

**APPOINTMENT OF  
GENERAL SALES & SERVICES AGENT IN UNITED KINGDOM**

Pakistan International Airlines Corporation Limited (PIACL) invites applications from reputable and financially sound firms/companies for the appointment of General Sales & Services Agent GSA (Cargo) in the UK.

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 GSSA 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 GSSA in UK".

The last date for submission of bids is **30.11.2020 at 4:00 PST** and tender will be opened on the same date i.e. **30.11.2020 at 04:30 PST** in the office of the undersigned.

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

**Note: An 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) , Tel: +92 21 9904 4969

**REQUEST FOR PROPOSAL  
APPOINTMENT OF GENERAL & SERVICES AGENT**

- i. Should be a locally registered firm / company and possess trading license for 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 5 (Five) million or equivalent per annum for online station and USD (2) two million per annum for offline station pertaining to aviation / travel trade.
- iv. Should have minimum 03 years' experience in the respective field of Cargo Sales. Preference will be given to parties having a proven track record in the field of passenger & Cargo sales.
- v. Should be a GSSA of at least one major airline. Preference will be given to those having more than one GSSA not operating to Pakistan from that territory as a PK competitor including Code Share arrangements.
- vi. Should be familiar with IATA / BSP / CASS / 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. **However there is no such binding for Cargo 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. DGR certification for cargo staff is mandatory. 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. A draft Agreement is attached.

**A. Technical Parameters:**

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

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 5 (Five) million or equivalent per annum pertaining to aviation / travel trade.			
4	Should not be a GSSA 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 GSSA of at least one major airline. Preference will be given to those having GSSA of more than one airline.			
7	IATA Sales Agent may apply subject to relinquishment of their accreditation if appointed as GSA. However there is no such binding for Cargo GSA.			
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**

**Qualifying 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 GSS A	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									

**DRAFT**  
**GENERAL SALES & SERVICES AGENCY AGREEMENT**

This General Sales Agency Agreement is made on this day of \_\_\_\_\_ Date \_\_\_\_\_ between **PAKISTAN INTERNATIONAL AIRLINES CORPORATION, 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 MESSERS \_\_\_\_\_ Company's Name \_\_\_\_\_ (also referred to as \_\_\_\_\_) whose registered office is at \_\_\_\_\_ Address \_\_\_\_\_ (hereinafter referred to as the "GSSA" of the other part), hereby agree to the following:

**ARTICLE – 1**

**APPOINTMENT OF GENERAL SALES AGENT**

The Principal hereby appoints \_\_\_\_\_ Company's Name \_\_\_\_\_ as its General Sales Agent (GSSA) for Cargo sales in \_\_\_\_\_ (City Name) \_\_\_\_\_, \_\_\_\_\_ (Country Name) (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 GSSA 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 GSSA applies for accreditation as an IATA Agent in that country, it shall immediately notify the Principal. Acquiring IATA accreditation is a disqualification, therefore, agreement shall be terminated forthwith without any liability against PIACL. 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 \_\_\_\_\_ ("commencement date"). However, the agreement will only come into effect when the Bank Guarantee (as defined in Article 4) is submitted by GSSA to the Principal. This agreement shall continue in force for three years from the commencement date effective \_\_\_\_\_ till \_\_\_\_\_ 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 for a further period subject to satisfactory financial and sales performance of GSSA 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 30 days prior notice in writing through registered mail, acknowledged telex or cable, courier or e-mail, without

assigning any reason to the GSSA. This Article shall have overriding effect and shall prevail over Article 41.

4. GSSA's performance will be periodically monitored, on 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 GSSA appointments.
5. If the GSSA (for the purpose of transacting business on Principal's documents), is found selling outside his designated territory, the GSSA Agreement would be immediately terminated.
6. In the event of violation of any terms and conditions of this Agreement by the GSSA, the Principal reserves the right to terminate this Agreement forthwith and withdraw its revenue documents, papers and any of its property from the GSSA.
7. If sales reports and remittances not received on due date, as stipulated under Article 14, the Principal reserve the right to terminate the GSSA 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 GSSA will be required to submit unconditional/irrevocable bank guarantee on PIA approved format 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 whole or part of the term of the agreement. No interest/profit will be payable on return of the cash guarantee.
- b) Bank Guarantee will be reviewed on six monthly basis. For proper coverage of PIA's exposure, additional or increased bank guarantee will be obtained, if required. 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 entire period of the Agreement with six months additional validity after 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 one year to adjust any discrepancies / Debit Memos arising there from.

#### **ARTICLE – 5**

#### **DUTIES & RESPONSIBILITIES OF GSSA:**

The GSSA shall perform the following functions on behalf of the principal:

1. The GSSA shall provide an operating enquiry and dedicated sale office fully equipped/furnished Cargo Sales and Services office for PIA in accordance with the PIA's brand image easily accessible to general public and with adequate manpower. GSSA



shall also provide furnished office accommodation along with equipment for PIA's Cargo Sales Manager along with Secretarial Assistance.

2. Sale of air Cargo business on service of the principal, in accordance with the tariffs, rules, regulations and documentation provided by the principal in the GSSA assigned territory.
3. Administration of reservations for air Cargo business on the services of the principal and all clerical works in connection therewith.
4. To advise and recommend for the appointment by the Principal of Cargo Sales Agents in the Territory, provided that the Principal will not appoint any Sales Agent who is not duly approved by IATA for appointment.
5. Oversee of Cargo Agents and other customers in the territory and settlement of accounts with these agents and other customers, if required, in respect of sales of transportation over lines of the principal under issuance of the traffic documents (such as air waybills) of the principal.
6. Achieve sales targets as may be set by PIA
7. Providing the principal with information concerning local laws, regulations, taxes and other similar information.
8. The GSSA shall provide monthly reports of present and future market developments, including the activities of the principal's competitors as well as any other sales or commercial information that may reasonably be required by the principal.
9. Representation of the principal, in negotiations with Governmental and other authorities, officials, offices and agencies if so desired by the principal.
10. 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 GSSA.
11. Preparation of all documents required by local or international regulations and/or as may reasonably be required by the principal, such as declaration for fiscal purposes.
12. On the request by the principal, special publicity or advertising. Publicity material provided by the principal shall remain the property of the principal. Undertakes special publicity and promotional campaigns when so requested by the principal in his designed territory and the cost of such publicity and promotional campaigns shall be shared on 50/50 basis by the GSSA and the principal.

13. Ensuring consignments are delivered to the receiving points designated by the principal.
14. Arranging for appropriate identification for the principal's at all the GSSA's offices in the territory and the distribution of the principal timetables, tariffs and promotional material to Agents and to the general public.
15. 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 (GSSA's) office(s) in the territory and on billboards at the prominent places in the designated territory. The color of the interior walls should conform to PIA's color scheme.
16. Provision of, and separately compensated for, other service, which may reasonably be required by the principal.
17. Advice to shippers concerning 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 shippers.
18. Sales promotion including the development of specific markets for air business, by personal and regular contacts with actual and prospective shippers and with commercial houses and suitable personal shall be employed for this purpose. GSSA will advertise, at his cost, to maintain constant awareness of PIA services through local TV advertisements and print media.
19. The GSSA shall ensure that it has sufficient competent personnel to fulfill its obligations under this Agreement.
20. The GSSA agree to comply with all reasonable directions and instructions of the principal or its authorized representative concerning all matters affecting or arising out of this agreement.
21. The GSSA agrees to take all possible steps to ensure that the quality of the services furnished to the principal by the GSSA and its Agents, as well as those provided by respective government authorities, is not less favorable than that given to any others, including the GSSA itself, at the same location.
22. The GSSA shall comply with all provisions of the IATA Traffic resolution in the sale of air cargo business.
23. The GSSA shall account to the principal for all amounts received by the GSSA for the sale of transportation on the principal's services as per rates provided by the principal with all applicable charges and taxes.

24. The GSSA shall provide readily identifiable office as of the principal, in accordance with the requirements of the principal, equipped and staffed for the sale of air business.

### **STAFF**

GSSA will provide:

- i) Minimum \_\_\_\_ Cargo booking and Information Staff.
- ii) \_\_\_\_ Sales Promotion Officer.
- iii) \_\_\_\_ Secretary for PIA Cargo Manager or any other additional employee as may be required by the Principal.
- iv) PIA may require extra staff at any stage subject to the remuneration separately agreed between the Parties.

Any employees/staff hired by GSSA, if terminated, the layoff/litigation/compensation costs will be borne by the GSSA. PIA will not bear any cost in this regard.

### **OFFICE**

Following will be provided by the GSSA:

- a. A fully furnished/equipped Cargo Booking & Information office for PIA sales.
- b. Proper office for Cargo Manager (\_\_\_\_ x \_\_\_\_), and one Record Room for PIA records.
- c. Rentals/utilities and communication cost of PIA sales office will be borne by GSSA.
- d. Provision of one 1800-2400 cc Car for Cargo Manager.
- e. To provide reasonable assistance for Visa/Immigration services for PIA's Pak officers/staff.
- f. 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 to 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 air cargo shall be sold by the GSSA under the terms/conditions of this agreement and IATA rules, and subject to the conditions of carriage of the principal as amended from

time to time subject to notifications to the GSSA of such rules, regulations and instructions governing the sale and use of such transportation in force from time to time as published in the principal's timetables, tariffs, manuals, notices and elsewhere. The GSSA shall not in any manner vary or modify the terms and conditions set forth in any document or accountable revenue documents used for services provided by the principal and the GSSA shall complete these document in the manner prescribed by principal by and or by IATA rules.

2. No transportation shall be sold directly or indirectly at a rate less than the rate published in the current tariff of the principal or advised to the GSSA by the principal or any other means.
3. The GSSA shall be responsible for the proper collection of the correct air cargo charges as advised by the principal from time to time. In case of any short collection, PIA shall issue CCA (Charges Correction Advice) whereby GSSA is liable to settle the claim within 15 days of communication of discrepancy either through production of documents or payment thereof as the case may be.
4. The GSSA shall account to the Principal for all amounts received by GSSA for sales of transportation on the Principal's services including those made by Sales Agents in the Territory.

## **ARTICLE – 8**

### **TRANSPORTATION DOCUMENTS:**

1. GSSA shall not accept in any manner, whatsoever, unissued Principal's documents and those of other carrier(s) assigned to and/or held by another agent or sales agent, whether or not such documents have been validated. Should the GSSA receive an offer, it shall be refused and shall be reported in writing to the Principal.
2. The principal shall supply the GSSA with Air Waybills (AWBs) and other necessary documents (hereinafter referred to collectively as the "Documents") at no charge, to be utilized solely for the purposes of this Agreement.
3. Such documents are and remain the property of the principal and shall be issued by the GSSA only in compliance with the instruction of the principal and in accordance with the provisions of this Agreement. The GSSA hereby agrees to indemnify the principal for any loss occasioned due to negligence of GSSA or Argents and their employee, by fraud, or theft, or misuse of such documents while in the possession of the GSSA.
4. All such documents delivered to the GSSA shall remain under its custody and care and the GSSA shall be responsible for recovering the documents from agents, when warranted.
5. When authorized by the Principal in writing, the GSSA or its agents may issue AWBs for air transportation offered by another carrier, in connection with the routes of the principal.

6. The GSSA shall upon reasonable notice and at all reasonable times, permit any authorized official of the Principal to inspect and check the stock of AWB and other Principal's documents held by the agent.
7. The GSSA shall be liable to notify the principal, the defects, if any in the Air aybills and other documents at the time of their delivery provided that principal shall not be liable for any loss subsequent to the delivery of AWB stock and other documents agent hereby hold the principal harmless in the respect.
8. The principal reserves the right to withdraw; unused AWBs at any point of time without assigning any reason whatsoever. The GSSA agree to surrender such documents forthwith to the officials authorized by the principal. Consequent to such withdrawal of documents, the GSSA shall settle its accounts/sales proceeds as per terms and conditions of this agreement.
9. GSSA shall safeguard such documents against theft at all times they are in the custody of the GSSA.

#### **ARTICLE – 9**

##### **REMUNERATION OF GSSA:**

a) **Service Fee**

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

b) **Overriding Commission**

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

#### **ARTICLE –10**

##### **REMUNERATION OF AGENTS:**

Sales Agents in the territory, holding Principal's stock, shall be paid sales commission on sales made on the Transportation Documents of the Principal at the rate notified by the Principal from time to time.

#### **ARTICLE –11**

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

In case the Principal is acting as GSSA 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 GSSA provided however that the GSSA shall account to the Principal and not to

the designated carrier in respect of all monies received by the GSSA in pursuance of this Agreement.

## **ARTICLE -12**

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

Notwithstanding Articles 27 and 28 of this Agreement, the GSSA accepts unconditional responsibility for:

- i. Ensuring that Sales Agents in the Territory who have been appointed by the Principal and who have been supplied with the Principal's Transportation Documents by the GSSA, on the due date, submit sales returns and remit payment of monies in respect of sales of Cargo air transportation made on the documents of the Principal, in accordance with the instructions of the Principal.
- ii. The GSSA 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 GSSA hereby waived its right to retain any such monies or funds in case of any dispute or problem with the Principal.
- iii. 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 GSSA 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 GSSA 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 10 hereof, to a sales agent appointed by PIA.

## **ARTICLE -14**

### **ASSIGNMENT OF BENEFITS:**

The GSSA 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 GSSA and by all other duly appointed Sales Agents, to whom ticket stocks/Airway Bills/Consignment Notes are supplied through the GSSA, in the Territory of the GSSA, on Principal documentation,

the GSSA shall render account and remit all dues/monies to the Principal fortnightly or at a greater frequency if so designated by Principal and at such times and under such conditions and in such currency as the Principal may designate from time to time in writing.

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

The GSSA 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 not later than 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 not later than 15<sup>th</sup> day of the following month.
- iii. All monies collected by the GSSA for transportation sold including any commission withheld by the GSSA are the property of the Principal until satisfactorily accounted for to the Principal. The GSSA 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 GSSA 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 GSSA; 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 GSSA 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 GSSA 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**

### **COMMUNICATION COSTS:**

Liability for all communications costs relating to booking or reservations services referred to in this Agreement shall be payable by the GSSA. PIA will only pay for the telephone/fax/internet/multi-host charges in use of Country Manager and Finance Manager.

## **ARTICLE -19**

### **EQUIPMENT**

The GSSA will provide at his own cost ..... PCs (personal computers) and ..... printers for the PIA designated office(s) in .....; ..... PCs and ..... printer for the booking/information counter and ..... for (PC + Printer) for the PIA Manager . In addition the GSSA will provide at his own cost a dedicated DSL line and one switch for the connectivity.

## **ARTICLE -20**

### **INSTRUCTIONS & STANDARDS:**

The GSSA 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 GSSA 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 -21**

### **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 and the GSSA undertakes to afford full facilities to and maintain 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 GSSA in the performance of its duties described in this Agreement.

The Agent also undertakes to arrange or provide such office accommodation including heating, lighting, sanitation etc., free of charge as may be required by such staff and generally to administer such staff on behalf of the Principal if so desired by the Principal. The agent agrees to bear the cost of accommodation and messing of any Director, Officer or employee of the Agency during such person's attendance at a Principal's course of training or instruction.

## **ARTICLE -22**



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

- a) The GSSA shall make the Principal aware of all relevant information concerning local laws, regulations and restrictions affecting the passage of aircraft, air cargo including those relating to taxes, customs immigration, currency,, and shall promptly advise any alternations thereto.
- b) The GSSA 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 GSSA's activities under this Agreement.
- c) The GSSA shall at all reasonable times permit the authorized officials of the Principal to inspect and check all GSSA 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.
- d) The GSSA shall at all reasonable times permit the authorized officials of the Principal access to the premises of the GSSA to inspect documents and property of the Principal held by the GSSA.
- e) All records, accounts and documents held by the GSSA on behalf of the Principal must be preserved by the GSSA for a period of 10 years or according to local laws.

### **ARTICLE -23**

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

The GSSA 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 & Service Agent".

### **ARTICLE -24**

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

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

### **ARTICLE -25**

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

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

## **ARTICLE -26**

### **PROHIBITED DEALINGS:**

In matters arising out of this Agreement, the GSSA 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 -27**

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

The GSSA 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 GSSA or of others on whom the GSSA may be depending to fulfill this Agreement.
2. Force majeure or any other cause beyond the control of the GSSA 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 GSSA shall use its best endeavors to fulfill its obligations herein.

## **ARTICLE -28**

### **LIABILITY/INDEMNITY:**

Except as otherwise expressly provided in this agreement thereto, Principal shall not indemnify the GSSA from and against all actions, claims proceedings, costs, losses, damages, charges and expenses which the GSSA may sustain, incur or pay by reason of any service rendered by the GSSA under the terms of this Agreement.

## **ARTICLE - 29**

### **ARBITRATION:**

In the event of any dispute concerning the interpretation or application of this Agreement or concerning any rights or obligations arising there from, 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.

## **ARTICLE - 30**

### **WARRANTY:**

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

## **ARTICLE - 31**

**LEGAL PROCEEDINGS:**

The GSSA 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 - 32**

**TRANSFER OF AGENCY/SUBCONTRACTION OF APPOINTMENT:**

The GSSA 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 - 33**

**ACCEPTANCE OF OTHER APPOINTMENTS:**

The GSSA shall not accept other appointments as General Sales Agent or by any other carrier without the prior written consent of the Principal, which consent shall not be withheld unreasonably and which may be granted subject to such reasonable terms and conditions as the parties may agree.

**ARTICLE - 34**

**DEFAULTS:**

If the GSSA 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 GSSA. GSSA will be severally liable for any outstanding amounts in default and bank guarantee held thereto will be en-cashed to recover the amounts in default provided GSSA has not paid it from any other source. The liability of GSSA for any defaulted amount over & above the bank guarantee will be unlimited.

**ARTICLE - 35**

**RETURN OF PROPERTY:**

On the termination of this Agreement, howsoever occasioned, the GSSA 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 - 36**

**APPLICABLE LAW:**

This Agreement shall be interpreted in accordance with the laws of 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. Further Principal may opt to litigate against GSSA in the designated territory.

**ARTICLE - 37**

**CONFIDENTIALITY:**

The parties hereto shall take all practical measures to ensure that information concerning each other's business results and activities are not revealed to any third party without the consent of the party concerned.

**ARTICLE - 38**

**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:-

i) If to the Principal:

Chief Commercial Officer  
Pakistan International Airlines Corporation (Ltd.)  
P.I.A. Building  
Jinnah International Airport  
Karachi – Pakistan

Fax: +92-21-99242346

i) if to the GSSA

.....  
.....  
.....

Fax:

**ARTICLE - 39**

**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 - 40**

**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 - 41**

**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 - 42**

**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 (Ltd.) 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 herein above.

Executed in two copies, all in English language.

SIGNED ON BEHALF OF:

SIGNED ON BEHALF OF:

\_\_\_\_\_  
**Pakistan International Airlines  
Corporation (Ltd.)**

\_\_\_\_\_  
**Company's Name**

Witness:

Witness:

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**ANNEXURE "A"**

TO THE GSSA 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

1. For sales on regular Services including extra sections but excluding Charter Services:

Standard Commission:

a) Cargo Sales:

The Agent shall be entitled to sales commission at the rate of \_\_\_\_% (\_\_\_\_ percent) commission of the applicable cargo rates (Carrier Charge) published in the Principal's and / or industry approved Cargo Tariffs in which the Principal participates including government directed cargo rate/s notified from time to time by the Principal. Commission shall be calculated on the carrier/s charge for air transportation (including valuation charges) but shall not be calculated on other incidental charges, such as insurance, storage, taxes and fuel surcharge, Scanning and taxes 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 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.

b) Sales to Government

No Sales Commission shall be payable to, claimed or withheld by the GSSA 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 favor 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 which 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:

Cargo Sales:

Overriding commission will be paid to the GSA at the following rate agreed on net net sales (net net sales means gross sales minus all incentives/refunds and standard commission /service charges) of the carrier's charge as defined in Para 1 above on annual basis. Such overriding commission shall be payable on principal's Air Waybills/Consignment Notes for transportation on the services of the principal only, including on "charge collect" shipment as defined in 1 above provided always that no overriding commission is otherwise paid to any other GSSA.

NET NET SALES

OVERRIDING COMMISSION

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- i. **Payment of Overriding Commission for Passenger GSSA:** \_\_\_\_% of agreed ORC will be paid on quarterly basis on net/net sales after deduction of all applicable ADMs / discrepancies regarding INAD / deportees / others.
- ii. Payment of balance amount of agreed ORC will be allowed at source on Net/Net sales (Net/Net sales = gross sales minus all taxes / incentives / refunds / commission / service charges / scanning / storage / fuel surcharge / other surcharges as applicable in the territory).

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 GSSA.

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 GSSA in respect of such refunded fare, shall be repaid to the Principal:
  - a) on any excess baggage charges collected by the GSSA.

4. Commission on Charter Sales

The GSSA shall be entitled to sales commission and overriding commission for sale of charter transportation at the rate of \_5\_% (\_\_\_ percent) and \_\_\_% (two and a half

percent) 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 GSSA has been instrumental in promoting and securing the charter sale and in concluding the charter agreement between the Principal and the charterer,
- ii) the GSSA 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 GSSA is required to issue tickets/Airways bills for a charter flight of the Principal where the charter agreement is executed and relevant charter price is collected by the Principal outside the GSSA's assigned sales area, the agent shall be entitled to a service charge which may be agreed between the Principal and the GSSA.

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 GSSA on rates agreed between the contracting parties.