

Agreement for Aviation Fuel Supply

number of the Agreement: **P/0415001698**

concluded on the day, month and year written hereinbelow

BETWEEN:

Czech Airlines Handling, a.s., a company established under the laws of the Czech Republic registered in Commercial Register maintained by Municipal Court in Prague, Section B, and File No.17139 with its registered office at Praha 6, Aviatická 1017/2, Postal Code 160 08, Czech Republic, Business Identification Number: 25674285

VAT Reg. No: CZ699003361

Represented by: Mr. Jiří Jarkovský, Chairman of the Board of Directors
Mr. Michal Soukup, Vice chairman of the Board of Directors.

("Seller");

And


("Buyer").

(Either or both of which may be hereinafter referred to as the "**parties**" or individually as the "**party**")



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	Annex III Safety, Quality and Operations Management Agreement
	Annex IV Administrative Arrangement
	Annex V Service Agreement

The format of the Model Agreement comprises six separate but interrelated documents:

- The IATA Specimen Agreement for Aviation Fuel Supply (the Agreement);**
- The IATA Model General Terms and Conditions for Aviation Fuel Supply (GT&C);**
- The IATA Model Location Agreement (the Location Agreement).**
- The IATA Model Safety, Quality and Operations Management Agreement**
- The IATA Model Administrative Arrangement**
- The IATA Model Service Agreement**

PART II — IATA SPECIMEN AGREEMENT FOR AVIATION FUEL SUPPLY

1. SPECIMEN AGREEMENT WHEREBY THE PARTIES AGREE AS FOLLOWS

Article 1 – Scope

Subject to and in accordance with the conditions set forth in the IATA Model Terms and Conditions for Aviation Fuel Supply, **version 4, dated October 2013** (hereinafter: "the General Terms and Conditions") which are incorporated herein by reference and attached hereto as Annex I, Seller agrees to sell and deliver or cause to be sold and delivered and Buyer agrees to purchase, receive and pay for the Fuel for consumption in Buyer's Aircraft as detailed in this Agreement and subsequent location agreements (as defined hereinafter).

In case of any discrepancy or conflict between a provision in this Agreement and the General Terms and Conditions, the Agreement shall prevail.

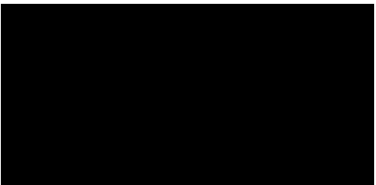
Article 2 – Affiliated Companies of Buyer / Seller

For the purpose of this Agreement, the companies set out in Annex IV: Administrative Arrangements will be regarded as Affiliated Companies of Buyer/Seller.

Article 3 – Duration

This Agreement is effective from the date mentioned on the cover page of this Agreement and continues in full force and effect, until terminated pursuant to the General Terms and Conditions.

Article 4 – Location Agreements

- 4.1 All specific terms and conditions relating to the supply of Fuel, agreed between Buyer and Seller for any given location during a certain period of time, shall be detailed in a location agreement (hereinafter: "Location Agreement"). In case of any discrepancy or conflict between a provision in a Location Agreement and this Agreement, the Location Agreement shall prevail.
 - 4.2 Upon the parties having reached agreement on the specifics of any such location, Buyer shall forward a fully complete Location Agreement to Seller. Upon receipt thereof, Seller may reconfirm the agreement by countersigning the Location Agreement and returning the document to Buyer. Each Location Agreement shall form an integral part of this Agreement and shall be attached to this Agreement as per Annex II.
 - 4.3 A Location Agreement becomes effective on the first day of the delivery period as stated therein. The expiry date of the Location Agreement shall be the last day of the delivery period, or, in case of (early) termination in accordance with the General Terms and Conditions, the day of such (early) termination.
 - 4.4 Evergreen Agreements
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In the event the parties agree on a Location Agreement without a defined expiry date (hereinafter: an "Evergreen Agreement"), the termination conditions will be as follows:

Either party may terminate the Evergreen Agreement upon no less than two months prior written notice..

Article 5 – Prices and Price Adjustments Mechanism

Except as otherwise agreed upon in the Location Agreement, the following will apply in respect of prices and price adjustments.

Article 5.1 – Market Prices: PRICE Adjustment Mechanism

A market price is a price, which is fixed for a certain period of time.

For Market prices, the following applies:

[.....]

Article 5.2 – Formula Prices

A formula price is a price, which is based on a published third party quotation (i.e. "Platts") and is subject to variation on either of the following:

Prices shall be firm for the periods agreed upon in the Location Agreement and shall be based on the weekly average of the applicable published quotations of the period prior to the new pricing period plus the agreed differential. The average shall be calculated over trading days only.

Weekly average shall be calculated by summing up the high price quotations for each trading day and dividing the amount so calculated by the number of trading days of the preceding week rounded up/down to 2 (two) decimals.

Pricing periods:

Weekly with one day grace (it means validity of the price starting from Tuesday of new week till Monday of the following week.

For conversion purposes the following numbers can be accepted:

1 Metric Tonne (MT) = 331 US gallon (AG)

1 US gallon (AG) = 3.78541 Litre (LT)

1 Barrel (BL) = 42 US gallon (AG)

Article 5.3 – Other Prices

Prices related to published "ex-refinery quotations" and prices related to conditions set forth by local government authorities may change on the day the price change becomes effective, provided that Buyer has been notified by Seller as soon as possible, preferably in advance. If Seller so fails to notify Buyer, the price change will become effective as per the date of receipt by Buyer of Seller's notification. Buyer shall only explicitly accept retroactive price increases.

Article 6 – Point of Delivery

Unless otherwise agreed in the respective Location Agreement, Fuel shall be delivered into Buyer's Aircraft according to the IATA Guidance Material on Standard Into-Plane Fuelling Procedures, latest edition.

If Fuel is to be delivered into a fuel facility of an airline consortium or at another point of delivery, such Fuel shall be delivered in compliance with ICAO Doc 9977.

Article 7. – Service Levels

For the purpose of this Agreement the level of services to be provided by the seller, its affiliated companies and subcontractors and the enabling action to be undertaken by the buyer shall be as set out in Annex V: Service Agreement.

The Service Agreement will be effective from the date stated in that agreement.

Article 8 – Invoicing and Payment Terms

To the extent not otherwise agreed in the Location Agreement, the following shall apply:

- 8.1 Seller shall invoice Buyer as set out in Annex IV: Administrative Arrangements for all Fuel delivered to Buyer. Invoices shall state costs of product, taxes, duties and any other charges as separate line items.
 - 8.2 Invoices for Fuel delivered to companies for which Buyer is acting as an agent only shall be sent directly to the agreed company without any involvement of Buyer.
 - 8.3 Unless otherwise specified in the respective Location Agreement, invoices shall be issued and payment shall be effected in United States Dollars (USD).
 - 8.4 The payment term is specified in Annex IV: Administrative Arrangements.
 - 8.5 Payments shall be transferred to the Seller's bank account as specified in Annex IV: Administrative Arrangements
 - 8.6 Hard copy invoices shall be addressed as set out in Annex IV: Administrative Arrangements
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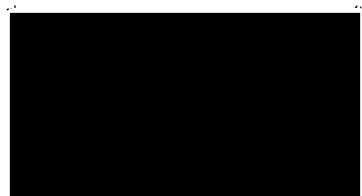
Article 9 – Deviations from General Terms and Conditions

Parties hereby declare that article 6.1.D of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"6.1.D Upon Buyer's request, Seller may provide the most current specific gravity or density measurement of Fuel from airport storage, or provide Buyer with appropriate devices to measure it at the Buyer's Aircraft. Notwithstanding the foregoing, Buyer shall not hold Seller responsible for any claims and expense related to Seller providing the specific gravity or density measurement or such devices, except to the extent caused by Seller's wilful misconduct or gross negligence.

Parties hereby declare that article 6.1.G of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"6.1.G Any Fuel sold or caused to be sold by Seller under the Agreement which is found to be Off-Specification Fuel or Contaminated Fuel may be rejected by Buyer, at Buyer's sole discretion. Seller shall indemnify, defend and save harmless Buyer from and against any



and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred resulting from the use, storage or delivery into Buyer's Aircraft of Seller's Off-Specification Fuel or Contaminated Fuel, including the costs of replacement of all Fuel contaminated through commingling with Seller's Off-Specification Fuel or Contaminated Fuel, except to the extent caused by Buyer's gross negligence or wilful misconduct."

Parties hereby declare that article 6.2.B of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"6.2.B Any Fuel sold under the Agreement, which is found to be Off-Specification Fuel or Contaminated Fuel may be rejected by Buyer, at Buyer's sole discretion. Seller shall indemnify, defend and save harmless Buyer from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred resulting from the use or storage of Off-Specification Fuel or Contaminated Fuel, including the costs of replacement of all Fuel contaminated through commingling with Seller's Off-Specification Fuel or Contaminated Fuel, except to the extent caused by Buyer's gross negligence or wilful misconduct."

Parties hereby declare that article 7 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"7. Buyer may request and Seller may agree upon a defuelling of Buyer's Aircraft. The Fuel so removed from Buyer's Aircraft shall be disposed of or stored as agreed between the parties and at Buyer's sole cost and expense. Seller may charge an extra fee for such services. The parties shall agree upon the value of the Fuel so defuelled.

If however defuelling of Buyer's Aircraft is necessary due to Seller's gross negligence or wilful misconduct (e.g. delivery of Off-Specification and/or Contaminated Fuel or delivery of a larger quantity than agreed upon), Seller or its Deliverer shall defuel Buyer's Aircraft, at Buyer's request and at Sellers sole cost and expense.

For guidance on defueling, refer to IATA Guidance Material on Microbiological Contamination in Aircraft Fuel Tanks, Chapter 2 and Appendix 3."

Parties hereby declare that article 8.2 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"8.2 In the event Buyer requests Seller to perform the services as described in Article 8.1, or other delivery services in addition to those listed as normal delivery services in the Agreement, and Seller agrees to perform same, Buyer agrees to indemnify, defend and save harmless Seller from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or to the environment or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred, arising out of or related to Seller's action in performing or omission to perform the requested services, except to the extent caused by the gross negligence or wilful misconduct of Seller."

Parties hereby declare that article 11.2 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"11.2 Buyer shall indemnify, defend and save harmless Seller from and against any and all claims, demands, proceedings, damages and liabilities for death of or injury to any passengers or other persons on board or embarking or disembarking and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred, caused by or arising out of into-plane delivery or removal of Fuel under this Article 11, unless such injury or death arises from or has been caused by the gross negligence or wilful misconduct of Seller."

Parties hereby declare that to the Article 13 of the General Terms and Conditions shall be added new Article 13.4 in below mentioned version:

"13.4 Buyer herewith applies for exemption from application of the excise tax due to the usage of delivered Fuel Supply for Air Transport or Aerial Works according to Article 12 and 49 of the Excise Tax Act. No. 353/2003 Col.

For avoidance of doubt, Buyer agrees to reimburse any taxes, penalties or any other expenses levied on Seller due to using of Fuel Supply for any other non-exempted purposes by Buyer. Buyer is liable to settle such reimbursement within 15 days after the invoice acceptance."

Parties hereby declare that article 14.1 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"14.1 In addition to any waivers (arising out of the same or other causes) provided by operation of law, no failure or omission by either party to carry out or observe any of the provisions of the Agreement (except for Article 14.5 hereunder) shall give rise to any claim against that party, or be deemed to be a breach of the Agreement, if the same shall arise out of a Force Majeure event. A Force Majeure event for the purposes of this Agreement means any cause not reasonably within the control of the parties, whether or not foreseen, including (without limitation) such causes as labour disputes, strikes, governmental intervention, or the party's response to the insistence of any governmental instrumentality or person purporting to act therefore, terrorism, wars, civil commotion, hijacking, fire, flood, accident, storm or any act of God."

Parties hereby declare that article 14.2 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"14.2 Notwithstanding the provisions of Article 14.1, neither party shall be relieved of any accrued obligation to make payment under the Agreement."



Parties hereby declare that article 15.1 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"15.1 Except to the extent otherwise provided in these General Terms and Conditions or the Agreement, Seller shall indemnify, defend and save harmless Buyer from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred, caused by the Seller's performance of or omission to perform its obligations under the Agreement, except to the extent caused by the gross negligence or wilful misconduct of Buyer.

Except to the extent otherwise provided in these General Terms and Conditions or the Agreement, Buyer shall indemnify, defend and save harmless Seller from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses reasonably and properly incurred, caused by the Buyer's performance of or omission to perform its obligations under the Agreement, except to the extent caused by the gross negligence or wilful misconduct of Seller.

In order to extend the benefit of any indemnity provided in this Article 15 and the Articles 6.1.D, 6.1.G, 6.2.B, 8.2, and 11.2 to the officers, directors, employees, servants, agents, subcontractors and representatives of the party so indemnified, the indemnified party will be deemed to have acted as agent or trustee for and on behalf of its officers, directors, employees, servants, agents, subcontractors and representatives."

Parties hereby declare that article 16.1 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"16.1 In the event Seller withdraws its operation from or Buyer ceases its operation at any location mentioned in the Agreement for any reason, either party shall have the right to terminate the Agreement as to such location. The terminating party shall use its best endeavours to give 30 (thirty) days' written notice of such termination. The termination will be effective no earlier than the date of written notice to the other party.

- a) Either party may terminate the Evergreen Agreement as per [...date...] upon no less than two months' prior written notice.
- b) Seller may terminate the Evergreen Agreement or Location Agreement at any time upon at least two months' prior written notice in the event that Seller's supply situation deteriorates dramatically;
- c) Buyer may terminate the Evergreen Agreement or Location Agreement at any time upon 30 (thirty) days prior written notice in the event that:
 - (i) Seller's supply situation deteriorates or is likely to deteriorate dramatically. The Seller's supply situation will be deemed to have deteriorated dramatically or is likely to deteriorate dramatically where the Seller is unable or may not be able to provide Fuel to the Buyer that meets the Buyer's normal operational requirements; or
 - (ii) except where an allocation/rationing plan is in effect, Seller has not provided the required volume of Fuel to Buyer to meet its normal

operational requirements and such failure has arisen from the Seller providing Fuel to its other customers in favour of the Buyer.

d) Buyer may terminate the Evergreen Agreement or Location Agreement at any time upon 30 (thirty) days prior written notice in the event that:

Buyer's volume increases by a steady [...x AG...] per month or more;
the existing government price control is discontinued; or
the existing market situation is changed considerably

e) Buyer may terminate the Evergreen Agreement or Location Agreement with immediate effect in the event that the Fuel supplied by the Seller does not meet the specification set out in article 3.1 of (Part III Annex 1) of the General Terms and Conditions or the Location Agreement or is contaminated. Such termination will not affect any of the Buyer's other rights or remedies under this Agreement, including without limitation the Buyer's right to claim damages caused by such Fuel. "

Parties hereby declare that article 16.2 of the General Terms and Conditions shall apply to this Agreement in below mentioned version:

"16.2 In the event of a substantial change in the ownership or control of any of the companies listed in the Agreement as either party's Affiliated Companies, such party shall immediately notify the other party of the occurrence of such change. Thereupon, the other party shall have the choice, at its sole discretion, to terminate the agreement as to the relevant location upon giving 30 days' prior written notice."

Article 10 – Insurance

Seller has effected and shall maintain during the term of this Agreement **aviation general third party liability insurance (including war risks and allied perils coverage according to clause AVN52E or equivalent)** for a combined single limit of not less than [REDACTED] occurrence but in the annual aggregate in respect of product liability and war risks & [REDACTED] coverage.

Buyer has effected and shall maintain during the term of this Agreement at its own cost (i) hull all risk and hull war risk and allied perils insurances in respect of operated aircraft and (ii) **airline aviation liability insurance (Aircraft Third Party, Passenger, Baggage, Cargo and Mail Legal Liability including war risks and allied perils coverage according to clause AVN52E or equivalent)** for a combined single limit of not less than the mandatory limit of liability as required under EU legislation applicable for the commercial operation of the relevant aircraft type for each occurrence/each aircraft but in the annual aggregate in respect of product liability and war risks and allied perils coverage.

Each party must provide the other party a valid insurance certificate on or prior to the signing of this Agreement but in any case not later than prior to the first commencement under this Agreement and on each and every renewal of the insurance policy/ies referred above.

Article 11 – Notices

Notices shall be sent between the parties to the respective addresses in Annex IV: Administrative Arrangements

Article 12 – Governing Law

The validity, construction and performance of this Agreement shall be governed by Czech law in particular Section 1746 *para.2* of the Czech Civil Code (Act 89/2012 Coll., as amended), to the exclusion of their conflict of laws rules. The U.N. Convention on Contracts for the International Sales of Goods is not applicable to this Agreement.

Article 13 – Disputes

In any dispute arising between the parties in respect of or in connection with this Agreement the parties shall first use all reasonable endeavours to amicably resolve the matters. Failing such resolution within thirty (30) calendar days dispute, which will not be amicably resolved between the parties as stated above shall be finally settled under the substantive laws of Czech Republic. The parties agree to submit to the jurisdiction of Czech courts. The place of jurisdiction for all disputes arising out of or in connection with this agreement shall be Prague, Czech Republic. A final and enforceable judgment or order of those courts in connection with this Agreement is conclusive and binding and may be enforced in the courts of any other jurisdiction.

Article 14 - Further Provisions

- a) **Acceptance with reservation:** Section 1740 par.3 of the Act No. 89/2012 Coll. Civil Code as amended shall not apply to this Agreement which means, that no contract will be entered by means of a confirmation letter or by acceptance of contract draft with amendment or modification which does not significantly modify the Agreement. Any contract in order to be effective under this procedure has to be concluded in writing between the parties and fully executed by authorized representatives of the parties and delivered to the other party (unless the binding law provides for a more strict form). Seller shall not have any legal obligation to any interested party unless and until a contract has been fully executed by authorized representatives of the parties and delivered.
- b) **Business practice:** This entire Agreement contains any and all rights, duties and obligations of the parties and no other such rights or duties arising from relationship of obligation due to the business practice (trade usage) prevalent in the particular field of business shall apply to them. In relation to the above Section 545 of the Act No. 89/2012 Coll. Civil Code as amended shall not apply to this Agreement.
- c) Figures in this document are provided only as assumptions to enable competitive bids to be prepared and are not forecasts, estimates or indicative of expected trends. Seller assumes no liability, contractually or otherwise, for any information provided to the Suppliers, including, but not limited to, any costs in the event that Supplier has based pricing on the assumptions, which subsequently prove incorrect.
- d) **Entire Agreement:** For avoidance of doubt Section 557 (*contra proferentem* rule) of the Act No. 89/2012 Coll. Civil Code as amended shall not apply to this Agreement. Expressions (terminology) used in this Agreement (draft of business contracts, negotiation) shall be interpreted according to the meaning usually attributed to it, by a person who is in the same position as the person to whom the expressions is directed. Expressions (terminology) used in this Agreement (draft of business contracts, negotiation) shall also be interpreted according to the meaning usual in such Agreement.
- e) **Change to the Agreement circumstances:** The parties agree that Section 1765 and Section 1766 of the Act No. 89/2012 Coll., Civil Code, as amended shall not apply to this Agreement. The parties hereby assume the risk of change to the Agreement circumstances and the occurrence of unforeseen events.

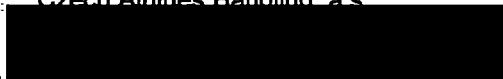
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- f) **Adhesion contracts:** Parties hereby explicitly confirm that all basic conditions of this Agreement were mutually defined and negotiated between them and either party has an opportunity to modify basic conditions and principles of this agreement. With relation to the above
- g) For avoidance of doubt parties hereby represents and warrants that they are duly incorporated and validly existing corporation and this Agreement is concluded between them as above mentioned entities and thereby Section 1793-1796 of the Act No. 89/2012 Coll. Civil Code as amended shall not apply to this Agreement.

In witness whereof the parties hereto have executed this Agreement in twofold.

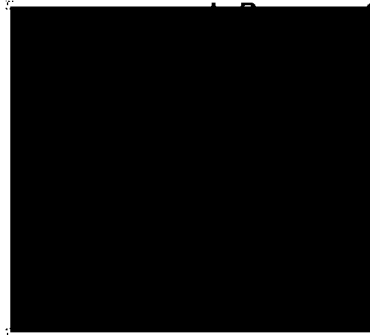
In Prague on 28.12.2015



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Mr. Jiri Jarkovsky
Chairman of the Board of Directors
Czech Airlines Handling, a.s.



Mr. Michal Soukup
Vice Chairman of the Board of Directors
Czech Airlines Handling, a.s.



28.12.2015

 **CZECH AIRLINES
HANDLING**

Czech Airlines Handling, a.s.
Aviatická 1027/1, 150 08 Praha 6
IČ: 25674285, DIČ: CZ699003361

Part III — ANNEXES

ANNEX I – IATA MODEL GENERAL TERMS AND CONDITIONS FOR AVIATION FUEL SUPPLY
VERSION 4, DATED OCTOBER 2013

1. DEFINITIONS

The following terms, when capitalised, shall have the meaning defined hereinafter, unless the context otherwise requires:

Affiliate: Two parties are affiliates if either party has the power to control the other, or a third party controls or has the power to control the both.

Agent: One that acts or has the power or authority to act for or represent another.

Agreement: any agreement for aviation fuel supply into which these Model General Terms and Conditions have been incorporated;

Buyer's Aircraft: the aircraft owned, leased, operated by or on behalf of Buyer or Buyer's Affiliated Companies;

Contaminated Fuel: means fuel that is cross-contaminated by other products, including other fuel grades or additives, that could put the fuel off-specification, contains unacceptable levels of particulates or water — fails the visual clear and bright check or exceeds the cleanliness limits set out in IATA Guidance Material for Aviation Turbine Fuel Specifications, Part III, Cleanliness and Handling, or contains unacceptable levels of microbiological growth

Deliverer: the entity in addition to Seller who, on behalf of Seller, performs Seller's supply and delivery obligations under the Agreement.

Delivery Note: a document, produced in writing or by electronic means, accurately and clearly stating the date of receipt, time, registration number of aircraft, flight number, aircraft type, product description, meter readings and quantity delivered in kilograms, litres or gallons, in accordance with Seller's normal practices, or any additional information the parties may agree upon;

Fuel: aviation jet fuel;

ICAO Doc 9977: Manual on Civil Aviation Jet Fuel Supply

Off-specification Fuel: Fuel, which is found not to be in accordance with the relevant (quality) specification set forth in the Agreement.

For the purpose of the Articles 6.1.G, 6.2.B and 15, "Buyer" shall include the officers, directors, employees, servants, agents, subcontractors and representatives of the person or entity mentioned as such in the heading of the Agreement.

For the purpose of the Articles 6.1.D, 8.2 and 11.2, "Seller" shall include the officers, directors, employees, servants, agents, subcontractors, Deliverer and representatives of the person or entity mentioned as such in the heading of the Agreement.

Services: means all services to be provided by the Seller under this Agreement and the Seller's obligations under this Agreement, together with all ancillary services reasonably and necessarily required to comply with the provisions of this Agreement (whether such services or obligations are performed by the Seller or not).

2. REPRESENTATION

Buyer contracts hereunder on its own behalf and as agent for its Affiliated Companies in respect of their rights and obligations under the Agreement. The Buyer warrants (i) that it has been duly authorized by each Buyer's Affiliated Company to enter into this Agreement on behalf of each and (ii) that each Buyer's Affiliated Company shall be individually bound by the terms and conditions of this Agreement in respect of deliveries of Fuel made to them and responsible for any liabilities

arising there from. Provided that if Buyer is in breach of the warranties given under this Clause, it will indemnify Seller in respect of all costs, losses damages, expenses or liabilities incurred by Seller as a result of that breach. For the purpose of this Agreement Buyer's Affiliated Companies are set out in the Agreement or its annexes together with any other company or entity which may be agreed in writing between the Buyer and Seller from time to time.

3. SPECIFICATIONS AND REQUIREMENTS

3.1 Seller warrants that the Fuel supplied by it shall comply with the following specifications and requirements:

a) meet one of the specifications set forth hereunder, as listed in the IATA Guidance Material for Aviation Turbine Fuels Specifications, latest issue; (per location, the Agreement may list the particular specification):

- ASTM Standard Specification D 1655 for Aviation Turbine Fuels Jet A / Jet A-1 latest issue;
- British Ministry of Defence Standard DEF STAN 91-91 Turbine Fuel, Aviation, "Kerosene Type", Jet A-1,, latest issue;
- Canadian specification Can/CGSB-3.23-97, Aviation Turbine Fuel Jet A / Jet A-1, latest issue.
- Chinese No. 3 Jet Fuel (GB438, GB1788 and GB6537)
- Russian Fuels RT + TS-1 (GOST 10227-86) & Jet A-1 (GOST R52050)

b) The Fuel shall meet the requirements, if any, set by the governmental regulatory authority with jurisdiction in such a location. Should any such requirement lead to a deviation from the agreed specification, Seller shall notify Buyer in advance and Buyer's prior permission for delivery of such Fuel is required.

3.2 Any other supply specification requires approval by Buyer and a complete specification must be attached to the Agreement.

3.3 EXCEPT AS SPECIFICALLY PROVIDED IN THE AGREEMENT, THERE ARE NO GUARANTEES OR WARRANTIES HEREIN, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS OR SUITABILITY OF THE FUEL FOR ANY PARTICULAR PURPOSE OR OTHERWISE.

4. QUALITY

4.1 The Seller must ensure that the fuel is not contaminated and that the quality of Fuel delivered to the Buyer is maintained at all times throughout the supply chain from the refinery to the point of delivery. For this purpose the Seller shall ensure that the policies, standards, procedures and any other practices recommended in ICAO Doc 9977 are implemented and complied with by the Seller, Seller's agents, suppliers, operators and any other parties engaged in the operation and/or the supply of Fuel and Services.

4.2 Fuel delivered to fuel facilities at airports can also meet the Aviation Fuel Quality Requirements for Jointly Operated Systems (AFQRJOS) commonly known as Joint Fuelling System Check List, for Jet A-1, latest issue;

4.3 Sampling shall be performed as stated in the Fuel Quality Control & Fuelling Safety Standards issued by the IATA Fuel Quality Pool or as stated in Chapter 5, Fuel Quality Control Requirements of the Aviation Fuel Quality Control and Operating Standards, (latest issue) pertaining to Joint Into-Plane Fuelling Services of the Joint Industry Group, JIG endorsed by the IATA Technical Fuel Group.. If required by the airline, additionally, a test for suspended water shall be performed, using

one of the following approved chemical detectors: Shell Water Detector, Velcon Hydrokit, Mobil Water Indicator/Metrocator, Aqua-Glo, POZ-T device, Repsol/YPF-Water Detector, Aqua Indica, Aquadis and CASRI.

Commentary: In North America in particular, operating standards are generally to Airlines For America, specification ATA 103 (Standards for Jet Fuel Quality Control), latest issue. In certain areas ATA 103 and the JIG differ, and so ATA 103 does not meet the standards that are required by IATA airlines, where the IATA endorsed JIG are used as the operational standard.

5. QUANTITY

Seller shall be obligated to sell and deliver, or cause to be sold and delivered, and Buyer shall be obligated to purchase the quantities agreed upon between the parties, provided however that Buyer shall in no event be obligated to purchase more than its actual requirements.

The quantities mentioned in the Agreement are Buyer's best estimates. Buyer shall give advance notice of any major change in its estimates.

6. DELIVERY

- 6.1 Should the Fuel be delivered by Seller into Buyer's Aircraft tanks ("into-plane delivery"), the following shall apply:
- 6.1.A Seller shall ensure prompt refuelling of Buyer's scheduled Aircraft and take all reasonable measures not to delay Buyer's Aircraft's departure. If Buyer's scheduled Aircraft arrives ahead of its scheduled time of arrival, or late, or is operating a regular non-scheduled flight, Seller shall endeavour to promptly refuel the Buyer's Aircraft.
 - 6.1.B Title to and risk of loss of the Fuel shall pass to Buyer at the time the Fuel passes the inlet coupling of the receiving aircraft.
 - 6.1.C Seller's measurement shall be accepted as prima facie evidence of the quantities of Fuel delivered, but Buyer shall be entitled to check the accuracy of the instruments used by Seller upon reasonable notice during Seller's normal operating hours in the presence of Seller's representative. Determinations of quantities made in accordance with international industry practice shall be binding.
 - 6.1.D Upon Buyer's request, Seller may provide the most current specific gravity or density measurement of Fuel from airport storage, or provide Buyer with appropriate devices to measure it at the Buyer's Aircraft. Notwithstanding the foregoing, Buyer shall not hold Seller responsible for any claims and expense related to Seller providing the specific gravity or density measurement or such devices, except to the extent caused by Seller's wilful misconduct or negligence.
 - 6.1.E Deliveries shall be made in accordance with all applicable governmental laws and regulations, Seller's/Deliverer's standard quality control and operating procedures, in compliance with the standards set out in the ICAO Doc 9977 and the requirements laid down by the airport governing authority. Furthermore, unless otherwise agreed, Seller or its Affiliated Company shall use or apply their standard quality control and operating procedures (as amended from time to time) or those of the delivering entities utilised by it for deliveries into Buyer's Aircraft, provided however that failure to use or apply such procedures shall not be grounds for termination pursuant to Article 16.3.A unless such failure is one affecting safety, environmental and/or quality control that has not been cured in the requisite time and which is sufficiently grievous as to amount to a material breach of the Agreement.

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- 6.1.F Except as otherwise agreed in writing by Seller or its Deliverer, Seller or its Deliverer shall not be obligated to make delivery unless a representative of Buyer is present. Seller shall provide the number of copies of the Delivery Note as agreed with Buyer and as necessary pursuant to local requirements.
- 6.1.G Any Fuel sold or caused to be sold by Seller under the Agreement which is found to be Off-Specification Fuel or Contaminated Fuel may be rejected by Buyer, at Buyer's sole discretion. Seller shall indemnify, defend and save harmless Buyer from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses resulting from the use, storage or delivery into Buyer's Aircraft of Seller's Off-Specification Fuel or Contaminated Fuel, including the costs of replacement of all Fuel contaminated through commingling with Seller's Off-Specification Fuel or Contaminated Fuel, except to the extent caused by Buyer's negligence or wilful misconduct.
- 6.2 Should the Fuel be delivered by the Seller into a fuel facility of an airline consortium or at another point of delivery, the following shall apply:
- 6.2.A Title to and risk of loss of the Fuel shall pass to Buyer at the point agreed between the parties.
- 6.2.B Any Fuel sold under the Agreement, which is found to be Off-Specification Fuel or Contaminated Fuel may be rejected by Buyer, at Buyer's sole discretion. Seller shall indemnify, defend and save harmless Buyer from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses resulting from the use or storage of Off-Specification Fuel or Contaminated Fuel, including the costs of replacement of all Fuel contaminated through commingling with Seller's Off-Specification Fuel or Contaminated Fuel, except to the extent caused by Buyer's negligence or wilful misconduct.
- 6.3 Seller shall pro-actively take reasonable steps to keep informed, and will use its best endeavours to ensure that Buyer is notified as soon as practicable
- a) (and in any event within 24 hours of Seller's knowledge) of any matter that could reasonably be expected to impact Seller's ability to supply Buyer in accordance with the Agreement including (but not limited to) factors which are expected to lead to a change in Seller's inventory levels in the airport storage (not being a change in inventory levels in the ordinary course of supply) or a likely disruption to supply at a Seller supplying terminal or where the Seller is unable to provide the Fuel due to inoperability of the delivery infrastructure or when there is a material change in a supply route operation including but not limited to refinery production, terminal operation or frequency of bridging deliveries; Seller will provide Buyer with relevant information regarding the matter and any Seller planned actions to minimise any impact on Buyer, and in the case of any disruption to supply, provide daily updates or relevant information in writing until the supply disruption is resolved.
- b) of any infrastructure works which the supplier may be aware of and which potentially may impact available supply to the Buyer.

7. DEFUELLING

Buyer may request and Seller may agree upon a defuelling of Buyer's Aircraft. The Fuel so removed from Buyer's Aircraft shall be disposed of or stored as agreed between the parties and at Buyer's sole cost and expense. Seller may charge an extra fee for such services. The parties shall agree upon the value of the Fuel so defuelled.

If however defuelling of Buyer's Aircraft is necessary due to Seller's fault or negligence (e.g. delivery of Off-Specification and/or Contaminated Fuel or delivery of a larger quantity than agreed upon), Seller or its Deliverer shall defuel Buyer's Aircraft, at Buyer's request and at Seller's sole cost and expense.

For guidance on defueling, refer to IATA Guidance Material on Microbiological Contamination in Aircraft Fuel Tanks, Chapter 2 and Appendix 3.

8. BUYER'S RESPONSIBILITIES

- 8.1 Buyer shall have sole responsibility for operating all appropriate aircraft fuelling switches, valves and pre-set quantities gauges.
- 8.2 In the event Buyer requests Seller to perform the services as described in Article 8.1, or other delivery services in addition to those listed as normal delivery services in the Agreement, and Seller agrees to perform same, Buyer agrees to indemnify, defend and save harmless Seller from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or to the environment or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses, arising out of or related to Seller's action in performing or omission to perform the requested services, except to the extent caused by the negligence or wilful misconduct of Seller.

9. INSPECTIONS, AUDITS AND SAMPLES

- 9.1 Buyer or its representative shall have the right to perform a (technical) survey, audit or inspection of:
- a) The manual and operating procedures as set forth in Article 6.1.E of Seller or the delivering entity,
 - b) Seller's records on quality control and checks of the Fuel, and
 - c) Seller's refuelling services at the aircraft and operational standards of airport storage and airport distribution system.

The issues mentioned under Article 9.1 shall be made available for inspection or survey, as the case may be, by Buyer at the facility where they are utilised for deliveries to Buyer. A (technical) survey or inspection shall be made during normal working hours. Buyer shall give reasonable notice of its intention to perform a (technical) survey or inspection as provided in this Article 9.1, and shall use its best endeavours not to hinder, delay or disrupt Seller's or Seller's Deliverer's fuelling activities.

- 9.2 Buyer or its representative shall have the right to obtain samples of the Fuel intended to be delivered to Buyer, to be taken by Seller or Seller's representative with Buyer having the right to be present. Buyer shall give Seller reasonable advance notice of its intention to obtain samples. The taking of samples shall be carried out in accordance with the Fuel Quality Control & Fuelling Safety Standards issued by the IATA Fuel Quality Pool or as stated in Chapter 5, Fuel Quality Control Requirements of the Aviation Fuel Quality Control and Operating Standards, Joint Into-Plane Fuelling Services (latest issue) of the Joint Industry Group, JIG endorsed by the IATA Technical Fuel Group.

10. COMPLAINTS, CLAIMS

Complaints as to short delivery or delays shall be notified to Seller at the time of delivery, followed by a written claim to be made within 15 days after delivery.

Complaints as to defects in quality or any other matter shall be notified to Seller as soon as practicable, followed by a written claim to be made within 30 days after delivery.

If the claim is not made within either the 15-days period or the 30-days period, respectively, it represents a waiver of the right to claim. In no event a waiver of the right to claim is made or implied by a signature or any other statement on the Delivery Note, irrespective of whether or not such Delivery Note contains conditions implying such waiver.

11. FUELLING/DEFUELING WITH PASSENGERS ON BOARD OR EMBARKING OR DISEMBARKING

- 11.1 To the extent permitted by local regulations, into-plane delivery or removal of Fuel as set forth in Article 7 may be made at Buyer's request when there are passengers or other persons on board the aircraft or embarking or disembarking. In such event, Buyer shall be solely responsible for ensuring that the provisions of the local airport regulations relating to such delivery or removal are carried out, that appropriate instructions are issued by Buyer to its employees for the safety of said persons during such delivery or removal and that such instructions are strictly observed by its employees and said persons.
- 11.2 Buyer shall indemnify, defend and save harmless Seller from and against any and all claims, demands, proceedings, damages and liabilities for death of or injury to any passengers or other persons on board or embarking or disembarking and against all associated direct costs (including reasonable attorney's fees) losses and expenses, caused by or arising out of into-plane delivery or removal of Fuel under this Article 11, unless such injury or death arises from or has been caused by the negligence or wilful misconduct of Seller.

12. CODESHARE ARRANGEMENTS

Where flight operations involving more than one Airline Company exist, there is an obligation (responsibility) on the Buyer(s) to inform and agree with their respective contracting Suppliers on refuelling arrangements.

Unless otherwise agreed, refuelling of aircraft in these situations will be carried out on the following basis:

"Operating flight prefix will identify both contracting parties (buyers and sellers)"

13. DUTIES, TAXES AND CHARGES

- 13.1 Buyer shall pay any taxes, fees or other charges, imposed by any national, local or airport authority on the delivery, sale, inspection, storage and use of Fuel, except for taxes on Seller's income and taxes on raw material. To the extent allowed, Seller shall show these taxes, fees and other charges as separate items on the invoice for the account of Buyer.
- 13.2 Seller shall keep Buyer informed at all times about the taxes, duties and charges existing or to be charged to Buyer. Should Seller, however, in good faith provide inaccurate or incomplete information to Buyer, Buyer shall not be relieved of the obligation to pay. Buyer may, or at Buyer's request, Seller shall, as an applicable nominal party, take all actions necessary to contest the validity, applicability or any other like challenge with respect to the amount or application of such taxes, duties and charges (including but not limited to withholding of any tax) and shall institute actions to recover past or anticipated payments thereof, provided, as to withholding of any tax, that Buyer gives Seller an indemnity which meets any reasonable requirement of Seller. Unless other arrangements are made, all actions taken in this respect shall be at Buyer's sole expense.
- 13.3 If Buyer is entitled to purchase any Fuel sold pursuant to the Agreement free of any taxes, duties or charges, Buyer shall deliver to Seller a valid Air Operator's Certificate or any other documents requested by the Czech Tax Authorities for such purchase. If Buyer fails to provide Seller such documents, Seller shall issue invoice for any taxes from Fuel sold pursuant to the Agreement and Buyer shall pay such invoice to Seller in the terms for Fuel invoicing agreed by this Agreement.

14. FORCE MAJEURE

- 14.1 In addition to any waivers (arising out of the same or other causes) provided by operation of law, no failure or omission by either party to carry out or observe any of the provisions of the Agreement (except for Article 14.5 hereunder) shall give rise to any claim against that party, or be deemed to be a breach of the Agreement, if the same shall arise out of Force Majeure event. A Force Majeure event for the purposes of this Agreement means any cause not reasonably within the control of the parties, including such causes as labour disputes, strikes, governmental intervention, or the party's response to the insistence of any governmental instrumentality or person purporting to act therefore, terrorism, wars, civil commotion, hijacking, fire, flood, accident, storm or any act of God.
- 14.2 Notwithstanding the provisions of Article 14.1:
- a) neither party shall be relieved of any accrued obligation to make payment under the Agreement; and
 - b) if the Seller is able to procure Fuel from another source in the relevant location, even if the cost of procuring such Fuel is at a higher cost, the Seller shall not be relieved of its obligation to provide Fuel to the Buyer under this Agreement. If the Seller fails to comply with the foregoing obligation, the Seller shall promptly reimburse the Buyer an amount equal to the difference between the price paid by Buyer to the third party supplier and the price that the Buyer would have paid to Seller for the Fuel.
- 14.3 The party delayed or prevented by Force Majeure shall use all reasonable endeavours to remove such reasons or mitigate the effects thereof, and upon removal and remedying of such reason said party shall promptly resume the performance of its obligations, provided, however, that a party in removing such reasons or mitigating such efforts shall not be required to settle strikes or lockouts or government claims by acceding to any demands when, in the discretion of that party, it would be inappropriate to do so.
- 14.4 In the event deliveries are delayed, hindered or prevented due to Force Majeure on Seller's part, Buyer shall be free to purchase Fuel from third parties; during such period Buyer has to commit itself towards said third parties.
- 14.5 If there is such shortage of Fuel at any location specified in the Agreement that Seller is unable to meet its own requirements and those of its Affiliated Companies for sales to customers then under agreement at that given location, due to Force Majeure on Seller's part, Seller shall, in consultation with said customers, make a fair allocation of Fuel among these customers.
- 14.6 Force Majeure on the part of either party's Affiliated Companies or subcontractors at any given location shall, as to that specific location, be considered Force Majeure of that party.

15. LIABILITY

- 15.1 Except to the extent otherwise provided in these General Terms and Conditions or the Agreement, Seller shall indemnify, defend and save harmless Buyer from and against any and all claims, demands, proceedings, damages and liabilities for loss of or damage to property or for death of or injury to any person and against all associated direct costs (including reasonable attorney's fees) losses and expenses, caused by the Seller's performance of or omission to perform the Agreement, except to the extent caused by the negligence or wilful misconduct of Buyer.

In order to extend the benefit of any indemnity provided in this Article 15 and the Articles 6.1.D, 6.1.G, 6.2.B, 8.2, and 11.2 to the officers, directors, employees, servants, agents, subcontractors and representatives of the party so indemnified, the indemnified party will be deemed to have acted as agent or trustee for and on behalf of its officers, directors, employees, servants, agents, subcontractors and representatives.

15.2 Notwithstanding anything to the contrary in these General Terms and Conditions or the Agreement, no claims shall be made under the Agreement for indirect or consequential damages.

16. (EARLY) TERMINATION

16.1 In the event Seller withdraws its operation from or Buyer ceases its operation at any location mentioned in the Agreement for any reason, either party shall have the right to terminate the Agreement as to such location. Where the Seller is the terminating party, the Seller shall use its best endeavours to give three months notice of such termination. Where the Buyer is the terminating party, the Buyer shall use its best endeavours to give 30 (thirty) days notice of such termination. The termination will be effective no earlier than the date of written notice to the other party.

Additional Early Termination clauses: (Any additions or deletions should be specifically stated in Article 9 of the Agreement)

- f) Either party may terminate the Evergreen Agreement as per [...date...] upon no less than three months prior written notice.
- g) Seller may terminate the Evergreen Agreement or Location Agreement at any time upon at least three months prior written notice in the event that Seller's supply situation deteriorates dramatically;
- h) Buyer may terminate the Evergreen Agreement or Location Agreement at any time upon 30 (thirty) days prior written notice in the event that:
 - (i) Seller's supply situation deteriorates or is likely to deteriorate dramatically The Seller's supply situation will be deemed to have deteriorated dramatically or is likely to deteriorate dramatically where the Seller is unable or may not be able to provide Fuel to the Buyer that meets the Buyer's normal operational requirements; or
 - (ii) except where an allocation/rationing plan is in effect, Seller has not provided the required volume of Fuel to Buyer to meet its normal operational requirements and such failure has arisen from the Seller providing Fuel to its other customers in favour of the Buyer.
- i) Buyer may terminate the Evergreen Agreement or Location Agreement at any time upon 30 (thirty) days prior written notice in the event that:
 - Buyer's volume increases by a steady [...x AG...] per month or more;
 - the existing government price control is discontinued; or
 - the existing market situation is changed considerably
- j) Buyer may terminate the Evergreen Agreement or Location Agreement with immediate effect in the event that the Fuel supplied by the Seller does not meet the specification set out in article 3.1 of (Part III Annex 1) of the General Terms and Conditions or the Location Agreement or is contaminated. Such termination will not affect any of the Buyer's other rights or remedies under this Agreement, including without limitation the Buyer's right to claim damages caused by such Fuel.

16.2 In the event of a substantial change in the ownership or control of any of the companies listed in the Agreement as either party's Affiliated Companies, such party shall immediately notify the other party of the occurrence of such change. Thereupon, where the Seller is the other party, the Seller shall have the choice, at its sole discretion, to terminate the agreement as to the relevant location upon giving three months prior written notice, and where the Buyer is the other party, the Buyer shall have the choice, at its sole discretion, to terminate the agreement as to the relevant location upon giving 30 days prior written notice.

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- 16.3 A party may terminate the Agreement in whole or in part by means of a written notice to the other party without need of judicial recourse and with immediate effect:
- a) In case of a material breach (or a number of breaches that collectively constitute a material breach, including any continuous or persistent breaches) of the Agreement by the other party, but only insofar the other party has not cured its breach of the Agreement, if curable, within 10 days of receiving written notice of the default from the first party. During such 10-day period the non-breaching party may elect to suspend its performance of the Agreement.
 - b) If the other party becomes insolvent, makes a general assignment for the benefit of its creditors or commits an act of bankruptcy or if a petition for its reorganisation or readjustment of its indebtedness is filed by or against it, or if a receiver, trustee or liquidation of all or substantially all of its property is appointed.
- 16.4 Termination effected by a party under this Article shall not affect any other rights or remedies of such party under the law or otherwise.
- 16.5 Notwithstanding (early) termination, each party shall fulfil all obligations accrued under the Agreement prior to the time the termination becomes effective.

17. ASSIGNMENT AND SUBCONTRACTING

- 17.1 Neither party may assign its obligations under the Agreement in whole or in part without prior written consent of the other party and such consent will not be unreasonably withheld, Seller may however assign its obligations to its Affiliated Companies without prior written consent of Buyer. In such event, Seller shall be jointly and severally liable for the performance by the Affiliated Company of the Agreement.
- 17.2 Seller may, without prior consent of Buyer, subcontract the performance of its obligations under the Agreement in whole or in part to a third party. Should however this third party be unacceptable for Buyer, Buyer is entitled to terminate the Agreement as to the relevant location(s) with immediate effect.

18. NON-WAIVER

No failure or delay of any party (including their employees and agents) to exercise any right or power under the Agreement or at law shall operate as a waiver thereof, except as provided in the Agreement, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power under the Agreement, and no waiver of any party of any provision or part of any provision of the Agreement shall be binding unless expressly confirmed in writing.

19. NON-DISCLOSURE

The information contained in the Agreement is confidential between the parties. Either party may only disclose such information to any person outside its own organisation, its Affiliated Companies or Seller's Deliverers to the extent necessary to perform the Agreement and upon the prior written consent of the other party being obtained, which consent shall not unreasonably be withheld. However:

- a) each party is allowed to disclose information to any governmental or supranational authority to the extent disclosure is legally compulsory; and
- b) the Buyer is allowed to disclose information of any findings resulting from any audit, investigation or inspection conducted under this Agreement to members and directors of IATA, IFQP, JIG and other fuel quality organizations the Buyer may be a member of,

where such findings relate to a safety of flight issue for the Buyer and/or other aircraft operators.

20. NOTICES

Notices under this Agreement shall be made in writing (including telex, Facsimile, or other electronic form) and shall be deemed duly given only when delivered to the other party at the address stated in the Agreement. Upon request of a party, the other party will reconfirm the receipt of any notice.

21. ENTIRE AGREEMENT

The Agreement contains all agreements, arrangements and stipulations between the parties in respect of the supply of Fuel for the location(s) specified herein and supersede all prior agreements, arrangements and stipulations in respect of the same subject.

In case of discrepancies between any provisions in the General Terms and Conditions and any provision in the Agreement, such provision in the Agreement shall prevail.

22. SEVERABILITY

The provisions of the Agreement are severable and the invalidity of any provision in the Agreement shall not affect all other provisions, which will remain valid and binding.

23. MODIFICATIONS

Modifications or amendments to the Agreement are only valid when expressly agreed upon in writing.

24. OFFICIAL VERSION

These General Terms and Conditions and the Agreement shall be executed in the English language and the English language will be the only official language. Translations in any other language may be made for convenience purposes, but those translations shall in no event limit, alter, interpret, define or amend the contents of the English version of the General Terms and Conditions or the Agreement.

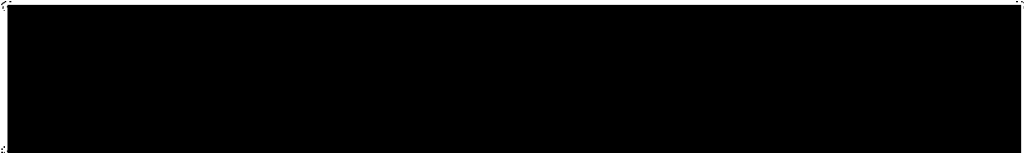
ANNEX II – LOCATION AGREEMENTS (FOR EACH LOCATION)

**To the Aviation Fuel Supply Agreement
Between Buyer and Seller dated 28.12.2015**

Location Agreement

Location: Vaclav Havel Airport Prague, Ruzyně (IATA code PRG)

Buyer:





Seller: Czech Airlines Handling, a.s., Corporate ID No.: 256 74285, with its registered office at Prague 6, Aviatická 1017/2, Postal Code 160 08, Czech Republic; registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 17139

Fuel specifications: Aviation Fuel: Jet A-1

Quality: Jet A-1, comply with IATA's guidance material for aviation turbine fuel – Kerosene
Type Fuel: ASTM D1655; DEF STAN 91-91 latest issue or DERD 2494 latest issue

Quantity:



Price: This price is expressed in CZK/litre, untaxed into plane, unless otherwise indicated, based on the previous week average, Platts FOB R'dam, Traded days, High converted at 331 AG/MT (1 US gallon = 3,78541 litres) plus differential 
 The price will be transferred from USD to CZK by the daily exchange rates (traded days) CZK/USD published by the Czech National Bank (CNB). The respective price notification for each week will be sent by the Seller to the Buyer by e-mail on the beginning of each week (usually on Monday)..

Term of agreement: This Location Agreement is concluded for a definite period of time from 1.1.2016 – 

Invoice mode: electronic

Invoice frequency:



Payment terms:



Remarks:

Fees, Duties, Taxes and Dues
Additional fees are charged as a separate line items to the fuel price:
Airfield Fee = 0,19 CZK/litre
Infrastructure Fee = 0,04 CZK/litre

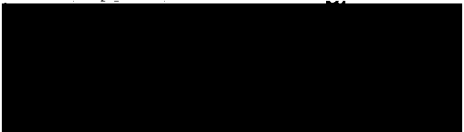
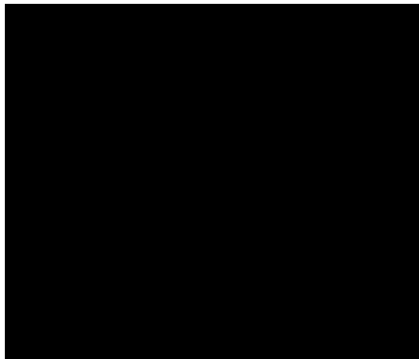
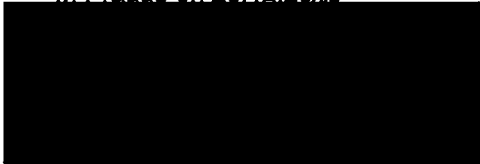


For the private flights/or domestic flights will be applied all fees, duties and charges valid according to the Czech local legislation.

Buyer is obliged to pay back to Seller all taxes, penalties and damages in case customs office would disallow the tax exceptions (excise duty, VAT) for the reason that the fuel was used in a different way than declared by customer to the Seller in time off fuelling/uplift of the fuel.

Seller :

In Prague on 28.12.2015

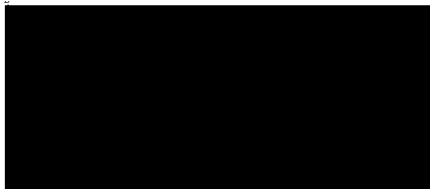


Mr. Michal Soukup
Vice Chairman of the Board of Directors
Czech Airlines Handling, a.s.



Czech Airlines Handling, a.s.
Aviařická 1017/1, 160 08 Praha 6
IČ: 25574285, DIČ: CZ99063361

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ANNEX III - SAFETY, QUALITY AND OPERATIONS MANAGEMENT

1. INTERPRETATION

1.1 Except for the defined terms set out below, all capitalized terms not defined within this Addendum shall have the meanings set forth in the Agreement.

- a) **"ICAO Manual"** means the ICAO Manual on Civil Aviation Jet Fuel Supply (ICAO Doc 9977, AN/489).
- b) **"Services"** means all services to be provided by the Seller under this Agreement and the Seller's obligations under this Agreement including the provision of Fuel from the point of refinery up to the point of delivery, together with all ancillary services reasonably and necessarily required to comply with the provisions of this Agreement (whether such services or obligations are performed by the Seller or not).

1.2 **Nature of Seller Obligations**

- a) Subject to clause 1.2(b) below, where the Seller is required to ensure and procure compliance with certain obligations by its contractors, sub-contractors and/or agents under the Agreement, these obligations are absolute in nature.
- b) The Seller is permitted to use its best endeavours to ensure and procure such compliance only where its contractor, sub-contractor and/or agent is a joint venture, is the sole provider of the service in the Location, or where the Seller is mandated under local laws and/or regulations to use a specific contractor, sub-contractor and/or agent in that Location. To the extent Seller is not able to ensure and procure compliance by any of the foregoing contractors and/or agents, the Seller must work with that contractor and/or agent to take all reasonable measures to mitigate the risks of any such non-compliance.

2. VARIATIONS TO THE AGREEMENT

In consideration of the mutual covenants set out in this Annex and the consideration set forth in the Agreement, Buyer and the Seller agree to amend the Agreement by inserting the following terms and conditions to the General Terms and Conditions as follows:

4A. COMPLIANCE WITH FUEL STANDARDS AND REQUIREMENTS

- (1) **Fuel Standards and Requirements.** Without limiting any other provision of this Agreement, Seller must, and must ensure and procure that its employees, contractors, sub-contractors and/or agents, comply with the standards and industry practices as referenced in the ICAO Manual and the Agreement, including without limitation the specifications for Fuel as set out in Article 3 of the General Terms and Conditions, and any other specific industry standards or practices as set out in the respective location agreement, to the extent that such standards, industry practices and requirements (as amended from time to time) are applicable to the provision of the Services under this Agreement (collectively, the **"Fuel Standards and Requirements"**).

- (2) **Operations Procedures and Management.**

Seller must, and must ensure and procure that its employees, contractors, sub-contractors and/or agents:

- a) have documented procedures for the provision of the Services that they provide to the Buyer or are otherwise responsible for, and that such procedures are promptly updated and implemented so that Seller and its employees, contractors, sub-contractors and/or

agents comply with the Fuel Standards and Requirements (including any amendments to the Fuel Standards and Requirements) ("Operations Procedures");

- b) comply with Operations Procedures in relation to the provision of the Services under this Agreement; and
- c) notify their respective employees of the applicable Fuel Standards and Requirements and the applicable Operations Procedures, including any changes to such standards and procedures, as it applies to them.

(3) Training Requirements.

Seller must, and must ensure and procure its employees, contractors, sub-contractors and/or agents:

- a) provide induction and recurrent training and conduct tests to their respective employees, contractors, sub-contractors and/or agents who are involved in the provision of the Services on a regular basis to ensure they understand the applicable Fuel Standards and Requirements (including any amendments to the Fuel Standards and Requirements) and the applicable Operations Procedures (including any amendments to Operations Procedures) that apply to them. Notwithstanding the foregoing, the Buyer may also provide induction training and conduct an evaluation of the Seller's employees, contractors, sub-contractors and/or agents with respect to the specific requirements as set out in the applicable location agreement.
- b) maintain and update its training to ensure it remains current and up-to-date with changes to the Fuel Standards and Requirements and Operations Procedures, and that additional training is provided with respect to such changes;
- c) that prior to their respective employees providing any tasks relating to the provision of Fuel and/or Services to Buyer under this Agreement, ensure that such person has attended the training and passed the tests relevant to that task as required under Article 4A(3)(a); and
- d) with respect to their respective employees, who are involved with the provision of Fuel and/or the Services ensure they have:
 - (i) read, understood and agree to comply with the Fuel Standards and Requirements (including any amendments to the Fuel Standards and Requirements) and Operations Procedures (including any amendments to Operations Procedures) that apply to them; and
 - (ii) participated in and passed the training session(s) and tests conducted pursuant to Article 4A(3)(a),
- e) document and maintain written supporting documentation to evidence compliance with this Article ("**Training Record**").

- (4) Seller's Responsibility.** Seller must, and must ensure and procure its employees, contractors, sub-contractors and/or agents actively monitors and manages the delivery of Fuel up to the point of delivery and the provision of Services to ensure that it complies with the terms of this Agreement, as well as the Fuel Standards and Requirements and Operations Procedures as it applies to them.

(5) Option to Replace personnel.

- a) Buyer may at any time notify Seller that it requires Seller to replace any of its employees, or any of the employees of its contractors, sub-contractors and/or agents, involved in the provision of the Fuel and/or Services to the Buyer if the reason for the request is due to:

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- (i) such employee being in breach of the Fuel Standards and Requirements and/or Operations Procedures or is otherwise involved in any flight safety issue; or
 - (ii) serious misconduct by that employee.
 - b) If Buyer notifies Seller in accordance with Article 4A(5)(a), Seller must immediately withdraw the employee or use its best endeavours to ensure and procure its contractor, sub-contractors or agent to immediately withdraw the employee from being involved in the provision of Fuel and the Services.
 - c) If Seller is required to replace the person in accordance with Article 4A(5)(a), it must:
 - (i) do so with another person of suitable ability and qualifications; and
 - (ii) ensure that the person being replaced does not have access to (or otherwise be in the vicinity of) Buyer's aircraft.
 - d) Where the Buyer has provided its prior written consent, the Seller may permit the person replaced under this Article to recommence providing the Fuel and the Services to Buyer under the Agreement.
 - e) For the avoidance of doubt, the Seller's obligation to replace any of its employees or to ensure and procure the replacement of employees of its contractors, sub-contractors and/or agents under this Article is not, and shall not be or be deemed to be under any circumstances an obligation to terminate an employee.
 - (6) The Seller will develop or has in place and will maintain an organisational culture where a 'safety comes first' philosophy forms the basis of all workplace activities conducted by its employees, and will use its best to ensure and procure the same from its contractors, sub-contractors and agents.

9A AUDIT AND INVESTIGATION RIGHTS

- (1) **Record keeping.** The Seller must, and must ensure and procure its contractors, sub-contractors and agents, keep, for a period of at least two (2) years (or such longer period as may be specified by the Fuel Standards and Requirements) from the date of its creation, adequate documents and records (including without limitation, the Training Records) in sufficient detail to allow Buyer to determine the Seller's compliance with this Agreement and if requested by Buyer, the Seller must provide those documents and records to Buyer.
- (2) **Audits and Investigations.** In addition to the rights set out in Article 9.1 of the General Terms and Conditions, Buyer (or its nominee) may conduct:
 - a) an audit but at least bi-annually for each Location:
 - (i) to confirm Seller's compliance with this Agreement, including without limitation, the Fuel Standards and Requirements; and/or
 - (ii) enable Buyer to meet its applicable contractual, regulatory and internal management requirements.
 - b) an investigation at any time with respect to:
 - (i) any actual or suspected flight safety issues; and/or
 - (ii) in the event of any non-compliance of the Agreement (including the Operations Procedures) by the Seller, its employees, contractors, sub-contractors and/or agents where the airworthiness of an aircraft is compromised, or where such non-compliance will or may cause

damage to an aircraft, or injury to the Buyer's employees, contractors, sub-contractors and/or agents and any passengers, crew or any person to be carried on an aircraft; and

(3) **Access.** Notwithstanding any provision to the contrary in the Agreement, Seller must, and must ensure and procure its employees, contractors, sub-contractors and/or agents, give Buyer or its representative full access on reasonable notice and at all reasonable times to:

- a) information and data in the possession, custody or control of Seller or any of its contractors, sub-contractors and agents;
- b) the locations and any other premises or facilities, including the apron at which or from which Seller or its employees, contractors, sub-contractors and/or agents provide the Fuel and the Services;
- c) all relevant sections and appliances of the fuel storage and distribution network, including fuelling vehicles;
- d) Supplier and its contractors, sub-contractors and/or agents systems, documents, records and materials relating to the Fuel and the Services; and
- e) Supplier employees, contractors, sub-contractors and/or agents for the purposes of obtaining information in relation to this Agreement, the operation of the Services and the provision of Fuel, and must provide such assistance that they reasonably require.

(4) **Rectification Plan.** Seller must (at its own cost and expense) promptly:

- a) review the conclusions or recommendations from the audit or investigation (as the case may be); and
- b) take any corrective action to rectify any problems identified in any inspection, investigation or audit conducted under this Agreement which could reasonably be expected to have an adverse effect on Seller's ability to provide the Fuel and Services in accordance with this Agreement, and such corrective action must be undertaken within the time period as specified by Buyer in line with industry best practice. The Buyer may conduct such follow-up inspections, investigations or audits to ensure that any identified problems have been corrected.

9B TERMINATION RIGHTS

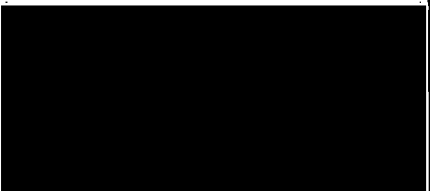
Notwithstanding any provision to the contrary in the Agreement, if:

- a) Seller breaches any of the provisions of Article 4A;
then Buyer may either:

terminate this Agreement in whole or in part by giving at least sixty (60) days prior written notice to Seller.

17.3 CONDITIONS OF SUBCONTRACTING

If Seller proposes to subcontract any of its obligations under this Agreement or proposes to change any subcontractor, Seller must give Buyer at least 30 days written notice prior to the proposed subcontractor actually providing Fuel or Services to the Buyer under this Agreement, and such notice shall contain details of the proposed subcontractor, the obligations they will be performing and evidence that the proposed subcontractor complies with the standards set out in the ICAO Manual or as otherwise specified in the Agreement.



Seller shall enter into a written subcontract with each of its subcontractors and must ensure that each written subcontract allows the Buyer the right to audit the subcontractor and the subcontractor shall be required to fulfil the same obligations to Buyer, as set out in Section 9A of this Agreement. The Seller acknowledges and agrees that Buyer may exercise its right to audit the proposed subcontractor prior to the proposed subcontractor actually providing the Services and/or Fuel to Buyer under this Agreement. For the avoidance of doubt, any appointment of a subcontractor will not relieve the Seller from any liability under this Agreement, and the Seller remains responsible for all obligations, services and functions performed by any subcontractor to the same extent as if those obligations, services and functions were performed by the Seller.

3. GENERAL

- 3.1. This Annex shall be governed by the Agreement and shall be made a part of the Agreement.
- 3.2. Any terms of the Agreement that are inconsistent with this Annex shall be superseded by the applicable terms and conditions of this Annex. Except as otherwise expressly amended by this Annex, the other terms and conditions of the Agreement remain unchanged and shall remain in full force and effect.

ANNEX IV: ADMINISTRATIVE ARRANGEMENTS

To the Aviation Fuel Supply Agreement Between Buyer and Seller

Date: 30.6.2015

1. **Affiliated Companies of Buyer and Seller:**

Affiliated Companies of Seller shall be considered Český Aeroholding, a.s., Corporate ID No.: 248 21 993, with its registered office at Praha 6, Jana Kašpara 1069/1, Postal Code 160 08, Czech Republic ("CAH") and all entities, in which CAH directly or indirectly owns a share.



2. **Invoicing:**



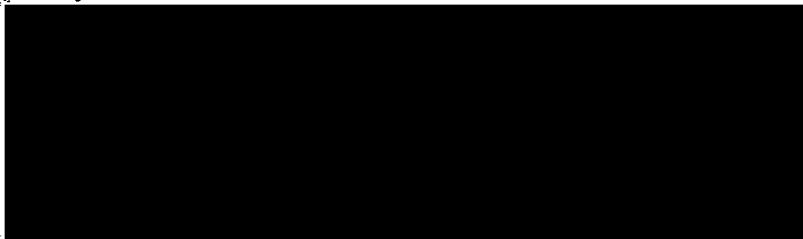
3. **Payments:**



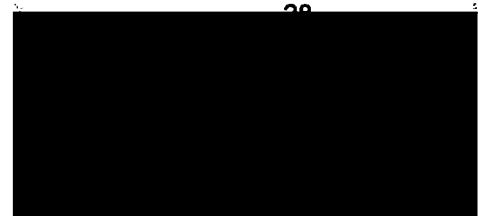
4. **Sellers bank account in CZK:**

Name of Bank : Citibank Europe plc.
Address of Bank : Bucharova 2641/14, 158 02 Praha 5
Account number : 2061480107/2600
Swift Code : CITICZPX
IBAN number : CZ230 2600 0000 0020 6148 0107

Buyer's bank account in CZK:



5. **Notices in written form should be sent to following addresses**



a) Seller's address

Czech Airlines Handling, a.s.
Aviation Fuel Manager
Vaclav Havel Airport Prague
Aviatická 1017/2
160 08 Prague 6 - Ruzyně
Czech Republic

b) Buyer's address

6. Hard copy invoices shall be addressed as follows:

ANNEX V: SERVICE AGREEMENT

To the Aviation Fuel Supply Location Agreement between Buyer and Seller

I. Required Service

Fuel must be provided into aircraft according to the IATA Guidance Material on Standard Into-Plane Fuelling Procedures, latest edition for the following service level:

- IATA Level 1 (Minimum Level of Service)
- IATA Level 2 (Routine Fuelling – Total Fuel Required)
- IATA Level 3 (Routine Fuelling – Distribution Required & Discrepancy Checking)
- IATA Level 4 (Non-Routine Fuelling)
- Other: Details to be specified by the Buyer

(Note: Tick the appropriate box)

II. Required Attendance:

- Direct attendance upon arrival aircraft at parking position
- Attendance upon xx minutes before scheduled departure of aircraft or fuelling to be completed xx minutes ETD
- Attendance upon announcement (xx minutes) in advance before landing and/or xx minutes before aircraft departure
- Attendance on ad hoc basis
- Other: to be specified

(Note: Buyer to specify the required attendance level.)

III. Seller agrees to provide

1. The availability of jet fuel as agreed in the Location Agreements
2. Adequate personnel, supervision and equipment to provide into-plane fuelling services for on time departures for buyer's scheduled flights.
3. On time information to Buyer on non-performance events, including but not limited to fuelling delays, fuel disruptions or unplanned incidents

IV. Buyer agrees to provide

1. The required fuel uplift, departure fuel or requested fuel quantities
2. That the aircraft is ready to be fuelled without any restrictions and risks concerning the aircraft safety with regard to fuelling

V. Performance Assessment

1. A "Fuelling Disruption" is defined as an event where jet fuel is not available for delivery to the aircraft due to circumstances under control of Seller. Seller is responsible for all circumstances unless the disruption is due to Force Majeure.
2. A "Fuelling Delay" is defined as an event where an aircraft to be refuelled misses its scheduled or expected departure time or departure slot due to circumstances under the control of Seller. Seller is responsible for all circumstances unless performance is delayed, hindered or prevented due to Force

Majeure or the aircraft to be refuelled under this agreement was not ready in time for refueling or hindered or prevented due to other activities at the aircraft site performed by the Buyer or its Agents.

3. Buyer agrees that unplanned flight activity shall not be deemed non-performance on the part of Seller. Unplanned flight activities include, but are not limited to, ad hoc flights, tail swaps, defuels, off schedule flights, ATC delayed flights, and aircraft maintenance related fuel activities (inoperative gauge process, fuel transfer, etc.)
4. If Seller or its into-plane service provider refuses refuelling services due under the agreement to the Buyer or its subsidiaries this refusal shall always and with no exemption be considered as a Fuelling Delay caused by the Seller