

## **APPOINTMENT OF GENERAL SALES AGENTS**

Pakistan International Airlines Corporation Limited (PIACL) invites applications from reputable and financially sound firms/companies for the appointment as offline General Sales Agents (GSA) in the territory of Spain. The offline GSA could convert into an online GSA soon after the resumption of PIA flights.

Regarding the request for Proposal (RFP), such firms/companies must meet the minimum laid down requirements/documentation as per detail is given below.

PIACL reserves the right to reject or accept any or all application however, the reasons for the same will be communicated on request.

Interested parties may send their separate applications along with complete proposal (Two sets) for appointment as GSA on the following address through registered mail or courier service within 30 days from the date of publishing advertisement in sealed envelopes clearly marked as “**Appointment of GSA in Spain**”.

The last date for submission of bids is **16.11.2020 at 4:00pm** and tender will be opened on the same date i.e. **16.11.2020 at 04:30pm** (PST) in the office of the undersigned.

Application/proposals must accompany copies of documents as advised in the RFP and should be in ENGLISH.

Incomplete application without the required documents shall not be entertained.

Dy. General Manager  
Agency Affairs  
Pakistan International Airlines Corporation Limited  
Room No. 202-A, PIA Head Office Building,  
Karachi Airport – 75200, Pakistan,  
Email: [khisapk@piac.aero](mailto:khisapk@piac.aero) ,  
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**REQUEST FOR PROPOSAL  
APPOINTMENT OF GENERAL SALES AGENT**

- i. Should be a locally registered firm / company and possess trading license for Travel Trade and Cargo Sales Services.
- ii. Provision of last three (03) years Balance Sheet and Profit & Loss Account certified / audited by Chartered Accountancy or equivalent eligible firm as per local laws. All reports / documents submitted by a potential candidate must be in English.
- iii. Should have a turnover of USD 2 (two) million or equivalent per annum pertaining to aviation / travel trade.
- iv. Should have minimum 03 years' experience in the respective field of Passenger & Cargo Sales. Preference will be given to parties having a proven track record in the field of passenger & Cargo sales.
- v. Should be a GSA of at least one major airline. Preference will be given to those having more than one GSA not operating to Pakistan from that territory as a PK competitor including Code Share arrangements.
- vi. Should be familiar with IATA / BSP / CASS or equivalent procedures in the territory.
- vii. Applicant for Passenger GSA should not be an IATA approved Passenger Sales Agent. IATA Sales Agent may apply subject to relinquishment of their accreditation if appointed as GSA.
- viii. Owners, Directors, Shareholders should not have been involved in default / bankruptcy proceedings or had a financial interest or a position of management in a defaulted IATA (in any other country) or GSA / GSSA agency or any other firm/company. An affidavit to be submitted from the Attorney of the Company in this regard.
- ix. Applicant should not have gone into any legal dispute in the past with PIACL.
- x. Office premises should be easily accessible to general public.
- xi. Should have sufficient qualified staff with ability of selling international air transportation Passenger / Cargo. Moreover, DGR certification for cargo staff is mandatory in the case of Cargo GSSA appointment. The applicant should have minimum paid-up capital / investment required under local laws.
- xii. Applicable financial guarantees will be required upon appointment.
- xiii. Company's legal documentation and profile must be submitted along with the application.
- xiv. Any Additional documents/ information, if so required, will be intimated prior to the appointment.
- xv. Any Additional Documents / information, if so required, will be intimated prior to the appointment.
- xvi. Draft Agreement is attached.

**A. Technical Parameters:**

**For tender evaluation, applicants must provide Agency’s profile with documentary evidence/proof demonstrating company’s professionalism, legal status, managerial competencies, years in operation, financial strength, technical expertise, holding number of GSA, number of employees and sales outlets/ branches in the territory:**

Each parameter of the tender below will be awarded “Yes” or “No” with 1 (one) or 0 (zero) point subject to fulfillment of the criterion below.

#	Description	Yes/ No	Attributed points	Point obtained
1	Should be a locally registered firm / company and possess trading license for Travel Trade and Cargo Sales Services.			
2	Provision of last three (03) years Balance Sheet and Profit & Loss Account certified / audited by Chartered Accountancy or equivalent eligible firm as per local laws. All reports / documents submitted by a potential candidate must be in English.			
3	Should have a turnover of USD (2) two millions or equivalent per annum pertaining to aviation / travel trade.			
4	Should not be a GSA for any airline operating direct services including Code Share operation from that territory to Pakistan.			
5	Should have minimum 03 years’ experience in the respective field of Passenger & Cargo Sales.			
6	Should be a GSA of at least one major airline. Preference will be given to those having GSA of more than one airline.			
7	Applicant for Passenger GSA should not be an IATA approved Passenger Sales Agent. IATA Sales Agent may apply subject to relinquishment of their accreditation if appointed as GSA. However there is no such binding on for Cargo GSSA.			
8	Owners, Directors, Shareholders should not have been involved in default / bankruptcy proceedings or had a financial interest or a position of management in a defaulted IATA or GSA / GSSA agency or any other firm/company. An affidavit to be submitted from the Attorney of the Company in this regard.			
9	Applicant should not have gone into any legal dispute in the past with PIACL.			
10	Applicable financial guarantees will be required upon appointment.			

**Total marks- 10**

**Required marks- 10**

## B. FINANCIAL EVALUATION

For in depth financial evaluation, Agents must provide following information:

1. Financial statements including Annual Balance Sheet and Profit & Loss Statement for last 03 years will be required.
2. Documents must be audited accounts by a Chartered Accountancy or equivalent eligible firm and should be in English.
3. While evaluating financial position of the applicants, points will be awarded under following financial heads;
  - **Shareholder's Equity:**  
Equity size of all the applicants will be compared.
  - **Liquidity Position:**  
Current ratio (Proportion of Current Assets to Current Liabilities) of all applicants will be compared.
  - **Asset Management:**  
Assets Turnover ratio (Total Sales/Total Assets) of all applicants will be compared.
  - **Profitability Margin:**  
Net Profit Margin (Net Profit/Total Sales, in percentage) of all applicants will be compared.

Points will be awarded to the applicants on the basis of the following formula:-

<b>Shareholder's Equity in PKR</b>		
<b>FROM</b>	<b>TO</b>	<b>POINTS</b>
1.00	50 Million	0.50
51 Million	100 Million	0.75
101 Million	150 Million	1.00
151 Million	200 Million	1.25
201 Million	250 Million	1.50
251 Million	300 Million	1.75
301 Million	+	2.00

<b>Current Ratios</b>		
<b>FROM</b>	<b>TO</b>	<b>POINTS</b>
0.01	0.49	0.20
0.50	0.99	0.40
1.00	1.49	0.60
1.50	1.99	0.80
2.00	+	1.00

<b>Asset Turnover</b>		
<b>FROM</b>	<b>TO</b>	<b>POINTS</b>
0.01	0.49	0.20

0.50	0.99	0.40
1.00	1.49	0.60
1.50	1.99	0.80
2.00	+	1.00

Net Profit Margin		
FROM	TO	POINTS
1%	5%	0.20
6%	10%	0.40
11%	15%	0.60
16%	20%	0.80
21%	+	1.00

**C:** To adequately assess and rate the companies' proposal a standardized scoring system, "points" will be assigned.

**I. Staff Experience / Qualification (online station).**

Online station	Points	Offline station	Points
Trained staff 5 & above	10 points	Trained staff 4 & above	10 points
Trained staff 3 & above	07 points	Trained staff 3 & above	07 points
Trained staff 2 & above	07points	Trained staff 2 & above	04 points

**II. Office location-(Online station)**

Description	Points
Ground floor, main road in business center with airline offices	10
Ground floor, side road in business center with airline offices	08
1 <sup>st</sup> & 2 <sup>nd</sup> floor, main road in business center	06
3 <sup>rd</sup> & 4 <sup>th</sup> floor main road in business center	04
1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> floor in other areas close to business center	02

**III. Company Experience**

Description	Points
11 years and above	10
09 years and above	08
07 years and above	06
05 years and above	04
03 years and above	02

IV. Final Selection will be based on total marks obtained by agency after completion of technical evaluation, financial evaluation and site visit inspection/evaluation illustrated as under:

S . #	Applicant	Financial Standing	Annual Turnover	No of GSA	Office Location.	Staff Exp/Qualification	Company Exp/ RFP Evaluation	Total Points	Remarks
Total Points		30 points/5=6	20	20	10	10	10	100	
1									
2									
3									

D. Initially, the GSA will be appointed as offline. The agreement will be as per mutually agreed terms and understanding between the two parties, however when the station becomes online then the modification will be made in the agreement as per the published RFP (draft agreement) with mutual understanding which will be attached to this agreement as amendments.

**Draft**  
**GENERAL SALES AGENCY AGREEMENT**

This General Sales Agency Agreement is made on this day of **xxxxxxxxxx** between **PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED**, incorporated under PIAC Act of 1956 and it has Head Office at Karachi, Pakistan (the "PIA" hereinafter referred to as "Principal") of the one part and M/s **xxxxxxxxxx** (also referred to as **xxxxxxxxxx**) Whose registered office is at **xxxxxxxxxx** (hereinafter referred to as the "GSA" of the other part), hereby agree to the following:

The PIA and the GSA may individually be referred to as a "Party" and collectively be referred to, as "Parties", respectively, as the context of this Agreement requires.

**ARTICLE – 1**

**APPOINTMENT OF GENERAL SALES AGENT**

The Principal hereby appoints M/s **xxxxxxxxxx** as its General Sales Agent (GSA) for (Passenger & **xxxxxxxxxx**) in **xxxxxxxxxx** for the territory of **xxxxxxxxxx** (hereinafter referred to as the "Territory") to the extent of and in accordance with the terms and conditions contained in this Agreement.

**ARTICLE – 2**

**SEPARATION OF FUNCTIONS:**

The GSA shall not be accredited, or have a location approved as an IATA Agent in any country including in whole or in part in the territory for which it is appointed by the Principal under this Agreement. In the event that the GSA applies for accreditation as an IATA Agent in that country, it shall immediately notify the Principal. Acquiring IATA accreditation is a disqualification; therefore, the agreement shall be terminated forthwith without any liability against PIAC. Such termination shall be without prejudice to any outstanding liabilities accrued and arising herein under between the Parties hereto.

**ARTICLE – 3**

**VALIDITY/TERMINATION:**

1. This agreement after signature by both Parties shall be deemed to have commenced on Jan 1, 2021 ("commencement date"). However, the agreement will only come into effect when the Bank Guarantee (as defined in Article 4) is submitted by GSA to the Principal. This agreement shall continue in force for (3) three years from the commencement date effective 01.01.2021 till 31.12.2023 unless earlier terminated by either Party in pursuance to the provisions of Articles 2, 3.4 and 4 of this agreement.
2. This agreement may be renewed / extended for a further period subject to satisfactory financial and sales performance of GSA and written agreement of the Parties and on such terms as the Parties may agree at that time.
3. Notwithstanding any other Articles in this Agreement, the Principal shall have the absolute right to terminate this agreement by giving 90 days' prior notice in writing through registered mail, acknowledged telex or cable, courier or e-mail, without assigning any reason to the GSA. This Article shall have overriding effect and shall prevail over Article 41.
4. GSA performance will be periodically monitored, on a six-monthly basis and in case of non-satisfactory performance agreement may be terminated as per period specified in agreement and advertisements be placed for fresh GSA appointments.
5. If the GSA (for the purpose of transacting business on Principal's documents), is found selling outside his designated territory, the GSA Agreement would be immediately terminated.
6. In the event of a violation of any terms and conditions of this Agreement by the GSA, the Principal reserves the right to terminate this Agreement forthwith and withdraw its revenue documents, papers and any of its property from the GSA.
7. If sales report and remittances not received on the due date, as stipulated under Article 14, the Principal reserve the right to terminate the GSA Agreement forthwith.
8. The termination of the Agreement shall be without prejudice to any outstanding liabilities accrued and arising hereunder between the parties hereto.

#### ARTICLE – 4

##### **BANK GUARANTEE**

- a. Designated GSA will be required to submit an open ended unconditional/irrevocable interest free bank guarantee with amount of equivalent to 35 days average territory sales based on fortnightly reporting or equivalent to 20 days average territory sales based on weekly reporting. PIA may require to furnish any additional cash guarantee to cover the whole or part of the term of the agreement. No interest/profit will be payable on the return of the bank/cash guarantee/security deposit.
- b. Bank Guarantee will be reviewed on a six-monthly basis. For proper coverage of PIA's exposure, an additional or increased bank guarantee will be obtained if it is found insufficient to cover the amount at risk. Failure to comply with the request for an increased security/bank guarantee within 15 days will permit the Principal to terminate the Agreement forthwith under the termination article.
- c. Bank Guarantees shall be valid for the entire period of the Agreement with one year additional validity after the term of the agreement. In case of termination, Bank/Cash Guarantee will be returned only after adjustment of all outstanding invoices/amounts/discrepancies. In case of termination of Agreement by either Party, Bank Guarantee shall be retained by the Principal for at least six months to adjust any discrepancies / Debit Memos arising therefrom.
- d. GSA shall be responsible for the territory sales. Individual bank guarantee from local IATA Agents will be submitted to GSA.

## ARTICLE – 5

### **DUTIES & RESPONSIBILITIES OF GSA:**

The GSA shall perform on behalf of the Principal, the following functions:

1. Providing and operating inquiry, reservations and Booking Offices readily identifiable as the Principal offices(s) according to PIA Brand Image on the ground floor, with the reasonable requirements of the Principal and adequately equipped/furnished for the sales of transportation of passengers and air cargo over the counter, by mail or by telephone/fax. Additionally, GSA will also provide office space for PIA staff plus Secretarial Assistants for PIA's Manager, Finance Manager, Passenger Sales Manager, and Cargo Sales Manager at its own cost.
2. The sales of transportation of passengers on the regular air transport services of the Principal. In this regard, the GSA shall make reservations and issue passenger tickets strictly in accordance with the Principal's laid down procedures, rules, and code of Computerized Reservation System attached hereto as Appendix-C and IATA/BSP/CASS Regulations.
3. Solicitation and promotion of sales on the regular air services of Principal, including the development of specific markets for air transportation by personal and regular contacts with actual and prospective passengers/clients and Sales Agents (as defined in Article 4.1.8). In cooperation with the Principal's management in the Territory, suitable personnel will be employed for this purpose.
4. The sale of transportation on the regular air services of the Principal.
5. To promote sales including the development of specific markets for air transportation by personal and regular contact with actual/prospective passengers and shippers and with commercial houses/sales agents. Suitable personnel shall be employed for this purpose.
6. GSA will allocate 0.5% of the territory net / net revenue equally shared by principal and GSA will be spent for as advertisement/promotion.
7. To undertake special publicity when so requested by the Principal, the cost of which will be chargeable to the Principal.
8. Achieve sales targets as may be set by PIA.
9. To display prominently outdoor as far as is practicable of the Principal's advertising, publicity and display material in windows and interiors of all its (GSA's) office(s) in the territory and on billboards at the prominent places in the designated territory. The colour of the interior walls should conform to PIA's colour scheme.
10. To bring promptly to the notice of its (GSA's) booking and reservations staff and to sales agents in the territory instructions, special advice and sales points sent to the GSA by the Principal.
11. To issue in accordance with the provisions of Article-6 hereof of passenger tickets / Consignment Notes/ Miscellaneous Charges Orders (MCOs) as appropriate in connection with all sales made on behalf of the Principal.
12. To advise the passengers concerning passport, health, currency, immigration and other regulations in force in countries to and through which they are to travel and to shippers concerning the import, export and other customs regulations applicable to their shipments, and ensuring so far as is practicable that such regulations are observed by all such passengers and shippers.
13. To advise and recommend for the appointment by the Principal of Passenger and Cargo Sales Agents in the Territory, provided that the Principal will not appoint any Sales Agent who is not duly approved by IATA for an appointment.



14. To supervise instructions to and settlement of accounts with Sales Agents appointed by the Principal in the Territory and designated by the Principal to act under the responsibility of the GSA excluding PIA virtual agent.
15. Providing and efficiently operating reservations office (s) equipped and adequately staffed for sales of transportation of passenger over the counters, by telephone, fax and mail.
16. Immediate notification to the Principal of any failure by such Sales Agents to report and remit sales made by the Sales Agents on the services of the Principal in accordance with the time limits laid down and advised by the Principal.
17. GSA will bear all litigation and retrenchment costs if any.
18. GSA will be responsible for all the sales of all Agents in the territory for the purpose of allowing sales and for the financial coverage, in case of any default.
19. Maintain liaison with relevant Regulatory Authorities and Government Agencies such as Civil Aviation Authority, Airport Authorities, Bank of Spain, Tax Department, National Carrier, and Handling Agent.

### **STAFF**

GSA will provide:

1. Minimum 02 Ticketing and Reservation staff.
2. 01 Sales Promotion Officer.
3. 01 Sale Support Officer Etc.
4. 01 Secretary / staff for PIA Country Manager
5. PIA may require extra staff at any stage subject to the remuneration separately agreed between the Parties.

Any employees/staff hired by GSA, if terminated, the lay-off/litigation/compensation costs will be borne by the GSA.

### **OFFICE**

Following will be provided by the GSA at its sole cost and expenses:

1. A furnished/equipped ticketing & reservation office for PIA sales,
2. Proper offices for Country Manager, Passenger Sales Manager and Finance Manager and one Record Room for PIA records.
3. Rentals/utility bills (Electricity/Janitorial) and communication cost of PIA sales office will be borne by GSA.
4. One 1800 - 2400 CC /respectable Car will be provided for the country Manager.
5. GSA will process and bear cost of Visa/Immigration Services and related costs for all PIA's based Officers/Staff
6. Assist and facilitate PIA in all matters related to business events, seminars, press briefings, familiarization trips, etc.

## **ARTICLE – 6**

### **PRINCIPAL'S RIGHT OF DIRECT APPROACH TO OTHER SALES INTERMEDIARIES:**

Without prejudice to the provisions of any Article hereof, PIA reserves the right for direct sales approach and direct distribution of publicity matter and similar materials to sales agents in the Territory.

## **ARTICLE – 7**

### **SALE OF TRANSPORTATION:**

1. All passenger transportation sold and air cargo accepted by the GSA under the terms of this agreement shall be sold or accepted subject to the General Conditions of Carriage

of the Principal, as amended from time to time and advised to the GSA, applicable to such transportation and to the rules, regulations, and instructions governing the sale in force from time to time as published in the Principal's time-tables, tariffs, manuals, notices and elsewhere.

2. No transportation either for passenger may be sold directly or indirectly at a fare or rate greater or less than the fare or rate published in the current tariff of the Principal or advised to the GSA by the Principal through any other means by/through the Principal.
3. The GSA shall be responsible for the proper collection of the correct passenger fares and air cargo charges. In case of any short collection, missing documents, ticketing errors, PIA will issue ADM whereby GSA is liable to settle the claim within 15 days of communication of discrepancy either through the production of documents or payment thereof as the case may be.
4. The GSA shall account to the Principal for all amounts received by the GSA for sales of transportation on the Principal's services including those made by Sales Agents in the Territory in accordance with Article 5(14) hereof.

#### ARTICLE – 8

##### **COSTS OF SPECIAL PUBLICITY:**

The costs of special publicity undertaken at the Principal's request in accordance with Article 5(9) hereof shall be subject to the prior approval of the Principal and shall be rechargeable to the Principal.

#### ARTICLE – 9

##### **TRAFFIC DOCUMENTS:**

All Passenger Tickets and MCOs required by the GSA in connection with the sale of transportation herein shall be supplied free of charge by the Principal, provided always that:

1. Such documents shall remain the absolute property of the Principal.
2. GSA shall be responsible for the safe custody, care and proper use of such documents and for the loss or damage sustained by the Principal arising from any theft, misappropriation, loss or improper use thereof and for obtaining on appropriately stamped or headed stationery, written evidence of receipt by appointed IATA Sales Agents of the Principal's Traffic documents supplied by the GSA if any. Penalty for blank lost documents and missing coupons will be imposed on GSA as per corporation policy.
3. The GSA shall send to the Principal on regular basis, a monthly statement showing the tickets and other documents stock it holds for the Principal and also make available the same for monthly inspection if desired by the Principal or its duly authorized representative.
4. GSA shall be liable to notify the Principal, the defects if any in the tickets and other documents at the time of their delivery provided that Principal shall not be liable for any loss subsequent to the delivery of tickets and other documents and agents hereby hold the Principal harmless in this respect.
5. GSA shall at all reasonable times permit any authorized official of the Principal to inspect and check the stock of Principal's tickets and other Principal's documents held by the GSA.
6. The Principal reserves the right to withdraw, any time wholly or partly its revenue documents without assigning any reason whatsoever. Consequent to such withdrawal of traffic documents, the GSA shall fully account for and effect prompt settlement of any dues/sales proceeds as required by the Principal.
7. GSA shall be responsible on the termination of this agreement, for the return to Principal, within 3 days, of all the Principal's Traffic Documents held by the GSA or supplied by the Principal to the GSA and held by appointed IATA Sales Agents in the Territory, and for

accounting for any documents which may be found subsequently, to be unreturned or unreported.

8. GSA shall safeguard such documents against theft at all times they are in the custody of the GSA.
9. GSA shall not accept in any manner, whatsoever, unissued Principal's documents and those of other carriers assigned to and/or held by another agent or sales agent, whether or not such documents have been validated. Should the GSA receive an offer, it shall be refused and shall be reported in writing to the Principal.
10. GSA shall not sell, validate or issue a traffic document of the Principal for transportation solely on any other carrier unless the agent has been so authorized in writing by the Principal.

#### ARTICLE – 10

##### **REMUNERATION OF GSA:**

a. **Service Fee**

The GSA may charge a service fee on Passenger Air Transportation sales made in his territory on the services and documents of the Principal, at the rates laid down in Annexure "B" hereto, as amended from time to time.

b. **Overriding Commission**

The Principal shall pay the GSA an overriding commission on sales made in GSA authorized Territory which are effected on the Principal Documents for transportation on the services of the Principal at the rates laid down in Annexure "B" hereto, as amended from time to time.

#### ARTICLE – 11

##### **DESIGNATED CARRIERS:**

In case the Principal is acting as GSA for any airline/carrier, it may subject to the prior permission of airline/carrier to transfer or assign all or any of its obligations in respect of the territory of the GSA provided however that the GSA shall account to the Principal and not to the designated carrier in respect of all monies received by the GSA in pursuance of this Agreement.

#### ARTICLE – 12

##### **RESPONSIBILITY FOR SALES AGENTS REMITTANCES AND DEFAULTS:**

Notwithstanding Articles 26 and 27 of this Agreement, the GSA accepts unconditional responsibility for:

1. Ensuring that Sales Agents in the Territory who have been appointed by the Principal and who have been supplied with the Principal's Traffic Documents by the GSA, on the due date, submit sales returns and remit payment of monies in respect of sales of Passenger and Cargo air transportation made on the documents of the Principal, in accordance with the instructions of the Principal.
2. The GSA undertakes that all monies received by him on Principal's behalf shall at all times upon and after receipt be the sole property of the Principal. In addition, the GSA hereby waived its right to retain any such monies or funds in case of any dispute or problem with the Principal.
3. Notifying the Principal immediately, by the most expeditious means, of failure by any such Agent to report or remit monies by the due date.

## ARTICLE – 13

### **PROSCRIPTION AGAINST DISBURSEMENT OF COMMISSION:**

The GSA shall not disburse any part of its commission or overriding commission payable under this Agreement to any person whatsoever, except to a person to whom the GSA has, with the consent of the Principal, subcontracted its appointment; provided also that the provision of this Article shall not prevent payment of sales commission, in accordance with Article 11 hereof, to a sales agent appointed by PIA.

## ARTICLE – 14

### **ASSIGNMENT OF BENEFITS:**

The GSA may assign any of its financial benefits to any person. However, it shall in no manner transfer or assign its obligations arising out of this agreement.

## ARTICLE – 15

### **ACCOUNTING AND SETTLEMENT:**

i. In respect of all sales of air transportation made by the GSA and by all other duly appointed Sales Agents, to whom ticket stocks/Airway Bills/Consignment Notes are supplied through the GSA, in the Territory of the GSA, on Principal documentation, the GSA shall render account and remit all dues/monies to the Principal fortnightly or at a greater frequency if so designated by Principal.

ii. Reporting /remittance by the GSA will be as follows:

The GSA shall submit Sales Reports and Remittances on fortnightly basis in the following manner:

- a. For sales done from 1-15 of the month, Sales Report and payment to be remitted to the Principal no later than the last day of the same month.
- b. For sales done from 16<sup>th</sup> to last day of the month, sales report and payment to be remitted to the Principal no later than the 15<sup>th</sup> day of the following month.
- iii. All monies collected by the GSA for transportation sold including any commission withheld by the GSA are the property of the Principal until satisfactorily accounted for to the Principal. The GSA shall not use such monies to engage directly or indirectly in any transactions, which are intended to obtain for the agent any advantage additional to his commission.
- iv. Commission entitlements as specified in Appendix “B” may be deducted from the total amount due to the Corporation.
- v. The GSA shall submit to the Principal a monthly statement of sales and disbursements made on behalf of the Principal under this Agreement, within 15 days of the end of the month in which those transactions are made. The statement shall be in the format provided by the Principal, at the time this Agreement is executed and subject to the terms and conditions advised by the Principal and agreed by the GSA; provided that the format, terms, and conditions may be subsequently amended from time to time with the concurrence of the parties.

## ARTICLE – 16

### **AGENCY EXPENSES:**

The GSA shall provide at its own expense, for the purpose of the Agency hereby created, adequate and suitable premises, qualified staff, equipment, facilities, and supervision and in consideration of the remuneration and reimbursements payable under the provisions of the Agreement hereto shall defray all costs and expenses of and incidental to the Agency except as may be provided specifically in this Agreement.

#### ARTICLE – 17

##### **EQUIPMENT:**

In pursuance of Article 5 of this Agreement, the GSA shall provide at the premises referred to all common user equipment and stationery as may be necessary for the purposes hereof, but specific type equipment and stationery forms especially required by the Principal for its use/operations herein shall be provided by the Principal at its own expenses.

#### ARTICLE – 18

##### **INSTRUCTIONS & STANDARDS:**

The GSA shall at all times observe and comply with all reasonable directions and instructions given to it by the Principal or its authorized local representatives concerning the services to be provided under the terms and conditions of this Agreement and shall ensure that all its staff concerned shall be at all times familiar with all such directions and instructions as amended or altered from time to time.

In providing the services required herein, the GSA shall observe and comply with all applicable laws and regulations and generally shall carry out its duties hereunder with all due efficiency and dispatch and to the standards required by PIA.

#### ARTICLE – 19

##### **PIA's RIGHT TO MAINTAIN OWN OFFICE/STAFF LIAISON:**

The Principal reserves the right to establish its own office and to station its own management and staff in the territory in any capacity, the GSA will undertake to facilitate the principal in carrying out the above activities and extend all necessary liaison with such staff in carrying out of their duties and responsibilities; provided that the duties of such management and staff do not prevent, restrict or inhibit the GSA in the performance of its duties described in this Agreement.

#### ARTICLE – 20

##### **INFORMATION REPORTS AND INSPECTION OF RECORDS:**

1. The GSA shall make the Principal aware of all relevant information concerning local laws, regulations, and restrictions affecting the passage of aircraft, passengers and air cargo including those relating to taxes, customs immigration, currency and health, and shall promptly advise any alternations thereto.
2. The GSA shall compile and render promptly to the Principal such statistics, returns and reports as may reasonably be required by the Principal in respect of the GSA's activities under this Agreement.
3. The GSA shall at all reasonable times permit the authorized officials of the Principal to inspect and check all GSA records, documents and accounting transactions maintained on behalf of the Principal relating to Principal's business. The Principal may make copies of such records or documents.
4. The GSA shall at all reasonable times permit the authorized officials of the Principal access to the premises of the GSA to inspect documents and property of the Principal held by the GSA.

5. All records, accounts, and documents held by the GSA on behalf of the Principal must be preserved by the GSA for a period of 10 years or according to local laws.

#### ARTICLE – 21

##### **DESIGNATION OF AGENCY:**

The GSA shall be entitled to describe itself as Agents of the Principal at its place(s) of business and on commercial documents, advertisements, notices, publications, letterheads, and similar items but shall in all cases qualify such description by prefixing the words “General Sales Agent”.

#### ARTICLE – 22

##### **DIRECTORY INSERTION AND PUBLICITY:**

1. The GSA shall if so, requested; arrange for the insertion of Principal's telephone contacts in appropriate directories in the name of the Principal along with the local address of the GSA and showing its own name as GSA if it so wishes. Any charge for such entries shall, when inserted at the Principal's request, shall be rechargeable to the Principal.
2. The GSA shall as far as to arrange adequate display boards showing the name of PIA at Airports and other prominent places in the GSA's territory.

#### ARTICLE – 23

##### **NO ACTION CONTRARY TO LAW:**

Nothing contained herein shall require the GSA to take any action contrary to law or contrary to any rule, resolution, regulation or agreement of the International Air Transport Association.

#### ARTICLE – 24

##### **PROHIBITED DEALINGS:**

In matters arising out of this Agreement, the GSA shall not give credit to or deal with any person, firm or company to whom Principal shall, from time to time, instruct it not to give credit or to deal.

#### ARTICLE – 25

##### **EXEMPTION FROM FAILURE TO PERFORM:**

The GSA shall be exempt from liability in respect of any failure to perform its obligations under this agreement, arising from any of the following causes: -

1. Labour disputes involving a complete or partial stoppage of work and strikes threatened or actual whether of the employees of the GSA or of others on whom the GSA may be depending to fulfil this Agreement.
2. Force majeure or any other cause beyond the control of the GSA including accidents to or failure of aircraft or any part thereof or any machinery or parts thereof used in connection therewith or in servicing or maintenance thereof provided that in the event of such stoppage or failure the GSA shall use its best endeavours to fulfil its obligations herein.

#### ARTICLE – 26

##### **LIABILITY/INDEMNITY:**

Except as otherwise expressly provided in this agreement thereto, Principal shall not indemnify the GSA from and against all actions, claims proceedings, costs, losses, damages, charges and

expenses which the GSA may sustain, incur or pay by reason of any service rendered by the GSA under the terms of this Agreement.

The GSA undertakes and agrees to indemnify and hold harmless principal, its officers and staff from and against all claims including but not limited to litigation, foreign and domestic, (Including lawyers' fees), Demands, liabilities, damages expenses of any nature whatsoever, arising out of, in connection with or resulting from this agreement whether or otherwise due to performance/non-performance poor or under performance of any obligations under this agreement by the GSA, its employees or its agent or otherwise.

#### ARTICLE – 27

##### **SETTLEMENT OF DISPUTES / ARBITRATION:**

In the event of any dispute concerning the interpretation or application of this Agreement or concerning any rights or obligations arising therefrom, and no amicable settlement can be reached, such dispute shall be referred to and finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce with the seat of arbitration at neutral territory.

#### ARTICLE - 28

##### **WARRANTY:**

The GSA shall not give any warranty in the name of the Principal except where the same shall have been authorized by the Principal.

#### ARTICLE - 29

##### **LEGAL PROCEEDINGS:**

The GSA shall not take legal proceedings in the name of the Principal without the consent in writing of the Principal nor shall it without such consent defend, settle, release, or discontinue any action or other legal proceedings or otherwise prejudicially affect the interests of the Principal.

#### ARTICLE - 30

##### **TRANSFER OF AGENCY/SUBCONTRACTING OF APPOINTMENT:**

The GSA shall not assign, transfer or delegate its rights or liabilities under this Agreement without the prior consent in writing of the Principal, provided, however, that it may subcontract the doing or performing of the acts, duties or obligations which by this Agreement, is required or obliged to do or perform but shall, nevertheless, be responsible to the Principal for all such acts, duties, and obligations being properly and duly done or performed.

When the agent intends to transfer, assign or delegate its rights and liabilities or sub-contract the doing or performing of any of the acts, duties or obligations under this agreement, he shall provide to the Principal such documents and information in such manner which may be required by the Principal in order to consider the change.

#### ARTICLE - 31

##### **ACCEPTANCE OF OTHER APPOINTMENTS:**

The GSA shall not accept any new appointments as Passenger/Cargo General Sales Agent for any other carrier that operates direct flights from the Territory to Pakistan and is a direct competitor of the Principal without the prior written consent of the Principal, which consent shall not be withheld unreasonably.

## ARTICLE - 32

### **DEFAULTS:**

If the GSA at any time defaults in observing or performing any of the provisions of this Agreement or becomes the subject of bankruptcy proceedings or makes an assignment for the benefit of, or enters into any arrangement with its creditors, or goes into liquidation, or suffers any of its goods to be taken in execution or ceases to be in business for the purpose of the sale of air transportation, this agreement may, at the sole option of the Principal and notwithstanding the provisions of Article, be terminated forthwith and the Principal may forthwith take possession of any documents or other property of the Principal that is in the possession of the GSA. GSA will be severally liable for any outstanding amounts in default and bank guarantee held thereto will be encashed to recover the amounts in default provided GSA has not paid it from any other source. The liability of GSA for any defaulted amount over & above the bank guarantee will be unlimited. The principal, in addition to above actions, shall be entitled to recover the amount through other lawful means if required,

## ARTICLE - 33

### **RETURN OF PROPERTY:**

On the termination of this Agreement, howsoever occasioned, the GSA shall forthwith surrender to the Principal all property, material, and matter of a permanent nature entrusted to it by the Principal and shall account for any deficiency therein.

## ARTICLE - 34

### **APPLICABLE LAW:**

This Agreement shall be interpreted in accordance with the laws of the Islamic Republic of Pakistan. The place of jurisdiction for any legal action arising out of or in connection with this Agreement shall be Karachi, Pakistan.

## ARTICLE - 35

### **CONFIDENTIALITY:**

GSA shall keep confidential any Confidential Information (as defined below) obtained from Principal, or any of its affiliates under or in connection with this Agreement and shall not divulge the same to any third party without the prior written consent of the Principal. Such Confidential Information will only be used by GSA in connection with the performance of obligations under this Agreement.

For the purpose of this Agreement, Confidential Information shall mean all information, data, records, reports, know-how, manuals, agreements and other proprietary information which is not publicly known concerning or relating to the following matters and which may be disclosed by the Principal, or any of its affiliates, in either written or oral form, prior to or after the date of this Agreement, with respect to:

This Agreement; or any of the Principal's past, present or future business activities, policies or plans including but not limited to its Sales, fleet, marketing, engineering, flight services and operations etc.

GSA agrees that damages may not be an adequate remedy in the event of breach therefore injunctive relief may be sought in respect thereof. In addition, Partner agrees, at the Principal's request and expense, to join in any action seeking appropriate injunction relief against any third



party designated by Principal in respect of any unauthorized disclosure of such Confidential Information.

The provisions of clauses shall not apply to:

Any information which, after disclosure to GSA, come into the public domain otherwise than through breach of this Agreement;

Information lawfully in the possession of GSA (as evidenced by its or its advisers' written records) before disclosure to GSA by Principal;

Information lawfully received or obtained by GSA from a third party which has acquired it lawfully and which is not bound by an obligation of confidentiality to Principal; or

Information required to be divulged by law, regulation or order of a court of a competent jurisdiction (provided that, in such circumstances, the disclosure shall only be made after prior consultation with the Principal and taking into account its reasonable requirements as to timing and manner of disclosure).

ARTICLE - 36

**NOTICES AND REQUESTS:**

Any notice or other communication required or permitted including any demand for arbitration to be given herein shall be sufficient if sent by mail and courier letter, by one party to the other, as follows: -

if to the GSA:	If to the Principal:
Chief Executive officer	Chief Commercial Officer Pakistan International Airlines Corporation Ltd. PICL Building, Jinnah International Airport Karachi - 75200, Pakistan

ARTICLE - 37

**MARGINAL NOTES:**

Marginal notes are inserted in this Agreement for the purpose of reference and convenience and in no way define, limit or describe the scope or intent of the Agreement.

ARTICLE - 38

**WAIVER:**

Failure by either party at any time to enforce any of the provisions of this agreement shall not be construed as a waiver by such party of such provisions or in any way affect the validity of this agreement or any part thereof.

ARTICLE - 39

**MODIFICATIONS:**

Modifications of or additions to this Agreement must be approved in writing by the responsible official of both parties and shall, thereafter, be attached to this Agreement as "Amendments".

ARTICLE – 40

**TRANSITION**

Upon expiry or termination of this Agreement, GSA will liaise with and coordinate with the Principal for new appointed GSA to ensure smooth transition and continued uninterrupted operation.

Article-41

**OTHER AGREEMENTS SUPERSEDED:**

This Agreement shall supersede any and all prior agreements and amendments thereon, if any, between the parties hereto concerning the sale of air transportation offered by PAKISTAN INTERNATIONAL AIRLINES CORPORATION except with respect to all liabilities as may exist as at the date hereof.

IN WITNESS HEREOF the parties hereto through their duly authorized officials have set their respective hands on these presents on the date and year first mentioned hereinabove.

Executed in two copies, all in the English language.

Signed for and on behalf of the Agency.  <b>Chairman / CEO</b>	Signed for and on behalf of <b>Pakistan International Airlines</b>  <b>President &amp; CEO PIACL</b>
Witness – 1	Witness-1
Witness - 2	Witness-2

**RESERVATION AND TICKETING CODE OF CONDUCT**

**A. GENERAL**

1. The GSA shall be under an obligation to make the reservations and issue tickets strictly in accordance with the Code for Computerized Reservation System provided herein below, amended and/or substituted from time to time. PIA's Policy and Procedures related to Reservations and Ticketing based on 1.1 and 1.2 Procedure provided herein below; and any other ticketing rules and procedures specified by PIA from time to time.
2. The GSA shall be solely liable for the consequences of its failure to comply with any of the requirements of Clause 1 hereof and shall be subject to penalties specified herein below and as modified, amended and/or substituted from time to time.

**B. MONITORING OF THE GSA AND PENALTIES:**

PIA will regularly monitor the activities of the GSA who has been given access to PIA's Reservation System, to ensure compliance with the Code and procedures laid down by PIA. Deviation from the same will be viewed as deliberate misuse of PIA's Reservations System (the "System") for gaining an undue advantage.

3. The GSA shall be penalized according to PIA's policy in the form of a fine and or denial of access into the System for insertion of fictitious ticket numbers, formats and or misuse of VCR, to block inventory.
4. All related expenses e.g. excessive GDSs billings etc. incurred by PIA due to deliberate misuse violation of procedures, late cancellations, etc. shall be recovered from the booking/ticketing GSA in addition to existing penalties.

**SYSTEM ABUSE:**

5. System abuse is an irregular action/activity and/or omission which is in violation of the Code and procedures prescribed by PIA, and which results in loss of revenue/rights and/or risk of loss. The activities listed below are considered a gross violation and misuse of the System and GSA must refrain from these practices.
  - 5.1 Inventory churning: The GSA consistently and/or excessively books cancels and rebooks space on an airline's inventory.
    2. Holding seats: Holding a seat on open flights by creating innumerable segments, without creating a Passenger Name Record ("PNR") and releasing segments /seats just before the departure of the flight.
    3. Capturing Seats: Use of action code LL / NN innumerable times, in a bid to capture cancelled seats suspended in the AAA, before they are returned to the inventory.
    4. Blocking seats: With fictitious names and ticket numbers, and or used/void ticket numbers (misuse of VCR) and later cancelling and capturing them simultaneously.

5. GSA will be severally liable to compensate for any Revenue losses suffered owing to any system abuse activity. In addition, thereto, a penalty equal to PKR 20,000/ per document/record will also be imposed.

**C. CODE FOR COMPUTERISED RESERVATION SYSTEM AND ITS USE AS A DISTRIBUTION FACILITY BY GSA**

6. When booking or canceling space, the GSA shall ensure that the reservation designator being used corresponds to the fare paid by the client.
7. The GSA shall not deliberately make duplicate reservations for the same passenger. Where confirmed space is not available, the client may, at his choice, be wait listed on that flight (if wait-list is available) and confirmed on an alternative flight.
8. When a client cancels a reservation, the GSA shall immediately release that space.
9. When a client changes an itinerary, the GSA shall ensure that all space and supplementary services are canceled when the new reservations are made.
10. The GSA shall, where practicable, request or process all reservations for a specific itinerary and all subsequent changes through the same computerized Reservation system.
11. The GSA shall not request or sell airline space unless requested to do so by a client.
12. The GSA shall ensure that a ticket is issued in accordance with the reservation status of each segment and in accordance with the applicable time limit.
13. The GSA shall not issue a ticket indicating a definite reservation and a particular flight unless confirmation of that reservation has been received.

**D. PIA'S POLICY AND PROCEDURES RELATED TO RESERVATIONS:**

15. The name element in a PNR is the most important part of the reservation record. As a rule, the name must be entered in the sequence and format prescribed by PIA. Passport details and other details of the clients must also be entered according to the API requirement.
16. PIA does not allow name change, if it is necessary to make a name change for correction of spelling/title and/or an error related to API format, the GSA requesting the change must verify that the change has been affected in PK PNR, PIA Contact Centre / Office before finalizing the transaction.
17. Speculative bookings with or without ticket numbers must not be made under any condition such booking when detected shall be canceled without notification and the GSA shall be penalized according to PIA policy.
18. Reservations for stretchers, MEDA, and unaccompanied minors must be made and coordinated through PIA offices only.
19. The GSA must not make duplicate / multiple booking deliberately:
  - a) If duplicate bookings are found, created by the same agency the most recent booking will be retained by PIA, rest will be canceled with an advisory.
  - b) Where more than one agency is involved the respective PNRs will be verified with each GSA for the cancellation of the duplicate segments.
20. Party of 7 or more in the specified calls of service, constitutes a Group / Large party. Group booking should not be divided, for the sake of getting instant confirmation of seats, as it leads to the mishandling of clients. Securing 07 or more seats for a group by making several individual transactions are not allowed and may result in cancellation of

these booking at PIA's discretion. A group may be divided only if there is: (a) Reduction in the size of group. (b) Change in the itinerary. (c) Reserved seating of more than 50 clients.

21. Telephone, cell phone and/or e-mail address at both points of origin and all transit/turnaround points must be provided to enable flight firming and customer services after office hours. GSA contact must also be accurately recorded. PNRs, which do not include correct contacts, shall be liable for cancellation.
22. In exceptional cases where client contact is not available, the GSA may insert PWCT in the contact field and it must be clearly explained to the client that in the absence of personal contact it will be the clients' responsibility to keeping in touch with PIA. PIA will not be able to inform changes or cancellation of flight if any, that take place after office hours or on public holidays.
23. The GSA will ensure compliance with the reconfirmation procedure where applicable.

#### **E. TICKETING PROCEDURES**

The GSA must adhere to Ticketing Procedures according to PIA's policy and be aware of the consequences of violation of Ticketing Procedures.

The GSA shall strictly follow ticketing SOP available in DRS including circulars issued later, which shall automatically become a part of it.

1. Passenger's photo identity check has been made mandatory. Travel GSAs must check and record it in the PNR/VCR and advise the passenger to bring the photo I.D for making any changes in reservations and/or when reporting for check-in at the airport.
2. Re-validation is mandatory and a violation will result in heavy penalties on the concerned Travel GSA. It must be ensured after every change. a) When penalties/charges are involved, b) When penalties/charges are not involved.

Re-validation when charges are involved:

a) The Travel GSA must get the VCR re-validated/re-issued from the PIA ticketing Office /airport reservation counters, who shall perform ticketing transaction to collect the amount due, through exchange procedure specified by the Airline. Under no circumstances, the PNRs should be reconfirmed /or the passenger is directed to the airport check-in counter without getting the VCR revalidated/re-issued (payment /charges which could be due to any of the following reasons:

Change of booking resulting in: Fare difference caused due to change of RBD /seasonality or day or week application if any. Penalties are due to change in flight /city pair/date. (COB) Extension of validity. No show charges Refund charges. Etc.

b) Re-validation when no charges are involved:

When a VCR gets disassociated due to cancellation/re-booking and no charges are involved the Travel GSA must get the VCR re-validated through PIA Office after necessary verification and reconfirm the booking without performing a ticketing transaction. It is mandatory to get the VCR re-validated to ensure the itinerary on the PNR and VCR synchronize. The passenger may be requested to collect the itinerary

print/passenger receipt from the PIA web site, booking office/Reservation counter at the airport.

3. Ticketing for special reservations and “GN” status action must be processed through PIA booking offices. These PNRs include “Stretcher case, Un-accompanied Minor and request for Oxygen, etc.
4. The GSA must not insert fictitious ticket numbers, incorrect formats in PNRs, reuse assigned VCR for multiple flights/dates. Such PNRs shall be canceled during auto flight firming, without any warning and shall be subject to the existing penalty per passenger in the PNR.
5. A PNR must be ticketed according to the time limit deadlines and fare rules specified by PIA. Time limits are automatically generated in the SSR field & placed in the respective queue of the Travel GSA. “Revenue Integrity Management” RIM automatically manages time limits
6. Tickets must be used in the sequence provided in the e-ticket, PK reserves the right to charge the higher fare if any failing which it will cancel any PNR and invalidate the remaining flight coupons.
7. For issuing /handling open dated tickets, PIA’s current policy must be strictly followed.
8. Issuance of paper ticket not permissible, in case of the system down age/other problem contacts local PIA Office.
9. It is mandatory that the reservation booking designator (RBD) used in the booking space is in accordance with the applicable fare quoted/charged. PIA reserves the right to cancel any PNR where segment booked do not comply or synchronize with authorized booking class codes. The GSA shall be debited by PIA for the higher fare.
10. The GSA must ensure that the queues are worked and cleared promptly and regularly, ensuring, confirmation and schedule change is advised to passengers requiring adjustments in the itinerary/VCR.
11. The GSA shall use updated information on airline reservation procedures functionality available in their Direct Reference System while performing reservation & ticketing transactions.
12. The GSA shall receive headline messages on the screen when it logs on. The GSA must read the messages as they are important PIA notifications regarding enhancements/modification in Reservations / Ticketing and passenger handling procedures.

### **INTERLINE TICKETING:**

When an E-ticketing agreement exists, Travel GSA issuing PK/Other Airlines’ document with PK and other Airline segments in the itinerary must be e-ticketed.

When no e-ticketing agreement exists, Travel GSA issuing PK/Other Airlines’ document, GSA will issue a VMPD and send it to PK Office for issuance of a ticket.

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**Annexure “B” to GSA Agreement  
Dated:**

Given below are the rate of Service Fee, Overriding Commission, Commission on Charter Sales and Service Charges, on the following conditions: -

For Sales on Regular/Charter Services including extra Sections:

1. Service Fee

a. Passenger Sales:

GSA will be entitled to charge a passenger service fee (YR) up to 7% (not applicable in case of commissionable fares) over and above applicable net/net base fare on GSA counter sales. The service fee will be applicable if sales are made in the GSA's authorized office(s) / location(s), stipulated in Annexure “B” to the GSA Agreement. Service Fee will be subject to changes from time to time as per the Corporation policy.

b. Cargo Sales:

GSA will be entitled to charge sales and service commission up to 5% over and above applicable net / net cargo rate for the GSA's own sales, (Commission level will be subject to change by the Principal providing at least 30 days' notice). The commission shall be calculated on the carrier /s charge for air transportation (including valuation charges) but shall not be calculated on other charges, such as insurance, storage, taxes, and fuel surcharge, etc. Such commission shall be payable to the agent for international air cargo transportation sold by the agent on the services of the Principal on Principal Air Way Bills / Consignment Notes executed at the approved locations stipulated in Annexure-C to the GSA Agreement and on any through air transportation connecting with the services of the Principal. Sales Commission shall also be payable on “charges collect” shipment where the agent at destination performs the required services and remits the entire sales proceeds to the Principal provided no sales commission is otherwise paid to any other agent.

c. Sales to Government

No Sales Commission shall be payable to, claimed or withheld by the GSA for passenger and cargo transportation sold to a Government:

- i. at a Government discount;
- ii. Where payment for such transportation is directly made to the Principal or paid by a Government transportation request or transport warrant unless such request/warrant is drawn in favour of the agent who cashes it and remits the proceeds to the Principal.
- iii. PIA's company material (COMAT).  
The term “Government discount” used in para-1 above, is deemed to be that discount that is applicable to government employees, such as Armed Forces, diplomats, etc., but will not apply to government-directed fares or rates normally sold to the general public.

**2. Overriding Commission:**

**a. Passengers Sales:**

- I. Passenger GSA shall be entitled up to three (03 per cent) Overriding Commission (ORC) on net/net passenger sales in the territory at the source. (Net/Net sales = gross sales minus all taxes / incentives / refunds / commission / service charges / scanning / storage / other surcharges as applicable in the territory).
- II. 03 ORC will be paid on quarterly basis – on net/net sales after deduction of all applicable ADMs or any other if applicable.
- III. ORC will not be applicable to the following components:
  - Interline Revenue (non-PK contribution)
  - Web Sales
  - Virtual Agent Sales
  - Electronic Misc. Documents Sales

**b. Cargo Sales:**

- I. Cargo GSSA will be entitled to charge standard Sales & Service Commission up to 5% over and above applicable net/net cargo rate for the GSSA's own sales. (Commission level will be subject to change as per PIA policy).
- II. Cargo GSSA will be entitled to 2.5% overriding commission (ORC) on net/net cargo sales in the designated territory. (Net / Net sales = gross sales minus standard commission / taxes / incentives / refunds / service charges / storage / scanning / fuel surcharge / other surcharges as applicable in the territory).
- III. Payment of overriding commission for Cargo GSSA will be at source on fortnightly basis.

The overriding commission shall be payable on principal's Air Waybills/Consignment Notes for transportation on the services of the principal only, including on "charges collect" shipments, provided always that no overriding commission is otherwise paid to any other GSA.

**3. Conditions for Payment and recall of Commission:**

Neither Normal Commission nor overriding commission shall be payable to the agent unless the agent has paid over to the Principal all sales proceeds in accordance with Article 9 of the Agreement. This provision (payment will not apply in cases of tickets issued by the agent against a Prepaid Ticket Advice – PTA).

Neither commission nor overriding commission shall be paid on:

- I. Any applicable transportation Tax collected with a passenger fare or any other incidental fees collected over and above the published passenger fares:
- II. Any fare refunded for any reason, and any commission actually paid to the GSA in respect of such refunded fare, shall be repaid to the Principal on any excess baggage charges collected by the GSA.

**4. Commission on Charter Sales**

The GSA shall be entitled to a sales commission and overriding commission for the sale of charter transportation at the rate of 5% (five per cent) and 2.5% (two point five per cent) on Passenger and cargo sales respectively of the agreed charter price including surcharges, ferry charges, excess valuation and aircraft charges but excluding taxes,



demurrage, and special handling charges. Neither sales commission nor overriding commission shall be paid to the agent unless:

- i. The GSA has been instrumental in promoting and securing the charter sale and in concluding the charter agreement between the Principal and the charterer,
- ii. The GSA has collected and paid over to the Principal the agreed charter price and/or other charges stipulated in the charter agreement.
- iii. The agent has provided all General Sales Agency services as required by the Principal.

**5. Service Charges:**

When the GSA is required to issue tickets/Airways bills for a charter flight of the Principal where the charter agreement is executed and the relevant charter price is collected by the Principal outside the GSA's assigned sales area, the agent shall be entitled to a service charge which may be agreed between the Principal and the GSA.

**6. Special Flights and/or Hajj Flights**

Sales commission or overriding commission is payable for sale of passenger transportation on any special flights or Hajj Flights operated by the Principal to/from or through the assigned sales area of the GSA on rates agreed between the contracting parties.

**Annexure “C” to GSA Agreement**  
Dated:

Following minimum security standards are required to be met by the GSA.

1. The premises are adequately secured against burglary.
  2. The authorized office location is not shared by any other firm/person for any purpose.
  3. A good quality fireproof iron safe for the storage of PIA's traffic documents and other accountable materials which must be over 182 Kg (400 lbs.) in weight, and fitted with both key and combination locks are installed. The safe is bolted or cemented or otherwise secured to the floor or wall of the premises if it weights under 300 Kg (660 Lbs).
  4. Fire alarm to be fixed at the premises.
  5. Insurance against theft, burglary, etc. of the traffic documents.
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