
SUB-AGENT AGREEMENT (IATA)

Between;

PAKISTAN INTERNATIONAL AIRLINES
GSA SCANDINAVIA – M/s AIR INTERNATIONAL
SCHWEIGAARDSGATE 19, 0191 OSLO, NORWAY
REG NO: 994 247 603

And;

SUB-AGENT:

AIR INTERNATIONAL AS
IATA APPROVED AGENT – NO: 60-49039-4 (01JUL2009)
SCHWEIGAARDSGATE 19, 0191 OSLO, NORWAY
REG NO: 994 247 603

This agreement/contract sets terms and conditions for both parties for mutual ticketing agreement between Pakistan International Airlines GSA – M/s Air International, hereafter called GSA, and Agent.

TERMS IN THIS CONTRACT ARE CONFIDENTIAL TO GSA AND SUB-AGENT, AND ARE NOT TO BE DISCLOSED TO THIRD PARTY
THIS CONTRACT IS SIGNED IN THREE COPIES – WITH COMPANY REGISTRATION CERTIFICATES AND OTHER REQUIRED DOCS
ATTACHED.

1.0 Introduction

1.1 Normal terminology:

GSA – General Sales Agent – Is an appointed sales outlet for Airline, regardless of their link to booking system and/or IATA. All terms and conditions between GSA and Airline, are subject to mutual agreement between GSA and Airline, and are confidential to third party. GSA can be seen as Airline’s own office, in the respective territory.

Agent – An agent is a person or organization who has authority to conduct ticketing/booking on behalf of other major company. In relation to travel; an agent would be sales outlet for an airline, or a travelling network of airlines.

Sub-Agent – An agent working under another agent is referred to as Sub-Agent. Sub-Agent can be IATA or NON IATA depending on type of agreement. In relation to GSA – A sub-agent is referred to as a person or company purchasing travel services from GSA for further sale to a third party.

E-Ticket/VCR – Virtual Coupon Record – Is a term used for Electronic Ticket which is registered in the system under a booking. VCR is the term used in booking system Sabre™ GDS which is used by PIA.

VOID – Cancellation of ticket within same office day without any charges.

COB/NS – Change of booking or No-show fee.

DOF – Difference of fare – normally used when exchanging tickets.

SOP – Standard Operating Procedure – Set of rules to follow by Agents.

1.2 Background GSA – Sub Agent relationship

Pakistan International Airlines has since 2009, assigned M/s Air International as PK/GSA (General Sales Agent) to handle booking office related work in Scandinavia. M/s Air International is sole agent for PIA who is responsible for providing customer services to PIA Clientage regardless of where the ticket for PIA Travel is purchased.

According to PIA agreement, all IATA agents are to work through GSA and submit their Bank Guarantees to GSA for ticketing access through BSP. GSA is to monitor and control flights Ex-Scandinavia. GSA will also be available in office hours to support agents and supplement PIA rules and regulations where question should arise. GSA will provide ticketing-services to other agents subject to credibility under terms and conditions set forth by GSA, and mutual agreement with respective agent. This relationship is called Sub-agent.

1.3 Validity of agreement

This agreement is valid for the period of 1 year from signature, in case of change in terms and conditions, a new mutual agreement shall be signed with 30 days notice. GSA reserves the right to terminate the agreement with 30 days notice without reason. Agreement will be considered terminated if one of the companies shuts down the operation, Agent is no longer IATA approved, or a new owner takes over. GSA holds the right to terminate the agreement without notice upon violation of terms in this agreement.

2.0 PIA GSA Scandinavia

2.1 Duties of GSA

In the light of Sub-agent agreement between GSA and Sub-Agent, GSA's duty is to provide rules and fare basis to Agent, along with support to understand and follow PIA SOP for booking. All IATA agents, depending on the volume of their sales and financial abilities, will be provided access to PIA ticket stock via BSP by GSA. (See appendix A for more information regarding Capping, Access etc)

Agents are always welcome to purchase tickets directly from GSA too if desired. If GSA is providing ticketing service, GSA is bearing financial risks occurring from wrong ticketing and objections to SOP. GSA will therefore always follow rules set by SOP and provide ticketing under SOP and this agreement.

GSA will frequently run quality control to ensure SOP is followed and oral/written warnings will be issued when deviations are found. GSA may also issue written warnings or withhold further ticketing until SOP for booking are correctly implemented, or corrective action is taken against objections.

GSA will also provide ticket-exchange service to sub-agent for tickets issued by GSA for sub-agent. All third party tickets are to be exchanged by GSA directly and any request forwarded by sub-agent for third party ticket will not be honored.

2.2 Hours of ticketing service

GSA will during office time, provide ticketing service, and ticket void service. During office time, office phone will be available for sub-agent to call, or e-mail for ticketing. Ticket void time is 15 minutes before closing time at the latest, on week days, or at the latest 6 hours before flight departure on same day ticketing.

- NB! Tickets requested voided after office time may be eligible for refund fee.
- NB! Tickets voided within 6 hours of departure are eligible for refund fee; REF SOP.
- If new Ticket is not immediately issued after ticket void – Segments should be cancelled; REF SOP.
- NB! GSA will not re-issue any third party ticket, or issue a fresh ticket in a PNR where a manual ticket number is inserted!

2.3 Invoicing & Payment methods

GSA is responsible for counter sale settlement to PIA. GSA has provided own bank guarantee to PIA to cover financial risk. It is therefore very important for GSA to get the monies from sub-agents as soon as possible to pay to PIA for the tickets issued at GSA counter for Sub-Agent.

GSA will not issue invoices on per ticket or booking base to sub-agents. They will receive a total invoice by e-mail at the end of day, or the next working day, and the agent is to pay the invoice within 3 working days of reception of invoice. Optionally tickets can be paid at counter individually with bank card, or cash. Invoices, when issued can be paid either cash, by card or by bank transfer. Other services i.e. Cresco are not available for Sub-agent.

Depending on the volume of sale, GSA may require a bank/cash guarantee from agent to safeguard their financial risk from IATA/NON-IATA Agents, details of which may be added to Appendix A of this agreement.

3.0 SUB-Agent

3.1 Duties of Sub-agent

It is duty of sub-agent to keep themselves updated on current PIA rules and regulations as PIA clientage will look up to agent for information regarding rules and information.

Sub-agent is responsible to follow booking/ticketing procedures set forth by PIA SOP, and refrain from commencing partial bookings (missing telephone number etc). Any bookings found by GSA or PIA that does not follow SOP minimum requirements may be cancelled without consent, regardless of ticket information.

Sub-agent is responsible to notify his/her passengers in the event of schedule changes, delays, cancellations and other rules change that will be notified to agent through e-mail. Sub agent is to ask for elaboration of rules if anything is unclear. Sub-agent must always follow correct ticketing procedure when issuing tickets through BSP link.

Sub-Agent is not allowed to re-sale the tickets issued from GSA counter for Agent to other travel agents.

3.2 Agent's ticketing access

Agents, once granted access to PIA stock, must follow the ticketing rules set by PIA, and only issue ticket on PIA published fares and taxes. Agent should always use auto-pricing functionality in system to issue tickets to avoid any mistakes. If agent must use manual fare, GSA should be notified to control the ticket issued for any mistakes. If mistakes found, agent will be advised to void the ticket and correct the mistake.

Agents ticketing authority (capping) is subject to change depending on sales volume, amount and financial position. Capping can be increased or decreased at any time at the discretion of GSA, depending on sales amount, versus bank/cash guarantees.

3.3 Discrepancies and misuse of ticket stock

Any misuse of PIA inventory / ticket stock may raise discrepancies against agent for short collection of amount with added penalty and surcharges. If discrepancies are not settled within time frame of 14 days from the time agent was notified, GSA reserves the right to close access to PIA stock until discrepancies have been cleared.

3.4 Staff tickets - PIA

For IATA registered Sub-agents, who have had working PIA sales office set-up for more than 12 months, who have been operational, and have an annual PIA sales of minimum NOK 2.000.000 is entitled to, upon PIA's discretion 2 staff tickets in economy per location of confirmed basis, per year, with up to 75% discount from published Y fare. Company CEO may apply for staff ticket in business class, with-in the 2 ticket limit per location (Ref IATA Resolution 880)

Application for AD Tickets may be submitted to GSA for further processing and approval from higher management. It is ultimately courtesy of PIA Country Manager to approve AD ticket.

Note! Tickets issued by Agent directly through BSP only will count towards agent's annual sale. Tickets bought through GSA counter will not be eligible for sales calculation for AD ticket.

3.5 Passenger information in booking

As per SOP sub-agent is responsible for booking correct and verified names and passenger type (Mr/Mrs, child), and insert information as per SOP, telephone no, passport details etc. GSA will not be responsible for changing names, or holding any price commitments for Sub-agents if name is spelled wrongly and passenger has to book again, where the price quoted is no longer available.

Similarly if PIA flight control (CRC) cancels a booking due to lack of information, GSA will not be responsible.

It is the duty of agent to insert correct phone number, and passport details (APIS) in booking. Agent must always provide at least one local contact number for passenger in booking.

3.6 Controlling invoice issued

For the tickets issued at GSA counter; In the event of errors in invoice, where a ticket is invoiced which does not belong to agent, or any questions to the amount, the agent must notify GSA without delay upon first control of invoice, and no later than 2 days.

3.7 Change/refund of tickets issued by Sub-Agent

Tickets issued by Agent are to be exchanged/ refunded by agent himself.

But since GSA is service counter for PIA providing service to all passengers, regardless of where they have purchased their travel services, in the event, if customer contacts GSA directly where ticket has been issued by sub-agent, GSA cannot refuse service to customer and will exchange the ticket.

Refund requests will be forwarded to Sub-Agent.

4.0 Financial terms

As IATA agents are given access to PIA Stock on BSP, they follow their regular BSP financial settlements. If agent wishes to purchase tickets directly from GSA for re-sale to passengers or special ticketing, following will apply.

4.1 Ticketing service charges

As to validity of this agreement, the current service charges for ticketing and exchange services provided to sub-agent by GSA are FREE*;

*FREE; Meaning, GSA will provide agent with net-net prices as reflected on the booking system without any additional service charges per invoice, or per ticket basis. GSA will only charge sub-agent with fees and DOF that may be applicable during ticket changes.

GSA will provide all legal ticketing to agent on PIA terms, unless GSA is unable to reproduce fare reflected on booking systems due to lack of compatibility. Under no circumstances can GSA provide ticketing out of way when fare bases do not match on GSA system.

Discounted fares are subject to SOP and no relief will be given. Discounted tickets will be issued against a service fee of 7% on PK Fare and against verified documentation/proof.

For refund service GSA will charge in addition to PIA Service FEEs an additional charge of NOK 100,-

4.2a Invoicing

All invoices will be issued on daily basis, with all tickets issued that day gathered on one invoice. For exchanges without any charges, GSA may choose not to issue the invoice to agent on ZERO cost; however the record will be maintained under private customers as GSA issues FOC change invoices under one invoice.

Invoices to agent will be sent by e-mail only. Any other form for invoicing may be agreed upon against service charges per invoice, i.e. physical letter (Papir faktura) may be set to NOK 50 per invoice.

All invoices will have same due date 3 days after issue date. Invoices are to be paid as soon as possible, and no later than 3 working days after ticket issue. All invoices are to be paid with invoice number as payment reference or KID number, to correctly register the invoice that is being paid. By default, all invoices must be paid as a whole and not partially, unless otherwise agreed upon per invoice basis.

Any credit notes issued for agent for refund will be paid separately by GSA; agent shall pay the original invoice as issued even if the ticket is refunded the very next day. This is to keep the accounting easy for GSA and agent.

4.2b Payment of invoices

The preferred payment method is account transfer. GSA can occasionally accept payment by bank-card at the counter, or small amounts by cash at sub-agent discretion.

Payment options such as Cresco/Vipps etc are solely for GSA private customers, and this option for payment will not be provided to sub-agent's customers.

4.2c Consequences of delayed payment

Regular due date on invoices will be two working days. If the payment is not received within 4 working days, GSA holds the right to restrain further ticketing until due payments has been settled.

All payments overdue with 7 days may be sent to collection agency (Inkasso). If the invoice has been forwarded to collection agency, GSA will not take any payments directly by agent. All further payments will be handled by collection agency. GSA will not be responsible for any service charges or overdue charges and interest collection agency may require, including VAT for their services.

4.2d Processing of refunds / refund ticket

Refunds must be processed as per PIA policies and with current applicable fees. If ticket is refunded before travel date, regular Fee will apply. If refunded after departure, applicable No-show fee will apply regardless of when itinerary was cancelled.

For ticket issued by GSA, unless waiver is given for refund fee (death of passenger, hospitalization etc) GSA will charge a service fee of NOK 100 in addition to any other charges that may apply from PIA.

4.3 Bank/Cash Guarantee

Depending on the volume of agent's sale, or on sudden exponential increase in agent's sale, GSA may at any time ask the agent to increase guarantee or change the credit limits as necessary to safeguard GSA from heavy financial risk.

Under no circumstances shall the credit limit for tickets issued through GSA counter, exceed NOK 50.000,- (or as specified in Appendix A) towards the agent, ticketing shall automatically stop until payments have been made.

In any case agent's current credit limit will be honored and agent will be given reasonable time to provide such initial or increased guarantee. Such information will be provided in Appendix A.

4.4 Incentive Schemes in Territory

GSA will launch incentive schemes to agents in territory from time to time to boost sales, and give agents extra revenue. All tickets issued by agent only, can be used for calculation purpose for the incentive scheme.

Where the tickets are issued by GSA, the agent will not be eligible for any incentive schemes etc. GSA is providing ticketing service, and holds the right to any and all incentive schemes that may apply to territory.

4.5 Special Ticketing

IATA Agents are not eligible to issue special ticket i.e. discounted tickets, AD, Incentive tickets etc. Special discounted fares will only be ticketed upon verification of documents. If the documents for verification are not received same day (before closing time) GSA holds the right to VOID ticket before closing.

Ref SOP, All documents must be readable, and current. GSA holds the right to restrict certain discounted fares/Special ticketing to GSA counter only where deemed necessary for verification. I.e. Award Plus tickets, ticket for passenger travelling with dead body etc.

7% Service charge on PK Fare apply on discounted fares.

If ticket is voided, GSA will not issue an invoice for the subject ticket.

4.6 Third party tickets

All third party tickets i.e. where passenger has booked/bought ticket from any other agent than sub-agent, are only to be exchanged from GSA counter only. Exceptions can be given to remotely located agents upon written request to exchange ticket with copy of passenger data attached.

4.6 Discrepancies and ADMs

GSA is responsible for monitoring BSP Reports and ticketing data for the territory. GSA will from time to time control the sales and ticketing of Agent and advice for any discrepancies/ticketing errors to local Finance Manager. In case a discrepancy is discovered by either GSA or PIA Head Office, GSA is responsible to correctly collect and submit the payment to PIA along with short collection amount, SOP penalties, markup and charges.

Agent will therefore be notified via e-mail to check and comment on the raised discrepancy, and then depending on the outcome, GSA will send an invoice for discrepancy to agent for payment. If agent fails to pay the discrepancy to GSA on time, an ADM will be issued through BSP system which may include extra penalty charges, markup etc for delayed payment.

GSA reserves the right to decrease/close PIA stock access to agent depending on amount and number of outstanding discrepancies. Repeated violations may result in permanent closure of PIA stock.

5.0 Technical Information

Agent shall provide all data connected to agent’s system and business i.e. PCC/ID for bookings, telephone, e-mail etc on appendix A – Form for initial agreement evaluation. GSA will only issue tickets made from booking ID/PCCs provided in Appendix A.

6.0 Signature

We hereby agree to following terms and conditions set forth in this agreement.

For GSA:
M/s Air International

Name in Capital letters
MAHMOOD TARIQ SHEIKH

Designation:
CEO-Managing Director

Date:

Signature:

For Sub-agent:

Name in Capital letters

Designation:

Date:

Signature:

Witness if required:

- | | | |
|-----------|-----------|-----------|
| 1 Name: | 2 Name: | 3 Name: |
| 1 D.o.b.: | 2 D.o.b.: | 3 D.o.b.: |
| 1 Sign: | 2 Sign: | 3 Sign: |

NOT VALID UNLESS COMPLETED WITH SINGED APPENDIX A

Please note that from the date of agreement, and when all the formalities (i.e. Bank guarantees etc), it can take 14-30 days to open BSP link for PIA.
