Embraer's fault or negligence.

9.1.2 Within **Material Redacted** Days after the occurrence of any Excusable Delay, Embraer undertakes to send a written notice to Buyer including a description of the details involved and an estimate of the effects expected upon the timing of the performance of its contractual obligations.

9.1.3 Any such delays shall extend the time for delivery of an Aircraft **Material Redacted** by the same number of Days required for the cause of delay to be remedied, subject in all cases to the provisions of Article 9.1.4. Embraer undertakes to use all commercially reasonable efforts to avoid or remove any cause of Excusable Delay and to minimize its effect on the Contractual Delivery Date of an Aircraft **Material Redacted**.

9.1.4 If the cause of such Excusable Delay is such as to last longer than **Material Redacted** Days or to render the performance of this Agreement impossible, then Buyer shall have the right to terminate this Agreement without liability to either Party, except as provided for in Article 20.2.

9.1.5 **Material Redacted**

9.2 Non-Excusable Delays:

9.2.1 If the delivery of an Aircraft is delayed for any reason that does not constitute an Excusable Delay (hereinafter a "Non-excusable Delay") by more than **Material Redacted** Days after the Contractual Delivery Date for such Aircraft, Buyer will be entitled to claim from Embraer and Embraer shall pay to Buyer liquidated damages equal to **Material Redacted** up to the date that the Aircraft is available for inspection and acceptance by, and delivery to Buyer in conformity herewith, it being understood that such liquidated damages will not, in any event, exceed **Material Redacted** and that it will only be due and payable by Embraer to Buyer within **Material Redacted** Days after Buyer pays to Embraer the total Aircraft Purchase Price, **Material Redacted**.

9.2.2 Upon the occurrence of any event, which constitutes a Non-excusable Delay in delivery of an Aircraft, Embraer undertakes to send a written notice to Buyer, within **Material Redacted**, including a description of the delay and an estimate of the effects expected upon the delivery of the Aircraft.

9.2.3 It is agreed between the Parties that if, with respect to a delayed Aircraft,

Page 10

Embraer does not receive a claim for liquidated damages pursuant to Article 9.2.1, from Buyer, within **Material Redacted** Days after the Actual Delivery Date of such Aircraft, Buyer shall be deemed to have fully waived its right to such liquidated damages.

9.2.4 **Material Redacted**

9.3 Delay Due to Loss or Structural Damage of the Aircraft: Should any Aircraft be destroyed or damaged before acceptance to the extent that it becomes commercially useless, Buyer may, **Material Redacted**, either take a replacement Aircraft at a later delivery date to be agreed by the

Parties, or terminate this Agreement with respect to such Aircraft by notice to Embraer given in accordance with Article 23, without any liability to either Party. If this Agreement is terminated **Material Redacted**, such termination shall discharge the Parties from all obligations and liabilities of the Parties hereunder with respect to such Aircraft and Services **Material Redacted**.

10. INSPECTION AND QUALITY CONTROL

- 10.1 In order to effect inspection and acceptance of the Aircraft as set forth in Article 7, Buyer shall send one or more authorized representatives to Embraer's facilities in order to verify that the Aircraft was manufactured in accordance with the procedures, specifications and other requirements specified in this Agreement and according to all applicable quality control standards.
- 10.2 Buyer shall communicate to Embraer the names of its authorized representatives, by means of written notice, at least thirty (30) Days prior to the earliest delivery date specified in Article 5.
- 10.3 Such representatives, or other representatives indicated by Buyer, shall be authorized and duly empowered to sign the acceptance and documents and accept delivery of the Aircraft pursuant to Article 7.
- 10.4 For the purposes subject of this Article 10, Embraer shall provide communication facilities (telephone and facsimile) for Buyer's authorized representatives, as well as the necessary tools, measuring devices, test equipment and technical assistance as may be necessary to perform acceptance tests.
- 10.5 Buyer's authorized representatives shall observe Embraer's administrative rules and instructions while at Embraer's facilities.
- 10.6 Buyer's authorized representative shall be allowed exclusively in those areas related to the subject matter of this Article 10 and Buyer furthermore agrees to hold harmless Embraer from and against all and any kind of liabilities in respect to such representatives, for whom Buyer is solely and fully responsible under all circumstances and in any instance.

11. CHANGES

- 11.1 In addition to the requirements of Article 6, each Aircraft will comply with the standards defined in Attachment "A" and shall incorporate all modifications which are classified as AD's mandatory by CTA or the Air Authority as provided in Article 11.4, or those agreed upon by Buyer and Embraer in accordance with this Article.
- 11.2 The Parties hereby agree that changes can be made by Embraer in the design of

Page 11

the Aircraft, the definition of which and its respective classification shall be in compliance to the Aircraft type specification, as follows:

- 11.2.1 Minor Changes: defined as those modifications which shall not adversely affect the Aircraft in any of the following characteristics:

Material Redacted

- 11.2.2 Major Changes: defined as those modifications which affect at least one of the topics mentioned in Article 11.2.1.

- 11.3 Embraer shall have the right, but not the obligation (except to the extent required by the CTA or applicable Aviation Authorities), to incorporate Minor Changes in the Aircraft still in the production line at its own cost, without the prior consent of Buyer.
- 11.4 Embraer shall convey those Major Changes that are classified as AD's by means of service bulletins approved by the Air Authority and/or CTA, as appropriate. Service bulletins that implement such ADs shall be referred to as Mandatory Service Bulletins. Embraer shall incorporate Mandatory Service Bulletins as follows:

11.4.1 Compliance required before Actual Delivery Date: Embraer shall incorporate Mandatory Service Bulletins at Embraer's expense in a reasonable period of time if the compliance time for such Mandatory Service Bulletins is before the Actual Delivery Date. Embraer shall not be liable for ****Material Redacted**** resulting from incorporation of Mandatory Service Bulletins when the Aircraft has already passed the specific production stage affected by the incorporation of said change.

11.4.2 Compliance required after Actual Delivery Date: During the applicable Aircraft warranty coverage periods as specified in Attachment "C", Embraer shall provide parts kits for Mandatory Service Bulletins that are issued either (i) before the relevant Aircraft's Actual Delivery Date but with a compliance time after such date or (ii) after the relevant Aircraft's Actual Delivery Date. Such kits shall be provided ****Material Redacted****, excluding ****Material Redacted**** labor charges for installation of such Mandatory Service Bulletins ****Material Redacted****. Embraer shall not be liable for any downtime of delivered Aircraft that may be necessary for the incorporation of any changes. When flight safety is affected, such changes shall be immediately incorporated. If warranty coverage is not available or applicable pursuant to Attachment "C", the provisions of Article 11.5 shall apply.

For the avoidance of doubt, the ****Material Redacted**** shall ****Material Redacted**** pursuant to ****Material Redacted****.

11.5 Major changes, (other than those which are AD's mandatory per Article 11.4), any change developed by Embraer as product improvement and any change required by Buyer, including those changes required by Panamanian authorities as a consequence of alterations, amendments and/or innovations of its present applicable regulations, shall be considered as optional and, pursuant to Buyer's request, the corresponding cost proposals shall be submitted by Embraer to Buyer for consideration and approval. Should Buyer not approve any such change, it shall not be incorporated in the Aircraft.

Page 12

11.6 Any Major Change to the Aircraft, made in accordance with the foregoing paragraphs, which affect the provisions of Attachment "A", shall be incorporated in said Attachment by means of an amendment.

11.7 Except as concerns AD's and Minor Changes, the Aircraft shall, on the Scheduled Inspection Date, comply with the terms and conditions of Attachment "A" as from time to time amended pursuant to Article 11.6. Determination of such compliance shall be made by Buyer pursuant to Article 7.

12. WARRANTY

The materials, design and workmanship relative to the Aircraft subject to this Agreement, will be warranted in accordance with the terms and conditions specified in Attachment "C". If Buyer intends to place the Aircraft on lease to another Party or to assign, transfer or novate the rights and obligations except as specified in Article 14, it is Buyer's responsibility to obtain the prior written consent of Embraer, which consent shall not be unreasonably withheld or delayed, as well as to provide Embraer written notice of any changes as to Buyer's designated lessee or assignee complying with item 5 of Attachment "C".

13. PRODUCT

SUPPORT PACKAGE Embraer shall supply to Buyer the Product Support Package described in Article 2 of Attachment "B", which includes Embraer's spare parts policy, the Technical Publications and the Services.

14. ASSIGNMENT

Buyer's rights and obligations hereunder may not be assigned, transferred or novated without the prior written consent of Embraer, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Buyer may immediately before delivery assign the rights to take delivery of an Aircraft and Buyer's rights pursuant to ****Material Redacted**** to any

related person or entities or to any trust created by it or such persons or to any financing party whether by way of security in connection with the financing or the sale/leaseback of any Aircraft to be operated by Compania Panamena de Aviacion, S.A.

Embraer's rights and obligations hereunder may not be assigned or delegated without the prior written consent of Buyer, which shall not be unreasonably withheld or delayed.

15. RESTRICTIONS AND PATENT INDEMNITY

This sale does not include the transfer of designs, copyrights, patents, and other similar rights to Buyer. Embraer warrants that the Aircraft and all systems, accessories, equipment, items and parts manufactured by or at the direction or utilizing designs of Embraer do not infringe any patent, copyright or other proprietary right of any person. Subject to Buyer's duty to promptly advise Embraer of any alleged infringement (it being understood that any failure to so notify Embraer shall only relieve Embraer of its obligations pursuant hereto to the extent of actual prejudice suffered by Embraer as a direct result of such failure), Embraer shall indemnify, defend, protect and hold Buyer harmless with respect to any claims, suits, actions, judgments, liabilities, damages and costs, including

Page 13

reasonable attorney fees and expenses arising out of or in connection with any actual or alleged infringement by any Aircraft or any system, accessory, equipment, item or part installed on any Aircraft at the time of delivery of such Aircraft or thereafter, at Embraer's direction. In the event of any such infringement, and in addition to the foregoing obligations of Embraer, Embraer shall promptly, at its sole option and expense, either: (i) procure for Buyer the right to use the system, accessory or equipment or part; (ii) replace such system accessory, equipment or part with a non-infringing item or part; or (iii) modify such system, accessory, equipment or part to make it non-infringing. This indemnity shall not apply to Buyer-furnished equipment, nor to aircraft engines or APUs, nor to any system, accessory, equipment or part that was not manufactured to Embraer's detailed design, nor to any system, accessory, equipment or part manufactured to Embraer's detailed design without Embraer's consent.

16. MARKETING PROMOTIONAL RIGHTS

Embraer shall have the right to show for marketing purposes, free of any charge, the image of Buyer's Aircraft, painted with Buyer's colors and emblems, affixed in photographs, drawings, films, slides, audiovisual works, models or any other medium of expression (pictorial, graphic, and sculptural works), through all mass communications media such as billboards, magazines, newspaper, television, movie, theaters, as well as in posters, catalogues, models and all other kinds of promotional material. **Material Redacted** Embraer **Material Redacted**. In the event such Aircraft is sold to or operated by or for another company or person, Embraer shall be entitled to disclose such fact, as well as to continue to show the image of the Aircraft, free of any charge, for marketing purposes, either with the original. If accepted, said prohibition, however, shall in no way apply to the promotional materials or pictorial, graphic or sculptural works already existing or to any contract for the display of such materials or works already binding Embraer at the time of receipt of the notification. **Material Redacted**.

17. TAXES

Embraer shall pay all taxes **Material Redacted** as may be imposed under Brazilian laws. All other taxes, **Material Redacted** as may be imposed on the transactions subject of this Agreement, shall be borne by Buyer.

18. APPLICABLE LAW

This Agreement shall be construed in accordance with and its performance shall be governed by the laws of the State of New York, USA without regard to any conflict of law rules other than General Obligations Law 5-1401 and 5-1402.

19. JURISDICTION

All disputes arising in connection with this Agreement shall be finally settled in the courts of the United States District Court for the Southern District of New York located in the county of New York, provided that if such court lacks jurisdiction, disputes shall be resolved in the state courts for the state of New York sitting in the Borough of Manhattan, City of New York. The Parties hereby waive any other court of Jurisdiction that may be competent for settlement of disputes arising from this Agreement.

Page 14

Material Redacted

20. TERMINATION

20.1 Should either Party fail to perform its obligations hereunder, the other Party shall be entitled to give notice of such failure and to require that such failure be remedied within the period specified in that notice, which period shall not be less than **Material Redacted** Days. Should such failure not be remedied within the period so specified, then the Party who gave notice of such failure shall be entitled to terminate this Agreement **Material Redacted**. The foregoing provision shall not apply in any circumstance where a specific right of termination is made available hereunder or will be made available hereunder upon the expiration of a specific period of time. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY IN ANY CIRCUMSTANCE UNDER THIS AGREEMENT FOR ANY CONSEQUENTIAL OR PUNITIVE DAMAGES WHICH MAY ARISE OUT OF, OR BE CONNECTED TO, ANY BREACH OR DEFAULT UNDER OF ANY TERM, CONDITION, COVENANT, WARRANTY, OR PROVISION OF THIS AGREEMENT, AND WHICH EITHER PARTY WOULD OTHERWISE BE ENTITLED TO UNDER ANY APPLICABLE LAW, INCLUDING BUT NOT LIMITED TO ANY CLAIMS SOUNDING IN CONTRACT, TORT, EQUITY OR STATUTE.

20.2 Buyer and Embraer shall have the right to terminate this Agreement in respect to the relevant Aircraft, upon the occurrence of any Excusable Delay of **Material Redacted** Days or longer, unless otherwise agreed in writing by the Parties, and Buyer shall have the right to terminate this Agreement in respect to the relevant Aircraft upon the occurrence of any Non-excusable Delay of **Material Redacted** Days or longer after the relevant Aircraft Contractual Delivery Date, such rights to be exercisable by written notice from one Party to the other to such effect no earlier than such **Material Redacted** Day, as applicable. Upon receipt of such notice of termination by Buyer or Embraer, as the case may be, **Material Redacted**. It is hereby agreed by the Parties that, in either case, no other indemnity shall be due by Embraer to Buyer. **Material Redacted**

20.3 If Buyer terminates this Agreement before the Actual Delivery Date of an Aircraft (except as provided in Article 20.1 and 20.2) or if Embraer terminates this Agreement in relation to an Aircraft, pursuant to Articles 4.3 or 7.7, Buyer shall pay to Embraer (i) damages in an amount equal to **Material Redacted**. For these purposes Embraer may **Material Redacted**. It is hereby agreed by the Parties that upon the receipt by Embraer of the amounts set forth above, no other indemnity shall be due by Buyer to Embraer.
Material Redacted

20.4 If Buyer terminates this Agreement in respect to an Aircraft pursuant to Article 7.6, Embraer, shall **Material Redacted**, with no other penalty or indemnity being due by Embraer to Buyer in this case.
Material Redacted

20.5 **Material Redacted**

Page 15

21. OPTION FOR THE PURCHASE OF ADDITIONAL AIRCRAFT

Buyer shall have the option to purchase twenty (20) additional Option Aircraft, to be delivered in accordance with the following Option Aircraft

contractual delivery date:

Option Aircraft	Delivery month	**Material Redacted**	Option Aircraft	Delivery month	Exercise Date
1	**Material Redacted**	**Material Redacted**	12	**Material Redacted**	**Material Redacted**
2	**Material Redacted**	**Material Redacted**	13	**Material Redacted**	**Material Redacted**
3	**Material Redacted**	**Material Redacted**	14	**Material Redacted**	**Material Redacted**
4	**Material Redacted**	**Material Redacted**	15	**Material Redacted**	**Material Redacted**
5	**Material Redacted**	**Material Redacted**	16	**Material Redacted**	**Material Redacted**
6	**Material Redacted**	**Material Redacted**	17	**Material Redacted**	**Material Redacted**
7	**Material Redacted**	**Material Redacted**	18	**Material Redacted**	**Material Redacted**
8	**Material Redacted**	**Material Redacted**	19	**Material Redacted**	**Material Redacted**
9	**Material Redacted**	**Material Redacted**	20	**Material Redacted**	**Material Redacted**
10	**Material Redacted**	**Material Redacted**			
11	**Material Redacted**	**Material Redacted**			

The Option Aircraft will be supplied in accordance with the following terms and conditions:

- 21.1 **Material Redacted** is due and payable by Buyer to Embraer in accordance with **Material Redacted**.
- 21.2 The unit basic price of the Option Aircraft shall be equal to the unit Aircraft Basic Price, provided that such Option Aircraft be delivered within the delivery period above mentioned and in the same configuration, specification and installations specified in Attachment "A", as it is written on the date of signature of this Agreement, determining the Option Aircraft Basic Price.
- 21.3 The unit basic price of each relevant Option Aircraft above mentioned shall be escalated according to the escalation formula subject of Attachment "D", determining the Option Aircraft Purchase Price.
- 21.4 The payment of the Option Aircraft Purchase Price shall be made according to the

Page 16

following:

- 21.4.1 **Material Redacted** shall apply **Material Redacted**.
- 21.4.2 A progress payment of **Material Redacted** percent (**Material Redacted**) of the unit Option Aircraft Basic Price less the relevant Option Aircraft Initial Deposit is due and payable **Material Redacted** prior to each relevant Option Aircraft contractual delivery date.
- 21.4.3 A progress payment of **Material Redacted** percent (**Material Redacted**) of the unit Option Aircraft Basic Price is due and payable **Material Redacted** prior to each relevant Option Aircraft contractual delivery date.
- 21.4.4 A progress payment of **Material Redacted** percent (**Material Redacted**) of the unit Option Aircraft Basic Price is due and payable **Material Redacted** prior to each relevant Option Aircraft contractual delivery date.
- 21.4.5 The balance of each relevant Option Aircraft Purchase Price is due and payable upon acceptance of each relevant Option Aircraft by Buyer.

- 21.4.6 The provisions of Article 4.3 through 4.5 shall apply mutatis-mutandis, to the payments to be made by Buyer towards the Option Aircraft.
- 21.5 Buyer has the option to purchase the Option Aircraft in ****Material Redacted****. Exercise of each ****Material Redacted**** shall be accomplished by means of a written notice from Buyer delivered to Embraer by mail, return receipt requested, express delivery or facsimile, no later than the "Exercise Date" ****Material Redacted****, otherwise ****Material Redacted****. On the ****Material Redacted**** Exercise Date, Buyer shall inform Embraer ****Material Redacted**** will be exercised or not. In the event on the Exercise Date Buyer elects to not exercise ****Material Redacted****, Buyer's options ****Material Redacted****. If, however, in the Exercise Date Buyer elects to exercise its option in ****Material Redacted****, Buyer will ****Material Redacted****, provided however ****Material Redacted**** in Embraer's ****Material Redacted****.
- 21.6 If the options are confirmed by Buyer as specified above, (a) an amendment to this Agreement shall be executed by and between the Parties within thirty (30) Days following the Option Aircraft option exercise date, setting forth the terms and conditions applicable to, if any, exclusively to the Option Aircraft and (b) the ****Material Redacted**** shall ****Material Redacted****.
- 21.7 For the avoidance of any doubt, the terms and conditions contained in this Agreement shall also apply to any exercised Option Aircraft, with the exception that the product support package to be applied to the exercised Option Aircraft shall be as described in Article 2 of Attachment "B".

22. INDEMNITY

Buyer agrees to indemnify and hold harmless Embraer and Embraer's officers, agents, employees and assignees from and against all liabilities, damages, losses, judgments, claims and suits, including costs and expenses incident thereto, which may be suffered by, accrued against, be charged to or recoverable from Embraer and/or Embraer's officers, agents, employees and assignees by reason of loss or damage to property or by reason of injury or death of any

Page 17

person resulting from or in any way connected with the performance of services by employees, representatives or agents of Embraer for or on behalf of Buyer related to Aircraft delivered by Embraer to Buyer, including, but not limited to, technical operations, maintenance, and training services and assistance performed while on the premises of Embraer or Buyer, while in flight on Buyer-owned Aircraft or while performing any other service, at any place, in conjunction with the Aircraft operations of Buyer, except to the extent caused by Embraer's willful misconduct or gross negligence.

23. NOTICES

All notices permitted or required hereunder shall be in writing in the English language and sent, by recognized international courier service or facsimile, to the attention of the Director of Contracts as to Embraer and of the CEO as to Buyer, to the addresses indicated below or to such other address as either Party may, by written notice, designate to the other. All notices shall be deemed to have been duly made, given and received, only when properly addressed (as set forth below): (i) on the date received by personal delivery; or (ii) on the date received when deposited with a internationally recognized courier service; or (iii) five business days after sending, when sent via Certified Mail, Return Receipt Request; or (iv) upon receipt when sent via facsimile (with a second copy sent via Mail) to the facsimile number set forth below and a confirmation of receipt is received by the sending Party:

23.1 EMBRAER:

EMBRAER - Empresa Brasileira de Aeronautica S.A.
Av. Brigadeiro Faria Lima, 2170
12.227-901 Sao Jose dos Campos - SP - Brasil
Telephone: (+55 12) 3927-1410
Facsimile: (+55 12) 3927-1257

23.2 BUYER:

REGIONAL AIRCRAFT HOLDINGS LTD.
c/o Galindo, Arias y Lopez
Avenida Federico Boyd Numero 51 Piso 11
Panama, Rep of Panama
Fax: 507-263-5335

24. CONFIDENTIALITY

Neither Buyer nor Embraer shall disclose the terms of this Agreement except as needed to its officers, employees, auditors, insurers (brokers) and legal advisors and except (a) as required by law or legal process, (b) to a prospective financing party in connection with the financing of Aircraft (limited to assignable provisions), or (c) with the prior written consent of the other party. In addition, Buyer and Embraer may disclose the terms of this Agreement to shareholders who hold more than ten percent (10%) of their respective common shares, provided that (i)

Page 18

such shareholders are not, in the case of Buyer, competitors or affiliates of competitors of Embraer in the business of manufacturing aircraft, or in the case of Embraer, competitors or affiliates of Compania Panamena de Aviacion, S.A. in the business of a scheduled airline, and (ii) such shareholders, to the extent not officers of a Party shall have executed a confidentiality agreement with the other Party. Without limiting the foregoing, in the event either Party is legally required to disclose the terms of this Agreement, each Party agrees to exert its best efforts to request confidential treatment of the articles and conditions of this Agreement relevantly designated by the other as confidential.

25. SEVERABILITY

If any provision or part of a provision of this Agreement or any of the Attachments shall be, or be found by any authority or court of competent jurisdiction to be, illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.

26. NON-WAIVER

Except as otherwise specifically provided to the contrary in this Agreement, any Party's refrain from exercising any claim or remedy provided for herein shall not be deemed a waiver of such claim or remedy, and shall not relieve the other Party from the performance of such obligation at any subsequent time or from the performance of any of its other obligations hereunder.

27. INTEGRATED AGREEMENT

All attachments and exhibits referred to or delivered in connection with this Agreement and/or attached hereto are, by such reference or attachment, incorporated in this Agreement to the same extent as if fully set forth herein.

28. NEGOTIATED AGREEMENT

Buyer and Embraer agree that this Agreement, including all of its Attachments, has been the subject of discussion and negotiation and is fully understood by the Parties, and that the rights, obligations and other mutual agreements of the Parties contained in this Agreement are the result of such complete discussion and negotiation between the Parties.

29. WAIVER OF JURY TRIAL

EACH OF EMBRAER AND BUYER HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE BOTH PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT.

30. WAIVER OF IMMUNITY

To the extent that either party may in any jurisdiction in which proceedings may at any time be taken for the determination of any question arising under or for the enforcement of this Agreement be entitled to claim or otherwise be accorded for itself or its respective property, assets or revenues immunity from suit or attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction, there may be

Page 19

attributed to either party, or its respective property, assets or revenues such immunity (whether or not claimed), both Parties hereby irrevocably agree not to claim and waive such immunity to the fullest extent permitted by the law of such jurisdiction.

31. PAYMENTS IN US DOLLARS

All amounts to be paid hereunder shall be paid in United States dollars ("Dollars"), in immediately available funds. The specifications of Dollars in this transaction is of the essence. The obligations of either party in respect of payments to be made hereunder shall not be discharged by an amount paid in another currency, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on prompt conversion to Dollars under normal banking procedures does not yield the amount of Dollars owing to the party receiving the same. If a party receives an amount in respect of the other party's liability under this Agreement or if such liability is converted into a claim, proof, judgment or order in a currency other than Dollars, the party liable for payment will indemnify the party to whom payment is to be made an independent obligation against any loss arising out of or as a result of such receipt or conversion. If the amount received by such party, when converted into Dollars (at the market rate at which the receiving party is able on the relevant date to purchase Dollars in New York with that other currency) is less than the amount owed in Dollars the party liable for such payment hereunder will, forthwith on demand, pay to the party entitled to receive such payment an amount in Dollars equal to the deficit.

32. COUNTERPARTS

This Agreement may be signed by the Parties in any number of separate counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument and all of which when taken together shall constitute one and the same instrument.

33. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the Parties with respect to the matters contained herein and supersedes all previous and connected negotiations, representations and agreements between the Parties, whether in writing or other form. This Agreement may not be altered, amended or supplemented except by a written instrument executed by the Parties.

Page 20

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED
SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT
TO A REQUEST FOR CONFIDENTIAL TREATMENT

Exhibit 10.19

LETTER AGREEMENT DCT-007/2003

INDEX

1 -- START-UP TEAM:.....	1
2 -- AEROCHAIN.....	2
3 -- **Material Redacted**.....	3
4 -- **Material Redacted**.....	3
5 -- SPARE PARTS CREDIT.....	3
6 -- **Material Redacted**.....	3
7 -- AIRCRAFT CONVERSION.....	3
8 -- ESCALATION CAP.....	3
9 -- **Material Redacted**.....	3
10 -- COMPUTER BASED TRAINING.....	3
11 - **Material Redacted**.....	3
12 -- APPLICABLE LAW.....	3
13 -- JURISDICTION.....	3
14 -- CONFIDENTIALITY.....	4
15 -- SEVERABILITY.....	4
16 -- NON-WAIVER.....	4
17 -- NEGOTIATED AGREEMENT.....	4
18 -- COUNTERPARTS.....	4

EXHIBITS:

- "1" - SPECIAL INSURANCE CLAUSES
- "2" - **Material Redacted**
- "3A" - **Material Redacted**
- "3B" - **Material Redacted**

This Letter Agreement DCT-007/2003 ("Agreement" or "Letter Agreement") dated May __, 2003 is an agreement between Regional Aircraft Holdings Ltd. ("Buyer") with its address c/o Galindo, Arias y Lopez, Avenida Federico Boyd Numero 51 Piso 11, Panama, Rep of Panama, and EMBRAER - Empresa Brasileira de Aeronautica S.A. ("Embraer" or "Embraer-Brazil"), with its principal place of business at Sao Jose dos Campos, SP, Brazil (collectively the "Parties"), relating to Purchase Agreement DCT-006/2003 (the "Purchase Agreement") dated as of May __, 2003.

This Letter Agreement constitutes an amendment, supplement and modification of the Purchase Agreement as it sets forth additional agreements of the Parties with respect to the matters set forth therein. All terms defined in the Purchase Agreement shall have the same meaning when used herein, and in case of any conflict between this Letter Agreement and the Purchase Agreement, this Letter Agreement shall prevail.

WHEREAS:

- a) The Parties have entered into the Purchase Agreement, pursuant to, and subject to the terms and conditions of, which Buyer shall buy and Embraer shall sell ten (10) Firm Aircraft and up to twenty (20) Option Aircraft.
- b) The Parties wish to set forth the additional agreements of the Parties with respect to certain matters related to the purchase of the above referenced aircraft.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1 -- START-UP TEAM:

Embraer shall provide a start-up team to take place at the initial line operation of the first Aircraft, composed of the following individuals:

- **Material Redacted** for 30 **Material Redacted** days **Material Redacted**.
- **Material Redacted** for **Material Redacted** days.

The sole purpose of these specialists is to advise and assist with Buyer's start-up operations of the Aircraft, making **Material Redacted** familiar with the operation and maintenance of the Aircraft. Embraer shall at its sole criteria indicate the individuals that will compose the start-up team, and Embraer shall be able to replace at any time any of such individuals **Material Redacted**. The start-up team is in addition to the pilot and mechanic training, and to the Field Support Representative specified in Article 2.3.2 of Attachment B to the Purchase Agreement.

Embraer **Material Redacted** shall not be authorized to perform any direct flight or maintenance services on Buyer's Aircraft.

Without a previous written authorization from Embraer, an Embraer's **Material Redacted** shall not **Material Redacted**. In case Buyer obtains such Embraer's previous authorization, Buyer shall include Embraer as additional insured in the Comprehensive Airline Liability insurance policies carried by Buyer, without recourse against Embraer for any failure, act or omission of Embraer's pilots or mechanics while rendering the services set forth in this Paragraph, in such a manner as to

Page 1

cover any and all risks arising from or in any way connected with such services. Buyer shall also supply Embraer with a copy of the endorsements to the insurance policies above mentioned, in accordance with the clauses contained in Exhibit "1" to this Agreement, within **Material Redacted** prior to the date on **Material Redacted** as indicated above. For the avoidance of doubt, the indemnity provided in Article 22 of the Purchase Agreement shall apply to the services set forth in this Section 1.

Embraer reserves the right to halt the services mentioned in this Section 1, should any of the following situations occur at Buyer's base: a) there is a labor dispute or work stoppage in progress; b) war or war like operations, riots or insurrections; c) any conditions which is dangerous to the safety or health of Embraer's employee; or d) the government of Buyer's country refuses permission to Embraer's employee to enter the country.

At no charge to Embraer, Buyer shall provide the start-up team members with communication facilities (telephone, facsimile) as well as office space and facilities at Buyer's main base, and Buyer shall also (a) arrange all necessary work permits and airport security clearances required for Embraer's team members, to permit the accomplishment of the services mentioned in this Article 1, in due time; and (b) obtain all necessary custom clearances both to enter and depart from Buyer's country for Embraer's team members and their personal belongings and professional tools.

The start-up team members shall be allowed exclusively in those areas related to the subject matter hereof and Embraer agrees to hold harmless Buyer from and against all and any kind of liabilities in respect of such team members to the extent permitted by law, **Material Redacted**. Buyer shall bear all **Material Redacted**.

At no charge to Embraer, Buyer shall provide **Material Redacted**.

2 -- AEROCHAIN

Aerochain (www.aerochain.com) is an electronic marketplace that provides value-added after-sales services and extended supply chain collaboration, focused on the aerospace community. Aerochain site is composed of following sections:

- Community: A set of tools to promote interactivity among users, through services as Alerts and Newsletters.
- Trading: Buy & Sell solution for suppliers and customers to realize

reduction in maintenance, material and operation cost. Embraer operators can access the Material Support Back Office System, and get information regarding sales of spare parts.

- Supply Chain: Collaborative planning function to provide means to quickly and interactively develop inventory plans based on information shared by trading partners.
- Maintenance & Operations: Tools for maintenance management and fleet configuration tracking to simplify the administration of either a large or small fleet.
- Technical Services: Here is available the Embraer customer service support

Page 2

previously found at CIS (Customer Integration System). Embraer Operators will find useful information on airworthiness and flight safety, technical support, operations, reliability, maintenance cost, maintenance planning and training. A Technical Publications Library is also available to search, view and download, conditioned to Buyer having a Technical Publications Revision Service contracted with Embraer. The use of publications obtained from this site is subject to prior approval of the relevant airworthiness authorities.

Access to these features is conditioned to the execution of a User Agreement. If the User Agreement is not signed by Buyer and Aerochain by the date **Material Redacted** prior to the first Firm Aircraft Contractual Delivery Date **Material Redacted**, Embraer will cause Aerochain to provide Buyer **Material Redacted** access to the Technical Service module (previously named CIS) for the **Material Redacted** following**Material Redacted**, provided that **Material Redacted**.

3 -- **MATERIAL REDACTED**

4 -- **MATERIAL REDACTED**

5 -- SPARE PARTS CREDIT

Embraer will provide Buyer a spare parts credit of USD**Material Redacted** per each of the Firm Aircraft **Material Redacted** effectively delivered to Buyer. The Spare parts credit shall be used by Buyer for the purchase of Embraer-made spare parts and ground support equipment from the Embraer - Brazil spare parts facility (except for engines, engine related parts and APU), on a mutually agreed delivery schedule. **Material Redacted** To be eligible to utilize such credit, Buyer shall not be in default in respect of any payment that has become due and payable by Buyer to Embraer or an affiliate of Embraer (as per the terms of the relevant agreement or invoice). Spare parts credits made available to Buyer will expire, if not used, **Material Redacted** year from **Material Redacted**.

6 -- **MATERIAL REDACTED**

7 -- **MATERIAL REDACTED**

8 -- **MATERIAL REDACTED**

9 -- **MATERIAL REDACTED**

10 -- **MATERIAL REDACTED**

11 -- **MATERIAL REDACTED**

12 -- APPLICABLE LAW

This Agreement shall be construed in accordance with and its performance shall be governed by the laws of the State of New York, USA without regard to any conflict of law rules other than General Obligations Law 5-1401 and 5-1402.

13 -- JURISDICTION

All disputes arising in connection with this Agreement shall be finally settled in the courts of the United States District Court for the Southern District of New York

Page 3

located in the county of New York, provided that if such court lacks jurisdiction, disputes shall be resolved in the state courts for the state of New York. The Parties hereby waive any other court of Jurisdiction that may be competent for settlement of disputes arising from this Agreement.
Material Redacted

14 -- CONFIDENTIALITY

Notwithstanding anything to the contrary in the Purchase Agreement, neither Buyer nor Embraer shall disclose the terms of this Agreement except as needed to its officers, employees, auditors, insurers (brokers) and legal advisors and except (a) as required by law or legal process or (b) to a prospective financing party in connection with the financing of Aircraft (limited to assignable provisions), or (c) with the prior written consent of the other party. In addition, Buyer and Embraer may disclose the terms of this Agreement to shareholders who hold more than ten percent (10%) of their respective common shares, provided that (i) such shareholders are not, in the case of Buyer, competitors or affiliates of competitors of Embraer in the business of manufacturing aircraft, or in the case of Embraer, competitors or affiliates of or affiliates of competitors of Compania Panamena de Aviacion, S.A. in the business of a scheduled airline, and (ii) such shareholders, to the extent not officers of a Party shall have executed a confidentiality agreement with the other Party. Without limiting the foregoing, in the event either Party is legally required to disclose the terms of this Agreement, each Party agrees to exert its best efforts to request confidential treatment of the Articles and conditions of this Agreement relevantly designated by the other as confidential.

15 -- SEVERABILITY

If any provision or part of a provision of this Letter Agreement or any of the Attachments shall be, or be found by any authority or court of competent jurisdiction to be, illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Letter Agreement, all of which shall remain in full force and effect.

16 -- NON-WAIVER

Except as otherwise specifically provided to the contrary in this Agreement, any Party's refrain from exercising any claim or remedy provided for herein shall not be deemed a waiver of such claim or remedy, and shall not relieve the other Party from the performance of such obligation at any subsequent time or from the performance of any of its other obligations hereunder.

17 -- NEGOTIATED AGREEMENT

Buyer and Embraer agree that this Agreement has been the subject of discussion and negotiation and is fully understood by the Parties, and that the rights, obligations and other mutual agreements of the Parties contained in this Agreement are the result of such complete discussion and negotiation between the Parties.

18 -- COUNTERPARTS

This Agreement may be signed by the Parties in any number of separate counterparts with the same effect as if the signatures thereto and hereto were upon

Page 4

the same instrument and all of which when taken together shall constitute

one and the same instrument.

Page 5

EXHIBIT "1" TO LETTER AGREEMENT DCT-0072003
SPECIAL INSURANCE CLAUSES

Buyer shall include the following endorsements in its Hull and Comprehensive Airline Liability insurance policies:

1. Hull All Risks Policy, including War, Hi-jacking and Other Perils.

"It is hereby understood and agreed that Insurers agree to waive rights of subrogation against Embraer with regard to the insured Aircraft.

This endorsement shall not operate to prejudice Insurer's rights of recourse against Embraer - Empresa Brasileira de Aeronautica S.A. as manufacturer, repairer, supplier or servicing agent where such right of recourse would have existed had this endorsement not been effected under this Policy."

2. Comprehensive Airline Liability Policy, based on the AVN53 - Additional Insured Endorsement

"It is hereby understood and agreed that Embraer - Empresa Brasileira de Aeronautica S.A. including any business entity owned by or subsidiaries to Embraer, and all partners, executive officers, employees and stock holders, are added as Additional Insureds only with respect to the operation of the Aircraft by the Named Insured.

This endorsement does not provide coverage for any Additional Insured with respect to claims arising out of its legal liability as manufacturer, repairer, supplier or servicing agent where such right of recourse would have existed had this endorsement not been effected under this Policy."

3. Notwithstanding anything to the contrary as specified in the Policy or any endorsement thereof, the coverages stated in paragraphs 1 and 2 above, shall not be cancelled or modified by the Insurer, without 48 hours advance written notice to Embraer to such effect.

This Endorsement attaches to and forms part of Policy No. _____, and is effective from the ____ day of _____, 200_."

Page 1

EXHIBIT "2" - EMBRAER 170, EMBRAER 175, AND EMBRAER 195 SPECIFIC
CONFIGURATION, FINISHING AND REGISTRATION MARKS

Material Redacted

Page 1

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED
SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT
TO A REQUEST FOR CONFIDENTIAL TREATMENT

Exhibit 10.20

LETTER AGREEMENT DCT-008/2003

This Letter Agreement DCT-008/2003 ("Agreement" or "Letter Agreement") dated May __, 2003 is an agreement between Regional Aircraft Holdings Ltd. ("Buyer") with its address c/o Galindo, Arias y Lopez, Avenida Federico Boyd Numero 51 Piso 11, Panama, Rep of Panama, and EMBRAER - Empresa Brasileira de Aeronautica S.A. ("Embraer" or "Embraer-Brazil"), with its principal place of business at Sao Jose dos Campos, SP, Brazil (collectively the "Parties"), relating to Purchase Agreement DCT-006/03 (the "Purchase Agreement") dated as of May __, 2003.

This Letter Agreement constitutes an amendment, supplement and modification of the Purchase Agreement as it sets forth additional agreements of the Parties with respect to the matters set forth therein. All terms defined in the Purchase Agreement shall have the same meaning when used herein, and in case of any conflict between this Agreement and the Purchase Agreement, this Letter Agreement shall prevail.

WHEREAS:

- a) The Parties have entered into the Purchase Agreement, pursuant to, and subject to the terms and conditions of, which Buyer shall buy and Embraer shall sell ten (10) Firm Aircraft and up to twenty (20) Option Aircraft.
- b) The Parties wish to set forth the additional agreements of the Parties with respect to certain matters related to the purchase of the above referenced Aircraft.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1 - **MATERIAL REDACTED**

2 - APPLICABLE LAW

This Agreement shall be construed in accordance with and its performance shall be governed by the laws of the State of New York, USA without regard to any conflict of law rules other than General Obligations Law 5-1401 and 5-1402.

3 - JURISDICTION

All disputes arising in connection with this Agreement shall be finally settled in the courts of the United States District Court for the Southern District of New York located in the county of New York, provided that if such court lacks jurisdiction, disputes shall be resolved in the state courts for the state of New York. The Parties hereby waive any other court of Jurisdiction that may be competent for settlement of disputes arising from this Agreement. **Material Redacted**

4 - CONFIDENTIALITY

Notwithstanding anything to the contrary in the Purchase Agreement, neither Buyer

nor Embraer shall disclose the terms of this Agreement except as needed to its officers, employees, auditors, insurers (brokers) and legal advisors and except (a) as required by law or legal process or (b) with the prior written consent of the other party. In addition, Buyer and Embraer may disclose the terms of this Agreement to shareholders who hold more than ten percent (10%) of their respective common shares, provided that (i) such shareholders are not, in the case of Buyer, competitors or affiliates of competitors of Embraer in the business of manufacturing aircraft, or in the case of Embraer, competitors or affiliates of competitors of Copa Airlines, S.A. in the business of a scheduled airline, and (ii) such shareholders, to the extent not officers of a Party shall have executed a

confidentiality agreement with the other Party. Without limiting the foregoing, in the event either party is legally required to disclose the terms of this Agreement, each party hereto agrees to exert its best efforts to request confidential treatment of the Articles and conditions of this Agreement relevantly designated by the other as confidential.

5 - SEVERABILITY

If any provision or part of a provision of this Letter Agreement or any of the Attachments shall be, or be found by any authority or court of competent jurisdiction to be, illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Letter Agreement, all of which shall remain in full force and effect.

6 - NEGOTIATED AGREEMENT

Buyer and Embraer agree that this Agreement has been the subject of discussion and negotiation and is fully understood by the Parties, and that the rights, obligations and other mutual agreements of the Parties contained in this Agreement are the result of such complete discussion and negotiation between the Parties.

7 - COUNTERPARTS

This Agreement may be signed by the Parties hereto in any number of separate counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument and all of which when taken together shall constitute one and the same instrument.

FORM OF DIRECTOR
INDEMNITY AGREEMENT

This agreement is between Copa Holdings, S.A., a Panamanian corporation (sociedad anonima) (the "Company") and , Director of the Company (the "Indemnitee").

A. Indemnitee is Director of the Company.

B. Both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies in today's environment.

C. The Pacto Social of the Company (the "Pacto Social") require the Company to indemnify to its directors and officers to the fullest extent permitted by law and the Indemnitee has been serving and continues to serve as Director of the Company in part in reliance on such provisions.

D. In recognition of Indemnitee's need for substantial protection against any potential personal liability in order to assure Indemnitee's continued service to the Company in an effective manner and Indemnitee's reliance on the provisions of the Pacto Social and in part to provide Indemnitee with specific contractual assurance that the protection promised by the Pacto Social will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of any provision of the Company's Pacto Social or any change in the composition of the Company's Board of Directors or any acquisition of the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and for the continued coverage of the Indemnitee under the Company's directors' and officers' liability insurance policies.

The parties hereto agree as follows:

1. Certain Definitions.

(a) "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company's then outstanding voting securities, or (ii) during any period of 24 consecutive months, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to

2

constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation or entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company, in one transaction or a series of transactions, of all or substantially all the Company's assets.

(b) "Proceeding" shall mean any completed, actual, pending or threatened action, suit, claim, inquiry or proceeding, whether civil, criminal,

administrative or investigative (including an action by or in the right of the Company) and whether formal or informal.

(c) "Expenses" means all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements and other out-of-pocket costs) actually and reasonably incurred by the Indemnitee in connection with the investigation, defense or appeal of or being a witness in, participating in or preparing to defend a Proceeding or establishing or enforcing a right to (i) indemnification or advancement of expenses under this Agreement, the Pacto Social, Panamanian law or otherwise or (ii) directors' and officers' liability insurance coverage; provided, however, that Expenses shall not include any judgments, fines or penalties or amounts paid in settlement of a Proceeding.

(d) "Indemnifiable Event" is any event or occurrence related to the fact that Indemnitee is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust, nonprofit entity or other entity (including service with respect to employee benefit plans), or by reason of anything done or not done by Indemnitee in any such capacity.

(e) "Indemnification Period" shall be such period as the Indemnitee shall continue to serve as a director or officer of the Company, or shall continue at the request of the Company to serve as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust, nonprofit entity or other entity, and thereafter so long as the Indemnitee shall be subject to any possible Proceeding arising out of the Indemnitee's tenure in the foregoing positions.

(f) "Losses" are any judgments, fines, penalties and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of any Proceeding.

(g) "Reviewing Party" shall mean (i) the Board of Directors (provided that a majority of directors are not parties to the Proceeding), (ii) a person or body selected by the Board of Directors or (iii) if there has been a Change in Control, the special independent counsel referred to in Section 5.

3

2. Indemnification and Advancement of Expenses. Subject to the limitations set forth in Section 4:

(a) Indemnification. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, as soon as practicable after written demand is presented to the Company, in the event Indemnitee was or is made or is threatened to be made a party to or witness in or is otherwise involved in a Proceeding by reason, in whole or in part, of an Indemnifiable Event against all Expenses and Losses incurred by Indemnitee in connection with such Proceeding. In the event of any change, after the date of this Agreement, in any applicable law, statute or rule regarding the right of a Panamanian corporation to indemnify a member of its Board of Directors or an officer, such change, to the extent it would expand Indemnitee's rights under this Agreement, shall be included within Indemnitee's rights and the Company's obligations under this Agreement, and, to the extent it would narrow Indemnitee's rights or the Company's obligations under this Agreement, shall be excluded from this Agreement.

(b) Advancement of Expenses. The Company shall to the fullest extent permitted by applicable law pay the Expenses incurred by Indemnitee as soon as practicable after written demand is presented to the Company in the event Indemnitee was or is made or is threatened to be made a party to or witness in or is otherwise involved in a Proceeding by reason, in whole or in part, of an Indemnifiable Event in advance of its final disposition; provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Agreement, Panamanian law or otherwise.

(c) Partial Indemnity. If Indemnitee is entitled under any provision

of this Agreement to indemnification by the Company for some or a portion of the Losses or Expenses, but not, however, for all of the total amount thereof, the Company shall indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith.

(d) Contribution. If the indemnification provided in Section 2(a) for any reason is unavailable to the Indemnitees, then in respect of any Indemnifiable Event, the Company shall contribute to the amount of Expenses and Losses paid in settlement actually incurred and paid or payable by the Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and the Indemnitee on the other hand from the transaction from which such proceeding arose and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such Expenses and Losses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances

4

resulting in such expenses, judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 2(d) were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

(e) Enforcement. If a claim for indemnification (following the final disposition of such Proceeding) under Section 2(a) or advancement of Expenses under Section 2(b) is not paid in full within thirty days after a written claim therefor by the Indemnitee has been presented to the Company, the Indemnitee may file suit against the Company to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In addition, Indemnitee may file suit against the Company to establish a right to indemnification or advancement of Expenses arising under this Agreement, the Pacto Social, Panamanian law or otherwise. In any such action the Company shall have the burden of proving by clear and convincing evidence that the Indemnitee is not entitled to the requested indemnification or advancement of Expenses under applicable law.

3. Notification and Defense of Proceeding. Promptly after receipt by Indemnitee of notice of the commencement of or threat of the commencement of any Proceeding, Indemnitee shall, if a request for indemnification in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the failure to notify the Company will not relieve the Company from any liability which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such omission can be shown to have prejudiced the Company's ability to defend the Proceeding. Except as otherwise provided below, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld). After notice from the Company to Indemnitee of its election to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such Proceeding or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have made the conclusion provided for in clause (ii) of this Section 3. The Company shall not settle any Proceeding in any manner, which would impose any penalty, limitation, admission, loss or Expense on the Indemnitee without the Indemnitee's prior written

consent. Neither the Company nor the Indemnitee will unreasonably withhold its consent to any proposed settlement, provided that Indemnitee may, in Indemnitee's sole discretion, withhold consent to any proposed settlement that would impose any penalty, limitation, admission, loss or Expense on the Indemnitee.

4. Limitation on Indemnification. Notwithstanding the terms of Section 2:

5

(a) the obligations of the Company set forth in Section 2 shall be subject to the presumption that Indemnitee is entitled indemnification here under unless the Reviewing Party shall have determined (based on a written opinion of independent outside counsel in all cases) that Indemnitee would not be permitted to be so indemnified under applicable law; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any advancement of Expenses until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed) and the Company shall not be obligated to indemnify or advance to Indemnitee any additional amounts covered by such Reviewing Party determination (unless there has been a determination by a court of competent jurisdiction that the Indemnitee would be permitted to be so indemnified under applicable law);

(b) the Company shall not be required to indemnify or advance Expenses to the Indemnitee with respect to a Proceeding (or part thereof) by the Indemnitee (and not by way of defense), except if the commencement of such Proceeding (i) is expressly required to be made by applicable law, and (ii) was authorized in the specific case by the Board of Directors or (ii) brought to establish or enforce a right to indemnification and/or advancement of Expenses arising under this Agreement, the Pacto Social, Panamanian law or otherwise;

(c) the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee for any amounts paid in settlement of a Proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld;

(d) the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee on account of any suit in which judgment is rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended or similar provisions of any federal, state or local statutory law;

(e) the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful; and

(f) the Company shall not be obligated pursuant to the terms of this Agreement to make any payment in connection with any Proceeding to the extent Indemnitee has otherwise actually received payment (under any insurance policy or otherwise) of the amounts otherwise indemnifiable under this Agreement.

(g) the Company shall not be obligated pursuant to the terms of this Agreement to indemnify the Indemnitee if a final decision by a Court having jurisdiction in the matter shall determine that the actions that give rise to the Indemnification Event are proven to be the result of Indemnitee's willful misconduct or gross negligence.

6

5. Change in Control of Company. The Company agrees that if there is a Change in Control of the Company, then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense advances under this Agreement, any other agreements, the Pacto Social now or

hereafter in effect relating to Proceedings for Indemnifiable Events, the Company shall seek legal advice only from special independent counsel selected by Indemnitee and approved by the Company's Board of Directors (which approval shall not be unreasonably withheld), and who has not otherwise performed services for the Company (other than in connection with such matters) or Indemnitee. Such special independent counsel, among other things, shall determine whether and to what extent the Indemnitee would be permitted to be indemnified under applicable law and shall render its written opinion to the Company and Indemnitee to such effect. The Company agrees to pay the reasonable fees of the special independent counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), Proceedings, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant to this Agreement.

6. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

7. No Presumptions. For purposes of this Agreement, the termination of any Proceeding against Indemnitee by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief shall be a defense to Indemnitee's Proceeding for indemnification or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief shall be a defense to Indemnitee's Proceeding for indemnification or create a presumption that Indemnitee has not met any particular standard of conduct or did not have a particular belief.

8. Non-Exclusivity. The rights conferred on the Indemnitee by this Agreement shall not be exclusive of any other rights which the Indemnitee may have or hereafter acquire under any statute, provision of the Pacto Social, agreement, vote of stockholders or disinterested directors or otherwise, and to the extent that during the Indemnification Period such rights are more favorable than the rights currently provided under this Agreement to Indemnitee, Indemnitee shall be entitled to the full benefits of such more favorable rights to the extent permitted by law. Other than as set forth in this Section 8, in the case of any inconsistency between the indemnification provisions of this Agreement and any other agreement relating to the indemnification of an Indemnitee, the indemnification provisions of this Agreement shall control.

7

9. Liability Insurance. The Company may, to the extent that the Board of Directors in good faith determines it to be economically reasonable, maintain a policy of directors' and officers' liability insurance, on such terms conditions as may be approved by the Board of Directors. To the extent the Company maintains directors' and officers' liability insurance, the Indemnitee shall be covered by such policy in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors. Notice of any termination or failure to renew such policy shall be provided to Indemnitee promptly upon the Company's becoming aware of such termination or failure to renew. The Company shall provide copies of all such insurance policies and any endorsements thereto whenever such documents have been provided to the Company.

10. Amendment/Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar) nor shall such waiver constitute a continuing waiver. Any waiver to this Agreement shall be in writing.

11. Binding Effect. This Agreement shall be binding upon and inure

to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives.

12. Survival. This Agreement shall continue in effect during the Indemnification Period, regardless of whether Indemnitee continues to serve as a director of the Company or of any other enterprise at the Company's request.

13. Severability. The provisions of this Agreement shall be severable in the event that any provision of this Agreement (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

14. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's estate, spouse, heirs, executors or personal or legal representatives after the expiration of three years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such three year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Republic of Panama without giving effect to the principles of conflicts of laws.

8

16. Choice of Forum. With respect to any legal action relating to the interpretation or enforcement of this Agreement, the parties hereto irrevocably agree and consent to be subject to the jurisdiction of the Courts of the Republic of Panama.

COPA HOLDINGS, S.A.

By: _____
Name:
Title:

[INDEMNITEE]

By: _____
Name: