AHM 810 STANDARD GROUND HANDLING AGREEMENT -SIMPLIFIED PROCEDURE

ANNEX B1.0 - LOCATION(S), AGREED SERVICES AND CHARGES

to the Standard Ground Handling Agreement (SGHA) of January 2004

and hereinafter referred to as 'the Carrier'

and

having its principal office at:

and hereinafter referred to as 'the Handling Company'

This Annex B is effective from:

for the location: Vladivostok (VVO)

is valid from:

and replaces: NIL

PREAMBLE:

This Annex B is prepared in accordance with the simplified procedure whereby the Parties agree that the terms of the Main Agreement and Annex A of the SGHA of January 2004 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 Main Agreement and Annex A.

PARAGRAPH 1 - HANDLING SERVICES AND CHARGES

1.1 For a single ground handling consisting of the arrival and the subsequent departure at agreed timings of the same aircraft, the Handling Company shall provide the following services of Annex A at the following rates.

SECTION 1 - REPRESENTATION, ADMINISTRATION AND SUPERVISION

1.1.3-1.1.4; 1.2.1-1.2.4, 1.2.5(c); 1.3.3, 1.3.5, 1.3.7-1.3.8

SECTION 2 – PASSENGER SERVICES

2.1.1, 2.1.3 (a)(1)(2)(b)(3,6,7), 2.1.4, 2.1.5, 2.1.6(a), 2.1.7 (a-c,e)(f)(7 days), 2.1.8, 2.1.9(a)(1)(3);

2.2.1, 2.2.3(a), 2.2.4, 2.2.5-2.2.9, 2.2.11, 2.2.12(a)(b-only if no airline representative available), 2.2.13, 2.2.14(c)(d, e – performed at check-in counter)(f-i); 2.3.2, 2.3.3

SECTION 3 – RAMP SERVICES

3.1.1-3.1.6; 3.2.1; 3.3.1, 3.3.2(e)(f)(safety cones required), 3.3.3; 3.4.2,3.5.1, 3.5.2(a)(b)(c); 3.6.1,3.6.2, 3.6.3-3.6.4, 3.6.5(a)(1)(4)(b)(2)(3) (cost for transportation of cargo/mail to be separated, see Paragraph 2.1), 3.6.6-3.6.8; 3.7.1,3.8.1; 3.9.1, 3.9.2(b), 3.9.3(a)(b)(d); 3.11.1(a, b, c, d, e, f), 3.11.2 (a, b, c, d, e, f, g, h, i), 3.11.5, 3.11.7, 3.11.8; 3.12.1, 3.12.2; 3.13.1,3.13.2;3.17.1-7

SECTION 4 – LOAD CONTROL, COMMUNICATIONS AND FLIGHT OPERATIONS

4.1.1, 4.1.2(a-e)(2); 4.2.1(a)(b), 4.2.2, 4.2.3; 4.3.1; 4.3.3; 4.4.1, 4.4.2, 4.4.3(b,d); 4.4.4(b)(d)(1)(e)(2), 4.6.1(a)

 $\frac{\text{SECTION 5} - \text{CARGO AND MAIL SERVICES}}{5.1.3(a)(7)} \\ \frac{\text{SECTION 6} - \text{SUPPORT SERVICES}}{6.2.1(a)(c)(2)} \\ 6.2.2(a)(3)(4)(6)(c)(5); 6.3.1-6.3.3, 6.3.5; 6.5.1; 6.6.1; 6.7.1(a,b)(1)(2)(b,c); 6.8.1} \\ \frac{\text{SECTION 7} - \text{SECURITY}}{7.1.2(b), 7.1.3(b), 7.1.4(a)(1)(2)(3)(4)} \\ \frac{\text{SECTION 8} - \text{AIRCRAFT MAINTENANCE}}{8.1.1, 8.1.6, 8.1.7; 8.3.1(b)-8.3.3; 8.4.1(b)(1)} \\ \end{array}$

- 1.2 The Carrier shall pay for the Handling Company's aircraft handling services specified in this Agreement (hereinafter in Clauses 1.2, 1.3 referred to as 'services'), and material resources provided to the Carrier as per charges, tariffs and prices for aircraft handling and as per Airport's material resource prices effective in the Handling Company at the moment of rendering of the handling services or provision of the material resources respectively.
- The Air Navigation Charges for services to aircraft in the aerodrome area and the Airport Service Charges shall be levied at the rates published in the Aeronautical Information Publication

(AIP) of the Russian Federation.

The charges and prices for ground handling of aircraft and material resources shall be set by the Handling Company on its own by publishing a direction issued by authorized officials.

All charges, tariffs and prices for handling and material resources provided under this Agreement shall be set in US Dollars.

1.3 Handling in case of technical landing for other than commercial purposes will be charged at 50% of the above rates, provided that a physical change of load is not involved.

1.4 Handling in case of return to ramp will not be charged extra, provided that a physical change of load is not involved.

1.5 Handling in case of return to ramp involving a physical change of load or that passengers disembark the aircraft will be charged as for handling in case of technical landing in accordance with Sub-Paragraph 1.2 of this Annex.

PARAGRAPH 2 – ADDITIONAL CHARGES

2.1 The Handling Company shall provide, on request, the services of Annex A listed below at the following rates (when not included in the rates specified in 1.2. above):

	Service	Unit	Rate, \$
3.4.2	Heating Service	15 min	
3.6.5 (2)(3)	Cargo/mail transport	tonne	
3.7.1	Air Start	15 min	
3.13.1/3.13.2	Water service	flight	
3.6.1(a)(3)	Jet bridge	hour	
3.6.2	Passenger bus	drive	
Air	See Paragraph	tonne of	
Navigation Services	2.2a), b), c) below	AC MTOW	

2.2 Air Navigation Services

a) Air traffic planning and control services by the Airdrome Control Point (ACP);

b) Provision of radio aids for flight operations support to assist aircraft approach using

the radio beacon (instrument) landing system and the landing system equipment;

c) Provision to crew of meteorological information by ATIS (automatic terminal information service).

2.3 All other services and equipment not specifically listed in this Annex B will be charged for at the Handling Company's local rates prevailing at the such services are performed.

2.4 Unless otherwise agreed the Carrier will provide the boarding passes and the Handling Company the baggage tags.

PARAGRAPH 3 – SAFETY, SECURITY AND PUNCTUALITY

3.1 The Handling Company agrees that for any service required against prescribed timings, time shall be of the essence. However, safety cannot be jeopardised on any occasion.

Flight safety must be taken into account in all operations and their support functions. In operational decision-making, flight safety has always higher priority than other factors influencing the decisions.

Safety and security are an integral part of the responsibilities of all the Handling Company employees working for the Carrier's operation and they shall be familiar with the procedures and precautions and understand the relation of these to their own work. Every employee and any subcontractor in direct or indirect connection to the Carrier's flight operations must commit to the policy.

3.2 The Handling Company will make best endeavours to ensure that regardless of the time of the arrival of the aircraft for which the Handling Company provides services for the Carrier, the service shall be

completed in such a manner that the departure schedule is maintained whenever reasonable. When arriving behind the schedule, the Carrier understands that priority handling shall be provided to the aircraft operating within prescribed timings.

3.3 The Handling Company shall not be held liable for failure to fulfil its obligations hereunder due to weather conditions not meeting the minima set for the Carrier's crew or the airdrome minima, or non-conformity of runway status to the FM (Flight Manual) requirements for the aircraft type.

3.4 The Handling Company shall be relieved of responsibility for non-fulfilment or improper fulfilment of its obligations in the event of a flight delay caused by an evident flight safety or security hazard detected.

PARAGRAPH 4 – STANDARD OF WORK

4.1 Notwithstanding Sub-Article 5.2 of the Main Agreement the Handling Company will carry out all services in accordance with the Carrier's operating instructions on condition that such instructions are not in conflict with procedures developed and approved by the airport authorities. The Carrier shall make available to the Handling Company all manuals with the relevant operating instructions. The Handling Company also agrees to perform all services in accordance with an agreed service level standard.

4.2 In addition to Sub-Article 5.1 of the Main Agreement the Handling Company (including any Sub-Contractors) must have an acceptable level of training in order to meet the requirements and instructions of the Carrier. The Handling Company shall ensure that all personnel assigned to, or directly involved in, ground operations are properly instructed, have demonstrated their abilities in their particular duties and are aware of their responsibilities and the relationship of such duties to the operation as a whole. The security training to the above staff shall meet the requirements of the competent national authority.

4.3 The initial Carrier specific training required for the Handling Company to be able to perform the services for the Carrier shall be provided by the Carrier free of charge to the Handling Company at location(s) and timing to be agreed in the implementation plan of this Agreement. Thereafter the Handling Company shall be responsible for providing training to its employees and shall obtain and keep up-to-date all necessary authorizations in order to the employees of the Handling Company to be able to perform the services under this Agreement in accordance with the requirements and instructions of the Carrier.

The Handling Company confirms that the relevant staffs are appropriately trained to handle Dangerous Goods as defined in IATA AHM, the ICAO Technical Instructions and the IATA Dangerous Goods Regulations.

The Handling Company must ensure that their staff carries out only the duties for which they have been trained.

PARAGRAPH 5 – SURCHARGES

5.1 No extra charge will be made for providing the services to the Carrier's off schedule operation, ground interruption and/or overnight off schedule operation. Any additional work resulting in additional costs must be pre-approved by the Carrier's designated representative.

5.2 No extra charges will be made for providing the service at night, Saturday, Sunday or legal holidays.

5.3 No surcharge will be levied for operations beyond a prescribed time of turnaround, transit or night stop. **PARAGRAPH 6 – DISBURSEMENTS**

6.1 Any disbursements made by the Handling Company on behalf of the Carrier will be reimbursed by the Carrier at cost price plus an accounting surcharge of **10** %.

PARAGRAPH 7 – LIMIT OF LIABILITY

7.1 The limit of liability referred to in Sub-Article 8.5 of the Main Agreement shall be as follows:

Aircraft Type	Limit (per incident)

7.2 Each Party shall compensate the non-breaching Party for all the direct damages incurred by the nonbreaching Party as a result of a breach of this Agreement. This item shall be limited to the maximum amount covered by the Insurance policies held by the Parties.

PARAGRAPH 8 – SETTLEMENT

8.1 Notwithstanding Sub-Article 7.1 of the Main Agreement the Handling Company will invoice the Carrier monthly.

Settlement for the services rendered shall be made 30 days from receipt of invoice by bank transfer to the Handling Company's account, the details of which being:

Beneficiary: ______ Account of beneficiary:

Bank of beneficiary:

8.2 Handling invoices shall be sent to Carrier by mail to following address: (To be given after negotiation)

8.3 All settlements shall be effected in US Dollars PARAGRAPH 9 – LAW AND ARBITRATION

9.1 Notwithstanding Article 9 of the Main Agreement, the Handling Company and the Carrier agree that in the event of disagreement or dispute concerning the scope, meaning, construction or effect of this agreement, the parties will work to resolve the disagreement or dispute between them. Should the parties fail to resolve the disagreement or dispute, then either party is free to seek resolution through the appropriate Court. This agreement shall be governed by and interpreted in accordance with the Russian Federation law. The Agreement is executed in Russian and in English. Should any discrepancies arise in the construction and reading thereof, the English text shall have the priority meaning.

PARAGRAPH 10 - DURATION, MODIFICATION AND TERMINATION

10.1 Notwithstanding Sub-Article 11.5 of the Main Agreement, this Agreement shall continue in force until terminated by either party giving 60 days prior notice to the other party. The Carrier also reserves the right to terminate at any time subject to the Handling Company's failure to perform the services as agreed and if such failure has not been remedied to the sole satisfaction of the Carrier within 1 month after written notice of such default has been given by the Carrier to the Handling Company.

PARAGRAPH 11 - RIGHT TO AUDIT

11.1. The Handling Company shall allow the Carrier access at all reasonable times, by appointment, to audit its operation and will make available a copy of effective station procedures and instructions relating to this agreement. The Handling Company will also make available a copy of its staff training qualifications.

11.2 The Handling Company shall see that all audit findings concerning its operation are executed and corrected within the given time limit.

PARAGRAPH 12 - LEGAL/JAR-OPS 1 (EASA) COMPLIANCE

12.1 In the provision of the services as a whole the Handling Company agrees to comply with all applicable IATA (IOSA), ICAO, JAR-OPS 1 (EASA), FAA and/or other local or international legal regulations.

12.2 All events, observations and incidents with a potential effect on flight safety and any errors or omissions found in the material or information provided by the Carrier that become known to the Handling Company shall be immediately reported to the Carrier. The purpose of reporting these is to establish the causes, not to lay blame. However, the Carrier will not accept intentional actions in violation of instructions, procedures or described practices.

12.3 The Parties shall agree on the means and frequency of regular reporting to be established with regard to the handling performance. In addition, the Handling Company shall without delay report to the Carrier any such events or occurrences that may have an effect on the Carrier's safe and punctual operation of its flights at any of the locations where the Handling Company provides the services for the Carrier. **PARAGRAPH 13 – CONFIDENTIALITY**

13.1 The Parties agree that

(i) the manuals and operating instructions provided by the Carrier for the performance of the services,

(ii) the information included in the systems of the Carrier or received through the systems of the Carrier,

(iii) the information regarding the Carrier's systems, software and data security solutions,

(iv) the Carrier's systems used by the Handling Company when providing services to the Carrier,

(v) the sales information contained in the Carrier's flight documents and

(vi) all information regarding the Carrier received by the Handling Company in the provision of the services shall constitute the Carrier's Confidential Information without the requirement of designating it as such.

13.2 The Carrier and the Handling Company shall retain the other party's Confidential Information in the strictest confidence and shall not disclose the Confidential Information received from the other party except on a confidential basis to its employees, affiliates, agents, consultants or subcontractors who need to know the same for purposes contemplated by this Agreement and who are bound to preserve the confidentiality thereof. The Carrier and the Handling Company shall not use any Confidential Information of the other party except for purposes contemplated by this Agreement.

The Handling Company shall, immediately upon request of the Carrier, return to the Carrier the 13.3 Confidential Information requested by the Carrier and destroy the Confidential Information specified by the Carrier. Upon termination of this Agreement, each Party shall, in accordance with the instructions of the other Party, either return to the other Party or destroy all Confidential Information received from the other Party. Compliance with the request to destroy the Confidential Information shall be confirmed in writing to the other Party.

13.4 The obligations of confidentiality under this paragraph will not apply to the disclosure of Confidential Information required to be disclosed by applicable law, or any binding judgement, order or requirement of any court or other competent authority.

PARAGRAPH 14 - DATA PROTECTION

The Carrier and the Handling Company are each responsible for complying with their respective 141 obligations under the applicable data protection laws governing the Carrier Data. The Carrier Data shall mean any information relating to an identifiable individual that the Handling Company processes on behalf of the Carrier in performing the services. By executing this Agreement, the Carrier appoints the Handling Company as a data processor of the Carrier Data.

14.2 In the provision of the services under this agreement the Handling Company shall prevent the unauthorised processing, capture, transmission or use of the Carrier Data. The Handling Company shall not transfer any Carrier Data out of the systems of the Carrier.

PARAGRAPH 15 - NOTIFICATION

15.1 In accordance Sub-article 11.3 of the Main Agreement any notice or communication to be given hereunder shall be addresses to the respective parties as follows:

at for and on behalf of	at for and on behalf of
Signed the	Signed the
Attn	
E-mail	
Fax	
Telephone	
Address	
Company	
The Handling	
Attn	
E-mail	
Fax	
Telephone	
Address	
The Carrier	

for and on behalf of

for and on behalf of

By

By