

GENERAL SALES AGENCY AGREEMENT FOR CARGO SALES

THIS GENERAL SALES AGENCY AGREEMENT FOR CARGO SALES is made at New Delhi on the ____ day of ----- in the year 2017.

BETWEEN

Air India Limited (with trade name as **Air India** and operating **AI** code flights), a company registered under the Companies Act, 1956 and having its Registered Office at Airlines House, 113, Gurudwara Rakabganj Road, New Delhi 110001 (hereinafter called "**Airlines**" or "**Air India**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) of the **One Part**;

AND

-----, a firm registered as per the Commercial Laws of **Sri Lanka** and having its Registered Office for cargo sales at ----- (hereinafter referred to as "**GSA**" or the "**General Sales Agent**" which expressions shall, unless repugnant to the context or meaning thereof include its successors and permitted assigns) of the **Other Part**.

WHEREAS:

- A.** Air India is engaged in the business of providing passenger and cargo air transport service and its related services.
- B.** Air India appoints General Sales Agent in the territory of **Sri Lanka** for Sales and Marketing of air cargo transportation services and its related services and product.
- C.** The General Sales Agent mentioned herein-above has represented to Air India that it has adequate infrastructure and manpower in promoting air cargo services and thereby offers its services for the same.
- D.** Relying upon the representation made by the General Sales Agent, Air India has consented to appoint M/s ----- as its General Sales Agent for Cargo Sales on terms and conditions stated hereunder:

NOW THIS AGREEMENT IS WITNESSETH AS UNDER:

1. DEFINITIONS

For the purpose of this Agreement, the following expressions shall have the meaning assigned to them as under:

- (a) "**Agreement**" means this agreement along with all its annexures and schedules appended hereto including any amendments / modifications thereto from time to time.
- (b) "**Execution Date**" means the date of execution of this Agreement.
- (c) **Control: "Control"** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management polices of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (d) **Governmental Authorization: "Governmental Authorization"** means any authorization, approval, consent, no objections, license, covenant, order, ruling, permit,

certification, exemption or similar right or actions by, or filing or registration with, any Governmental Authority.

- (e) **Governmental Authority:** “**Governmental Authority**” means any nation or government, any state, province, local bodies or other political subdivision thereof, and any governmental, executive, legislative, judicial, administrative or regulatory agency, department, authority, instrumentality, commission, board or statutory corporation of, or any corporation or other entity (including a trust), owned or controlled directly or indirectly by, any of the foregoing or any similar body and includes, without limitation, the Directorate General of Civil Aviation of India, Ministry of Civil Aviation, Directorate General of Foreign Trade and the Reserve Bank of India.
- (f) **“Party”** means either the Airlines or the General Sales Agent individually, and **“Parties”** means the Airlines and the General Sales Agent collectively.
- (g) **Requirements of Law:** “**Requirements of Law**” means, with respect to any person, all laws, statutes, treaties, rules, regulations, determinations, orders, writs, processes, decrees, injunctions, judgments, or awards of an arbitrator, a court or any other Governmental Authority, and all Governmental Authorizations binding upon or applicable to such person or to any of its properties or assets.
- (h) **Taxes:** “**Taxes**” means all present and future taxes, levies, imposts, duties, withholdings, fees or charges of any nature whatsoever, and wheresoever imposed, including, without limitation, value added tax, consumption tax or any other tax in respect of added value or any income (including, without limitation, gross income, minimum, alternative minimum, capital gains income, gross receipts and net receipts), franchise, transfer, sales, use, business, occupation, excise, personal property, real property, stamp or other tax imposed by a taxing authority of any country, or governmental subdivision thereof or therein or by any international authority, together with any penalties, additions to tax, fines or interest with respect to any of the foregoing; and “Tax” and “Taxation” shall be construed accordingly.

2. ASSURED REVENUE /BUSINESS

In terms of the “Financial Bid” Submitted vide tender No CMB/CARGO-GSA/2017 dated 2nd July ,2017 , M/s -----(name of GSA along with address) agreed to remit to Air India sum of US \$ or Equivalent Local Currency -----Per Year as Assured Revenue/Business on appointment as Cargo GSA for Air India at Sri Lanka with effect from -----.

Further M/s ----- also agree to remit to Air India US \$ or Equivalent Local Currency ----- per month as the Minimum Assured Revenue with effect from --- -----(Date).

The Minimum Assured Revenue is based on the current schedule of operation from Colombo , Sri Lanka to Delhi and the Cargo tonnage and rate as per the RFP/Tonnage as given below:

(Estimated Annual Available Cargo Capacity and current rate per Kg. in US \$ or equivalent local Currency)

Sector	Volume/Flight (Kgs.)	Current Rate in US\$/Kg.
CMB-DEL	4 500 Kg	\$0.63/Kg
CMB-MAA	4 500 Kg	\$0.33/Kg

Further M/s _____ also agree to remit to Air India US \$ _____ per month as the Minimum Assured Revenue with effect from _____, 2017.

The Minimum Assured Revenue is based on the current schedule of operations and the current Agreed Rate(Rate given by Air India to GSA) and Cargo Payload being offered by Air India from the territory of Sri Lanka . Any variance/Change in the Cargo Payload or Schedule or in the rate would be calculated & corrected accordingly and the same would be advised by Air India in writing to M/_____. In case of capacity reduction or induction from the territory of appointment, the above amount would be proportionately calculated & Corrected. In case of new sector 3(three)months would be given for promotion and no penalty impose, however the assured business would be 60% of capacity as benchmark.

3. OVER RIDING COMMISSION

M/s _____ would be entitled to Over Riding Commission as per the following slab:

The ORC is proposed to be given on slab-wise basis. However, minimum ORC will be 1.5% and slabs will follow as under with incremental total sale. The ORC is payable on the total amount as per the capacity utilization against expected /Potential Revenue based on 100% of the Capacity /Revenue and ORC is payable on the total value of the sale under the sale and not on the incremental portion.

This will be a separate and stand alone marketing tool to motivate in increasing AI Sales. This will have no bearing on the Assured Revenue Remittance.

Revenue Slab	ORC %	Slab as per the Minimum Assured Revenue
Upto 60%	1.50 %	Upto US\$946080
Above 60 upto 70%	2.00%	Above US\$ 946080 upto US\$ 1103760
Above 70% upto 80%	2.50%	Above US \$ 1103760 upto US \$ 1261440
Above 80%	3.00%	Above US\$ 1261440

The ORC is calculated and settled at the time of remittance made by the GSA to Air India on Cut & Pay basis as advised from time to time by Air India.

There will be no penalty up to 80 (Eighty) % materialization of the minimum committed revenue, for the first three months of the agreement. However, ORC will be payable as per the actual Revenue /Sales of the territory i.e. upto US \$ ----- or Equivalent local currency per month for the first three months

Assured Revenue would be worked out quarterly. Any deficit/ shortfall is payable by GSA according to the assured /Committed Revenue would be settled on annual basis.

4. EFFECTIVE DATE

The Agreement shall be effective from the date of receipt of Bank Guarantee from the GSA in favour of the Airlines or as advised by the Airlines in writing.

5. APPOINTMENT, TERRITORY AND EXCLUSIVE REPRESENTATION

- (a) The Airlines appoints M/s -----, as its General Sales Agent for the sale of air cargo transportation within the territory mentioned in **Schedule A** in accordance with the terms and conditions set out hereunder (hereinafter referred to as the **“Territory of Appointment”** or **“the said Territory”**).
- (b) If the General Sales Agent or his immediate family (parents/spouse/children) has in the Territory of Appointment, interest in the ownership management or profits of an IATA registered consolidator or an IATA approved cargo sales agent or if any interest in the ownership management or profits of the General Sales Agent is held by an IATA registered consolidator or an IATA approved cargo sales agent, the General Sales Agent shall disclose the nature and extent of such interest to the Airlines.
- (c) The General Sales Agent hereby represents that the General Sales Agent shall not act directly or indirectly as a General Sales Agent in the Territory of Appointment for sale of cargo transportation for any other airline which operates direct services (single flight number) including code share operations from that country/territory to India. In the event, the General Sales Agent accepts appointment as General Sales Agent /Marketing Sales Agent of a competitor airline without the consent of the Airlines, the Airlines shall have the right to forthwith terminate this Agreement with immediate effect without any compensation/damages whatsoever to the General Sale Agent.
- (d) The General Sales Agent shall not be accredited, or have a location approved as an IATA Approved Location in the Territory of Appointment. In the event that the General Sales Agent applies for accreditation as an IATA Agent in the Territory of Appointment, it shall immediately notify the Airlines. In the further event that it is subsequently accredited, the General Sales Agent shall relinquish its appointment under this Agreement forthwith.

6. FUNCTIONS AND OBLIGATIONS OF THE GENERAL SALES AGENT

General Sales Agent shall inter-alia perform on behalf of the Airlines the following functions:

- (a) Sale of air cargo transportation on the regular air services (on AI code flights) of Airlines. Providing and operating enquiry, administration of reservations, and booking of cargo on the Airline’s flights, including issuing air waybills and placing strong distribution system with objective reach out to Airlines Customers and other documents.
- (b) Solicitation and promotion of sales on the regular air cargo transportation services of the Airlines.
- (c) Appoint sales agents (**“Sales Agents”**) on its behalf within the Territory of Appointment to carry out functions and obligations effectively and efficiently within the Territory of Appointment, with the prior written consent of the Airlines to this effect.
- (d) In the event the Airlines is of the opinion that appointment of additional Sales Agent may be able to generate additional sales of air cargo transportation in the Territory of Appointment, it may request the General Sales Agent to appoint additional Sales Agents.

Upon the Airlines making such request, the General Sales Agent shall appoint such number of additional Sales Agents as may be requested by the Airlines, in such areas within the Territory of Appointment as may be determined mutually by the General Sales Agent and the Airlines.

- (a) The General Sales Agent shall, prior to entering into any legally binding agreement with the Sales Agent, provide execution copies of such agreements to the Airlines. The General Sales Agent confirms and agrees that it will not enter into any agreements or arrangements unless it has obtained prior written approval from the Airlines in respect of the same. It is expressly clarified that such approval from the Airlines shall not reduce or diminish any obligation of the General Sales Agent under or pursuant to the terms of this Agreement. General Sales Agent shall promptly inform the Airlines of any agreements or arrangements made or entered into between the General Sales Agent and any Sales Agents and upon a request by the Airlines, promptly furnish copies of any and all of the agreements or details of the arrangements so entered into.
- (b) The General Sales Agent shall fully perform and shall cause the Sales Agent to fully perform the functions and obligations under the terms of this Agreement in compliance with the quality standards and policies specified by the Airlines.
- (c) The General Sales Agent shall at all times maintain a consolidated list of all Sales Agents and shall update such list on a monthly basis. Such list shall contain all such information (including without limitation, sale of air cargo transportation) relating to the Sales Agent as may be requested by the Airlines from time to time.
- (d) The General Sales Agent shall promptly and without any delay, inform the Airlines if the Sales Agent(s) is in or is likely to be in, breach of its obligations (including any payment obligations) under or pursuant to its contractual arrangement with the General Sales Agent or if the continuation of its contractual arrangement with the Sales Agent may (i) prevent or adversely affect the General Sales Agent from discharging its obligations under or pursuant to this Agreement or (ii) may in any manner have an adverse effect on the operations or otherwise can bring the Airlines into disrepute.
- (e) If the Airlines is of the opinion that any arrangement or agreement with any Sales Agent may adversely affect or is likely to adversely affect the Airline's reputation, operations, or sales of air cargo transportation, the Airlines may notify the General Sales Agent of the same, whereupon the General Sales Agent shall forthwith terminate, without any liability or recourse to the Airlines, any or all of such agreements or arrangements entered into with such Sales Agents(s).
- (f) The General Sales Agent shall:
 - (i) be responsible for the services rendered by Sales Agents;
 - (ii) supervise and issue instructions that would facilitate the functions of Sales Agents;
 - (iii) help Sales Agents in carrying out their responsibility; and
 - (iv) Supervision and settlement of accounts with Sales Agents in the Territory of Appointment.
 - (v) Will Coordinate and supervise the Cargo Handling Functions (both Import/Export) at the Airport and Cargo Warehouse Supervision/GHA. The GSA would Coordinate with the cargo warehouse agency for smooth handling of the Cargo.

- (g) Supervision, monitoring and settlement of accounts with Cargo Accounts Settlement Systems(CASS) wholly owned subsidiary of IATA in the Territory of Appointment, where applicable; and directly, where applicable.
- (h) General Sales Agent shall assume responsibility for the acts, omissions and defaults of its Sales Agents and indemnify and hold harmless at all times the Airlines, its officers, employees and servants from all responsibility and liability for any injury, damage, expense or losses (including, without limitation, reasonable attorney's fees and other dispute resolution costs) and for such acts, omissions and defaults of the Sales Agents and against all complaints, if any, against such Sales Agents by any party whatsoever and also against claims and demands, if any, of such Sales Agents against the Airlines.
- (i) Handling and administration of bookings for cargo transportation.
- (j) Make every effort to enhance the business reputation and goodwill of the Airlines in the Territory of Appointment.
- (k) Represent and negotiate with appropriate authorities all matters relating to the operations and tariffs of the Airlines.
- (l) Provide and / or assist in the obtaining of data concerning the local laws, regulations, taxes and other information of like nature required by Airlines. Compile and dispatch such statistics, returns and reports as may be required by Airlines from time to time.
- (m) Distribute and display timetable and publicity materials provided by the Airlines in accordance with the requirements of the Airlines.
- (n) General Sales Agent shall:-
 - (i) Provide a dedicated budget for the purpose of sales promotion, publicity and public relations, as set out in **Schedule B**. The same will be spent in consultation and association with the local Managers of the Airlines.
 - (ii) Undertake special publicity and /or advertising campaigns as and when required by Airlines. The cost of any such campaigns to be budgeted and paid for as mutually agreed between the Parties.
- (o) The General Sales Agent shall at all times observe and comply with all rules, regulations, instructions and reasonable directions given to it by Airlines or its authorized local representatives concerning the services to be provided under the terms of this Agreement and shall ensure that all its staff concerned shall be at all times familiar with all such rules, regulations, instructions, and directions as may be amended from time to time.
- (p) Provide such other services, which may be required by the Airlines under this Agreement.
- (q) The General Sales Agent would provide assistance to Airlines in obtaining better rates for airport and other charges, and other inputs pertaining to air transportation of cargo, as may be required by the Airlines.
- (r) With respect to cargo transportation, afford cargo booking facility to Sales Agents and the general public in the assigned territory.
- (s) The General Sales Agent shall provide whatever sureties that may be required by any organization in the Territory of Appointment for provision of the credit to Airlines. The General Sales Agent would make payment of all bills raised on Airlines and certified by the Airlines to the extent of the General Sales Agent own sales. Such expenditure made

on behalf of Airlines would be deducted from sales proceeds of the General Sales Agent. If the total expenditure exceeds the GSA's own sales, GSA will effect such payments only upon receipt of such excess amount from the Airlines. It is hereby clarified that the Airlines would not bear any costs or administrative fees in this regard. The General Sales Agent will be responsible for compliance of various local laws and levies/taxes as well as filing of various returns in this connection with the local authorities.

- (t) The General Sales Agent will assist and represent the Airlines in all legal matters that are arising in the Territory of Appointment, in the matters relating to the customer complaints / Business related / other issues involving court cases, consumer courts, etc.
- (u) The General Sales Agent will assist the Airlines in changing the office set up, procedures, signage and any other related matters in compliance with the "Alliances" requirements, as and when Air India Limited joins any "Alliance".
- (v) The General Sales Agent will ensure that the distribution channels in the Territory of Appointment are informed of the Airline's own "E-airway billing policy" and "ADM (Agency Debit Memo) Policy", and any other policy that is introduced by the Airlines from time to time and assist in recovering ADMs from the Sales Agents.
- (w) **Warranty:** The General Sales Agent shall not give any warranty in the name of the Airlines except where the same shall have been authorized by the Airlines.
- (x) **Legal Proceedings:** The General Sales Agent shall not take legal proceedings in the name of the Airlines without the consent in writing of the Airlines nor shall it without such consent defend, settle, release, or discontinue any action or other legal proceedings or otherwise prejudicially affect the interests of the Airlines.
- (y) **Confidentiality:** The General Sales Agent shall take all practical measures to ensure that information concerning Airlines's business results and activities are not revealed to any third party without the consent of the Airlines.
- (z) **Acceptance of other Appointments:** The General Sales Agent shall not accept other appointments as General Sales Agent or Cargo General Sales Agent by any other carrier (especially competitor Airlines in "the Territory of Appointment" or in "India") without the prior written consent of the Airlines, which consent shall not be withheld unreasonably.
- (aa) GSA may sell air cargo transportation of the Airlines at any rate other than that specified by the Airlines in consultation/Knowledge of the Airlines as per the prevailing market practice. The Airlines reserves the right to appoint at its sole discretion such other agent(s) for air cargo transportation or otherwise as it may consider necessary from time to time. It is further clarified that the GSA shall not sell air cargo transportation or issue air waybills, exchange vouchers/orders, or any forms or documents covering air cargo transportation offered by the Airlines to any third party unless such third party is authorized by the Airlines to represent the Airlines for air cargo transportation.
- (bb) The GSA shall comply with all applicable provisions of the IATA Traffic Regulations. Prepare all documents required by local or international regulations or as may reasonably be required by Airlines such as declaration for fiscal purposes.

7. INTEGRITY CLAUSE

The General Sales Agent agrees to uphold and abide, at all times, by the provision of the Integrity Provisions –Cargo Accounts Settlement Systems(CASS) of IATA in the Territory of Appointment, wherever applicable.

8. GENERAL PROVISIONS

- (a) The GSA undertakes that the sale of air cargo transportation and handling of consignments performed under this agreement by the GSA or its officers and employees shall be in strict compliance with rates, rules, and conditions applicable to such transportation as published in the Air India's conditions of carriage or in its tariff, timetables, notices, instructions, and elsewhere, unless otherwise agreed between the Airlines and the GSA.
- (b) The GSA undertakes to maintain at all places where it makes air cargo ready for carriage, the premises, staff, and equipment required by the Airlines.
- (c) The GSA shall adhere to the security control measures as prescribed by the authorities and shall also adhere to any other such measures that may be required under the IATA Resolutions.
- (d) The GSA shall not in any manner vary or modify the terms and conditions set forth in any documents and any instructions of the Airlines.
- (e) The GSA shall transmit to the Airlines such specific request or particulars in connection with each assignment as may be proper to enable the Airlines to render efficient service to its customers provided that any such request or particulars transmitted should be in conformity with established industry standards.
- (f) GSA shall ensure that the consignment shall be delivered to the Airlines at any airport designated by the Airlines for general acceptance of all the consignments properly packed, marked, documented, addressed, and labeled in accordance with applicable resolutions so as to be ready for carriage.
- (g) If the GSA accepts goods for carriage by air without the Airlines being specified, the GSA shall be liable for such goods until they have been delivered to the Airlines.
- (h) The GSA shall not accept for delivery to the Airlines a consignment consisting of or containing a commodity classified as Dangerous Goods according to the latest edition of the IATA Dangerous Goods Regulations without a certificate in the IATA agreed form signed by the shipper stating that the commodity is properly described by name and is packed, marked, labeled and is in proper condition for carriage by air according to the IATA Dangerous Goods Regulations. The GSA shall in no circumstances sign such certificate.
- (i) The GSA shall at all times observe and comply with all rules, regulations, instructions, and reasonable directions given to it by the Airlines or its authorized local representatives concerning the services to be provided under the terms of Agreement and shall ensure that all its staff concerned shall be at all times familiar with all such rules, regulations, instructions, and directions as may be amended from time to time. It is further clarified that the aforesaid assurance and representation of compliance shall include but not be limited to possible implementations of cargo systems in the future as directed by IATA (including CASS) or otherwise.
- (j) Provide two DGR trained staff and other such services, which may be reasonably required by the Airlines under this Agreement.

- (k) Provide and/or assist in obtaining of data concerning the local laws, regulations, taxes and other information of like nature required by Airlines. Compile and dispatch such statistics, returns and reports as may be reasonably required by the Airlines from time to time.
- (l) Represent and negotiate with appropriate authorities all matters relating to the operations and cargo tariff of the Airlines.
- (m) The GSA shall ensure levy of a minimum charge on the AWB which would be a sum of applicable charges stipulated in the Special Prorate Agreement and known interline agreements with another airline as specified by the Airlines from time to time plus charges notified by the Airlines for air transporting the cargo to the destination.
- (n) The GSA shall ensure and be responsible to recover all transfer/transit expenses attributed to carriage of shipments from the concerned client at the point of origin of the air cargo shipment.

9. CARGO AGENTS

- (a) For the purpose of this Agreement, all Cargo Agents (Freight Forwarders and Indirect Air Carriers) appointed in the territory assigned to the General Sales Agent, shall be deemed as agents appointed by General Sales Agent, except in the case of agents who are specifically identified by Airlines as having been appointed by the Airlines.
- (b) The General Sales Agent will be entirely responsible for full payment of dues to the Airlines, irrespective of what payment is received directly or from the CASS (whichever is applicable) towards outstanding from defaulting agent.
- (c) The General Sales Agent will ensure safeguard of all monies which may be due to Air India from Cargo Agents and to take all legal action in the event of default by such agent/s at GSA's cost to recover all the monies due from them.
- (d) General Sales Agent shall perform administrative and accounting and other functions including but not limited to screening of documents, reconciliation of accounts, raising of ADMs, monitoring of sales and issuance of ACMs as authorized by the Airlines.

10. SCOPE OF GENERAL SALES AGENT'S AUTHORITY

- (a) The authority of General Sales Agent to represent the Airlines shall be specifically limited to the authority expressly granted under this Agreement.
- (b) The authority of the General Sales Agent to represent the Airlines granted by this Agreement is limited to the territory of **Sri Lanka** (herein-after referred to as the said "**territory**".)
- (c) General Sales Agent shall maintain for the sale of air cargo transportation, the office or offices in the Territory of Appointment as shown in **Schedule A** attached to this Agreement. Any existing or subsequently established branch/offices of the General Sales Agent within the Territory of Appointment shall be subject to all the terms and conditions of this agreement. The General Sales Agent shall keep the Airlines advised of all locations in the Territory of Appointment at which it operates or opens offices.

11. REPRESENTATIONS AND WARRANTIES OF THE GENERAL SALES AGENT:

- (a) The General Sales Agent represents and warrants to the Airlines that-

- (i) they are duly incorporated and validly existing under the laws of its respective jurisdiction and have all necessary corporate power, authority and capacity to enter into this Agreement and to undertake the obligations contemplated herein;
- (i) the execution of this Agreement has been duly authorized and constitutes a valid and legally binding obligation on the Parties and is enforceable in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally) and the performance hereof does not:
 - a. violate any provision of the organization or governance documents of the Party;
 - b. conflict with or result in any material breach or violation of any of the terms and conditions of, or constitute or (with notice or lapse of time or both) will constitute default under, any provision of any agreement or other instrument to which the Party may be bound;
 - c. violate any order, judgment or decree against, or binding upon the Party or upon its respective, properties or businesses; or
 - d. violate any Applicable Laws.
- (a) The General Sales Agent represents that there are no legal proceedings, including appeals and applications for review, in progress, pending against or relating to the General Sales Agent or its affiliates or any of the assets or properties of the General Sales Agent that could materially adversely affect its ability to perform its obligations under this Agreement.
- (b) Notwithstanding the above, Airlines shall be entitled to establish and maintain its own representation within the Territory of Appointment for sales, promotion and supervision of the services to be rendered and facilities to be provided by General Sales Agent.
- (c) Air India reserves its right to sign an agreement with the Corporate/Shipper/ Freight Forwarders/ Consolidators or any other entity for business promotion of Air India in the respective territory directly with its own terms and conditions. However the GSAs interest would be protected and ORC will continue to be paid to GSA on this additional Business. GSA would continue to serve such entity and honor the terms and conditions of such marketing arrangement.
- (d) Airlines reserves the right to appoint at its sole discretion other **GSA'S** in the Territory of Appointment and the General Sales Agent would have no objection whatsoever to such appointment by the Airlines. Such representation shall be rendered with all possible assistance and co-operation by General Sales Agent.
- (e) The General Sales Agent may represent itself on letterhead advertisement, telephone listing and classifications. Office signs and otherwise as a General Sales Agents representing the Airlines, but shall not use any other designation without the prior approval of the Airlines in writing.
- (f) The trade word mark(s), logo(s) or any other commercial inscription(s) including those as may be amended or added, used by the Airlines while carrying on business in the Territory of Appointment shall remain the property of the Airlines. The General Sales Agent shall only on the express consent of the Airlines use such trade word marks, logos and other commercial inscriptions belonging to the Airlines during its tenure as the General Sales Agent for the Airlines in the Territory of Appointment.

- (g) The General Sales Agent shall cease to use the trade word mark(s), logo(s) or any other commercial inscription(s) belonging to the Airlines on the expiry/termination of the Agreement.
- (a) The General Sales Agent shall render all necessary assistance to the Airlines to register any intellectual property, including but not limited to any trade mark(s), logo(s) or any other commercial inscription(s), belonging to the Airlines in the Territory of Appointment in its capacity as the nominee of the Airlines and shall not have any right or make any claim over the same at any point of time. The ownership of any new intellectual property that might be created by General Sales Agent in pursuance of the performance of its obligations under this Agreement shall completely vest in the Airlines. The General Sales Agent agrees and undertakes not to make any claims in respect of the same. Notwithstanding anything contained herein, this Agreement neither transfers nor assigns any intellectual property rights whatsoever belonging to the Airlines and such intellectual property rights shall remain and continue to vest in the Airlines.
- (b) The General Sales Agent shall inform the Airlines immediately about any infringement or threatened infringement of such trade word mark(s), logo(s) or any other commercial inscription(s) belonging to the Airlines and shall extend the best possible cooperation to stop the same.
- (c) Nothing herein contained shall be deemed to create or constitute any agency, a partnership or joint venture between the parties hereto and the relationship between the Airlines and the General Sales Agent shall be on Airlines-to-Airlines basis. General Sales Agent shall not represent that it is authorized to bind the Airlines in any manner to any agreement or contract or undertake or create any liability on behalf of the Airlines, without express prior written consent, and General Sales Agent shall not hold out itself as an agent of the Airlines. General Sales Agent shall be solely responsible for its own actions and those of its employees, agents and representatives, and no joint liability is or shall be deemed to be created hereunder.
- (d) The General Sales Agent shall comply with all Requirements of Law in connection with the performance of its obligations under this Agreement.
- (e) All Governmental Authorizations, consents, registrations and notifications required by the General Sales Agent in connection with the entry into, performance, validity and enforceability of, this Agreement have been obtained or effected (as appropriate) and are and will continue to be in full force and effect.
- (f) The General Sales Agent is not an IATA accredited travel agent.
- (g) The General Sales Agent has not breached the provisions of the Integrity Pact entered into with the Airlines.
- (h) The General Sales Agent is subject to civil commercial law with respect to its obligations under this Agreement and neither the General Sales Agent nor any of its assets is entitled to any right of immunity and the entry into and performance of this Agreement by the General Sales Agent constitute private and commercial acts.
- (i) The rights and remedies of the Airlines in relation to any misrepresentation or breach of warranty on the part of the General Sales Agent shall not be prejudiced by any investigation by the Airlines into the affairs of the General Sales Agent.
- (j) The representations and warranties contained in this Clause 9 are given and made on and as of the execution of this Agreement, shall survive the execution and delivery of this

Agreement and shall be deemed to have been repeated on each day this Agreement continues in force, as though made on and as of such date and shall be true and accurate until the expiry of the term of this Agreement or prior termination of this Agreement.

12. SALE OF TRANSPORTATION, COMPLIANCE WITH TARIFFS, RULES, REGULATIONS AND INSTRUCTIONS.

- (a) All transportation sold by General Sales Agent or by Sales Agents under the provisions of this Agreement shall be subject to the conditions of carriage of Airlines applicable to such transportation and to the tariffs, rules, regulations and instructions governing the sale and use of such transportation in force from time to time as published in Airlines tariff time table, notices and elsewhere. General Sales Agent shall transmit to Airlines such specific instructions, requests or particulars in connection with such client as may be proper to enable Airlines to render efficient service to its clients.
- (b) No Cargo airway bill will be issued on rates other than those fixed by the Airlines either directly or indirectly by the General Sales Agent, nor shall the General Sales Agent sell or issue air waybills, exchange voucher / order or any forms, or documents covering air cargo transportation offered by the Airlines which has not been authorized by Airlines.
- (c) Airway bills issued under market arrangements from time to time notified in writing by Air India shall be issued as per the guidelines advised under the marketing arrangements.
- (d) No sale of transportation shall be deemed to have been made unless and until space has been booked by the Airlines, except that cargo airway bills or other documents, may be issued where no bookings have been made, provided that such airway bills or other documents are not issued for transportation by a particular service, and in all other respects conform to the Airlines's airway billing instructions.
- (e) Advice to customers concerning Customs and other regulations in force in countries to and through which the cargo is to travel and ensuring as far as practicable that such regulations are observed by all such customers.
- (f) General Sales Agent or Sales Agent appointed by the General Sales Agent shall make only such representations as to Airlines, aircraft or route by which any cargo is to be transported or as to any service to be furnished by Airlines as are herein authorized or may hereafter be authorized by Airlines.
- (g) This Agreement shall be subject to and General Sales Agent agreeing to and accepting to observe, all laws, rules and regulations as applicable in India to the sale of air transportation, subject, however, that such laws are not in conflict with the laws of the Territory of Appointment.
- (h) **Instructions and Standards:** The General Sales Agent shall at all times comply with the reasonable directions and instructions given to it by the Airlines or its authorized local representatives concerning the services to be provided under the terms hereof and shall ensure that all its staff concerned shall be at all times familiar with all such directions and instructions as may be amended from time to time. In providing the services required herein, the General Sales Agent shall observe and comply with all applicable laws and regulations and generally shall carry out its duties hereunder with all due efficiency and dispatch and to the standards required by the Airlines.
- (i) The General Sales Agent shall perform the services set out in this Agreement only in the Territory of Appointment and shall not, without the prior written consent of the Airlines, perform the services outside the Territory of Appointment.

- (j) The General Sales Agent shall achieve (either directly or through Sales Agents appointed in accordance with the terms of the Agreement) the assured business/Financial Revenue Guarantee set in accordance with Financial Bid and assurance given by the GSA,
- (k) The General Sales Agent shall comply with all applicable Requirements of Law (including, without limitation, all labor legislations), and obtain and maintain in full force and effect, all licenses, approvals and all other Governmental Authorizations.
- (l) The General Sales Agent shall upon the Airline's request, furnish to the Airlines detailed statements of accounts with respect to the sales of cargo air waybills for such period as may be requested by the Airlines.
- (m) The General Sales Agent shall keep proper books of record and account, in which full and accurate entries shall be made of all financial transactions and the assets and business of the General Sales Agent in accordance with applicable GAAP from time to time and with all Requirements of Law.

13. COMMISSION/REMUNERATION

Subject to the terms and provisions of this Agreement, the Airlines shall pay or allow to the General Sales Agent commission at such percentage of the net sales, i.e sales net of incentives and refunds, effected by the General Sales Agent in the manner provided hereinafter, or as may be agreed to, from time to time.

- (a) For all sales of Cargo transportation on the regular air transport services of Airlines, including supplementary flights, effected by General Sales Agent or by Sales Agents appointed by the General Sales Agent within the Territory of Appointment, the Airlines shall pay General Sales Agent normal commission(If applicable) as decided from time to time by Airlines. The normal sales commission shall not be paid to General Sales Agent unless General Sales Agent collects and pays over to Airlines the applicable rate or charge. The normal agency commission (if applicable in the Territory of Appointment) would be payable on basic freight rate component only. Normal commission shall not be paid on sale of transportation of Mail, Interline, Insurance, Taxes, Fuel Surcharge, Service Tax, any other Govt. / Airport levies, and C.O.D, COMAT.
- (b) The applicable ORC as spelt in the RFP will remain operative subject to fulfilling the other criteria of the agreement including Assured/ Committed Revenue paid to Airlines. .
- (c) Air India offers All-In Rate/Nett- Nett Rate(Agreed Rate) in **Sri Lanka** market and no other commission/incentive is payable on the agreed rate . GSA may float its own rates in the market as per the market conditions. The remittance by GSA to AI will be the actual sale made not below the AI minimum base rate. This will have no bearing on the minimum assured revenue commitment from the GSA to Air India and the GSA will remit the total gross revenue as per the slab of the total territory.
- (d) No Commission shall be paid on sale of transportation of Mail, Interline, Insurance, Taxes, Service Tax, any other Govt. / Airport levies, and C.O.D, COMAT and embassy sales.
- (e) If Airlines for any reason shall make or allow a refund of the whole or part of any freight rate or charge for transportation sold by General Sales Agent or by Sales Agents appointed by the General Sales Agent pursuant to this Agreement, no commission shall be payable to General Sales Agent upon any sum so refunded and General Sales Agent shall reimburse Airlines for any commission which shall in fact have been paid in respect of any sum so refunded.

- (f) With respect to charters and Freighter, the commission and / or overriding commission Are not payable until and unless the GSA does Sales & Marketing to fill the space.
- (g) Notwithstanding sub-clause 12(a) and 12(b) above, General Sales Agent will not be entitled for commission on the following:
 - (i) Transportation sold to Government of India/State government of India.
 - (ii) Transportation sold and paid for directly by Government to Airlines.
- (h) Any change in commission level / remuneration pattern shall be effected by giving at least 30 (thirty) days of notice to the General Sales Agent.
- (i) The Airlines shall be entitled to set-off, adjust, net-off any amount payable by it to the General Sales Agent against any monies owing to the Airlines by the General Sales Agent.
- (j) The proceeds of the sale of cargo airway bills and any other monies (such as any charges collected towards cancellation of cargo airway bills, etc.) which are paid by the customer pursuant to the conditions governing the sale and/or issue of cargo airway bills referred to in Clause 10 shall become due to the Airlines upon the General Sales Agent selling (either by itself or through a Sales Agent) each cargo airway bill.

14. OTHER BUSINESS TERMS AND CONDITIONS

Provisions with regard to the Infrastructure, Administration and Representation, Data and Voice Communication, Advertising and Publicity Budget, Remittance, Bank Guarantee, Commission, and Exclusivity are provided in detail in **Schedule B** attached to this Agreement.

15. BANK GUARANTEE

- (a) For due and timely performance of its obligations under this Agreement, the General Sales Agent shall provide an irrevocable and unconditional bank guarantee (hereinafter referred to as "**Bank Guarantee**" or "**BG**") for an amount of (as advised by Airlines) -----in the format provided or in such other format covering all the clauses which is acceptable to the Airlines for an amount as worked out and spelt out by the Airlines for both component.
- (b) General Sales Agent shall procure BG from a Scheduled Bank or a bank of repute and acceptable to the Airlines in favour of the Airlines and shall ensure that the said BG does not lapse or is otherwise rendered unenforceable on account of non-renewal after the expiry of the period mentioned in the BG during the currency of this Agreement.
- (c) It is agreed by the General Sales Agent that the amount of BG may be revised (increased or decreased) at any time during the currency of the Agreement at the sole discretion of the Airlines. In such an event, General Sales Agent shall within 30 (thirty) days of the intimation in writing, of the increase or decrease of the BG by the Airlines, as the case may be, provide the revised BG to the Airlines.
- (d) In the event General Sales Agent permits the BG to lapse as provided for in sub-clause 14(b) above and / or fails to provide the revised BG as demanded by Airlines in terms of sub-clause 14(c) above, then Airlines shall have the right to terminate the Agreement forthwith without any compensation or damages whatsoever to the General Sales Agent.

- (e) The said Bank Guarantee would also be applicable for performance monitoring and can be invoked in case the GSA is not able to achieve the set targets as advised by the Airlines as per clause of the Agreement.
- (a) Notwithstanding anything contained in this Agreement, the Airlines shall be at liberty to receive any payments /outstanding dues including penalties against the General Sales Agent from the BG provided by the General Sales Agent. In such an event, the General Sales Agent shall be obligated to ensure that the BG is restored to its original value within seven (7) working days from such deduction failing which the same shall be deemed as material breach by the General Sales Agent and entitle the Airlines to terminate this Agreement.
- (b) Notwithstanding anything mentioned to the contrary in this Agreement, upon any default or breach of obligations by the General Sales Agent under the Agreement, the Airlines may at its sole discretion draw upon the BG to satisfy its claims against the General Sales Agent by way of imposition of penalties or otherwise, irrespective any other remedy under this Agreement. It is further agreed by the parties that the BG is a standalone document to this Agreement.
- (c) Agreement will come into effect only after receipt of BG (complete in all respects) by the Airlines.

16. REMITTANCE

- (a) General Sales Agent shall remit to Airlines the monies due for the transportation (Cargo) sold hereunder, under such conditions and in accordance with the accounts procedure, as Airlines may prescribe from time to time in writing.
- (b) All financial settlements under this Agreement shall be in the local currency of the Territory of Appointment, unless specified otherwise.
- (c) All monies collected by General Sales Agent for transportation sold hereunder including any commission withheld by General Sales Agent pursuant to Clause 11 hereof are the property of Airlines and shall be retained by General Sales Agent as the property of Airlines until satisfactorily accounted for to Airlines. General Sales Agent shall not use such monies to engage directly or indirectly in any transactions which are intended to obtain for General Sales Agent any monetary advantage additional to his commission.
- (d) Sales for each remittance cycle would be accounted for and remitted by General Sales Agent to the Airlines. Remittance of the sale proceeds for each remittance cycle shall be made by the General Sales Agent, in an account designated by the Airlines on the dates/schedule as specified in **Schedule B** Clause D (a) and (b) attached to and forming part of this Agreement.

17. COMMUNICATION

The GSA will bear for local telephone, local fax, e-mail & internet charges as specified in **Schedule B**.

18. PROMOTIONAL EXPENSES

Airlines will not assume or pay any local telephone, mailing, printing or other advertising or promotional expenses of General Sales Agent for any purpose, unless expressly agreed to in writing in advance.

ADVERTISING AND PUBLICIZING THE AIRLINES SERVICES

- (a) General Sales Agent shall make known the services of Airlines in every way reasonably practicable. General Sales Agent shall display in its offices, posters, circulars or other promotional or publicity material supplied by Airlines free of charge to General Sales Agent. Any such material of a permanent or valuable character and so designated by Airlines shall remain the property of Airlines.
- (b) All advertising matter issued by and at the expense of General Sales Agent in which reference is made to Airlines must be approved by Airlines.
- (c) **Designation of Agency:** The Agent shall be entitled to describe itself as Agent of the Airlines at its places of business and on commercial documents, advertisements, notices, publications, letterheads and similar items but shall in all cases qualify such description by the words Cargo General Sales Agent.
- (d) **Directory Insertion and Publicity:** The General Sales Agent shall arrange for the insertion in appropriate telephone and other directories, of the name of the Airlines and the local address of the General Sales Agent and showing its own name as General Sales Agent, if it so wishes.

19. TRANSFER, ASSIGNMENT, CHANGE OF NAME, OWNERSHIP OR ADDRESS

- (a) General Sales Agent shall not assign, transfer, or delegate his right and obligations under this agreement to any company, organization or other person without the prior written consent of Airlines.
- (b) The name(s) under which activities of General Sales Agent are conducted or under which any of its offices are operated shall be only such as are set forth herein. Neither such names nor the location of General Sales Agent's office(s) as specified in **Schedule A** attached to and forming part of this Agreement shall be changed without the prior written consent of Airlines.
- (c) The General Sales Agent shall not assign this Agreement or its obligations there under to any party without prior written consent of the Airlines. Any transfer or transfers in all amounting to more than 51 % of the present share holding of the General Sales Agent or of the controlling interest of the General Sales Agent during the subsistence of this agreement including any renewal thereof, shall be deemed to be an assignment for the purpose of this Clause 19.
- (d) **No action contrary to Law:** Nothing contained herein shall require the General Sales Agent to take any action contrary to law or contrary to any rule, resolution, regulation or agreement of the IATA.
- (e) **Prohibited Dealings:** In matters arising out of this Agreement, the General Sales Agent shall not give credit to or deal with any person, firm or company to who the Airlines shall, from time to time, instruct it not to give credit or to deal.

20. CUSTODY AND ISSUANCE OF AIR WAYBILLS

- (a) Airlines shall furnish General Sales Agent free of charge with airway bill stock inventory and other necessary documents for use in connection with business transacted under this Agreement, and such documents shall remain the property of Airlines. General Sales Agent shall issue such airway bills / other documents for transportation services of Airlines as specified in clause 10 of this Agreement. General Sales Agent shall follow the procedure with regard to custody, issuance and accounting of such documents as may be intimated to General Sales Agent by Airlines in writing from time to time.

- (b) General Sales Agent shall be responsible for the safe custody and care of such documents while in its possession and shall be liable to Airlines for the value of any such documents.
- (c) General Sales Agent shall not sell or issue air waybills and other documents supplied by Airlines in connection with the sale of air transportation offered by any other air carrier unless Airlines has so authorized General Sales Agent in writing.
- (d) General Sales Agent shall not in any manner vary or modify the terms and conditions set forth in any documents or instructions of Airlines.

21. LIABILITY

- (a) Subject to the application of the principles of contributory negligence, Airlines hereby agrees to indemnify and hold harmless General Sales Agent, its officers, agents, employees and servants from all responsibility and liability for any injury, damage, expense or loss sustained by any person or property caused by or arising from any negligent act, omission or willful misconduct of Airlines, its officers, agents, employees and servants and related directly or indirectly to any transportation sold by General Sales Agent pursuant to this Agreement.
- (b) The General Sales Agent shall indemnify and hold harmless the Airlines from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, awards, suits, costs, expenses or disbursements of any kind or nature whatsoever, that may be imposed on, incurred by, or asserted against the Airlines in any way relating to, arising out of or in connection with this Agreement or the services provided by the General Sales Agent (or its Sales Agent) pursuant hereto or the transactions contemplated herein (including any liabilities, losses, etc in respect of lost, stolen or fraudulent cargo air waybills, claims of employees of the General Sales Agent or any claims of sub-agents) and including any and all out-of-pocket expenses, the reasonable costs and expenses of counsel, which the Airlines may incur or suffer or is likely to incur or suffer as a result of having entered into this Agreement or the performance of its obligations hereunder. It is expressly clarified that any act or omission of a Sales Agent shall be deemed to be an act or omission of the General Sales Agent.
- (c) The General Sales Agent will cover all liabilities concerning sales in the market for CASS agents having Airway billing Authority Process (TAP) under CASS program of IATA, of the Airlines (AI).
- (d) The General Sales Agent will supervise and review the sales performance of all the existing CASS Agents of its designated territory and if found necessary due to poor sales performance, or their poor financial position, or bad reputation in the market, removal of TAP (Airway billing Authority Process) from such agents.

22. REFUNDS

General Sales Agent shall make refunds in accordance with the tariffs, rules, regulations and instructions issued by Airlines.

23. PERFORMANCE MONITORING

General Sales Agent has to give /remit Assured Business/Financial Assured Revenue to the Airlines as assured in the "Financial Bid.

- (a) The revenue Target based on the Assured Business/Revenue based on the Airline's level of operations to the Territory of Appointment.
- (b) Targets would be revised, only if there is a major increase or decrease in the operations by the Airlines in the Territory of Appointment.
- (c) The General Sales agent would be required to submit various reports as per the formats provided to him by the Airlines from time to time.

In the event of non-achievement of the Revenue Assured Business , the GSA would meet the Financial deficit to Air India on the adjustment of quarterly billing, besides an opportunity will be given 90 (ninety) days to come up to the level of assured/Committed given by GSA to Air India and their performance would be monitored thereof.. If the GSA is not able to perform within the said time frame, Air India still reserves full right to terminate the Agreement despite getting Assured Revenue from the GSA. .

Damages in case of non achievement of set targets: In case the General Sales Agent is not able to achieve the Committed Assured Business /annual targets, the Airlines reserves the right to forfeit and adjust the balance from the Bank Guarantee/Security Deposit by invoking the BG if the deficit/Difference is not paid by the GSA as per the agreed Financial Assured Commitment.

24. TERMINATION OR SUSPENSION

- (a) If General Sales Agent shall at any time default in observing and performing any of the provisions of this Agreement or there shall be a transfer of 51% of the present shareholding of the General Sales Agent or of the controlling interest of the General Sales Agent as contemplated in the Clause 18 (c) above, or the General Sales Agent shall become bankrupt or make any assignment for the benefit of or enter into any agreement or composition with its creditors or go into liquidation or suffer due to any of its goods being taken in the execution or if it ceases to be in business as an agent for sale of air cargo transportation, this Agreement may at the sole discretion of Airlines be terminated or its operation suspended forthwith and for such period as Airlines may decide. Airlines may without prejudice to any of its right under this Agreement take possession of any documents and property belonging to Airlines.
- (b) The Airlines may, at its option, terminate the Agreement with forthwith effect upon the occurrence of any of the following termination events (each a "**Termination Event**"):
 - (i) if the General Sales Agent defaults at any time in observing or performing any of its obligations under this Agreement and shall fail to remedy such default within 30 (thirty) days of receiving notice from the Airlines in this regard, the Airlines shall be entitled to terminate this Agreement forthwith on expiry of the 30 (thirty) days;
 - (ii) if the General Sales Agent convenes a meeting of its creditors, takes any corporate action to authorize, proposes or makes any scheme or arrangement or composition with, or any assignment for the benefit of, its creditors, or convenes a meeting for the purpose of considering a resolution for the liquidation or winding up of its business or a resolution for the making of a petition for liquidation, reorganization or other relief under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, suspension of payments, dissolution, liquidation or similar law, whether now or hereafter in effect;

- (iii) if the General Sales Agent suspends or ceases or threatens to suspend or cease to carry on its business;
 - (iv) if the General Sales Agent threatens to dispose or takes any action to dispose of all or a substantial part of its assets, whether by one or a series of transactions, related or not;
 - (v) if the bank guarantee furnished by the General Sales Agent ceases to be in full force and effect;
 - (vi) if the General Sales Agent defaults in making payment as per schedule;
 - (vii) if the General Sales Agent is or becomes insolvent or is unable to pay its debts as they fall due, shall admit its inability to pay its debts as they fall due or shall be deemed for the purpose of any law to be insolvent or unable to pay its debts;
 - (viii) if there is a direct or indirect change in the Control of the General Sales Agent for whatever reason without the prior written consent of the Airlines;
 - (ix) if any of the representations or warranties made by the General Sales Agent under this Agreement is found to be false or incorrect, either fully or partially;
 - (x) if in the opinion of the Airlines, the continuation of this Agreement shall adversely affect the reputation, goodwill or sales of the cargo air waybills or the operations, in the Territory of Appointment; or
 - (xi) if the General Sales Agent fails to furnish / restore the bank guarantee in accordance with of this Agreement .
- (c) This Agreement may be terminated or suspended between General Sales Agent and Airlines at any time by 90 (ninety) days notice in writing from either Party. Such notice shall take effect immediately upon its receipt or as otherwise provided herein subject to the fulfillment by each of all the obligations accrued prior to the receipt of such notice. Upon suspension or termination of Agreement, all unused documents of Airlines shall immediately be returned by General Sales Agent to Airlines together with all moneys due and payable to Airlines hereunder and a complete and satisfactory accounting shall be rendered.
- (d) In the event that substantial performance of this Agreement is rendered impossible by reason of any action, order or reservation of any air transportation body or organization of which either the General Sales Agent or the Airlines is a member or by an act of God (force majeure), this Agreement shall stand terminated forthwith and either Party shall not be entitled to any damages, compensation or costs, but without prejudice to the liabilities/obligations incurred prior thereto.
- (e) Any termination of this Agreement by the Airlines shall be without prejudice to the accrued rights of the Airlines.
- (f) Upon termination of this Agreement by the Airlines, the General Sales Agent shall promptly deliver to the Airlines all intellectual property of the Airlines, customer data, records showing sales of cargo air waybills, accounts statements (as may be required by the Airlines), brochures, marketing material, banners, flight schedules, all the Airline's stationary, letter heads and all other documents provided by or proprietary to the Airlines to the General Sales Agent
- (g) Upon termination, the General Sales Agent shall forthwith (a) pay all monies accrued to the Airlines pursuant to this Agreement; (b) stop providing the services and shall remove the name and the corporate insignia of the Airlines from its stationary and office

premises, and (c) issue notice to all Sales Agents notifying them of the termination of this Agreement.

- (h) The Parties hereby agree that upon termination, any and all dues between the Parties shall be settled in the manner provided under this Agreement. The General Sales Agent further agrees that it shall not make any claims nor demand the payment of any dues, costs, damages or other moneys unless it is expressly provided for in this Agreement.

25. GROSSING UP OF TAXES

- (a) General Sales Agent shall pay and discharge or cause to be paid or discharged, within the period for payment permitted by law (and shall, if requested by Airlines, produce to Airlines evidence of the payment and discharge thereof) and indemnify Airlines and keep Airlines fully indemnified at all times from and against all Taxes levied in connection with the execution, delivery and performance of this Agreement or in respect of any transaction contemplated by this Agreement.
- (b) General Sales Agent shall ensure that all payments to be made by General Sales Agent under or pursuant to this Agreement shall be made in full without any deduction or withholding, whether in respect of set-off, net-off, counterclaim, duties, Taxes, charges or otherwise, unless such deduction or withholding is required by law, in which event General Sales Agent shall:
 - (i) ensure that any deduction or withholding by it does not exceed the minimum amount legally required;
 - (ii) on the due date for such payment pay to Airlines such additional amount as shall result in the net amount received by Airlines being equal to that amount which would have been received by Airlines had no such deduction or withholding been made;
 - (iii) pay to the applicable taxation or other authorities within the period for payment permitted by law the full amount of the deduction or withholding legally required to be paid by it (including, but without prejudice to the generality of the foregoing, the full amount of any deduction or withholding from any additional amount paid pursuant to this sub-clause); and
 - (iv) furnish to Airlines, within 30 (thirty) days of payment of such Taxes by it either (i) an official receipt of the applicable taxation or other authorities for all amounts deducted or withheld as aforesaid or (ii) if such receipts are not issued by the taxation or other authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or other evidence of the relevant deduction or withholding reasonably acceptable to Airlines.

26. CONFIDENTIALITY AND NON-DISCLOSURE

- (a) The General Sales Agent shall maintain in strict confidence, and agrees not to disclose to any third party, except as necessary for the performance of this Agreement when authorized by the Airlines in writing, Confidential Information that the General Sales Agent receives from the Airlines or its affiliates. “**Confidential Information**” means: all non-public information of a competitively sensitive nature concerning the Airlines or its affiliates, including, but not limited to, this Agreement; any information regarding identifiable individuals, including without limitation, customer or employee, which information has been collected by or on behalf of the Airlines or its affiliates; trade secrets, as defined by any applicable law; and any other non-public information (whether

in writing or retained as mental impressions) concerning research and development; present and future projections; operational costs and processes; pricing, cost or profit factors; quality programs; annual and long-range business plans; marketing plans and methods; customers or suppliers; contracts and bids; products or services; and personnel.

- (b) Confidential Information does not include information: that is, or subsequently may become within the knowledge of the public generally through no fault of the General Sales Agent; that the General Sales Agent can show was previously known to it as a matter of record at the time of receipt; that the General Sales Agent may subsequently obtain lawfully from a third party who has lawfully obtained the information free of any confidentiality obligations; or that the General Sales Agent may subsequently develop as a matter of record, independently of disclosure by the Airlines.
- (c) As between the Airlines and the General Sales Agent, Airlines shall own all right title and interest in and to Confidential Information.
- (d) General Sales Agent shall comply with the provisions of all applicable data protection and privacy laws. In connection therewith, General Sales Agent shall be obligated to take appropriate security measures in respect of the personal data of customers of the Airlines (including without limitation, credit card details or personal banking information) stored and processed and to ensure that personal data is not disclosed to any third parties without the express written permission of Airlines and the consent of the customer(s) concerned. It is expressly agreed between the Parties that this Clause shall survive the termination of this Agreement and shall continue to bind the General Sales Agent.
- (e) Notwithstanding the restrictions in this Clause, the General Sales Agent may disclose Confidential Information or trade secrets to the extent required by an order of any court or other Governmental Authority, but only after the General Sales Agent has notified the Airlines and Airlines has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

27. NOTICES

All notices to the respective Parties hereunder, if not personally delivered shall be sufficient, if sent by fax followed by registered/couriered letter addressed:

In the case of notices to the **Airlines** to:

**Country Manager,
Air India Limited
Colombo,
Sri Lanka ***

*(Complete Address would be incorporated in the Agreement)

, copy to Regional Manager-U.K& Europe Email;rm@airindiauk.com

Executive Director(Cargo) Email: edcargo@airindia.in

And in the case of notices to the **General Sales Agent** to:

Such fax messages if followed by registered/couriered letter as aforesaid, shall be deemed to be effected from the date of receipt of the fax.

28. INSPECTION

All records of General Sales Agent such as books, vouchers, air waybills, exchange orders, booking information relating to the sale of air transportation offered by Airlines shall be open to inspection by Airlines. General Sales Agent shall furnish to Airlines adequate opportunity to interview and obtain information from any officer or employee of General Sales Agent whom Airlines has reason to believe is or might be in possession of information related to the complaint or other matter under investigation.

29. APPLICABLE LAW

This Agreement shall be construed in accordance with, and all rights and obligations of the Parties hereto shall be governed by the laws of Republic of India.

30. ARBITRATION

- (a) Any dispute, violation, controversy, contest or claim(s) arising out of or relating to this Agreement or the breach, termination or validity thereof shall be resolved amicably in the first instance within 60 (sixty) days of occurrence of such dispute(s). All unresolved disputes or differences after the aforesaid date shall be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996, or any statutory modification or re-enactment thereof for the time being in force and the award made in pursuance thereof shall be final and binding upon the Parties.
- (b) Arbitration shall be referred to a sole Arbitrator to be mutually appointed by the Parties to this Agreement.
- (c) All proceedings in such Arbitration shall be conducted in English. The Arbitration shall take place in Delhi, India.

31. VALIDITY AND CONTINUATION

This Agreement shall unless earlier terminated, be valid for a period of 5 (five) years from the 'Effective Date' (i.e., date of receipt of Bank Guarantee by AIR INDIA LIMITED), provided, however, that the continuance of this Agreement after the first year shall be subject to the General Sales Agent having met the performance targets laid down by the Airlines during the first year. In the event of such targets not having been duly performed, and the Airlines having consequently decided not to continue this General Sales Agent Agreement for subsequent years, the Airlines shall give to the General Sales Agent at least 90 (ninety) days' notice in writing of its intention not to so continue the Agreement. It is hereby clarified and agreed that the General Sales Agent shall not be entitled to any form of compensation whatsoever on termination.

32. JURISDICTION

Subject to Clause 28 and Clause 29, the Parties irrevocably and unconditionally agree that the courts at Delhi, India shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes, which may arise out of or in connection with this Agreement. The Parties irrevocably submit to the jurisdiction of the courts of Delhi and waive any objection to the laying of proceedings in the courts of Delhi on grounds of inconvenient forum or otherwise. Nothing in this Clause shall limit the right of the Airlines to bring proceedings against the General Sales Agent in connection with this Agreement in any other court of competent jurisdiction or concurrently in more than one jurisdiction.

MODIFICATIONS / AMENDMENTS

Modifications of, or additions to this Agreement must be accepted in writing by the responsible official of both Parties and shall, thereafter, be attached to this Agreement as ‘Amendments’. However, if any IATA resolutions binding upon either or both of the Parties of this Agreement are in conflict with any provision of this Agreement or otherwise require an amendment to this Agreement, then the Parties shall negotiate in good faith to amend this Agreement in a manner which most nearly reflects the intent of the Parties and that restores this Agreement as nearly as possible to its original intent and effect.

33. OTHER AGREEMENTS / AMENDMENTS SUPERSEDED:

This Agreement shall supersede any and all prior General Sales Agency Agreement and its amendments, schedules, MOUs, side letters, if any, between the Parties hereto concerning the sale of air transportation offered by the Airlines, under this Agreement except with respect to such rights and liabilities as may otherwise exist at the date hereof.

IN THE WITNESS WHEREOF the Parties hereto get their hands unto this Agreement on the day, month and year mentioned herein above.

<p>Signed, sealed and delivered on behalf of GSA:</p> <p>_____</p> <p>Signature: Name: Title: Address:</p> <p>Affix rubber stamp:</p>	<p>1.</p>
<p>Signed, sealed and delivered on behalf of Air India Ltd:</p> <p>_____</p> <p>Signature: Name: Title: Address:</p> <p>Affix rubber stamp:</p>	<p>2.</p>

On this ---- day of ----,2017 ,Mr. ----- appeared before me and being first duly sworn and stated that he is the -----of M/s -----, that being duly authorized to do so, he executed the foregoing agreement on behalf of M/s. -----and that it is his signature which appears above.

(Signature)

(Affix rubber stamp of attester)

Note: If attester is a Notary Public, notary stamp(s) of appropriate value must be affixed.

SCHEDULE "A"
ATTACHMENT TO GENERAL SALES AGENCY AGREEMENT

EXECUTED ON

EFFECTIVE FROM - the date of receipt of Bank Guarantee by AIR INDIA LIMITED or
the date advised by Air India in writing.

Name of Agency - M/s _____

Territory of Appointment - **Sri Lanka**

Place of office (s) including -

Air India Ltd:

(Signature)

(Name in Block Letters)

(Title)

(Affix rubber stamp)

(Affix rubber stamp Attester)

GSA:

(Signature)

(Name in Block Letters)

(Title)

(Affix rubber stamp)

SCHEDULE "B"
ATTACHMENT TO GENERAL SALES AGENCY AGREEMENT

EXECUTED ON - _____

EFFECTIVE FROM - _____

Other Terms and Conditions

The General Sales Agent will provide the following facilities:

A. INFRASTRUCTURE, ADMINISTRATION AND REPRESENTATION.

- (a) **Dedicated Office premises for AI:** The General Sales agent agrees to provide at his cost, minimum 250 sq. ft. dedicated office space. This office space would include office space for Air India employees and the location, interiors and facilities shall be befitting the status of Airline of repute.
- (b) The offices would be fully furnished and equipped with Stationery, telephones, Fax, PCs, Internet and other communication facilities as may be required by Airline and of a standard satisfactory to Airlines. These offices would be clearly identifiable as Air India office by Sign - Board, Neon-signs, window displays, flyers, with Air India information, Backdrops of work areas with Air India advertisements or information, etc.
- (c) The offices would have sufficient space for Airline's officials and dedicated staff to handle Airline's current operations and any likely increase in operations in future.
- (d) Based on the scale of operations, the General Sales Agent shall provide the dedicated Staff, Supervisors and Managers to handle the expected work load including, but not limited to Bookings, Air waybill issuance, Sales/Promotion, Administration, and Supervision Accounting as advised to the General Sales agent by the Airlines. The deployment of the General Sales Agents staff would be as desired by the Airlines and in consultation with the Airline's Local Managers.
- (e) All painting expenses of the property owned by the General Sales Agent will be borne by the General Sales Agent.
- (f) The General Sales Agent agrees to provide all assistance for arranging Custom clearance of Air India stationery, Publicity material, CVDs and other material sent by Air India. The cost of such arrangement and clearance shall be borne by the General Sales Agent.
- (a) All Airport Cargo Office related expenses would be borne by the General Sales Agent on behalf of the Airlines.
- (b) The GSA agree to provide trucking services from the online point to various offline areas in the territory of appointment and advise the arrangement to Air India. This would be applicable only on acceptance & confirmation by Air India . In case of export consignment, the trucking charges would be settled on cut & pay basis and in case of import consignment, billing with supporting documents to be settled within 30 days of submission of invoice by GSA. The trucking arrangement and its supervision, risk & responsibility would be that of the GSA and Air India would not be a party to any claim or litigation or deficiency of services for such arrangement. The cost of trucking arrangement would be payable to the GSA as per the advise submitted & approved by Air India.

- (c) One dedicated Manager/Supervisor would be deputed by the GSA for Air India Cargo supervision & coordination with the Cargo Warehouse Management/GHA. The GSA official would handle both import & export function.
- (d) The GSA would undertake Accounts Management and depute staff for Air India to take care of all the Accounts & Finance Functions including reconciliations of the Cargo revenue accounting and MIS reports. The concerned Accounts staff would be reporting & guided by Air India Accounts Manager for the above functions.

A. DATA AND VOICE COMMUNICATION

- (a) Air India would provide free connectivity on the host on Browser to the General Sales Agent. The host connection will be provided through Internet browser to General Sales Agent. For providing HOB connectivity, Broad Band / Leased line would be acquired by General Sales Agent.
- (b) Charges towards ISD Fax and International calls on the telephones under the exclusive use of Airlines personnel at Airport, City offices will be borne by the Airlines.

B. ADVERTISING AND PUBLICITY BUDGET

- (a) In the beginning of each financial year, the General Sales Agent would allocate dedicated annual advertising and sales budget of 2 % of the Commission earned annually on account of publicity expenses, sales promotion, publicity campaign, public relations and advertising exclusively for AIR INDIA LIMITED.
- (b) This subject amount shall be spent with the prior approval of and in consultation and association with the local Managers of the Airlines.
- (c) The General Sales Agent will be required to furnish complete details, bills and receipts for the amount spent from the advertisement and publicity budget to the Country Manager/Station Manager, Air India for ratification.
- (d) In addition to the above for undertaking special publicity and advertising campaign, as and when required and as decided by Airlines, the expenditure towards such special publicity and advertisement campaign shall be as per the mutually agreed terms between the parties.
- (e) The General Sales Agent will also be required to open a number of satellite/offline offices in the online territories.
- (f) The General Sales Agent would provide adequate exposure for Air India's promotion and services through their web portal free of cost.

C. REMITTANCE

- (a) The monies due for transportation sold by the General Sales Agent, shall be remitted as per the schedule advised by Air India.
- (b) **The General Sales Agent will remit the entire proceeds for sales made by the General Sales Agent for the Airway Bills of the Airlines.** The General Sales Agent will continue to be entirely responsible for full payment of dues to Air India irrespective of what payment is received towards outstanding from defaulting agents appointed by the General Sales Agent.

BANK GUARANTEE

- (a) The General Sales Agent would prior to the execution and as a condition for enforceability of the General Sales Agency Agreement, provide Air India with a Bank Guarantee in the format provided, for an amount of US \$ or Equivalent Local Currency -

----- with a validity period of one year and a claim period of **three months** from the expiry of the Bank Guarantee. The amount of Bank Guarantee may be varied at any time at the discretion of Airlines based on the sales generated/frequencies operated and would be provided by General Sales Agent, on demand.

- (b) Any agreement signed shall be deemed to terminate immediately upon first request by Airlines to the Bank, for remittance under the Bank Guarantee and/or if General Sales Agent fail to provide a replacement for an expired Bank Guarantee and/or if General Sales Agent does not provide Bank Guarantee as demanded by Airlines.

A. COMMISSION/REMUNERATION

- a) The remuneration pattern in **Sri Lanka** for GSA is based on applicable Commission (ORC). The General Sales Agent shall be paid an Agency Sales Commission (hereinafter referred to as ORC), on the sale of Cargo on Airline's documents issued by the General Sales Agent. This Commission will be applicable on the nett freight charges, fuel surcharge (if applicable), All In Rate, Nett- Nett Rate.
- b) No commission shall be paid on sale of transportation of Insurance, Service fee, Service Tax, any other Govt. / Airport levies, C.O.D, COMAT, and embassy sales.
- c) With respect to charters, the commission to be paid by Airlines shall be agreed on case to case basis.
- d) Any change in commission level / remuneration pattern shall be effected by giving at least 30 (thirty) days of notice to the General Sales Agent.

B. REVIEW OF FACILITIES

The facilities agreed to be provided by the GSA vide clauses A to D above will be subject to review/change by mutual agreement, in the event of increase/decrease in capacity deployed by the Airlines in the territory of appointment.

C. EXCLUSIVITY

The General Sales Agent agrees not to function as the General Sales Agent /CSA of any private Airline operating in India / Competitor Airlines that would involve a conflict of interest with the Airlines.

AIR INDIA LTD.

(Signature)

(Signature)

(Name in block letters)

(Name in block letters)

(Title)

(Title)

(Affix Rubber Stamp)

(Affix Rubber Stamp)

WITNESS:

1.

2.