

## GROUND HANDLING AGREEMENT

### STANDARD TRANSPORTATION DOCUMENT SERVICE AGREEMENT

#### Annex B - Locations, Agreed Services and Charges

To the IATA Standard Transportation Document Service Agreement (STDSA) – AHM815

-“Remote” Airport Ticket Office-

**Between** :  
having its principal office at:  
VAT Registration number:  
Represented by:

hereinafter referred to as "**the Carrier**".

**And** :  
having its principal office at:  
VAT Registration number:  
Registered:  
Represented by:

**Czech Airlines Handling, a.s.**  
16008 Prague 6, Aviatická 1017/2, Czech Republic  
CZ699003361  
in the Commercial Register maintained by the  
Municipal Court in Prague, section B, Insert 17139  
Jiří Jarkovský, Chairman of the Board of Directors, and  
Michal Soukup, Vice-Chairman of the Board of Directors

hereinafter referred to as "**the Handling Company**".

Effective from: 01 January 2016

This Annex **B 4.0**  
for the location(s) Prague (PRG)  
is valid from 01 January 2016  
is valid until open  
and replaces NIL

#### PREAMBLE

This Annex B is prepared in accordance with the simplified procedure whereby the Carrier and the Handling Company agree that the terms of the Standard Transportation Document Service Agreement (STDSA) of January 2006, AHM815 Main Agreement, as published by the International Air Transport Association shall apply as if such terms were repeated here in full. By signing this Annex B, the parties confirm that they are familiar with the aforementioned STDSA Main Agreement.

#### **PARAGRAPH 1: HANDLING SERVICES AND CHARGES**

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The Handling Company shall provide the following services at the following rates.

**1.1 General responsibilities and organization:**

Area/task	General responsibilities and organization
<ul style="list-style-type: none"> <li>Rental and general organisation of service counter (including furniture)</li> </ul>	Handling Company's responsibilities and costs
<ul style="list-style-type: none"> <li>Service counter infrastructure, e.g. Laser printer, copy machine, International phone, email/internet lines and cost</li> </ul>	Handling Company's responsibilities and costs. International Phone and its costs to be covered by carrier – toll free nbr provided by carrier.
<ul style="list-style-type: none"> <li>Service counter infrastructure, e.g. International phone</li> </ul>	Phone and its costs to be covered by carrier – toll-free nbr provided by carrier.
<ul style="list-style-type: none"> <li>Signage at service counter Understood as logo will be displayed during LX business hours as specified in Sub-Para 1.2</li> </ul>	Handling Company's responsibilities and costs
<ul style="list-style-type: none"> <li>PC workstation/IT equipment</li> </ul>	Handling Company's responsibilities and costs
<ul style="list-style-type: none"> <li>IT maintenance cost</li> </ul>	Handling Company's responsible for hardware maintenance costs. Carrier is responsible for software maintenance costs. (carriers systems)
<ul style="list-style-type: none"> <li>Reservation system used for the handling of the Carrier's flights</li> </ul>	To be covered by carrier

The following facilities and services are provided and covered in the handling charges as defined hereafter:

**1.2 General Services:**

- Remote Ticketing handling of the Carrier's passengers at the Handling Company's Ticket Counter or Service Desk at [Prague airport – service desk nearby check-in area only] (non-dedicated).
- Opening times of the service desk is [2 hours before scheduled DEP, closure 30 min after scheduled departure of each flight] hours / daily.
- In case of irregularities the opening hours will be extended as required and will be paid extra as per par. 2.1. (Subject to the Handling company's staff availability, when the Handling Company shall make possible effort to assure remote ticketing office functionality in requested timing).
- The Handling Company guarantees total business-concealment towards competitors and will safeguard the Carrier's commercial interests at all times even in the case of offering ticketing services to other Carriers at the same desk.
- Employed staff is competent and sufficiently trained to do "remote" ticketing handling for [redacted]
- Responsible for the safe custody of the transport documents and shall be liable for the full value and rightful use.
- The described activities para 1.3 shall be provided at Prague airport – Service desk, located nearby Check-in area

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1.3 **General Ticketing and Irregularity Services via the [REDACTED] and Accounting and Settlement of Carriers' Document provided at SERVICE DESK nearby check-in area.**

<b>Support Services for voluntary Ticketing for day of departure only</b>
New sale of published fares for day of departure flights (including service fee collection if applicable)
ASR and other "ancillary services" fee – sale at service desk only
Sale of upgrades: fare difference, ATO LMU (LMU=Last Minute Upgrade) sale at service desk only
XBAG (excess baggage) collection — sale at service desk only
Special fees collection (UM, PETC, AVIH, BIKE etc. all special baggage charges) sale at service desk only
New reservation for day of departure flights upon request if holding open ticket
Voluntary revalidation/reservation change with/without additional charge for day of departure flights
Voluntary rerouting with/without additional charge for day of departure flights
Assistance towards MC passenger of CS partner only for day of departure
Award upgrades (AMUP) via DCS if applicable – at check-in counter only if DCS allows to do so
<b>Support Services for IRREGULARITY Handling and Customer Information incl. Diversions</b>
Reservation and ticketing related involuntary changes (Understood as assistance to single PAX, most of PAX must be reprotected via [REDACTED])
Misconnection: involuntary reissues / rerouting and assistance, docs issued by [REDACTED]
DBC payment & reporting : involuntary reissue / rerouting and assistance MCO or MPD, issued by [REDACTED]
DGC payment & reporting and settlement and assistance MCO or MPD, issued by [REDACTED]
INAD / ESCORT passengers - docs issued by [REDACTED]
<b>OTHER ACTIVITIES</b>
CSR (Counter Sales reporting)- administration / cashier function / encashment devices
Hardware / Network problems if link down
Incoming email handling

- 1.4 The Handling Company shall ensure that all unused accounting documents, when not in use, are locked into a separate safe office available.
- 1.5 The Handling Company shall maintain a current accounting document control, which can be audited anytime by the Carriers auditors. Original of all accounting documents as well as payment proofs will be sent to Carrier on monthly basis. Handling agent will keep the copies for one year.
- 1.6 The procedures for remittance of sums collected, Counter Sales Report and Document Handling shall be handled as per Carriers Sales Accounting instructions (as per Attachment 1 to this Annex B)
- 1.7 In case of involvement in payment card processing the following applies: payment cards are to be exclusively processed and transmitted through a PCI DSS (Payment Card Industry Data Security Standard) certified system. A copy of the certificate of PCI DSS compliance has to be submitted to the Client annually.
- 1.8 The Handling company shall be accountable for all cash differences.
- 1.9 **The Handling Company** shall maintain any stationary and equipment (e.g encashment devices) provided by the Carrier free of charge. The Handling Company shall indemnify the Carrier against any physical damage or excessive wear to the Carrier's stationary and equipment (e.g encashment devices) resulting



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from any gross negligence in the operation and handling or of such stationary and equipment. The encashment devices have to be guarded in a secure place outside business hours.

1.10 **The Handling Company** shall keep all cash money collected for sold [redacted] documents. The Carrier will invoice the Handling Company monthly for the sold [redacted] document in cash and the Handling Company shall pay the Carrier's invoice within 30 days of the date of receipt.

1.11 If the **Handling Company** disagrees with any item(s) in the invoice submitted by the Carrier, it may withhold payment only on that item(s) until a resolution is reached, the remainder of the invoice due shall be paid in accordance with Paragraph 1.10. The Handling Company must communicate to the Carrier its reason for withholding payment on an invoice item(s). The deadline for payment for any disputed item(s) will be deemed extended until ten (10) days after the resolution of such dispute. The parties hereby agree that there is no payment obligation on the Handling Company side until the resolution is reached by both parties.

1.12 The Carrier sends the invoice to the following address of the Handling Company:



1.13 The Accounting Contact person of the Handling Company for Remote ATO is to be advised) please state email address and telephone no.)



**PARAGRAPH 2: CHARGES**

2.1 For the rendered services under paragraph 1 above, the Carrier will pay to the Handling Company the following charges:

Flat-rate per flight		[redacted]	
Additional charge in case of irregularities and opening out of agreed hours as required. Charged per hour.		[redacted]	

2.2 The rates as per subparagraph 2.1. and 2.2. above do not include VAT.

2.3 No extra charges will be made for providing the services at night, on legal holidays, on Sundays and during night-stops. Any concession fee will be absorbed by the Handling Company.

**PARAGRAPH 3: DISBURSEMENTS**

3.1 Any disbursements made by the Handling Company on behalf of the Carrier will be reimbursed by the Carrier at cost price plus [redacted] Disbursement Fee.

**PARAGRAPH 4: ACCOUNTING AND SETTLEMENT**

4.1 In accordance with the provision of Sub-Article 7.1 of the Main Agreement, the Handling Company shall invoice the Carrier with the charges arising from the provision of the services provided under this Agreement, which shall be payable 30 days after invoice issuing date. Payments shall be made to the



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Handling Company's bank Account as indicated on the invoices. Any Bank transfer charges are to be borne by the Carrier.

- 4.2 No deposit or bank guarantee is required by the Handling Company.
- 4.3 Electronic transmittance of invoices (e.g. via [REDACTED] is agreed by both parties. Additional information is available on [REDACTED] or via e-mail to: [REDACTED]
- 4.4 In general, a setoff/compensation of the Carrier's invoice (for cash collection) as per Sub-Paragraph 1.10 and the Handling Company's invoice (for the rendered services) is not foreseen.

### PARAGRAPH 5: HANDLING REQUIREMENTS and AUDITING

- 5.1 The Handling Company must possess all necessary permits, licenses and authorizations to perform the contracted services at **PRG Airport**.
- 5.2 It will be the Handling Company's responsibility to pay all social contributions (e.g. fees, taxes, charges etc.) resulting from social legislation, labour and foresight of the Handling Company's directors, officers, agents, servants, employees, subcontractors etc. including insurance and work accidents.
- 5.3 It will be the Handling Company's responsibility to guarantee to the Carrier that the Handling Company's directors, officers, agents, servants, employees, subcontractors etc. are security checked and fully comply with local security and safety regulations.
- 5.4 As the Handling Company will have access to confidential data including but not limited to PNRs both parties have agreed to sign a **Data Protection Clause** attached hereto as **Attachment 2**.
- 5.5 The Carrier may at its own cost, by prior written notice (min 30 days in advance) to the Handling Company, engage the Handling Company for the purpose of auditing at the location designated in this Annex B. Such notice shall contain a description of the area(s) to be audited.

### PARAGRAPH 6: CONFIDENTIALITY

- 6.1 In accordance with Sub-Article 2.2 of the Main Agreement, the Parties shall consider all information obtained in connection with the contractual relationship to be confidential. Without written approval of the other Party, each Party does not disclose the information supplied by the other Party or acquired by either Party direct or indirect from the other. A written approval is not necessary if [REDACTED] wants to give information to companies affiliated with [REDACTED]. The Carrier hereby agrees that the Handling Company is entitled to disclose this Agreement and/or any Confidential Information obtained under and/or in connection with this Agreement to Český Aeroholding, a.s., corporate ID No.: 248 21 993, with its registered seat in Prague 6, Jana Kašpara 1069/1, Postal Code 160 08, Czech Republic (hereinafter referred to as "Český Aeroholding") (including its directors, officers and employees) and to all entities (including their directors, officers and employees), in which as of the date of such disclosure Český Aeroholding directly or indirectly owns a share.

### PARAGRAPH 7: TRAINING REQUIREMENTS and COST

- 7.1 In order to support the fulfilment of this Contract, the Handling Company will provide competent staff who have been trained in general IATA/airline and basic service standards (minimum level: "Passenger Handling Agent"). The general training must be complemented with relevant [REDACTED] training (Carrier's DCS, Carrier's and Star Alliance's procedures and policies).

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7.2 In case additional and special qualification is needed to fulfil the Carrier's specific requirements, the Carrier will provide initial training prior to the start of this agreement. This shall also apply when the Carrier implements new systems and – if in the opinion of the Carrier applicable - procedures (e.g. Remote Ticketing processes).

In this case, training cost will be shared as follows:

7.2.1 **Initial Training** (as per special requirement of the Carrier, e.g. [REDACTED] processes or systems).

Training will be provided locally at the station.

The Carrier sends a trainer for classroom training elements. The working hours, the daily allowance and the hotel expenses of the trainer will be borne by the Carrier. The training room, and necessary training room equipment is provided by the Handling Agent. Furthermore the Handling Agent will bear the working hours (possibly overtime hours) costs for its participating employees.

7.2.2 **Recurrent and/or replacement training**

All costs shall be borne by the Handling Company.

### **PARAGRAPH 8: QUALITY STANDARDS and QUALITY CONTROL**

8.1 The reference for procedures, quality and safety in Handling operations is the Passenger Handling Manual of [REDACTED] (PHM). Limited to ticketing part of the PHM.

8.2 Any changes of procedures which would have an effect on the cost of the Handling Company would either need to be mutually agreed or would lead to re-negotiation of the handling rates with a fair and transparent discussion on the impact on cost.

8.3 Handling Company's agents in front desk positions shall speak English (beside their mother language).

8.4 The Handling Company warrants to have a quality assurance and training program in place. The Handling Company shall conduct regular quality checks using clearly defined measuring procedures and sampling sizes. The results of such checks shall be sent to the Carrier at regular intervals.

8.5 The Handling Company assures that staff involved in this agreement is compliant to EU-OPS rules and regulations.

### **PARAGRAPH 9: COOPERATION**

9.1 The Handling Company shall designate one person as remote ticketing coordinator at the location for which this Annex B is valid, who shall serve as the Carrier's contact for all matters relating to this Agreement. Understood as an administrative contact person in case there are some functional/technical issues.

9.2 The Handling Company's contact person shall meet the Carrier's representative on a regular basis. The meeting shall be used in particular to exchange information on possible improvements to administrative and operational procedures and to the quality of the Products and Services provided by the Handling Company and to agree on any actions required to effect the same.

### **PARAGRAPH 10: CHOICE OF LAW**

10.1 Article 9 of the Main Agreement (Arbitration) shall be deleted in its entirety. Any dispute arising under or in connection with this Agreement and Annexes, shall be governed by the laws of the **Czech Republic**

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### **PARAGRAPH 11: AREA OF RESPONSIBILITY**

11.1 The area of responsibility is Václav Havel airport Prague

### **PARAGRAPH 12: CORRECTION OF UNSATISFACTORY SERVICES**

12.1 Whenever it is brought forward to The Handling Company's attention (either by advice of the Carrier or as a result of the Handling Company's internal quality control) that any aspects of the Service covered by this Annex B are unsatisfactory, the Handling Company shall

- a) immediately take all measures necessary to correct such problems; and
- b) investigate the causes of such problems, immediately initiate action leading to their correction and inform the Carrier accordingly.

### **PARAGRAPH 13: NO PARTNERSHIP**

13.1 This Agreement shall not be construed as a partnership, neither between the Handling Company and the Carrier nor between Carrier and any other Ordering Unit.

Each Party to this Agreement is acting as an individual and no Party shall be jointly and severally liable for duties and/or liabilities of another Party to this contract.

In case this Agreement is terminated by or cancelled due to the default of one Party to the contract the contract shall, unless stated explicitly otherwise, continue with the remaining parties in full force and effect.

### **PARAGRAPH 14: ADJUSTMENT OF CHARGES**

14.1 Notwithstanding the provisions of Articles 12 of the Main Agreement the Carrier and the Handling Company mutually agree that the handling charges stipulated in this Annex B 1.0 are fixed for the duration of this Annex B 1.0 (except for CPI). This provision shall be without any prejudice to the article 8.2 hereinabove.

The rates quoted for the Services stipulated in Sub-Paragraph 2.1 shall be automatically subject to annual increase based on the CPI on every anniversary date of this Annex B 1.0 and, hence, for the first time on 1st January 2017 as follows:

  
CPI = Consumer Price Index as published by Czech Statistical Office

14.2 Notwithstanding Sub-Paragraph 14.1 and in accordance with Sub-Article 12.12 of the Main Agreement, if to the Carrier's opinion the number of counters or the counter coverage have to be reduced or increased, both parties will mutually agree on a revision of the rates, taking the change of costs proportionally into consideration. Alterations of the counter coverage can be decided for each flight plan period. The original rate is calculated and based on 1 service desk (counter) opened.

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**PARAGRAPH 15: DURATION and TERMINATION**

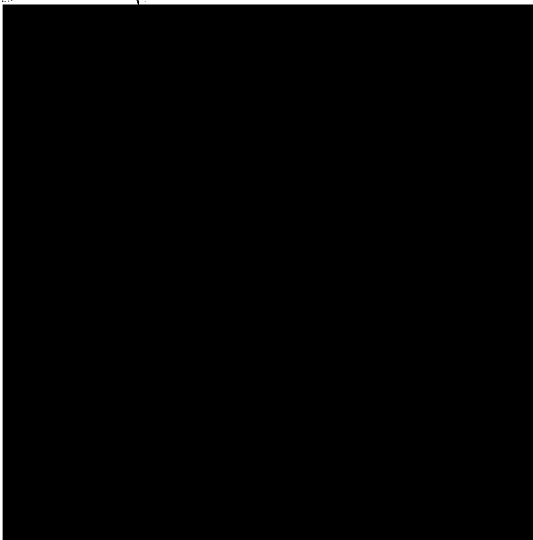
15.1 Notwithstanding the provisions of Sub-Article 12.4 and 12.5 of the Main Agreement, the term of this contract shall be for an open term, commencing on 1<sup>st</sup> January 2016 and shall continue to be valid until terminated by either party giving 90 days' written notice to the other party.

**PARAGRAPH 16: APPLICABILITY**

16.1 The terms, charges and conditions in this Annex also apply – upon mutual agreement for any of [redacted] subsidiaries or affiliated companies if it is to their consent and request. [redacted]

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Signed the 17.12.15



Signed the **16-12-2015**  
at Prague

for and on behalf of  
**Czech Airlines Handling, a.s.**

Jiří Jarkůvský  
Chairman of Board of Directors

Michal Soukup  
Vice-Chairman of Board of Directors





**CZECH AIRLINES**  
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