



This Charter Service Agreement (The "Agreement") is made by and between Royal Air Charter Service, Inc. DBA Royal Air Philippines, Fly Royal Air, and Royal Air, a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, with office address at Bldg., 7549, Clark International Airport Passenger Terminal Building Clark Freeport Zone, Philippines, represented in this act by its duly authorized signatories appearing hereunder, and hereby referred to as the "AIRLINE" and the CHARTERER, whereby the AIRLINE has offered to charter to CHARTERER and CHARTERER has accepted and agreed to take on charter(s) from the AIRLINE an Aircraft described hereunder (the "AIRCRAFT") for the journey(s) and price in accordance with the following the terms and conditions:

MEMORANDUM OF BASIC CHARTER PROVISIONS		
A.	<b>CHARTERER</b>	<b>Department of Tourism</b> The New DOT Building, 351 Sen. Gil J. Puyat Avenue, Bel-Air Makati City, Philippines 1209 Philippines  <b>Attention: The Honorable Undersecretary Art P Boncato, Jr.</b>  Hereinafter collectively referred to as "CHARTERER"
B.	<b>GENERAL</b>	
B. 1	<b>Type of Charter</b>	Repatriation Service – Foreigners
B. 2	<b>Type of Aircraft</b>	Airbus A320
B. 3	<b>Allowable/Pax Capacity</b>	180 Y
B. 4	<b>Allowable Cargo Capacity</b>	CHARTERER may use space on the flights, on either sector, with prior arrangement with the AIRLINE (No Dangerous Goods (DG) materials)
B. 5	<b>Fuel Index</b>	N/A
B. 6	<b>Fuel Surcharge</b>	N/A
C.	<b>CHARTER JOURNEY(S)</b>	
C. 1	<b>Route(s)</b>	MANILA (MNL)–CATICLAN(MPH)-MANILA (MNL) v.v.
C. 2	<b>Schedule &amp; Flight Details</b>	Subject to mutual agreement between AIRLINE and CHARTERER
C. 3	<b>Date(s) &amp; Flight Day(s)</b>	Subject to mutual agreement between AIRLINE and CHARTERER
C. 4	<b>Number of charter flights</b>	<b>Four (4)</b>
D.	<b>CHARTER PRICE</b>	
D. 1	<b>Rate per Roundtrip</b>	Six Hundred Fifteen Thousand Pesos (PHP 615,000.00)
D. 2	<b>Total Charter Cost – 4 Flights:</b>	Two Million Four Hundred Sixty Thousand Pesos (PHP 2,460,000.00)
D. 3	<b>Inflight Meal(s)/ Amenities</b>	Meals and other amenities shall not be covered in the Charter Price.
D. 4	<b>Free Baggage Allowance</b>	No restriction as long as can be accommodated by the Aircraft
D. 5	<b>Excess Baggage Charge/ Collections</b>	N/A
D. 6	<b>Demurrage/ Rate for Extra Hours</b>	N/A
E.	<b>PAYMENT TERMS</b>	
E. 1	<b>Method of Payment</b>	Cash / Bank Transfer / Cheque
E. 2	<b>Due Date(s)</b>	<b>Within 10 Days (10) Days from date of Charter Service</b>



E. 3	Cancellation Charges & Other Penalties	N/A
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**Other Provisions:**

In addition to the basic provisions contained above, and the terms and conditions of the **General Terms and Conditions (GTC)**, the Parties have agreed to the following additional Provisions:

1. The Charter Price herein indicated will entitle CHARTERER to the number of seats as specified herein.
2. Notwithstanding the provisions of this Agreement, the Charter Price for each charter flight shall be paid via manager's check or telegraphic transfer from the CHARTERER's bank account to the Account No.:

Account name	:	ROYAL AIR CHARTER SERVICE INC.
Account No	:	'012110010556
Bank Name	:	BDO
Bank Branch	:	PARANAQUE - STO NINO BRANCH 1211
SHIFT CODE	:	BNORPHMM

All bank charges and any fees shall be for the account of the CHARTERER. In this regard, CHARTERER shall ensure that AIRLINE shall receive the full amount of any payments due to the AIRLINE within thirty (30) days after the flight date.

3. Taxes and other applicable fees as may be charged or assessed by the national government in relation to or as a result of the intended Charter shall be for the sole account of the CHARTERER. In this regard, CHARTERER undertakes to assume, defend and hold the AIRLINE free and harmless from any liabilities whatsoever.
4. Re-issuance and/or revalidating of tickets will be the sole responsibility of the CHARTERER. The AIRLINE, however, must be notified in writing by the CHARTERER of any changes in the reservations no later than four hours before departure. Failure for the CHARTERER to notify the AIRLINE, effected only by the DESIGNATED issuing office and with the authority of the CHARTERER.
5. CHARTERER shall position and maintain an airport representative (office) in Wuhan manned and operated by duly qualified personnel during the flight days and shall shoulder all cost/expenses related thereto. The CHARTERER's airport representative shall assist in the operational requirements of the AIRLINE.
6. CHARTERER shall abide by and comply with the laws, rules, regulations, procedures and policies of all relevant jurisdictions. Any violation of thereof shall be construed as a material breach of this Agreement and shall entitle the AIRLINE to immediately terminate this Agreement, without any obligation or liability on its part.

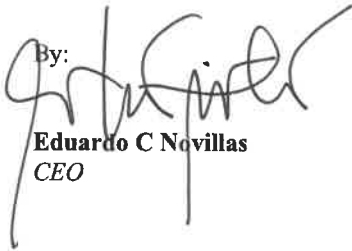
20-00137



IN WITNESS WHEREOF, the Parties have here to affix their signatures

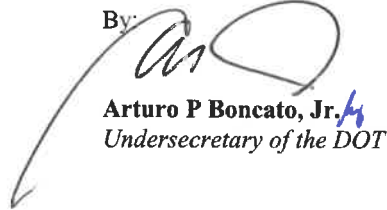
For and in behalf of:

**ROYAL AIR CHARTER SERVICE, INC.**

By:   
**Eduardo C Novillas**  
CEO

In their personal capacity and for and in behalf of:

**DEPARTMENT OF TOURISM**

By:   
**Arturo P Boncato, Jr.**  
Undersecretary of the DOT

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20-00137



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES }
CITY OF Makati } S.S

BEFORE ME, a Notary Public for and in the City of Makati, this August 2020, personally appeared:

Name Government Issued ID
1. Eduardo C. Novillas Passport# P0960197B
2. Arturo P Boncato, Jr. Passport# S0015044A

Who are personally known to me, /who I have identified through their respective government-issued IDs, representing to me that they are the same persons who executed the foregoing instrument and have acknowledged to me that the foregoing instrument is their free and voluntary act and deed as well as the free act and deed of the corporation/company they represent.

WITNESS MY HAND AND SEAL, at the place and on the date first herein above written.

NOTARY PUBLIC

Doc. No. 413
Page No. 09
Book No. II
Series of 2020.

ATTY: AUDELLE H. ZAMORA
NOTARY PUBLIC
UNTL DECEMBER, 2021
PENTHOUSE, LEGAL AFFAIRS SERVICE, DOT BLDG
PTR NO. 8344611 - 1/15/20 - MAKATI CITY
IBP LIFETIME MEMBER 04646 / MAKATI CITY
ROLL NO. 44115 MCLE VI-0024349

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**GENERAL TERMS AND CONDITIONS (GTC)**

**1. MEMORANDUM OF BASIC CHARTER PROVISIONS (the "Charter Memorandum")**

- 1.1 AIRLINE will charter to CHARTERER and CHARTERER will charter from the AIRLINE an Aircraft (the "Aircraft") for a journey (the "Charter Journey") and a price (the "Charter Price") pursuant to the terms and conditions described hereunder and in the Charter Memorandum.
- 1.2 Reference in this Agreement to any of the provisions of the Charter Memorandum shall be construed to include the provisions set forth therein as well as all of the additional terms and conditions of the applicable provisions of this Agreement where they are set forth in detail.

**2. PASSENGER CAPACITY**

- 2.1 Passenger Capacity allowed and granted to the CHARTERER is indicated in the Charter Memorandum.
- 2.2 CHARTERER consents to the utilization by AIRLINE, in any manner and at AIRLINE'S sole discretion, of any unused or available seat and/or cargo capacity (the "Unused Space") without any obligation on the part of AIRLINE to refund any portion of the Charter Price.

**3. CHARTER PRICE**

- 3.1 The Charter Price for each roundtrip Charter Journey shall be indicated in the Charter Memorandum.
- 3.2 The Charter Price includes the cost for fuel, oil and maintenance of the Aircraft, landing fees, parking fees, hangar fees, dispatch costs and other ground handling costs for the Aircraft, salaries, flight pay and per diem for the cabin and flight crew.
- 3.3 All other costs, including but not limited to cost of ground transportation at the Places of Origin and Destination, visa fees, customs inspection fees, customs duties and other fees, applicable surcharges and taxes (including travel taxes and terminal fees but excluding AIRLINE'S income tax) payable in connection with passengers and baggage transported are not included in the Charter Price and shall be borne by CHARTERER.
- 3.4 It is understood that the Charter Price stipulated in the Charter Memorandum is exclusive of bank charges, fees, surcharges and taxes. Any taxes which may be due to the appropriate governmental authorities shall be borne by and for the sole account of the CHARTERER.
- 3.5 If CHARTERER is required by law to make any deduction or withholding of taxes from any payment due to AIRLINE under this Agreement, CHARTERER will (i) timely and properly prepare and submit any necessary filings and remit such taxes to the appropriate taxing authority, (ii) provide AIRLINE with governmental receipts evidencing Customer's withholding and payment to the appropriate tax authorities in a timely manner and (iii) increase each payment related to this Agreement to the extent necessary to ensure that AIRLINE actually receives the amount that AIRLINE would have received if such payment had not been subject to taxes.

**4. CHANGE IN THE CHARTER PRICE**

- 4.1 AIRLINE shall notify CHARTERER in writing of any increase in the Charter Price which shall take effect fifteen (15) days after receipt by CHARTERER of said written notice.
- 4.2 Disagreement by CHARTERER on any price increase shall entitle AIRLINE to immediately terminate this Agreement, without prejudice to AIRLINE'S right to collect any amount which may be owed by CHARTERER under this Agreement.



**5. INDEMNITY FOR TAXES**

5.1 Taxes and other applicable fees as may be charged or assessed by any taxing authority or any other government authority in any jurisdiction in relation to or as a result of the intended CHARTER (the "Taxes") shall be for the sole account of the CHARTERER. Accordingly, all payments to be made by the CHARTERER to the AIRLINE hereunder shall be made free and clear of and without deductions of withholding for or on account of any Taxes. Where the CHARTERER is required by law or regularization to make its payments subject to the deduction or withholding of any taxes, the sum payable by the CHARTERER that is subject to such deductions or withholding shall be increased to the extent necessary to ensure that, after making the required deduction or withholding) a net sum equal to the sum which the AIRLINE would have received and retained had no such deduction or withholding been made or required to be made. Should the AIRLINE suffer or stand to suffer any Taxes concerning any payment of the Charter hereunder, the CHARETER shall on demand of the AIRLINE Pay to the AIRLINE such additional amount as shall hold the Airline free from any liability for such Taxes, with respect to such payments or the receipt of any such additional amount, including without any limitation any cost of suit and attorney's fees.

**6. VARIATION OF CHARTER PRICE DUE TO FUEL COSTS**

6.1 The Charter Rate may be varied upwards or downwards, as the case may be, by any increase or decrease in the Fuel Cost (as defined and calculated below) and, for the purposes of any such variation, the parties agree as follows:

- (i) "Fuel Cost" means and will be calculated by the index after conversion into USD / LITER.
- (ii) "Index" means the oil price index known as Mean of "Platt's Singapore (or MOPS), published as a working day average in USD / BBL for the prior month. Also, in this Agreement, the index may be converted to USD/USG by dividing by one hundred fifty-eight-point nine (158.9):
- (iii) Any increase in the index means any increase in the index since the start of this Agreement as specified in the Charter Memorandum:
- (iv) On or before the fifth (5<sup>th</sup> day) of any month during the term of this Agreement, the AIRLINE will give a written notice to CHARTERER in the event that there is any increase in the index;
- (v) The fuel cost will be increased or decreased accordingly, and by the end of this Agreement, there will be a reconciliation of the increase or decrease of the Fuel Cost based on the planned fuel consumption per flight, per aircraft type.

**7. OTHER COSTS**

7.1 Cost of loading and unloading insofar as special equipment has to be hired or procured for these purposes, the cost of Dunnage insofar as this has to be provided by AIRLINE pursuant to this Agreement and all other special costs incurred by AIRLINE with respect to passengers and goods in case of emergency landings, as well as fees for the notarization and authentication of this Agreement, if any, are not included in the Charter Price as and shall be borne by CHARTERER.

**8. DEMURRAGE AND COMPENSATION FOR EXTRA FLIGHT HOURS**

8.1 CHARTER shall pay Demurrage and Compensation for Extra Hours for each hour flown in excess of two (2)Hours of the flight hours, at rate stated in the Charter Memorandum, if the scheduled departure time indicated in the Flight Schedule is delayed due to: (i) the refusal or delay in the granting of visa or other documents required for the transportation of passengers or baggage, or



(ii) passengers or baggage not being ready for check-in or embarking or loading at the time specified by the AIRLINE; or (iii) such other causes, acts or omissions attribute to CHARTERER'S directors, officers, employees, representatives, agents, passengers and sub-contractors (if any).

8.2 However, AIRLINE may opt to avoid such delay by altering the flight Schedule with due regard to the interest of CHARTERER and other passengers. The AIRLINE'S Operations Control Center shall notify the designated airport representative of the CHARTERER.

8.3 Notwithstanding the above, CHARTERER accepts and agrees that the AIRLINE has the sole prerogative and option whether to accommodate any delays requested by the CHARETER.

## 9. PAYMENT

9.1 CHARTERER undertakes to pay the Charter Price in the currency indicated in the Charter Memorandum and in the manner and place as provided in the Agreement.

9.2 CHARTERER also agrees to pay such other costs not included in the Charter Price and other charges provided for in this Agreement within the due dates as specified herein in the same manner in the same currency or, at AIELINE'S option, in the currency in which the costs are made by AIRLINE, in this regard, CHARTERER acknowledges AIRLINE shall be entitled to charge such additional charges such as but not limited to fuel surcharges, over and above the agreed Charter Price.

## 10. METHODS OF PAYMENT AND DUE DATES (Wire Transfer or Cash)

10.1 **By Wire Transfer:** By effecting a wire transfer from the CHARTERER'S bank account to AIRLINE'S designated Depository Account.

10.1.1 All the bank charges, such as but not limited to telegraphic transfer charges, inward remittance charges, correspondent and/or intermediary bank charges, incurred in the wire transfer shall be borne exclusively by the CHARTERER.

10.1.2 Payment effected by wire transfer is credited to the AIRLINE'S Depository Account shall be the full amount of the applicable Charter Rate free of any withholding or deduction of any kind.

10.1.3 For payments of the Charter Rate, CHARETERER shall ensure that payment is effected by wire transfer is credited to the AIRLINE'S Depository Account and AIRLINE receives such bank confirmation of wire transfer in accordance with the Due Date specified.

10.1.4 For Payments of Additional Charges, CHARETERER shall ensure that: (i) Payment to be credited to AIRLINE'S Depository Account At least **Seven (7) Calendar Days** after receipt of AIRLINE'S billing; and (ii) AIRLINE shall receive the bank confirmation of wire transfer of the AIRLINE'S Depository Account At least **Nine (9) Calendar Days after receipt of such billing**.

10.2 In the event that the CHARTERER defaults or fails to pay the charter rate or the applicable charges, or the amount received by the AIRLINE is less than the stipulated amounts herein, or CHARTERER fails to settle any of its obligations, or fails to ensure confirmation of the transfer to AIRLINE'S designated account on the due dates, the AIRLINE shall be entitled to charge a penalty rate of two percent (2%) per month computed from the due date and compounded daily until fully paid.

- 10.3.1 In addition to the right to impose a penalty charge, AIRLINE may terminate this Agreement without need of any notice in any of the events specified in Article 9.3 Furthermore, in case of such termination, CHARTERER shall be liable to AIRLINE for all outstanding dues, charter price, as well as penalties, interests and costs, damages and other dues arising from the discontinuance of the scheduled charter flight.

## 11. CANCELLATION, TERMINATION AND PENALTY SURCHARGE

- 11.1 Cancellation, Termination, request for re-scheduling by the CHARTERER shall be subject to a Cancellation Fee as indicated in the Charter Memorandum
- 11.2 Notwithstanding the provisions of Article 11, if CHARTERER does not cancel this Agreement as provided herein but CHARTERER nevertheless does not or cannot make use of the charter flight(s) due to any circumstances whatsoever not attributable to the gross negligence or willful misconduct of the AIRLINE, AIRLINE shall cancel this Agreement but CHARTERER agrees and acknowledges that it shall be liable to pay the Charter Price.
- 11.3 AIRLINE, may for any reason whatsoever, cancel or terminate this Agreement by simple notice without any formal notification or judicial intervention, and refund the equivalent Charter Price to CHARTERER, if any, if no other aircraft fit for equivalent transportation is available for substitution: however, AIRLINE, in its discretion may agree with the CHARTERER to reschedule the charter flight in lieu of such cancellation.
- 11.4 AIRLINE shall also have the right to cancel or terminate this Agreement on grounds stated herein.
- 11.5 Without prejudice to the provisions of the foregoing paragraphs, CHARTERER shall defend, indemnify and hold AIRLINE, its directors, officers, employees and agents free harmless from liability for losses, damages, expenses, claims, suits, fees including all consequential losses and lost profits involving passengers, shippers, or other persons having contracts with CHARTERER, arising out of or in connection with any such cancellation or termination by CHARTERER or AIRLINE.
- 11.6 Furthermore, in the event of such cancellation or any flight Disruption(s). not attribute to the AIRLINE, CHARTERER accepts and agrees to handle and accommodate, at its sole cost and expense, any and all out of causes attributable to the AIRLINE, CHARTERER accepts and acknowledges that the charter passengers shall be handled by the AIRLINE in accordance with its standards.

## 12. NON- PERFORMANCE OR PARTIAL PERFORMANCE OF THE JOURNEY

- 12.1 If due to the refusal or delay in the granting of authorizations and/or permits for the performance of the Journey, or to any cause beyond the control of AIRLINE, AIRLINE shall not be able to perform the Journey, AIRLINE shall not be liable for any damage or costs due by reason thereof, except to reimburse the corresponding amounts paid by the CHARTERER to the AIRLINE for the non-performed Journey.
- 12.2 However, CHARTERER may request AIRLINE to continue the flight and make the Aircraft available for departure at a later time or date and if AIRLINE is authorized, able and willing to do so, the rescheduled flight shall be considered as the original flight. CHARTERER shall pay in addition to the Charter Price, compensation based on the rate stated in Article 7 calculated as of the agreed date and hour of commencement of the original journey.
- 12.3 If due to any of the causes mentioned in Article 11.1, the Charter Journey can be performed only partially by AIRLINE within the duration of the said Journey, the Charter Price shall be reduced in accordance with Article 12.

## 13. ADJUSTMENT



- 13.1 If the agreed flights are not commenced or not completed due to the termination of this Agreement by AIRLINE due to causes specified in Article 11 there shall be deducted from the Charter Price the costs saved by AIRLINE with respect to oil, fuel, landing, parking and hangar fees and ground handling services.
- 13.2 Notwithstanding the above, CHARTERER shall pay and continue to be liable to AIRLINE as a consequence of the non-commencement or non-completion of the agreed flights.

**14. AIRCRAFT AND CREW**

- 14.1 AIRLINE will place the Aircraft, completely manned and equipped for the performance of the Journey.
- 14.2 AIRLINE may substitute another type of aircraft for equivalent transportation if the Journey cannot be performed or completed with the agreed type of Aircraft.
- 14.3 Any dunnage which may be needed will be provided by AIRLINE if CHARTERER cannot supply such dunnage or if AIRLINE considers that CHARTERER'S dunnage is unsuitable for the purpose, but the costs of such dunnage will be charged to CHARTERER by AIRLINE in addition to the Charter Price.
- 14.4 Dunnage Cost shall be Ten (10%) Percent of the Charter Rate.

**15. DISCRETION OF PILOT IN COMMAND OF THE AIRCRAFT**

- 15.1 The pilot in command of the Aircraft shall have the complete discretion concerning the load carried and its distribution, as to whether or not a flight shall be undertaken and as to where landings shall be made and CHARTERER shall accept all such decisions as final, without prejudice to the provisions of Article 11 and Article 23.

**16. CHANGE IN THE FLIGHT SCHEDULE**

- 16.1 CHANGES IN AND/OR EXTENSIONS OF THE AGREED JOURNEY OR CHANGES IN THE DURATION OF THE JOURNEY OR FLIGHT SCHEDULE UPON THE REQUEST OF CHARTERER WILL BE SUBJECT TO APPROVAL OF AIRLINE AND MAY INVOLVE CHANGES IN THE CHARTER PRICE.

**17. AUTHORIZATIONS**

- 17.1 Authorizations and /or permits from government and other authorities necessary for the performance of the flights will be applied for and handled by AIRLINE but the risk of the timely granting of such authorizations and/or permits and their continuing effectiveness shall be borne by CHARTERER subject to provisions of Article 11.

**18. COMPLIANCE WITH LAWS, RULES, REGULATIONS**

- 18.1 CHARTERER agrees to abide by the currently effective and applicable laws, rules and regulations concerning this Agreement, if any, as issued and construed by the appropriate government or other agencies. In case of breach of any of said laws, rules or regulations AIRLINE shall have the right either to refuse the carriage of the passengers or baggage concerned or to cancel the Agreement without prejudice to CHARTERER's obligation to pay the full Charter Price.
- 18.2 It is understood that the provisions of Article 17.1 shall not be deemed to permit CHARTERER to sell or offer for sale the transportation service to be performed under this Agreement unless



authorization therefore has been secured by AIRLINE from appropriate authorities of the country or countries from, to or over which the Journey will be performed, if such authorization is required by the applicable laws, rules and regulations of such countries.

**19. TRAFFIC DOCUMENTS**

- 19.1 CHARTERER undertakes to cooperate with AIRLINE so that for all passengers, baggage and cargo (if applicable) transported pursuant to this Agreement traffic documents are made out in accordance with the requirements, practices and procedures of AIRLINE.
- 19.2 CHARTERER will provide AIRLINE with all information in connection with passengers and baggage within the time needed for the completion of such documents.
- 19.3 Transportation documents shall be issued by AIRLINE and the transportation of passengers and baggage during the charter flight(s) performed under this Agreement shall be subject to and governed by AIRLINE's approved operations manuals for passengers and baggage subject to rules and limitations relating to liability established by the Warsaw Convention. The Conditions of Carriage of Airline will apply at all times.
- 19.4 If the CHARTERER is given the responsibility for issuing the transportation documents, the CHARTERER agrees to defend, indemnify and hold AIRLINE, its directors, officers, employees and agents free and harmless from any liability for losses, damages, expenses, claims, suits, fees, including all consequential losses and lost profits, whatsoever, arising out of the non-issuance, incomplete or incorrect completion of documentation by CHARTERER, including, but not limited to, traffic and travel documents of passengers required for exit from or entry to the Places of Origin or Destination.
- 19.5 In all traffic documents, AIRLINE shall appear as the Carrier.

**20. FREE BAGGAGE ALLOWANCE & EXCESS BAGGAGE CHARGE**

- 20.1 Free Baggage Allowance "FBA" (as provided for in the Charter Memorandum) and Excess Baggage Charge "EBC" per passenger shall be in accordance with the applicable AIRLINE tariff regulations.
- 20.2 The FBA and EBC of all passengers shall have equal priority in loading and shall have higher priority over cargo.

**21. PASSENGER CHECK-IN**

- 21.1 Passengers or baggage shall be ready for check-in at least two (2) hours before scheduled time of departure.

**22. ENGAGEMENTS OF PASSENGERS AND SHIPPER OF GOODS**

- 22.1 This Agreement is made by CHARTERER both in its own name and for its own account and in the names and for the accounts of subcontractors, passengers, owners and other parties having or claiming any interest in the baggage transported pursuant to this Agreement.
- 22.2 CHARTERER guarantees the fulfilment of the obligations of subcontractors, passengers, owners and such other parties under AIRLINE's General Conditions of Carriage and, more particularly, the compensation owned by the with respect to fees, fines and other costs chargeable to or levied

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against AIRLINE in connection with the noncompliance with any applicable laws, rules or regulations of governmental and other authorities.

**23. SUBCONTRACTING**

- 23.1 CHARTERER shall not subcontract to any third party or allow the use, wholly or in part, of the chartered seats and/or space of the Aircraft without the prior written approval of AIRLINE.
- 23.2 Unless otherwise expressly agreed in writing, AIRLINE's approval is subject to the condition that the subcontractor shall abide by all obligations imposed upon CHARTERER, and that CHARTERER shall assume full responsibility for all acts or omissions of the subcontractor and the latter's directors, officers, employees, servants or agents.

**24. LIABILITY**

- 24.1 AIRLINE shall have no responsibility or liability for any loss, damage, delay or prevention of the completion of this Agreement resulting from force majeure, Act(s) of God, seizure under legal process, sanctions, quarantine restrictions, fire, fog, flood, unusually severe weather conditions, inadequacy of field conditions of airports, riots or civil commotions, the gross negligence or willful misconduct of CHARTERER, its directors, officers, employees and agents, strikes or labor stoppage (whether resulting from disputes between AIRLINE.
- 24.2 CHARTERER guarantees that AIRLINE or its directors, officers, employees, or agents shall not be subject to any other or higher liability than that provided for under the Convention of Warsaw of October 12, 1929 or any amendments or charges thereto (insofar as this Convention is applicable to the subject transportation), towards any subcontractor, passenger, or other persons having an interest in the carriage or in the persons or baggage carried.
- 24.3 THE TIMES SHOW IN THE FLIGHT SCHEDULE ARE APPROXIMATE AND NOT GUARANTEED AND AIRLINE HAS THE RIGHT TO DEVIATE FROM THE FLIGHT SVHEDULE AND/OR THE DURATION OF THE JOURNEY AND/OR TO REDUCE THE MAXIMUM LOAD CAPACITY AND/OR THE MAXIMUM SEATING ACCOMODATION IN CIRCUMSTANCES BEYOND THE CONTROL OF AIRLINE.
- 24.4 Goods carried pursuant to this Agreement shall be deemed accepted for transportation without a declaration of value notwithstanding the value for carriage having been indicated in the airway bill or otherwise, unless the special valuation charges due for shipments with declared value shall have been so paid to AIRLINE before commencement of carriage. Except in the case where valuation charges have been so paid, CHARTERER shall defend, indemnify and hold AIRLINE, its directors, officers, employees and agents, free and harmless from any increase of liability arising from any declaration of value.
- 24.5 Without prejudice to the provisions of this Article and Article 25 damages to be paid by AIRLINE in case of nonperformance of this Agreement due to the fault or omission of AIRLINE, its directors, officers, employees, or agents shall in no event exceed on FIVE PERCENT of the Charter Price and damages for partial performance shall not exceed such FIVE PERCENT of the Charter Price. In no event shall Airline, its directors, officers, employees and agents be made liable for, and CHARTERER shall defend, indemnify and hold AIRLINE, its directors, officers, employees and agents free and harmless from, any special, indirect, exemplary or consequential damages including but not limited to lost profits by reason of nonperformance of any journey agreed herein.
- 24.6 CHARTERER agrees to defend, indemnify and hold AIRLINE, its directors, officers, employees or agents free and harmless from any liability for losses, damages, expenses, claims, suits, fees, including all consequential losses and lost profits, whatsoever, arising out of the non-issuance, incomplete or incorrect completion of documentation by CHARTERER, including, but not limited



to, traffic and travel documents of passengers required for exit from or entry to the places of origin or destination.

**25. LOCAL REPRESENTATIVE**

25.1 The local representative of the CHARTERER shall be based in the Philippines, who shall likewise be notified by the AIRLINE on matters relating to this Agreement.

**26. INSURANCE AND CLAIMS**

26.1 AIRLINE's current insurances on passengers and baggage shall be applied to the passengers and baggage to be carried under this Agreement, but all costs and expenses incident thereto such as but not limited to insurance premiums shall be for the account of CHARTERER and shall be included in the computation of the Charter Price.

26.2 CHARTERER shall notify AIRLINE of all claims and legal actions connected with this Agreement and lodged against it within five (5) days upon its occurrence and will supply AIRLINE with any supporting documents and relevant information at CHARTERER'S expense. AIRLINE and the CHARETERER agree to consult and cooperate in the handling, resolution, settlement or defense of such claims, but the final claims handling authority rests with AIRLINE and its insurers.

**27. TERMINATION IN CASE OF BANKRUPCY/ SUSPENSION OR CESSATION OF OPERATIONS**

27.1 Either party, may terminate this Agreement prior to the agreed commencement at the Journey by simple notice in writing, without any formal summons or judicial intervention being required, if the other party is declared bankrupt by competent authority of files a petition for a moratorium of debt payment or if the execution, or if such latter party closes, suspends or discontinues its business or operations.

27.2 When this Agreement is terminated by AIRLINE in the cases referred to in Article 25.1 CHARTERER shall be required to pay the Cancellation Fee amounting to full Charter Price less the cost saved by AIRLINE pursuant to Article 12

**28. ADMINISTRATIVE PROVISIONS**

28.1 Fee Disclaimer. CHARTERER represents, warrants and acknowledges that it is bound by this Agreement and has not paid, agreed to pay or caused or permitted to be paid either directly or indirectly in any form to any director, officer, employee or agent of AIRLINE any commission, percentage or contingent fee payment or other benefit of any other agreement with AIRLINE. It is also acknowledged that upon any breach of this representation and warranty, AIRLINE has the right to immediately cancel and terminate this Agreement without prejudice to any other civil or criminal action which may be brought by AIRLINE in connection with such breach.

28.2 Alterations. This Agreement, the Charter Memorandum, Annexes and GTC, constitutes the entire agreement between the Parties hereto and supersedes all previous arrangements and stipulations concerning the subject matter hereof, and may be changed or amended only upon the written agreement of both Parties.

28.3 Headings. Headings are added for ease of reference and convenience only and shall in no way be referred to in construing the provisions of this Agreement nor be deemed as limiting or otherwise affecting any of the terms hereof.



- 28.4 Applicable Law. This Agreement and the execution and performance hereof shall be governed by and construed in accordance with the laws of the Republic of the Philippines.
- 28.5 Exclusive Jurisdiction. Any action brought by or against AIRLINE arising out of this Agreement or for the execution or performance hereof shall be brought only in the proper court of Pasay City, Republic of the Philippines to the exclusion of any other courts.
- 28.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be an original, but all of which taken together shall constitute one and the same instrument.

A handwritten signature in black ink, appearing to be "SA", located to the right of the text.

A handwritten signature in black ink, appearing to be "MPP", located to the right of the text.

A small handwritten mark in blue ink, resembling a stylized "M" or "W", located to the right of the text.