
SUB-AGENT AGREEMENT

Between;

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

And;

SUB-AGENT:

PAKISTAN INTERNATIONAL AIRLINES
SCHWEIGAARDSGATE 19, 0191 OSLO, NORWAY
REG NO: 994 247 603

*This 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.*

NOTE: | 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 TWO 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 for 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 sales report time-limit (12 hours) without any charges.

EXCHANGE FEE – PIA charges change/refund fees in EUR for desired VCR operation.

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

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

Segment – Flights placed in bookings.

Discounted ticket – Ticket where PIA have offered discounted fares for special groups against documentation. i.e. Senior Citizen.

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 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 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 2 years 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, 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. As 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.

- Ticket void must always be done on the phone (during office hours)!
- NB! Tickets requested voided after that 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 must 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 and Credit limits

GSA is responsible to pay ticketing monies to PIA. GSA has provided PIA with bank guarantee to cover financial risk. It is therefore very important for GSA to get the money from sub-agents as soon as possible to pay to PIA.

GSA will not issue invoices on per ticket or booking based to sub-agents. They will receive an invoice by e-mail at the end of day, or the next working day, and the agent is to pay the invoice within 2 working days of reception of invoice.

Depending on the volume of sale, GSA may require a bank/cash guarantee from agent to safeguard their financial risk.

At no point shall the credit limit reach NOK 50.000,- If the unpaid invoices reach credit-limit, the further ticketing will be stopped until the previous amounts have been paid!

Payments overdue with more than 7 days will automatically be sent to collection agency (inkasso) without further written notice.

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 procedures set forth by SOP, and refrain from commencing partial bookings (missing telephone no etc). Any bookings found by GSA or PIA that does not follow SOP will be cancelled without consent, regardless of ticket information.

Sub-agent is responsible to notify his/her passengers in the event of schedule changes 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. Subagent is self responsible to get booking system access, preferably Sabre™

Sub-Agent is not allowed to re-sale the tickets issued for Agent to other agents, or order tickets from GSA for other agents.

3.2 Staff tickets - PIA

For IATA registered Sub-agents, who have had working office set-up for more than 12 months, who have been operational with annual PK sale of NOK 2 million or above, is entitled to, upon PIA's discretion 2 staff tickets in economy per location of confirmed basis, per year. Company CEO may apply for staff ticket in business class, with-in the 2 ticket limit.

For NON-IATA sub-agents, there are no staff tickets available.

GSA is not entitled to provide staff tickets to any agents; all staff tickets are to be applied to PIA. GSA may forward your formal request to management, but it is ultimately PIA Management's decision.

3.3 Passenger information

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.

3.4 Controlling invoice issued

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 to settle the matter, and no later than 2 working days.

4.0 Financial terms

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. Service fee may not be reflected on issued VCR Coupon, but will be billed in invoice as total fare (PKfare + 7%)+Taxes

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

Please note that COB vs NO-show charges are subject to PIA rules and if ticket is changed/refunded after the date has passed of original coupon, no-show fee will be payable regardless of when the segment was cancelled.

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 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 be set to NOK 50 per invoice.

All invoices will have same due date as issue date. Invoices are to be paid as soon as possible, and no later than 2 working days after ticket issue. All invoices are to be paid with invoice number as payment reference, 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, as we are offering service without charges.

4.2b Payment of invoices

The preferred payment method is account/bank 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 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 two 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.

4.3 Bank/Cash Guarantee

Under no circumstances shall the credit limit exceed NOK 50.000,- towards the agent, ticketing shall automatically stop until payments have been made.

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 provide a guarantee or change the credit limits as necessary to safeguard GSA from heavy financial risk.

In any case agent's current credit limit will be honored and agent will be given reasonable time to provide such guarantee.

4.4 Incentive Schemes in Territory

As long as GSA is providing ticketing service to agent, where the ticket is issued by GSA, the agent will not be eligible for any incentive schemes etc. GSA is providing ticketing service without service charges, but GSA holds the right to any and all incentive schemes that may apply to territory.

4.5 Special Ticketing

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.

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.

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 issued tickets made from booking ID/PCCs provided in Appendix A.

This agreement shall be signed in three copies, 1 for agent, 1 for GSA and 1 for PIA.

6.0 Signature

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

For GSA:

For Sub-agent:

Name in Capital letters

Name in Capital letters

MAHMOOD TARIQ SHEIKH
CEO/MANAGING DIRECTOR
AIR INTERNAITONAL AS

Place, Date:

Place, Date:

Signature:

Signature: