

## AIRPORT SERVICE AGREEMENT

Date: ... / ... / ...

№

Tuv province

This **AIRPORT SERVICE AGREEMENT** (the “**Agreement**”) was established by and between:

**New Ulaanbaatar International Airport LLC**, a company incorporated under the laws of Mongolia with its registered address at Takhilt tolgoi, Erdene-Uul 41090, 4th bag, Sergelen soum, Tuv province, Mongolia (Registration number **3874095**, State registration number **000168199**) (the “**Airport Company**”); and

“.....”, a company incorporated under the laws of..... with its registered address at ..... (Registration number: ....., State registration number: .....) (the “**Airline Company**”),

(here in after referred to each as the “**Party**” and together as the “**Parties**”) upon mutual agreement of the Parties with terms and conditions set forth below.

### ARTICLE 1 GENERAL PROVISIONS

- 1.1. The purpose of this Agreement is to regulate the relations arising out of the Airport Company providing the Airline Company with the service availing aircraft runway, aircraft parking, passenger terminal, boarding bridge, baggage handling system and passenger security services in compliance with the International Treaties of Mongolia, Civil Code of Mongolia, the Law of Mongolia on Civil Aviation, the Rules for Civil Aviation, other required documents and standards for the operation of an airport and the Airline Company receiving such services, and payments and charges related thereto.
- 1.2. Terms used in this Agreement have the same meaning attached to them in the Civil Aviation Law of Mongolia and “MNS 6409: 2015 Civil Aviation. General Terms and Definitions”, approved by Mongolian Agency for Standard and Metrology’s Resolution №12 dated 21 May 2015, and below terms have the following meanings:

“**Affiliate**” has the meaning specified in the Company Law of Mongolia;

“**Airport Services**” means the services with availing aircraft runway, aircraft parking, passenger terminal, boarding bridge, baggage handling system, and passenger security for the Airline Company,

“**APIS**” (Advanced Passenger Information System) means the advanced passenger information system of the Airline Company;

“**Confidential Information**” has the meaning specified in Article 7 of this Agreement;

“**Damage**” means any financial and other damages such as loss and or actual damages (to be evaluated by independent commission appointed by the Parties) incurred by one Party due to the other Party’s failure to perform its duties and obligations under this Agreement;

“**Effective Date**” means the date on which this Agreement becomes fully effective upon execution by the Parties;

“**LDM**” (Loading Message) means aircraft loading message of the Airline Company;

“**PSM**” (Passenger Service Message) means information of passenger who needs due care of the Airline Company;

“**PTM**” (Passenger Transfer Message) means passenger transfer message of the Airline Company; and

“**Service Fee**” means the fee(s) and charge(s) specified in Aeronautical Information Services (AIP); and

“**Slot**” means the flight schedule approved by Slot committee which consists of Civil aviation authority of Mongolia

## **ARTICLE 2 DELIVERY OF INFORMATION**

- 2.1. The Airline Company shall deliver the following documents and information to the Airport Company prior to the execution of this agreement. If the Airline Company submitted the following documents and information to the Airport Company before, Article 2.2 of this Article shall be applicable.
- a) Air Operator's Certificate (Part 119,121);
  - b) State Registration Certificate of the aircraft;
  - c) Noise certificate of the aircraft;
  - d) Document certifying the number of seats in the aircraft;
  - e) Airworthiness Certificate of the aircraft;
  - f) Insurance Certificate of the aircraft;
  - g) Plan for the removal of a disabled airplane in movement area, and list of equipment; and
  - h) Other necessary information.
- 2.2. If any changes occur to the documents listed under Article 2.1 above, the Airline Company shall provide the Airport Company with the updated information within seven (7) calendar days.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE PARTIES**

- 3.1. The Parties make the following representations and warranties upon execution of this Agreement and it is hereby declared that such representations and warranties shall continue to be in effect during the term of this Agreement:
- a) Each Party is a legal entity duly incorporated and existing under the applicable laws of the relevant country and has obtained the necessary approvals from the authorities (if any);
  - b) The Parties are financially and operationally stable at the time of this Agreement and continue to maintain such stability during the term of the Agreement (no insolvency proceedings determined by applicable law, or no legal proceedings or litigation arising out of any outstanding debt to be observed regularly in connection with this Agreement);
  - c) The execution and performance of this Agreement will not conflict with any applicable laws, regulation or constitutional documents of each Party.

## **ARTICLE 4 SETTLEMENT OF PAYMENTS**

- 4.1. The Airport Company shall issue monthly invoice of the Service Fee according to Appendix A of this Agreement, upon checking the Airline Company's monthly flight performance and deliver such invoice to the Airline Company within 5 working days of the following month.
- 4.2. If the Airline Company requests to correct the invoice with submitting an evidence within 5 calendar days from its receipt of the Airport Company's invoice, the Airport Company shall verify the evidence and reflect the necessary adjustment, if any, into its invoice for the next month. The Airport Company has a right to reject the Airline Company's request to correct the invoice after 5 calendar days from the Airline Company's receipt of the Airport Company's invoice.
- 4.3. The Airline Company shall pay the Service Fee as specified under Appendix A of this Agreement, to the following bank account by the end of the month of receiving the invoice from the Airport Company.

**MNT Account:**

Bank Name: ГОЛОМТ БАНК

Account Name: "Нью Улаанбаатар Интернэйшнл Эйрпорт" ХХК

Account No.: 8125100892  
Swift Code: GLMTMNUB

**USD Account:**

Bank Name: GOLOMT Bank  
Account Name: "New Ulaanbaatar International Airport" LLC  
Account No.: 8125100893  
Swift Code: GLMTMNUB

- 4.4. If the Airline Company fails to pay the amounts due under the invoices issued by the Airport Company within the specified period in this Agreement, the Airline Company shall pay penalty that is equal to 0.3% of the outstanding unpaid amount calculated on a daily basis.
- 4.5. Any charges such as bank fee shall be borne by the Airline Company and shall not be deducted or offset from any payments the Airport Company is to receive from the Airline Company.
- 4.6. The following flights shall be exempt from the Service Fee in accordance with Article 5 of the "Regulation on Paid Civil Aviation Services, Payment Amount and Revenue Expenditure":
  - (a) Search and rescue flights;
  - (b) Landing of an aircraft due to unlawful interference or emergency;
  - (c) Test flights (for navigation, lightning equipment, establishing flight or aircraft procedure etc.); and
  - (d) Fee exempted flights in accordance with treaties between Governments.

**ARTICLE 5 RIGHTS AND OBLIGATIONS OF THE PARTIES**

**5.1. The Airport Company shall have the following rights and obligations:**

- 5.1.1 The Airport Company shall provide the Airline with services specified in Clause 1.1 of this Agreement in accordance with the Slot.
- 5.1.2 In the event changes occur to the Service Fee as listed under Appendix A of this Agreement, the Airport Company shall immediately inform such changes to the Airline Company.
- 5.1.3 If the Airline Company fails to comply with the Article 5.2.10, 5.2.11 and 5.2.13 of this Agreement, the Airport Company is entitled to issue an invoice for Passenger Service Charge and Passenger Security Service Charge based on the number of passengers in LDM and to receive the invoiced amount.
- 5.1.4 The Airport Company may take certain measures to limit the Airline Company's operations such as not assigning check-in counters and aircraft parking to the Airline Company, suspending baggage handling services and passenger boarding bridge services, and temporarily cancelling the access ID card of the employee of the relevant Airline Company to the airport premises, if any of the following events occur:
  - (a) Airline Company's failure to pay in accordance with the invoices issued by the Airport Company for over fifteen (15) calendar days from the payment due date specified in Article 4 of this Agreement;
  - (b) Airline Company's failure to take remedial actions within ten (10) working days from its receipt of an official letter of the Airport Company in relation to the Airline Company's non-performance of obligations under this Agreement.

5.1.5 The Airport Company shall provide the Airline Company with access to the "Airport Operation Data Base" (the "Database") terminal and shall be responsible for the maintenance of the Database.

5.1.6 The Airport Company shall calculate the Passenger service charge as the standard passenger service charge if Airline Company does not submit or confirmation.

**5.2. The Airline Company shall have the following rights and obligations:**

5.2.1 The Airline Company shall comply at all time with the organizational documents / manual / program provided by the Airport Company, including;

1. "Aerodrome General Manual"
2. "Airport Security Programme"
3. "Airport Facilitation Programme"
4. "Airport Operational Database using procedure"
5. "Airside driving safety rules"
6. Other

5.2.2 The Airline Company shall operate its flights in accordance with the Slots.

5.2.3 In case the Slot for the Airline Company needs to be changed, the Airline Company shall cooperate with the Airport Company to change the Slot.

5.2.4 The Airline Company shall ensure the Airport Company is provided with Airline Company's Emergency Operations Manual, Security Program, Ground Operations Manual, Plan for the removal of a disabled airplane in movement area and other documents necessary for the Airport Company to provide the Airport Services under this Agreement.

5.2.5 The Airline Company shall ensure the Operation Center of Airport Company is provided without delay with any information about operational, safety, or security incidents and irregularities.

5.2.6 The Airline Company shall inform the Airport Company at least 72 hours prior to the departure or arrival of its flight, if person(s) in custody of law enforcement agency is about to be transported on that flight.

5.2.7 The Airline Company shall participate in the activities specified in Airport Company's emergency plan and in other working groups related to the activities of Airline Company at the airport.

5.2.8 The Airline Company shall not have the right to refuse the invoice delivered as set forth in Appendix A of this Agreement without reasonable ground.

5.2.9 The Airline Company shall confirm and respond to the Airport Company within first three (3) working days of next month along with supporting documents for Invoice and confirming the number of passengers in diplomat and transit.

5.2.10 The Airline Company shall promptly and accurately enter the number of respective passenger (cabin crew, passenger, children, new-born), status towards departue and the reason of the delay to the Database. The Airline Company shall authenticate the daily flight information in accordance with template provided by the Airport Company as set forth in Appendix B of this Agreement and e-mail such information to [airportops@nubia-llc.mn](mailto:airportops@nubia-llc.mn) of the Operation Center of the Airport Company.

5.2.11 The Airline Company shall provide the Airport Company with flight data, LDM, PSM, PTM, Movement message etc., via the Airport's SITA address UBNCXHX.

5.2.12 Upon obtaining an approval from the authority to carry dangerous goods, the Airline Company shall notify the Airport Company more than forty-eight (48) hours before flight.

5.2.13 The Airline Company shall submit supporting documents confirming the number of diplomat and transit passengers within the first three business days of next month before the issuance of the Airport Company's invoice.

### **5.3 Liabilities of the Parties**

5.3.1 The Party who breaches any of the terms and conditions of this Agreement shall be responsible for all relevant costs, liabilities, damages, penalties and expenses sustained by the non-breaching Party.

5.3.2 Neither Party can transfer its right or obligations under this Agreement to the third party without written approval of the other Party.

## **ARTICLE 6 TERMINATION AND AMENDMENT OF THE AGREEMENT**

6.1. Any proposal for amendments to this Agreement shall be made in advance in writing and any such amendment mutually agreed by the Parties in writing. The amendments shall constitute inseparable part of this Agreement.

6.2. The Agreement may be terminated prior to its terms or at the initiative of one Party, if:

- a) Competent courts declare either one of the Parties as insolvent;
- b) Either one of the Parties is liquidated in accordance with the law;
- c) Either one of the Parties assigns management rights to any third party; or
- d) any other situation occurs that requires termination of the Agreement as specified under the law.

6.3. A Party shall submit to the other Party in writing of its request to terminate this Agreement by giving at least thirty (30) days' notice, and the Agreement shall be deemed terminated if the Parties sign off and it is agreed that there is no payment obligations outstanding.

6.4. If a Party fails to fulfil any of its obligations under this Agreement, the performing Party shall provide fifteen (15) calendar days to remedy the failure and notify the non-performing Party of the termination of this Agreement if such failure continues thereafter.

6.5. An early termination of this Agreement upon mutual agreement of the Parties shall not result in the waiver of the Airline Company's outstanding payment obligations or any other obligations, and the Airline Company hereby acknowledges that it is obliged to fully perform any unfulfilled obligations and/or damages caused due to unfulfilled obligations through cash settlements within the Airport Company's specified period.

## **ARTICLE 7 CONFIDENTIALITY**

7.1. Each Party is obliged to keep confidential and not disclose (without a prior written consent of the other Party) any information received in connection to this Agreement, including the rules and procedures specified under Article 5.2.1 of this Agreement, with any third party.

7.2. The following shall not be considered as a disclosure of confidential information:

- a) disclosure to an Affiliate of the Parties provided that the Affiliate is obliged to keep its received information confidential;
- b) disclosure in connection to any technical, legal, accounting, financial, insurance or other professional consulting services;

- c) disclosure of information already made public before the establishment of this Agreement;
- d) disclosure required by court in connection to any proceeding;
- e) disclosure within the scope of any law, stock exchange or regulation adopted by regulatory authorities and written requirements of any tax authority; or
- f) other situations permitted by this Agreement.

#### **ARTICLE 8 FORCE MAJEURE**

- 8.1. In case of any force majeure event (including, natural disaster, fire, flood, public commotion, strike, ban, unlawful acts against the civil aviation, war, pandemics (epidemics)) declared by Mongolian National Chamber of Commerce and Industry occurs during the term of this Agreement, and that causes the Parties to fail to perform their obligations under the Agreement, the Parties shall be exempted from any (except the payment obligations) responsibilities as far as the non-performance of the obligation is proved solely by the force majeure event.
- 8.2. The Parties shall immediately notify the other Party the start and end of circumstances stated under Article 8.1 of this Agreement

#### **ARTICLE 9 TERM OF THE AGREEMENT**

- 9.1. This Agreement shall become into force upon signing and affixing of the corporate seal by the Parties. ("**Effective Date**")
- 9.2. The term of this Agreement shall be two (2) years starting from the Effective Date.
- 9.3. The term of this Agreement shall be deemed to have been extended for another two (2) years, if neither of the Parties deliver a proposal to terminate the Agreement more than thirty (30) calendar days before the expiration of this Agreement.

#### **ARTICLE 10 MISCELLANEOUS**

- 10.1. Interpretation and implementation of this Contract shall be governed in accordance with applicable laws and regulations Mongolia. The Parties shall, in their best effort, seek to resolve any disputes which may arise during the term of this Agreement in an amicable manner, and in case of a failure to reach a resolution within thirty (30) days, the dispute shall be submitted to the International Arbitration of the Mongolian Chamber of commerce and industry.
- 10.2. The Agreement shall be executed in English and upon request of a Party, this Agreement may be executed in English and Mongolian.
- 10.3. In the event of any discrepancy between the English version and Mongolian version as chosen by the Parties. The English version shall prevail.

**CONTACT ADDRESS OF THE PARTIES:**

**“NEW ULAANBAATAR INTERNATIONAL  
AIRPORT” LLC**

**“.....” LLC**

Phone: +976 85050517  
E-Mail: info@nubia-llc.mn,  
marketing@nubia-llc.mn

Phone:  
E-Mail:

**THE PARTIES TO THE AGREEMENT:**

**ON BEHALF OF THE AIRPORT  
COMPANY:**

**ON BEHALF OF THE AIRLINES  
COMPANY:**

Title: CHIEF EXECUTIVE OFFICER

Title:

Sign: /TAKEFUMI KITANAKA/

Sign:

/...../

**FEES AND CHARGES**

Prices described below are not subject to Value Added Tax (VAT), (10%).

VAT is not applicable for aerodrome charges from foreign airlines operating international flight at Chinggis Khaan International Airport (ZMCK).

Any change to the tax rate or tax policy enacted by the local government shall be effective automatically and replace the tax rate or tax policy stipulated in this Agreement.

№	Fees and charges	Amount (tax not included)
<b>(a) Landing Charges</b>		
i.	International flight (long distance flight more than 600 miles)	USD 18 (per tons)
ii.	International flight (flight within 600 miles)	MNT 17,000 (per tons)
iii.	Domestic flight	MNT 5,500 (per tons)
<b>(b) Aircraft Parking Charge</b> <i>Parking for the first 2 hours at Chinggis Khaan International Airport is free of charge. Time of parking is defined as a period of time passed from time of landing till time of departure minus 15 minutes.</i>		
i.	50 or less (MTOW)	MNT 130 (ton/hour)
ii.	51-100 (MTOW)	MNT 260 (ton/hour)
iii.	101 or more (MTOW)	MNT 390 (ton/hour)
<b>(c) Passenger Service Charge</b> <i>Following passengers are free of "Passenger Service Charge"</i> <i>-Diplomatic passengers on official business</i> <i>-Flight crew performing official duties</i> <i>-Passenger of aircraft conducted emergency and technical landing</i> <i>-Infants (up to 2 years old)</i>		
i.	International passenger	USD 25 for each passenger
ii.	Domestic passenger	MNT 5,500 for each passenger
iii.	Transit passenger (between international)	USD 12.5 for each passenger (within 24 hour)
<b>(d) Passenger Boarding Bridge Charge</b>		
i	USD 200 for each flight (first 2 hours) USD 40 for each flight (every 30 minutes after first 2 hours)	
<b>(d) Baggage Handling Charge</b>		
i.	International flight	USD 168 for each flight
ii.	Domestic flight	MNT 190,000 for each flight
<b>(e) Passenger Security Service Charge</b> (international flight only) <i>Passenger Security Service Charges is not applicable to following persons</i> <i>-Flight crew performing official duties</i> <i>-Passengers of aircraft conducted emergency landing</i> <i>-Infants (up to 2 years old)</i>		
i	USD 2.7 for each passenger	

/Regulated fees and charges/



**Airline:**

**Date:**

No	City-pair		Flight number	Aircraft Type	Baggage handling claim		Passenger numbers						
	From	To			Number	Time	Adult	Child	Infant	Transit	Diplomat	Crew member	Total
1													
2													
3													
4													
5													
6													

**Prepared by:** .....

**Checked by:** .....