



**Air SERBIA addendum to the IATA PSAA and ARC agreement**

**February, 2016**

**V 1.0**

Your travel agency (“Agent”) has entered into the IATA Passenger Sales Agency Agreement (the “IATA PSAA”) or with respect to travel agency location(s) in the United States the Agent Reporting Agreement (the “ARC Agreement”) whereby Agent has been appointed (“Agent’s Appointment”) to act as an agent for Air SERBIA in the sale of air transportation. Agent acknowledges and affirms that with effect from **01 February, 2016**, Agent's continued sale of Air SERBIA’s products and services will evidence our mutual agreement that this Addendum shall constitute a clarification of the Agent’s responsibilities and duties under the IATA PSAA or ARC Agreement, as applicable. To the extent that Agent engages employee, sub-agents, services vendors or other third party contractors to support Agent’s activities within the scope of the Agent’s Appointment, Agent will be responsible to Air SERBIA for their full compliance with this Addendum. The terms and conditions of this Addendum apply to all the tickets issued using Air SERBIA’s ticket stock.

### **1. Appointment.**

Air SERBIA may independently review any of Agent's locations, including those under Agent’s common control that are accredited by ARC or IATA (the "Agency Locations"). The review may include on-site inspection of any Agency Location to determine that Agent's operations comply with Air SERBIA's requirements for its agents in the sale of Air SERBIA products and services. Without limitation, and in its sole discretion and at any time, Air SERBIA may, upon written notice to Agent, suspend or limit the Agent’s Appointment, including immediately terminating the appointment of any Agency Location or Agent's Appointment. If any Agency Location is terminated, Agent may not act in any agency capacity for the sale of Air SERBIA’s products and services from the terminated location. If Agent's Appointment is terminated, Agent may not act in any agency capacity whatsoever for the sale of Air SERBIA’s products and services.

### **2. Compliance with Air SERBIA’s Terms and Conditions**

- **Proper Disclosure of Fares, Charges and Terms and Conditions**

Agent advertising Air SERBIA fares as available for purchase through agent must at all times include all applicable taxes, airport charges, and all other levies, charges and fees (“Required Fees”) that are known at the time of advertising. Any Required Fees communicated to the Agent by Air SERBIA may not be altered by the Agent. Charges for optional products and services must be clearly presented as such, and should be applied only if the customer affirmatively elects to purchase such product or service (i.e., no pre-checked boxes for optional charges). Agents may not impose charges for services that Air SERBIA provides to its customers without charge, such as online check-in. Agents also may not impose additional charges in addition to Air SERBIA’s fees for any paid Air SERBIA service, such as excess baggage. If the Agent collects a fee from the customer for the booking, such fee must be clearly

disclosed as separate from Air SERBIA's fares and the Required Fees, in a way that makes it clear that the fee is being collected by the Agent and not Air SERBIA (for example, labeled as "[Agency Name] Booking Fee"). The Agent may in no event impose service fees, discounts, or other fees for Air SERBIA fares that are higher than those imposed by the agent on any other carrier's fares. Agent must ensure that its systems, processes and sales practices accurately display and convey all information relating to Air SERBIA's products and services as presented by Air SERBIA. Agent's systems, processes and practices may automate a customer's preferences for air carrier, but must not otherwise involve any form of bias against Air SERBIA's products and services, or alter the presentation of the information as provided by Air SERBIA. All Air SERBIA terms and conditions and applicable fare rules and restrictions must be communicated by the Agent to the customer prior to booking. Any additional terms and conditions imposed by the Agent must be clearly disclosed to the customer, in a way that makes it clear that such terms and conditions are not set or endorsed by Air SERBIA. To ensure customers are provided accurate information, any description of Air SERBIA's product offering must include a link to source of the information on Airserbia.com. This includes information about baggage fees, onboard product offering, seat maps, financial products and awards.

- **Prohibition of Abusive Booking Practices.** Agent acknowledges that Space Churning, Duplicate, Impossible/Illogical Bookings and other Fraudulent, Fictitious, or Abusive Bookings, violate Air SERBIA's Rules (See Air SERBIA's ADM Policy for further information on other Fraudulent or Abusive Booking practices). Circumventing journey controls to obtain sold out inventory is also prohibited. Furthermore, since Air SERBIA is not a participant in other carriers' private agreements and since Air SERBIA does not honor other airlines discount codes, Agent agrees that other airline private or contracted fares or ticket designators may not be ticketed using Air SERBIA's ticket stock. Agent acknowledges that if it engages in these practices or sells or issues a ticket used for any of these purposes, Agent will be subject to (1) debit memos, (2) the suspension, limitation or termination of Agent's Appointment, and (3) other remedies available to Air SERBIA.
- **Changes to Agent sales activity.** The Agent understands and accepts that Air SERBIA may monitor any significant changes to the volume of sales, the relative use of various forms of payment or any other aspect of the Agent's sales that could impact the risk of Air SERBIA doing business with the Agent. Air SERBIA requires the Agent to provide advance notification if significant changes are expected to the Agent sales activity including, but not limited to, any change to the volumes and the forms of payment used and the business rationale behind those changes, and the parties agree to discuss in such scenarios whether any changes to the guarantees or securities provided by the Agent are required. If the Agent fails to notify Air SERBIA in a timely manner of these changes in business practice, Air SERBIA may terminate the Agent appointment with immediate effect.

- **Issuance of ADM.** If Agent issues a ticket in violation of this Agreement or is otherwise in violation of the Rules Air SERBIA has issued for travel agents, Air SERBIA may issue an ADM to Agent for any deficiency or any loss incurred by Air SERBIA by reason of the violation, including, without limitation an amount equal to the cost of the ticket, the difference between the applicable fare and the fare actually used, GDS/CRS fees, lost revenue from spoiled inventory, or an administrative service charge for the cost of servicing Air SERBIA has to provide to address Agent's violation of the Agreement and/or Rules, as Air SERBIA deems appropriate. In addition, Air SERBIA may immediately suspend, limit or terminate the Agency Location or Agent's Appointment upon notice to Agent. Agent acknowledges that Air SERBIA's administrative service charges are a reasonable estimate of Air SERBIA's costs due to Agent's improper acts in these situations. Air SERBIA also retains all rights and remedies available to it under this Agreement or otherwise.
- **Fraud and Misrepresentations.** Agent will not engage in any fraudulent activity, including altering flight coupons for non-qualifying discount travel, backdating tickets, or selling no cash-value coupons, discounts, or upgrades. Fraudulent activity also includes intentionally withholding or misrepresenting information regarding Air SERBIA products and services, such as information regarding availability and pricing.

**3. Use of Air SERBIA's Identification Plate.** Air SERBIA's validation plate is Air SERBIA's sole property, and Agent will surrender it immediately upon demand by Air SERBIA, ARC or IATA. Agent shall not issue electronic tickets or any other traffic documents for transportation on any airline that has refused to appoint, or has terminated its appointment of, Agent. Further, Agent will not issue tickets for transportation on Air SERBIA on behalf of any other travel agency location for which Air SERBIA has refused or terminated its appointment, including any of the Agency Locations. Agent will not use Air SERBIA's validation to issue tickets for transportation on carriers that do not maintain a ticketing and baggage interline agreement with Air SERBIA.

#### **4. Air SERBIA Data**

- **Data Ownership.** Agent acknowledges that Air SERBIA content and data constitute Air SERBIA's valuable property and that unauthorized distribution or remarketing of Air SERBIA content and data is improper and unlawful. Such unauthorized distribution or remarketing of Air SERBIA content and data would constitute, in part: (1) accessing Airserbia.com by the use of any automated or electronic devices commonly known in the Internet industry as robots or spiders, or by the use of other electronic search devices; (2) soliciting, facilitating, encouraging or agreeing to provide access to or otherwise remarket or redistribute, or take affirmative steps to allow or permit such access to, or remarketing or redistribution of, any Air SERBIA content or data to any third party, through any process, including

screen scraping, spiders, web "bots" or other device, software or system; (3) licensing, selling, or otherwise providing to any person or entity any software or other device that is capable of accessing Air SERBIA content or data from any source; or (4) assisting, aiding, or abetting in any way the unauthorized access of Airserbia.com, or the distribution or display of Air SERBIA data obtained or derived from Airserbia.com or any other web site or any other source, by any third party. Agent shall not engage in any of the above examples, or any other unauthorized distribution or remarketing of Air SERBIA content or data, without the prior written authorization of Air SERBIA. If Agent learns that any third party is accessing, distributing, or displaying Air SERBIA content or data in any way obtained via Agent, including Agent's web site, without Air SERBIA's written authorization, Agent shall promptly inform Air SERBIA and take all commercially reasonable measures, including commercial, technological, or legal measures, to prevent the unauthorized access, display, or distribution of Air SERBIA content or data.

- **Air SERBIA's Intellectual Property.** Air SERBIA grants Agent a limited, royalty free, non-transferable, non-exclusive permission to use certain Air SERBIA intellectual property, specifically the trademarks

"Air SERBIA", ("Air SERBIA Marks") solely for the purpose of identifying Agent as an authorized agent of Air SERBIA. In using the Air SERBIA Marks, Agent agrees that Air SERBIA owns the Air SERBIA Marks, and that

Agent will not harm the Air SERBIA Marks or Air SERBIA's ownership of the Air SERBIA Marks or in any way contest or deny the validity of, or the right or title of Air SERBIA in or to, the Air SERBIA Marks. Agent acknowledges and understands that it has no right or permission to use the Air SERBIA Marks for any purpose not expressly stated in these terms and conditions, and that any unauthorized use of the Air SERBIA Marks will constitute an infringement of Air SERBIA's rights. Agent understands that it has no right or permission pursuant to this Addendum to use any other intellectual property owned by Air SERBIA or its affiliated entities. Agent further agrees that it will not purchase, use, or register any domain names or keywords or search terms that are identical or similar to, or contain (in whole or in part), any of the Air SERBIA Marks.

- **Re-Distribution.** Agent's Appointment is for purposes of the Agent marketing and selling Air SERBIA's products and services directly to customers for those products and services. Agent's Appointment is specific to Agent, and does not include any authority for Agent to act as an intermediary for further distribution of Air SERBIA's products and services via other intermediaries and sales agents. For example, Agent may not offer or distribute Air SERBIA products and services as part of a service provided by Agent that is re-branded so that it appears to customers to be a search, booking or ticketing

service from a third party or distribute, display or otherwise provide direct or indirect access to any Air SERBIA Data (or any portion thereof) to any other party, including without limitation any Metasearch Site, or receive any referral, web page click through or link from any Metasearch Site that is attributable to any Air SERBIA fare in connection with any search result on the Metasearch Site. Agents also may not place or otherwise have any advertising link on any Metasearch Site in connection with any Air SERBIA fare. A “Metasearch Site” is an Internet website that obtains fare data from various travel services companies, aggregates such fare data in response to user queries, and includes links to such other travel service companies for booking the selected itineraries. Any such re-distribution arrangement is only permitted pursuant to a separate agreement signed by authorized representatives of both Agent and Air SERBIA. In addition, if Agent uses or works with a non-accredited entity in making a booking, then Agent acknowledges and agrees that Air SERBIA reserves the right to reject the booking in Air SERBIA’s sole discretion and that Agent nonetheless remains fully responsible to Air SERBIA in all respects for any bookings made by third parties and ticketed via Agent’s Appointment.

- **Electronic Display.** Agent will not permit access or display Products and Services via its website or electronic means directly to customers without Air SERBIA’s prior written approval. Such restriction shall not apply to any tool utilized by Agent acting as travel management companies on behalf of corporate clients who may provide booking tools to those clients only.
- **Data Security.** Agent will establish, implement, maintain, and use technical and organizational safeguards against the unauthorized disclosure, access, use, destruction, loss, damage or alteration of all Personal Data and Air SERBIA Data that is in the possession of Agent or its agents. Such safeguards will be in compliance with all applicable laws and regulations, including but not limited to any privacy or data protection statutes in the United States, United Kingdom, European Union, and will be no less rigorous than (1) industry standard practices in the transportation and related services industry, and (2) reasonable security procedures and practices appropriate to the nature of such Air SERBIA Data. For the avoidance of doubt, such data safeguards must include: (1) compliance with the current Payment Card Industry Data Security Standard, and Amex, VISA, MasterCard and any other applicable payment card network bylaws and operating regulations and laws or regulations relating to credit card processing; (2) encryption of all records and files that contain any personal information when Agent transmits such records and files across public networks or any wireless network or stores such records and files on laptops, thumb drives or other portable devices or transfers such records and files for storage; and (3) compliance with any security standards required by local law or regulations.

## **5. Right to Inspect and Audit.**

Air SERBIA shall have the right to enter any Agency Location upon reasonable notice to: (1) inspect Agent's books and records relating to air transportation sold on Air SERBIA and to ensure Agent's compliance with the provisions of the IATA PSSA/ARC Agreement and this Addendum; and (2) audit Agent's books and records to detect or establish Agent's abuse of, or failure to comply with, any of Air SERBIA's Rules concerning sale of travel on Air SERBIA, Agency free and reduced rate travel, Agency Incentives, promotional or override programs, or Agent ticket fraud. Agent agrees that Air SERBIA may use information obtained from IATA or ARC to evaluate the credit-worthiness of Agent and Agent's employees and owners.

## **6. Agent Incentive, Promotional, and Override Programs.**

Agent shall comply with Air SERBIA's rules and any specific contractual requirements concerning agency Incentives, promotions, or overrides with Air SERBIA in which Agent participates or has an interest. Failure to comply subjects Agent to (1) forfeiture and repayment to Air SERBIA of all sums paid by Air SERBIA to Agent or the value received by Agent, (2) termination of Agent's right to participate in or receive all or a part of any agency incentives, promotions, or overrides, and (3) termination of Agent's Appointment.

## **7. Miscellaneous.**

- **Prior Agreements.** This Agreement supersedes any prior agreement or addendum between Air SERBIA and Agent.
- **Waiver.** Any waiver or modification of any of the terms of this Addendum must be in writing from Air SERBIA. Air SERBIA may amend or modify this Addendum at any time. Agent agrees that failure of or delay by Air SERBIA to require strict performance or to enforce any provision of this Addendum, or a previous waiver or forbearance by Air SERBIA, will in no way be construed as, or constitute, a continuing waiver by Air SERBIA of any Rule or any provision of this Addendum.

**8. Applicable Law and Jurisdiction.** THE LAWS OF THE REPUBLIC OF SERBIA SHALL GOVERN ANY DISPUTES BETWEEN AIR SERBIA AND AGENT ARISING OUT OF THE IATA PSSA, ARC AGREEMENT OR THIS ADDENDUM. AGENT HERBY SUBMITS AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF REPUBLIC OF SERBIA FOR ALL THESE DISPUTES.