



**PASSENGER CHARTER AGREEMENT**

Agreement No :  -- **SELSM00**

This AGREEMENT is made and entered into this “MM DD YYYY” by and between Korean Air Lines Co., Ltd. (hereinafter referred to as “KAL”), a corporation duly organized and existing under the laws of the Republic of Korea, having its principal office at 260 Haneul-gil, Gangseo-gu, Seoul, Korea and “CHARTERER NAME” (hereinafter referred to as “the Charterer”), at “CHARTERER ADDRESS” WHEREAS, the Charterer has requested KAL to provide a whole or a portion of an aircraft for charter and KAL has agreed to do so pursuant to the Conditions of Charter which are incorporated herein and made a part hereof together within any addendum hereto. NOW, THEREFORE, in consideration of the mutual covenants, both parties hereby agree as follows:

Schedule 1. Type of Aircraft : **Aircraft Type (HL Number)**

Schedule 2. Characteristics of Aircraft

- Maximum Seating Capacity : XX seats (changes are possible only within allowance)
- Maximum Loading Capacity for Baggage : within allowance kgs/pounds
- Others(specify) : **No flammable, perishable, dangerous goods (bullets, gun, etc.) and any restricted item stipulated by the Korean Air**

Schedule 3. Timetable and Flight Route (Local Time)

REG NO.	DATE	FROM	TO	DEP.TIME	ARR.TIME	REMARKS

- \* **Subject to government approval, permit and other regulations.**
- \* **KAL reserves the rights to use the positioning flights included in Schedule 3.**

Schedule 4. Charter Price

ITEM	Amount	REMARKS
Charter Price		HH MM
Fuel Surcharge		
Others		10% VAT (KOR DOM ONLY)
<b>*Total Charter Price</b>		

- \* **This price is subject to schedule.**

Schedule 5. Terms of Payment (KST)

- a. If the contract is signed within 14days prior to the departure of origin
    - A primary 10% of the total charter price must be paid within 24 hours after signing the contract.
    - The rest must be paid by 4 days prior to the departure of origin.
  - b. If the contract is signed 15days or earlier prior to the departure of origin,
    - A primary 10% of the total charter price must be paid within 24 hours after signing the contract.
    - An additional 20% of the total charter price must be paid 10 days prior to the departure of origin.
    - An additional 70% of the total charter price must be paid and complete the payment in full 4 days prior to the departure of origin.
- \* Account Information : (ACCOUNT NUMBER, BENEFICIARY NAME & SWIFT CODE)
  - \* Korean Air reserves the right not to undertake the flight schedule if the Total Charter Price is not paid in full prior to the date of scheduled

departure time of the first flight of such flight schedule.

Schedule 6. Cancellation charge (Article 8, Based on KST)

- a. 10% of the total charter price : If cancelled up to 4 days prior to the departure date of origin.
- b. 30% of the total charter price : If cancelled 3 days prior to the departure date of origin.
- c. 50% of the total charter price : If cancelled 1 day prior to the departure date of origin.
- d. In case of partial cancellation after the departure and lowers the original charter price, 30% of the difference of the charter price will be collected.

HAVING READ, UNDERSTOOD AND AGREED UPON ALL THE TERMS, PROVISIONS, STATEMENTS, THE CONDITIONS OF CHARTER HEROF AND ANY ADDENDUM HERETO, KAL, AND THE CHARTERER HAVE EXECUTED THIS AGREEMENT ON THE DATE WRITTEN ABOVE.

KOREAN AIR LINES CO., LTD.

(“CHARTERER”)

BY : \_\_\_\_\_

BY : \_\_\_\_\_

TITLE : \_\_\_\_\_

TITLE : \_\_\_\_\_

## **CONDITIONS OF CHARTER**

### **Article 1. General**

- (1) This Agreement is entered into by the Charterer for one's own self and on behalf of all passengers specified in accordance with Paragraph (1) of Article 5 below. By accepting the transportation pursuant to this Agreement, the passengers agree through the Charterer that they shall be regarded as having agreed to this Agreement in all respects whether or not they have concluded the charter agreement with KAL.
- (2) The carriage of passengers and baggage pursuant to this Agreement shall be subject to the rules and limitations relating to liability established by the "Warsaw Convention" unless such carriage is not "international carriage" as defined by the Convention. In addition, the carriage of passengers and baggage pursuant to this Agreement shall be subject to the rules and limitations relating to liability established by the "Montreal Convention" unless such carriage is not "international carriage" as defined by the Convention. The "Warsaw Convention" means the Convention for the Unification of Certain Rules relating to the International Carriage by Air signed at Warsaw, 12 October 1929 or the Convention as amended at The Hague, 28 September 1955, whichever may be applicable. The "Montreal Convention" means the Convention for the Unification of Certain Rules relating to the International Carriage by Air signed at Montreal, 28 May 1999, and enforced internationally on 4 November 2003.
- (3) To the extent not inconsistent with Paragraph (2) above, the carriage of passengers and baggage and any other services incidental thereto are subject to provisions contained herein, applicable laws, government regulations, orders and requirements as well as KAL's applicable tariffs and General Conditions of Carriage which are also made a part hereof.
- (4) In case of any inconsistency between this Agreement and the provisions contained and referred to in KAL's applicable tariffs and General Conditions of Carriage, the former shall prevail.

### **Article 2. Space and Weight Limitations**

Passengers and baggage shall be carried within the space and weight limitations of the aircraft specified in Schedule 2.

### **Article 3. Chartered Aircraft**

- (1) KAL shall provide a whole or a portion of an Aircraft as specified in Schedule 1 (hereinafter referred to as "the Chartered Aircraft") with duly licensed crew for the carriage of passengers and baggage.
- (2) The allowable seating and baggage capacity of the Chartered Aircraft may be changed based on the weather, distance of a flight, length of a runway, and so forth, and KAL may change the allowable seating and baggage capacity of the Chartered Aircraft at anytime, without notice, in the event of adverse meteorological conditions, for operational or mechanical reasons or the like.
- (3) The Chartered Aircraft shall at all times be under the exclusive command and control of KAL and its crew in charge. KAL shall have sole discretion, without any notice and without any liability, concerning the load carried, its distribution, the route to be flown, the time of departure from the original point of origin and all intermediate stopover points as well as time of arrival at destination, if and when the flight shall be undertaken and as to where and when landing should be made. The Charter and all passengers agree they shall accept such decisions as final and shall strictly comply with orders issued by KAL or its crew in charge.
- (4) In the event KAL, in its sole discretion, deems it impracticable to provide the Charterer with the Chartered Aircraft, KAL may affect the transportation by substitution of a personal aircraft of another type. However, Charterer shall pay for the difference in the case the applicable charge for the changed aircraft is higher than the aircraft originally chartered, or the lower charge shall apply in the case the applicable charge for the changed aircraft is lower than the aircraft originally chartered. In such circumstances, Charterer may choose to refuse the provided options and cancel the contract. If Charterer chooses to refuse the options and cancel the contract, then KAL shall not demand any cancellation fees, and Charterer shall not demand any compensation in addition to the refund for the charter price.

### **Article 4. Unused Capacity**

- (1) KAL reserves the absolute and sole rights to sell any unchartered space in the Chartered Aircraft to any other charterers, person or entity.
- (2) Any space in the Chartered Aircraft not utilized by the Charterer or passengers may be used by KAL, in its sole discretion, for the carriage of mail, cargo, KAL's personnel and property, or for any other use, without diminution of the Charter Price agreed to as specified in Schedule 4, and any other charges and expenses.

### **Article 5. Necessary Arrangements by the Charterer**

- (1) The Charterer shall, prior to the commencement from the original point of origin of the Charter Flight operating as specified in Schedule 3 or any substitution or equivalent thereof (hereinafter referred to as "the Chartered Flight"), furnish KAL with the list(s) of the names of all passengers and with the declaration setting forth description and value of baggage to be carried on the Chartered Flight, wherein the list(s) and the declaration shall be signed by or on behalf of the Charterer and shall be conclusive and binding as against the Charterer and all passengers.
- (2) The Charterer shall make all necessary and appropriate arrangements to ensure the arrival of all passengers and availability of baggage for embarking and loading no later than 40 minutes prior to the times specified in the "DEP. TIME" column of Schedule 3, unless otherwise agreed to in writing by KAL. KAL

shall be under no obligation to delay departure of the Charter Flight for any reason including the non-arrival or late arrival of passengers or baggage, nor imposed with any liability to the Charterer and passengers therefore. In the event the Charterer requests a delay of any such departure and KAL in its sole discretion agrees thereto, the Charterer shall immediately pay KAL all additional charges, costs and expenses incurred by KAL due to or in connection with such delay.

- (3) The Charterer shall ensure compliance by itself and all passengers with applicable laws, government regulations, orders, demands or travel requirements of the countries from, through or to which the Charter Flight is operated pursuant to this Agreement.
- (4) The Charterer hereby agrees to indemnify and hold KAL harmless against all claims and expenses including legal fees and cost in respect of any liability to third persons including but not limited to passengers for any damage whatsoever including personal or property arising out of or in connection with any act or omission of the Charterer, its servants or agents which could or does result in liability to KAL.

#### **Article 6. Schedules, Delays and Cancellations of Flights**

- (1) The timetable and flight route of the Charter Flight as specified in Schedule 3 are approximate and shall not be deemed in any way as guaranteed by KAL.
- (2) KAL may, in its sole discretion and without any notice, without liability of any kind whatever to the Charterer, passengers and any other person having any interest in the Charter Flight, cancel, terminate, divert, postpone, advance or delay the Charter Flight or proceed with the Charter Flight without all or any part of the passengers and baggage, and determine if any departure and landing should be made, for any of the following reasons:
  - 1) because of any fact beyond its control (including but without limitation, meteorological conditions, acts of God, act of government, force majeure, strikes, riots, civil commotions, embargoes, airport slot limitations, wars, hostilities, skyjacking, disturbances or unsettled international conditions) that is actual, threatened or reported , or because of any delay, demand, condition, circumstances or requirement due, directly or indirectly, to such fact; or
  - 2) because of any fact not foreseen, anticipated or predicated; or
  - 3) because of any government regulations, order, demand or requirement; or
  - 4) because of shortage of labour, fuel or facilities, or labour difficulties of KAL or others; or
  - 5) because of mechanical or operational difficulties related to the safety of the Charter Flight

In the event of such cancellation before the commencement of the Charter Flight from the original point of origin, KAL shall refund the Charter Price but only after deducting all charges and expenses actually incurred by KAL for such Charter Flight from the Charter Price and other charges and expenses collected by KAL. In the event of such cancellation after the commencement of Charter Flight from the original point of origin, the Charter Price and other charges and expenses for the transportation performed shall be recalculated in accordance with KAL's applicable tariffs, and the difference between the sums collected and recalculated, if any, shall be refunded.

#### **Article 7. Charter Price and Terms of Payment**

- (1) The Charterer shall pay the Charter Price as agreed in Schedule 4 to KAL for the services to be provided under this Agreement, in the manner and within the time as provided in Schedule 5.
- (2) The Charter Price set forth in Schedule 4 shall cover the costs of the Charter Flight with normal crew, fuel, oil, maintenance, appropriate meals in flight , and other costs, charges or fees as specified in said Schedule. All other costs, including but not limited to costs for ground transportation services, costs for visas, customs inspection fees, customs duties, taxes, penalties, and other fees or charges, payable in connection with the passengers and baggage to be carried hereunder shall not be included in the Charter Price, and shall be for the sole account of the Charterer.
- (3) In addition to the Charter Price as specified in Schedule 4, the expenses that occur unexpectedly during the flights (deicing, etc.) can be charged separately.
- (4) In the event the Charterer fails to pay KAL the Charter Price as agreed in Schedule 4 within the time limit and/or in the manner as agreed to in Schedule 5, KAL shall have the rights to cancel this Agreement without any advance notice in writing and without liability of any kind whatsoever, and in the event of such cancellation, the Charterer shall immediately pay KAL the cancellation charges as calculated in accordance with Article 8 below.
- (5) KAL reserves the rights to do pricing of the Charter Price and is not obliged to provide any explanation on its calculation details. The Charter Price may fluctuate according to the market situation or KAL's internal policy at the time of signing the contract, which shall not be explained or be required to refund the Charter Price of the completed operation. KAL is, however, computing the Charter Price in a reasonable matter following its internal reference.

#### **Article 8. Cancellation by the Charterer**

- (1) The Charterer may cancel this Agreement by giving written notice which shall be effective upon the receipt by KAL. In the event of such cancellation by the Charterer and the cancellation or termination by KAL in accordance with the provisions in Article 7-(4) or Article 9 herein, KAL shall have the rights to collect from the Charterer the cancellation charge as follows:
  - 1) 10% of the Charter Price as agreed to in Schedule 4 if cancellation notice is received by KAL from date of contract to 4 days prior to the scheduled departure date of the Charter Flight from the original departing point ;
  - 2) 30% of the Charter Price as agreed to in Schedule 4 if cancellation notice is received by KAL within 3 days prior to the Scheduled departure date of the Charter Flight from the original departing point ;
  - 3) 50% of the Charter Price as agreed to in Schedule 4 if cancellation notice is received by KAL within a day prior to the Scheduled departure date of the Charter Flight from the original departing point ;
  - 4) In the case that cancellation is made by Charterer or on behalf of Charterer after departing from the original departing point of the Charter Flight, Charterer shall submit the corresponding payment for the portion of and up to the end of the flight route of when the cancellation is made, and pay the 30%

cancellation fee for the balance of remaining flight routes.

- (2) Collection of the cancellation charges in accordance with Paragraph (1) above shall not, in any way, affect KAL's right to collect from the Charterer any and all damage, costs or expenses arising out of or in connection with such cancellation.
- (3) In the event of such cancellation by the Charterer as provided in Paragraph (1) or by KAL as provided in Article 7-(4) or Article 9 after issuance of passenger tickets, the contract of carriage with the passengers pursuant to this Agreement shall be automatically cancelled and the Charterer shall indemnify and hold KAL harmless from any and all claims by the passengers and any other persons having any interest in the Charter Flight, arising out of or in connection with such cancellation.

#### **Article 9. Violation or Inobservance of Rules, Regulations, Etc.**

KAL may cancel this Agreement, or in case the flight has commenced, terminate the Charter Flight immediately without liability of any kind whatsoever to the Charterer, passengers and any other person having interest in the Charter Flight in the event that any provision of this Agreement, government regulations, orders, requirements and directions are violated or not observed by Charterer, passengers or any such persons. In the event of such cancellation before the commencement of the Charter Flight from the original point of origin, KAL shall have the right and be entitled to collect cancellation charges as provided in Article 8 above. In the event of such cancellation after the commencement of the Charter Flight from the original point of origin, KAL shall have the right and be entitled to collect corresponding payment for the portion of and up to the end of the flight route of when the cancellation is made, and also have the right and be entitled to collect 30% cancellation fee for the balance of remaining flight routes. Neither the cancellation nor the termination of this Agreement for such reason shall affect KAL's right to collect damages from the Charterer for such violation or inobservance. The Charterer shall indemnify and hold KAL harmless from any and all claims by passengers or other persons having any interest in the Charter Flight pursuant to this Agreement, arising out of or in connection with such cancellation or termination.

#### **Article 10. Government Approval**

Performance of carriage by the Charter Flight under this Agreement is made subject to authorization being granted by the respective governmental authorities.

#### **Article 11. Applicable Laws**

This Agreement, regardless of where it is concluded, shall be governed and constructed in accordance with the laws of the Republic of Korea.

#### **Article 12. Amendments**

No terms or provisions of this Agreement may be changed except by written instrument agreed to and signed by both parties.

#### **Article 13. Inspection of KAL's Tariffs and Conditions of Carriage**

KAL's applicable tariffs, General Conditions of Carriage and the related regulations may be inspected upon request at any of KAL's downtown offices and its offices at any airport from or to which KAL operates regular services.

#### **Article 14. Headings**

The headings herein are for the purpose of reference only, and shall not limit or otherwise affect any of the terms hereof.