

RECOMMENDED PRACTICE 1677
Attachment 'A'



Framework for a Service Agreement

between

_____, an air transport company incorporated under the laws of
_____, having its principal place of business in
_____, ("the Carrier"),

and

_____, a Designated Operator (DO) of
_____ (country), incorporated under the laws of
_____ and having its principal place of business at
_____, ("the Principal"),

(Collectively hereafter referred to as "the Parties")

The Service Agreement is applicable to the transportation of international mail

from (country of Designated Operator) _____

to destinations served by (Carrier) _____

(Hereafter "the Agreement")

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Preamble

WHEREAS the Principal wishes to contract with an air transport company to ensure the air conveyance of postal items;

WHEREAS the Carrier agrees to provide the conveyance of postal items to the Principal, under the terms and conditions specified in this Agreement;

The Parties agree:

Part A – General terms and conditions

I. Definitions

Article 1

Definitions

As used in this Agreement, the terms stated below are to be interpreted as follows:

Acceptance:

Point of time at which the Carrier formally accepts to provide the service in accordance with this Agreement, confirmed by the proof of acceptance provided by the Carrier to the Principal or the DO of origin/transit.

Agent:

- Representative of the Carrier, including the ground handler performing duty on behalf of the Carrier at the airport of destination and, if relevant, at the airport of transit.
- Representative of the Principal at the airport of destination, as indicated by the Principal to the Carrier.

Airmail:

Any postal item conveyed in principle by air and with priority.

Airmail routeings:

All routes and schedules for the transportation of Mail by the Carrier. The Carrier may change these routes and schedules depending upon factors such as the weather or flight cancellations.

Basic airmail conveyance rate (BACR):

Rate applicable for the transportation of Mail by carriers on behalf of DOs in the absence of any specific Agreement of the latter on a rate. The BACR is determined yearly by the UPU International Bureau and approved by the UPU Postal Operations Council. It is based on International Airline Financial Statistics prepared by the International Civil Aviation Organization.

CARDIT:

EDI message sent from a DO originating a consignment to any carrier (including an airline) that is going to transport that consignment. The CARDIT message is the electronic equivalent of the CN 38, CN 41 or CN 47 delivery bill. It is a consignment-level message providing pre-advice of Mail to the Carrier.

Consignment:

The Mail of a single service level (either EMS, priority mail, surface airlifted mail, or empty bags being returned) and documents handed over by the Principal for the service from origin to destination in accordance with the routeing plan and as specified in the transportation documents.

Contracted volumes:

The volume of Mail in a consignment handed over by the Principal in accordance with the estimated volumes and/or accepted by the Carrier for the service.

Critical handover time:

The latest time at origin the Mail has to be handed over to the Carrier or the latest time at destination the Mail has to be handed over to the Principal.

Dangerous Goods

The articles covered by the "Recommendations on the Transport of Dangerous Goods" drawn up by the United Nations, with the exception of certain dangerous goods provided for in the existing UPU Regulations, and by the Technical Instructions of the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) Dangerous Goods Regulations shall be considered as dangerous goods.

Days:

Full calendar days, including legal rest days and public holidays.

Delivery:

Handover of Mail at the destination, confirmed by the proof of delivery.

Designated Operator:

Any entity (governmental or private law entity) officially designated by the government of a UPU member country to operate postal services and to fulfil the obligations arising from the Acts of the UPU on its territory, in particular to ensure the acceptance, handling, conveyance and delivery of postal items.

Destination:

Location, normally inside the airport, where the Mail is handed over to the DO of destination by the Carrier.

DO:

Abbreviation of Designated Operator.

Documents:

Documents, including bag tags and labels, issued by the DO according to the UPU provisions and regulations (such as the CN 38 delivery bill for priority and EMS products, or the CN 41 delivery bill for surface air lifted mail products with deferred priority), which, prima facie, give evidence of the contract for the performance of services between the DO and the Carrier. The documents serve, inter alia, as manual proof of acceptance and delivery, as proof of transportation, and as a basis for final billing.

Electronic data interchange (EDI):

The exchange of information messages (e.g. CARDIT and RESDIT) as specified in the latest version of the UPU EDI Messaging Standards publication.

EMS:

Postal express service for documents and merchandise (collection, dispatch and delivery), provided on the basis of the EMS Standard Multilateral Agreement or by bilateral agreement in relations between DOs which have agreed to provide this service, EMS takes priority over other postal items.

Handover:

Acceptance of the Mail by the Carrier for transportation, which takes over its custody from the Principal or DO of transit.

Delivery of the Mail transported by the Carrier to the DO of transit or of the country of destination.

International Air Transport Association:

Global trade organization, whose mission is to represent, lead and serve the airline industry.

IATA:

Abbreviation of International Air Transport Association.

IATA season:

The IATA summer season starts on the last Sunday of March and ends on the last Saturday of October.

The IATA winter season starts on the last Sunday of October and ends on the last Saturday of March.

Mail:

All postal items as defined in the Universal Postal Convention, to be carried on an aircraft, truck or any other vehicle or subject to other services as mentioned herein. The Mail transported should be divided into priority mail or surface airlifted mail conveyed by air with reduced priority. Any articles lodged on the documents are classified as Mail. Cargo or goods which are referred to in the Chicago Convention 1944, Warsaw Convention 1929, Montreal Convention 1999 or any related Protocol or Convention, are excluded.

Non-priority item:

Item for which the sender has chosen a lower rate, implying a longer delivery time.

Origin:

The place of dispatch of the Mail, where the Carrier accepts the Mail from the Principal to provide the Services.

Postal item:

Generic name referring to any item dispatched by a DO (letter post, parcel post, money orders, etc).

Priority item:

Item conveyed by the quickest route (air or surface) with priority.

Proof of acceptance ("POA"):

Means a positive check of all Mail received by the Carrier by positive data capturing of mail receptacle identifiers enclosed in the proper EDI messages generated by the Carrier, and/or by the signature of the documents, or by other agreed data exchange. Proof of acceptance is subject to the critical handover time specified by the Carrier for a specified volume of Mail.

Proof of Delivery ("POD"):

Means a positive check of all Mail received by the DO at destination or by its agent by positive data capturing of mail receptacle identifiers enclosed in the proper EDI messages generated by the Carrier, and/or by the signature of the documents, or by other agreed data exchange. Proof of delivery is subject to the critical handover time specified by the Carrier for a specified volume of mail, and to the local DO's availability to sign or exchange a POD.

Rates:

Service fee as stated in Appendix 2 to this Agreement.

RESBIT:

A RESBIT message is the message sent by a carrier of a consignment (such as an airline) to the DO. A RESBIT message is normally sent in response to a CARDIT. However if no CARDIT is received, a RESBIT message can also be sent if a suitable message standard is used between a DO and a carrier. There can be several RESBIT messages for a single CARDIT as the receptacles in a consignment are transported along the supply chain from origin to destination.

Routeing plan:

The list of airmail routeings that shall be used for the service as agreed between the Carrier and the Principal, as specified in Appendix 1.

S.A.L. (Surface Airlifted) item:

Any surface item conveyed by air with reduced priority.

Special Drawing Right (SDR):

The SDR is an international reserve asset created by the International Monetary Fund (IMF) in 1969 as a supplement to existing reserve assets. Its value is based on a basket of currencies whose weight is adjusted at regular intervals. The SDR is used by the UPU and several other international organizations as an accounting unit.

Services:

All services related to the transportation of mail, such as loading, unloading, ground handling, security, transportation, distribution and documentation.

Transportation:

Transportation means the actual transport and physical movement by air, sea or road, as the case may be.

Universal Postal Union:

Specialized agency of the United Nations, whose aim shall be to secure the organization and improvement of the postal services and to promote the development of international collaboration in this sphere.

UPU:

Abbreviation of Universal Postal Union

Universal Postal Convention:

International treaty containing the rules applicable throughout the international postal service.

II. Objectives and scope of the Agreement

Article 2

Objectives and scope of the Agreement

- 2.1 This Agreement describes the conditions pursuant to which the Carrier shall provide the Services to the Principal from the point of origin to the point(s) of destination, or to the point of transit, in conformity with applicable rates, the routeing plan and the estimated volumes as mentioned in the Appendices.
- 2.2 This Agreement applies to the provision of the Services relating to the following categories of Mail mentioned in the Universal Postal Convention:
 - 2.2.1 EMS.
 - 2.2.2 Priority mail: Airmail (letter post, parcel post, money orders).
 - 2.2.3 Non-priority mail: S.A.L. items (letter post and parcel post).
 - 2.2.4 Empty bags (SV).

III. The Carrier's obligations

Article 3 Service

3.1 The Carrier shall provide the Services for the Principal in accordance with this Agreement.

Article 4 Integrity of Mail

4.1 The Carrier shall handle the Mail as specified in this Agreement in accordance with the levels of performance detailed in Appendix 4.

4.2 The Carrier shall, to the best of its abilities and as far as may reasonably be expected, provide necessary protection for all Mail in its possession from weather, dust, damage, loss or theft while in its custody.

Article 5 Refusal of handover

5.1 The Carrier may refuse to accept handover of the Mail (handover failure), including the following circumstances as examples:

5.1.1 Mail placed in damaged bags or receptacles;

5.1.2 Mailbags or individual receptacles weighing more than the weight limit laid down in the UPU Acts, prior to delivery to the Carrier;

5.1.3 Loose parcels weighing more than the weight limit laid down in the UPU Acts and/or exceeding UPU-IATA standard dimensions or (_____) metres for the sum of the length and greatest circumference measured in a direction other than that of the length;

5.1.4 Mail receptacles with unreadable or poorly attached labels;

5.1.5 Handover of the Mail after the agreed time and/or at a location different from the one agreed, subject to article 11.1 of the Agreement;

5.1.6 Mail tendered in excess of the agreed allocation, subject to article 23.1 of the Agreement.

5.2 The Carrier has the right to refuse the handover of Mail at origin or to handover the Mail at destination and shall return such Mail at the Principal's expense, or hold such Mail at any point, at its discretion, in the following cases:

5.2.1 The Carrier has objective and reasonable reasons to perceive its contents to be illegal, or of a dangerous nature or otherwise, and that its contents are likely, in the sole judgement of the Carrier, to damage or affect other Mail, goods or equipment belonging to the Carrier, its employees or third parties.

5.2.2 A visual inspection indicates that the Mail to be uplifted appears to be improperly packed, wrapped or labelled or is in a condition indicating suspected damage, tampering or pilferage at the moment of handover and before proof of acceptance from the Carrier. In this case, the Carrier shall notify the Principal of the reasons for refusal. The Carrier shall provide the Principal with the opportunity to correct the defects when the handover and handling time allows.

5.2.3 The Principal fails to meet or is likely not to meet its financial obligations stipulated under this Agreement.

5.3 The Carrier should not refuse to handover Mail at destination because of an accounting dispute or any other type of dispute between the Principal and the Carrier.

Article 6 Custody of the Mail

- 6.1 Mail shall be considered to be in the custody of the Carrier, from the proof of acceptance of the Mail until proof of delivery.
- 6.2 Without limitation, proof of acceptance and proof of delivery may be provided either in writing (by signing the documents) or by an electronic acknowledgement of receipt. The availability of manual proof of acceptance or delivery is subject to local conditions that apply to the Carrier and/or the Principal. Where EDI messaging is used, the Principal and the Carrier shall agree on the scope, timing and source location of such messages.

Article 7 Performance

- 7.1 The Carrier shall use its best efforts to uplift Mail accepted for transportation to the destination without unnecessary delay.
- 7.2 If the transportation chain is interrupted through the fault of the Carrier, the Carrier shall be responsible for the return of the Mail to origin or for its storage until the transportation is resumed. If the transportation chain is interrupted through no fault of the Carrier, the Carrier shall immediately contact the Principal for further instructions.
- 7.3 The Carrier shall provide the Services for the Principal's Mail for the agreed quantities set out in Appendix 3.
- 7.4 The Carrier shall ensure that the Services meet the following level of performance:
- 7.4.1 The Carrier shall achieve the agreed percentage performance success level specified for each Mail category in Appendix 4, and defined as the ratio of the contracted volumes for each consignment accepted by the Carrier at origin and handed over before the critical handover time at destination, over a period of six months or whatever different time period is agreed between the Parties.
- 7.5 The Principal and the Carrier shall meet at agreed intervals to review and discuss all issues arising from the performance of this Agreement. Each party shall provide the other party with information/data concerning the carriage of Mail under this Agreement, as and when requested, to review each party's performance. Upon notification by one party to the other that it is not performing according to the agreed levels, the non-performing party will provide the other party with an action plan to remedy any performance deficiency within a specified timeframe.

Article 8 Subcontractors

- 8.1 The Carrier is authorized to use other carriers or non-carrier sub-contractors if necessary to provide the Services and guarantee the required performance success level under this Agreement. It is the Carrier's responsibility to inform the Principal and manage the performance of such sub-contractors to the performance levels stipulated in this Agreement.

Article 9 Routeing

- 9.1 The Carrier shall provide to the Principal the new airmail routeings, including the specification of the restrictions of the mail load capacity per flight, at least one week before the start of the new IATA season so as to enable the latter to provide a routeing plan and estimated volumes per flight to the Carrier in accordance with article 15 of the present Agreement.

- 9.2 The Carrier shall notify the Principal, as soon as possible and if possible a week before the implementation date, of any schedule changes to its flights or any other known issues that are relevant to the smooth performance of the Services. When possible, revised flight schedules should be provided to the Principal 30 days before the publication of the seasonal timetables.

Article 10

Critical handover times

- 10.1 The critical handover time at origin and at destination which the Parties have agreed shall be as shown in Appendix 4.
- 10.2 For performance measurement purposes, should the DO of destination be unable or unprepared to accept handover of the Principal's Mail at the time when the Carrier arrives at the DO of destination's facility and is prepared to perform the handover, the Carrier shall be entitled to record and report the delivery time of the Mail to be the time the Carrier was prepared to effect the handover and without accounting for delays incurred resulting for any reason from the DO of destination being unable to accept the Mail at the time when the Carrier first attempted handover.
- 10.3 The Carrier's performance shall be measured against the above service criteria.

Article 11

Handover failure

- 11.1 In the event of handover failure by the Principal, the Carrier shall use reasonable endeavours to uplift, in whole or in part, the Mail on the planned flight, but cannot guarantee to transport it without delay. If Mail cannot be uplifted, the Carrier shall contact the DO as soon as practical for further instructions.

Article 12

Access of the Principal to Carrier's premises

- 12.1 Subject to the Carrier's policy and aviation security requirements, the Carrier or its agent may provide the Principal with access to the Carrier's premises and aircraft with a view to exercising control over the security of dispatches during their transport. The Carrier shall be informed in advance as soon as possible of the number and identity of any of the DO's staff accessing airline premises and aircraft. The Principal's staff may need to be accompanied by the Carrier's staff.

Article 13

Delivery failure and possible remedy

- 13.1 In the event that the Mail cannot be delivered to the agreed location at destination, it shall be stored, subject to local regulations, at the Carrier's mail handling unit and the DO of destination shall be contacted for an alternative handover location. The Principal shall be notified of the measures taken thereon within 24 hours and shall bear the additional costs incurred by the Carrier, except in the case of delivery failure attributable to the Carrier.
- 13.2 The Carrier shall notify the situation to the Principal within 24 hours and comply with any reasonable instructions from the Principal, if the DO of destination:
- 13.2.1 refuses or fails to take possession of the Mail;
- 13.2.2 refuses or fails to deliver proof of delivery after its arrival at the place of delivery.
- 13.3 In the absence of instructions from the DO of destination or if such instructions cannot reasonably be complied with, the Carrier shall inform the Principal and have the right to return such Mail to the

Principal at the Principal's expense, after having notified such event to the Principal within ____ business days.

Article 14 Handover

- 14.1 Subject to Article 5, the Carrier shall accept for transportation any Mail whose contents are admissible for carriage under the UPU Acts and which complies with the packaging and labelling requirements laid down therein.
- 14.2 The Carrier shall check Mail and documents at handover. From the moment the Carrier accepts the consignment, the Mail shall be considered to be in the custody of the Carrier until its handover at destination or at the transit airport.
- 14.3 Where a Carrier has accepted Mail within the agreed time limits, the Carrier shall check the Mail against the documents or the EDI message. Where there is a discrepancy, the staff of the Principal or the Carrier shall prepare documents and/or correct the EDI message to cover the discrepancy. The Parties shall agree and sign the new documents and/or confirm the updated EDI message.
- 14.4 The Carrier is authorized to examine (screen) the mail receptacles, without opening them, visually or using technology (e.g. X-ray, ETD) for the purposes of clearing the articles for uplift under aviation security regulations and if allowed by national legislation.
- 14.5 After accepting the Mail and before forwarding it, the Carrier may, at its own expense, correct any packaging and labelling irregularities discovered at its premises. Otherwise, the Carrier shall inform the Principal as soon as practicable for instructions regarding the items.
- 14.6 Where the Carrier has elected to withhold Mail in case of suspected damage, pilferage or tampering, the Carrier shall forward the remainder of the consignment that is not affected and amend the documents accordingly. The Carrier shall inform the Principal as soon as practicable for instructions in regard to the item suspected of pilferage or tampering, and allow on request, inspection of the Mail at the premises of the Carrier. The Carrier shall make a record concerning affected Mail and give a copy of it to the Principal..
- 14.7 In the event that Mail is returned or held by the Carrier, the Carrier shall notify the Principal of the details within 24 hours.
- 14.8 Subject to the above paragraphs of this article, Mail shall be held by the Carrier if the transport of such Mail constitutes a danger to other mail, goods or equipment belonging to the Carrier, its employees or third parties. The costs of such storage or subsequent disposal shall be borne by the Principal.. Alternatively, the Carrier shall hand over such Mail to the authorities.

IV. Obligations of the Principal

Article 15 Operational aspects

- 15.1 The Principal shall give an estimate by route, flight and day of the week, on the volume of mail that it wishes to be transported by the Carrier. This estimate shall be provided by the Principal no later than ____ days/weeks in advance of the needed schedule/capacity and agreed the Parties.
- 15.2 The Principal shall provide the Carrier with a mail routeing plan, not later than two weeks after the publication of the Carrier's new IATA season's timetable applicable for cargo and mail, but in any case before the change of the current schedule.
- 15.3 The Principal shall ensure that all Mail is packed and labelled in accordance with the applicable provisions of the UPU Acts before it is handed over to the Carrier.

15.4 The Principal shall sort the Mail by flight number for handover to the Carrier.

Article 16

Documentation

- 16.1 The handover of all Mail to the Carrier shall be accompanied by proper airmail documentation, as specified by the UPU Acts.
- 16.2 Priority mail shall always be shipped with a minimum of six (copies of the) CN 38 delivery bills. Priority mail receptacles shall carry the prescribed CN 35 airmail bag label and CP 84 label.
- 16.3 Non-priority mail shall always be shipped with a minimum of six (copies of the) CN 41 delivery bills. Non-priority mail receptacles shall carry the prescribed CN 36 and CP 83 air parcel label.
- 16.4 Empty mailbag consignments shall be covered by the CN 47 documents.
- 16.5 The writing on all documents and labels furnished by the Principal shall be readable and unambiguous, and in a language whose script is recognized internationally.

V. Obligations common to both parties

Article 17

Dangerous goods

- 17.1 The Parties shall comply with the limitations on the transport of dangerous goods.
- 17.2 The Services may only be provided in respect of mail permissible under the provisions of the International Air Transport Association (IATA), International Civil Aviation Organization (ICAO) and UPU.
- 17.3 With respect to 17.1 and 17.2 herein, the Parties shall take all reasonable measures accordingly. They shall not subject their performance hereunder to safety and security measures other than those provided by local legislation, the requirements of the civil aviation authority and the UPU Acts. Specific measures and specific tasks related to the transport of dangerous goods that each Party is responsible for are specified in Appendix 7 to this Agreement.

Article 18

EDI messaging

- 18.1 In case of use of CARDIT/RESDIT messaging between the Parties:
- 18.1.1 The Principal shall transmit a CARDIT message, in conformity with UPU EDI messaging standards, to the Carrier for every consignment handed over.
- 18.1.2 The Carrier shall transmit RESDIT messages, in conformity with UPU EDI messaging standards, to the Principal.
- 18.1.3 The technical arrangements, as well as the events and locations covered for CARDIT/RESDIT, shall be agreed between the Parties and shall be documented separately.

VI. Rates

Article 19

Rates

- 19.1 The Principal shall pay for the Services according to the rates which have been agreed between the Parties, and set out in Appendix 2 of this Agreement.
- 19.2 Rates are set on an origin–destination basis (from the agreed handover location at the airport of origin to the agreed handover location at the airport of destination). If a destination is not mentioned in Appendix 2, the applicable basic airmail conveyance rate, also described in Appendix 2, will be applied. The distance for the origin–destination pair concerned shall be calculated according to the applicable procedure for calculating airmail distances contained in the List of Airmail Distances, published by the UPU International Bureau in collaboration with IATA or any other official publication if the distance data is not covered in this List.
- 19.3 In the event that the Principal uses a flight segment for which the Carrier did not give prior confirmation of acceptance, the Carrier has no obligation to carry the Mail. In case that Mail is uplifted, the Carrier reserves the right to charge the applicable basic airmail conveyance rate calculated on the applicable airmail distance or the rates defined in Appendix 2.
- 19.4 In the absence of a bilateral rate agreement between the Carrier and a DO, and if in such event Mail is being boarded without the Carrier's prior written consent, the principle specified under 19.3 shall apply.
- 19.5 Rates are expressed and paid in a currency agreed between the Parties, on an origin–destination basis for the various categories of Mail involved.
- 19.6 If services of other carriers are used as explicitly laid out in the airmail routeings, the rates include the charges of the services of those other carriers.

VII. Terms of payment

Article 20

Invoice

- 20.1 The Carrier shall invoice the Principal for the Services rendered under this Agreement on a (_____) basis.
- 20.2 All invoices shall be based on the applicable UPU airmail documents (or postal airway bill) submitted to the Carrier by the Principal upon acceptance of the Mail, and shall be submitted by the Carrier to the Principal in duplicate or in electronic format.
- 20.3 The Carrier shall have the following billing options:
- 1 On the physically captured document accompanying the mail consignment.
 - 2 On the Carrier's own (substitute) documents, either obtained manually, or from positive data capturing of the mail receptacle identifiers enclosed in proper EDI messages.

Article 21

Payment

- 21.1 The payment as per invoice is due within (_____) business days following the date of receipt of the invoice.
- 21.2 In the event of a discrepancy, the Principal may withhold the payment of the disputed amount only.

- 21.3 In such case, the Principal shall inform the Carrier within (_____) business days specifying which items it disputes, by returning the invoice to the Carrier accompanied by its attachments or any other means to that effect.
- 21.4 The undisputed amount stated on the invoice is to be paid as stipulated in article 21.1.

Article 22

Billing dispute

- 22.1 By failure to comply with its obligation under article 21, the Principal waives its right to withhold payment.
- 22.2 The Carrier may notify the Principal of its official reply concerning the acceptance or rejection of the discrepancy within (_____) business days following receipt of the disputed invoice.
- 22.3 In case the Carrier does not accept the discrepancy, it shall send a supplementary invoice, including proof of carriage or service, which has to be settled within (_____) business days. The Carrier may present such undisputable proof of physical carriage or service by means of:
- 22.3.1 A substitute delivery bill established by the Carrier, with appropriate signature by the destination DO, containing the full details of a mail consignment as specified on CN documentation;
- 22.3.2 An EDI scanning track record established by the Carrier at the airport of destination containing the full details of a mail;
- 22.4 Both proof of carriage or service described in articles 22.3.1 and 22.3.2, when presented together, will unconditionally overrule any third party carrier's payment claim for the same mail consignment on the basis of the original documents only
- 22.5 In the circumstances provided for in articles 22.3.1 and 22.3.2, and considering article 22.4, the Principal shall settle the invoice with the Carrier delivering proof of carriage or service.
- 22.6 If payment has not been made within a maximum of (_____) business days following the date of acceptance of the invoice, the Principal shall be obliged to pay the interest due on the amount, in accordance with the amount specified in Appendix 2 to this Agreement.
- 22.7 If payment has not been made within the period stipulated in article 22.5, the Carrier shall have the right to refuse and suspend all transportation of mail, without being in breach of the Agreement, until all overdue debts are paid.

VIII. Irregularities and liability

Article 23

Irregularities

- 23.1 In case the volume of Mail exceeds (_____) percent of the estimated volume as set out in Appendix 3, the Principal shall contact the Carrier in the shortest possible time in advance in order to enable the Carrier to try to accommodate the transportation of such extra volume.
- 23.2 In the event that the volume by route, flight and day of the week does not meet the estimated volume by (_____) percent less than the estimated volume, the Principal shall inform the Carrier no later than _____ hours in advance.
- 23.3 The Principal shall always notify the Carrier as soon as possible of any irregularities that could endanger the proper transportation of Mail under this Agreement.
- 23.4 At the point of origin, in the event of a failure to uplift Mail or in case of anticipated delays, the Carrier shall notify the Principal as soon possible before the scheduled flight departure so that further

instructions may be given. Where the routing plan already provides for alternative routes, they should be used.

- 23.5 The Carrier shall always notify the Principal within 24 hours of any irregularities, such as delay, loss or theft of, or damage to, Mail, discovered during transportation under this Agreement.
- 23.6 In the event that the Mail cannot be delivered to the designated destination, the Carrier shall advise the Principal and request advice as to what action the Principal requires the Carrier to take. Subject to the reasons for non-delivery, the Parties will agree on the cost of remedying the situation.
- 23.7 Each party shall send notice of irregularity to the other party in writing, by mail, fax or e-mail, accompanied by available copies of the applicable mail documents and attachments, such as proof of damage or misrouting by the Principal. Such notice shall be addressed to the Carrier's or the Principal's responsible department (whose contact details in Appendices 5 and 6 respectively). No action is to be taken in the case of any irregularity regarding Mail unless a prior complaint is made to the Carrier or the DO, as applicable.

Article 24 Liability

- 24.1 The Carrier shall be liable for the delay, loss or theft of, or damage to, Mail which occurs during the Services provided under this Agreement.
- 24.2 Each party shall assume the same contractual liability towards the other for the acts of agents as for its own performance under this Agreement.
- 24.3 The Principal shall be liable for any actual damage caused by Mail handed over to the Carrier by the Principal under this Agreement in accordance with the applicable national law, ICAO international convention and the UPU Acts.
- 24.4 Subject to Articles 5 and 17, if the Carrier fails to uplift the Mail on the scheduled transportation the Principal shall have the right to use an alternative means of transportation or carrier. Except when the Carrier has notified the Principal of a flight cancellation or change of aircraft, it shall be liable for any additional costs incurred in dispatching Mail by alternative carriers. Supporting documentary evidence shall be produced if available.
- 24.5 The Principal shall be liable for all the expenses and costs resulting from failure by the DO of transit or of destination to take over delivery of the Mail, provided that the Carrier has duly performed its obligations under this Agreement.
- 24.6 Subject to Articles 5 and 17, the Carrier shall be liable for reasonable storage costs if it fails to hand over or accept compliant Mail for transportation at the time and place agreed.
- 24.7 In case of misrouting of any category of Mail, the Carrier shall refund the actual transportation costs claimed by the Principal concerned, provided that such misrouting is not caused by the Principal or any DO of transit.
- 24.8 When Mail cannot be delivered by the Carrier to the original designated destination, the Principal shall pay the Carrier only the Mail transportation rates for the section over which the Mail was originally to be transported according to the CN 38 delivery bill. When the sum of the above transportation rates and the transit charges paid by the Principal to any other airlines or to any designated operators for the subsequent transit of the Mail to the intended destination exceeds the cost of transportation payable for normal transportation of such Mail, the Carrier shall be responsible for the difference.
- 24.9 In the case of damage to Mail, the Principal must complain to the Carrier forthwith after the discovery of the damage, and at the latest, within fourteen days from the date of handover at

destination. In the case of delay in the carriage of Mail, the Principal must complain to the Carrier forthwith, and at the latest, within twenty-one days from the date of handover at destination.

- 24.10 Every complaint must be made in writing.
- 24.11 If no complaint is made within the times set out in article 24.9, no action shall lie against the Carrier, save in the case of fraud on its part.
- 24.12 The Principal's right to damages shall be extinguished if an action is not brought within a period of two years, reckoned from the date of handover at destination or from the date on which the carriage stopped.
- 24.13 The method of calculating the period set out in article 24.12 shall be determined by the law of the court seized of the case.

Article 25

Limitation of liability

- 25.1 Subject to article 25.2 below, the liability of the Parties towards each other shall be as follows:
 - 25.1.1 The liability of the Carrier towards the Principal shall be limited to _____ monetary units but shall not exceed the Principal's liability towards _____ its customer, as specified in the UPU Acts;
 - 25.1.2 The liability of the Principal towards the Carrier shall be limited to _____ monetary units.
- 25.2 The limitations of liability set out in articles 25.1.1 and 25.1.2 shall not apply to loss or damages caused intentionally or by gross negligence of a party or its agents or to claims arising under article 24.3 and 24.4 above, liability for which shall be unlimited unless _____ otherwise specifically excluded or limited by applicable national law and then only to the extent of such exclusion or limitation.

Article 26

Exemption of liability

- 26.1 In the event that the Principal/the DO at destination (or its nominated agents) refuse or fail to hand over the Mail/take possession of the Mail and/or refuse to sign for acceptance of the Mail, the Carrier shall not incur any liability for failure or delay if:
 - 26.1.1 it has complied with the agreed handover procedure as specified in the appendices, which includes handover at the agreed location at the stipulated processing times with the complete and proper documents, and/or EDI transmission; and
 - 26.1.2 it has provided the Principal with proper notification, in the shortest possible lead time, including the date and time of attempted handover/delivery, where applicable and supported if available by a confirmation of the DO at destination, confirming refusal and/or providing reasons for refusal to take possession of the Mail.
- 26.2 In the circumstances described in article 26.1, the Principal shall be liable for any additional costs incurred for the additional handling performed by the Carrier according to article 11 of this Agreement. Supporting documentary evidence shall be provided if requested.
- 26.3 Neither party shall be liable towards the other party for any delays or failure in the performance of its obligations due to any reason beyond its control or the control of its agents, so long as such party continues to be affected by such events of *force majeure* as defined in article 31.
- 26.4 A party seeking to rely on the provisions of this clause shall promptly give notice thereof to the other party, and shall endeavour to perform its obligations as soon as possible.

- 26.5 If any event of *force majeure* prevents a party from fulfilling its obligations for a continuous period exceeding one month, the other party shall have the right to terminate this Agreement with immediate effect following receipt of written notification by the other party.
- 26.6 The Carrier shall not be liable under any circumstances for the delay, loss or theft of, or damage to, or destruction of, Mail or any other property caused by, or resulting from:
- 26.6.1 inherent defect, quality or vice of its content;
- 26.6.2 defective packing of the Mail;
- 26.6.3 an act of war or armed conflict;
- 26.6.4 an act of public authority carried out in connection with the entry, exit or transit of the Mail.

IX. Duration and termination of the Agreement

Article 27

Entry into force and duration of the Agreement

- 27.1 This Agreement shall enter into force on (starting date) and shall expire on (ending date) unless terminated earlier pursuant to article 28 hereof. The Parties may agree on an extension of this Agreement at least (_____) days before the date of expiry.

Article 28

Termination of the Agreement

- 28.1 The Agreement may be terminated, in whole or in part, by either party before the expiry date of the contract by giving written termination notice to the other party at least (_____) days before such termination takes effect.
- 28.2 If, for a specific destination, the Carrier does not meet the agreed performance level or has changed its schedule so that the Principal's requirements are not fulfilled, the Agreement may be partially terminated for that specific destination.
- 28.3 If a party is in material breach of any of its obligations stated in the Agreement and this breach is not remedied within (_____) days upon receipt of written notification thereof, the non-breaching party may terminate this Agreement immediately by notifying the other party in writing, without observance of any notice period.
- 28.4 Without prejudice to the other provisions of this Agreement, each party is empowered to terminate this Agreement with immediate effect, without any further establishment of default in the event of and at the time when:
- 28.4.1 the other party applies for suspension of payments;
- 28.4.2 the other party has filed for bankruptcy, insolvency or similar proceeding, or is declared bankrupt;
- 28.4.3 the other party is a body corporate and is dissolved.

X. Disputes

Article 29

Governing law and jurisdiction

- 29.1 This Agreement is governed and construed in accordance with the laws of _____, without regard to principles of conflict of laws.

- 29.2 All disputes or disagreements arising from this Agreement should be negotiated and settled between the Parties in a constructive and reasonable manner.
- 29.3 Any disputes or disagreements that cannot be settled amicably shall be referred to the competent tribunal in (country _____) or, at the discretion of the Parties, shall be settled by arbitration.

XI. Final provisions

Article 30
Confidential information

30.1 The Parties shall recognize that this Agreement contains commercially sensitive information, and shall agree to treat the entire contents of this Agreement, its appendixes and any information provided hereunder as strictly confidential. They shall refrain from disclosing any such information to third parties, unless prior written consent is obtained from the other party. This shall be subject to the laws applicable in (country_____).

Article 31
Force majeure

31.1 Neither party shall be liable towards the other party for any delays or defect in the performance of its obligations or duties due to any unforeseen reason, including but not limited to acts of God, fires, floods, riots, epidemics, quarantine restrictions, government acts, political uprising, freight embargoes, or any other such causes beyond such party's control.

Article 32
Amendments

32.1 This Agreement represents the entire understanding between the Parties and may only be amended if such amendments are made in writing and signed by both Parties to the Agreement.

32.2 All appendices to this Agreement form an integral part thereof.

Article 33
Severability

33.1 Should any provision of this Agreement be held invalid, or prohibited, such provision shall be ineffective only to the extent of such invalidity or prohibition and shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

As agreed and signed in twofold on: _____

Carrier	Principal
Name: _____	Name: _____
Title: _____	Title: _____
Details: _____	Details: _____

Part B – List of Appendices

Appendix 1 Routeing plan

Appendix 2 Rates

Appendix 3 Estimated volumes

Appendix 4 Performance success level and critical handover times

Appendix 5 Contact list of the Principal

Appendix 6 Contact list of the Carrier

Appendix 7 Specific measures and tasks related to Dangerous Goods

Appendix 5 Contact list of the Principal

Principal airmail management: _____

Tel: _____

Mobile: _____

Fax: _____

E-mail: _____

Principal airmail customer service department: _____

Tel: _____

Mobile: _____

Fax: _____

E-mail: _____

Principal's transportation services details: _____

Appendix 6 Contact list of the Carrier

Carrier's airmail management: _____

Tel: _____

Mobile: _____

Fax: _____

E-mail: _____

Carrier's airmail customer service department: _____

Tel: _____

Mobile: _____

Fax: _____

E-mail: _____

Carrier's transportation services details: _____