

UNITED NATIONS GENERAL CONDITIONS FOR AIRCRAFT CHARTER AGREEMENTS

The term “aircraft” herein is used both in the singular and plural tense.

1. Provision of Aircraft and Carrier's responsibility for employees

- (a) The aircraft provided by the Carrier under this Charter Agreement shall be properly manned, equipped, fuelled and fully insured during the entire term of this Charter Agreement. The Carrier shall be responsible for the professional and technical competence of its employees and will select, for work under this Charter Agreement, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.
- (b) **Sexual Exploitation:** The Carrier represents and warrants that it has taken all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged by the Carrier to perform any services under this Charter Agreement. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Carrier represents and warrants that it has taken all appropriate measures to prohibit its employees or other persons engaged by the Carrier from exchanging any money, goods, services, or other things of value, for sexual favours or activities or from engaging in any sexual activities that are exploitative or degrading to any person. This provision constitutes an essential term of this Charter Agreement, and any breach of this representation and warranty shall entitle the United Nations to terminate this Charter Agreement immediately upon notice to the Carrier, without any liability for termination charges or any other liability of any kind.

2. Carrier's representations and warranties

The Carrier represents and warrants that:

- (a) all manufacturer's mandatory modifications are complete and the aircraft complies/y with the airworthiness requirements of the country of registry and is/are safe and airworthy and will be so maintained during the Charter Agreement;
- (b) the aircraft is/are fit for the purposes for which it is / they are being chartered;
- (c) the aircraft's crew are qualified, competent and fully licensed in conformity with applicable national and international air navigation laws and regulations; and
- (d) the condition of the aircraft and its/their operation shall conform to applicable national and international air navigation laws and regulations.

3. Tax exemption

Section 7 of the Convention on the Privileges and Immunities of the UN provides, inter-alia, that the UN, including its subsidiary organs, is exempt from all direct taxes, except

charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the UN exemption from such taxes, duties or charges, the Carrier shall immediately consult with the UN to determine a mutually acceptable procedure.

Accordingly, the Carrier authorizes the UN to deduct from the Carrier's invoice any amount representing such taxes, duties or charges, unless the Carrier has consulted with the UN before the payment thereof and the UN has, in each instance, specifically authorized the Carrier to pay such taxes, duties or charges under protest. In that event, the Carrier shall provide the UN with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

4. Applicability of Warsaw Convention

(a) This Charter Agreement shall be governed by the rules relating to liability established by the Convention for the Unification of Certain Rules relating to International Carriage by Air, signed at Warsaw, Poland, on October 12, 1929, as amended by the Hague Protocol of 1955 (At the Warsaw Convention).

(b) Notwithstanding the provisions of paragraph (a), above, the Carrier agrees to increase the limits of its liability for death or bodily injury to \$135,000 per passenger and the Carrier agrees that, during the term of this Charter Agreement, it shall arrange and maintain, at its own cost, comprehensive insurance sufficient to cover its liability under this paragraph and as provided in the Basic Charter Agreement.

(c) The Carrier shall take all measures required to enable it to invoke the limitation of liability provided for in the Convention and paragraph (b), above. In particular, the Carrier shall not permit any passenger to be carried unless such passenger has been issued a passenger ticket in accordance with Article 3 of the Warsaw Convention.

5. Utilization of excess aircraft space

Space, including cargo and/or passenger space, which is not utilized by the UN, shall not be utilized by the Carrier. If, notwithstanding the aforementioned prohibition, the Carrier utilizes such space, the UN shall be entitled, without prejudice to any other rights it may possess, to receive from the Carrier a reduction in the price equal to the rates normally charged by commercial carriers for such use of the space.

6. Cancellation by the Carrier

(a) The aircraft shall be at all times under the exclusive control of the Carrier. The Carrier may cancel, delay or abort a flight should the pilot in command determine that to fly would in the circumstances endanger the safety of the passengers, aircraft or its crew.

(b) In case a flight is cancelled, delayed or aborted, as provided in paragraph (a) above, the Carrier shall be entitled to payment from the UN, on a pro-rata basis, in respect only of flights, or portions of the flight already completed prior to the decision to cancel, delay or abort such flight. **[applicable only for short-term charters]**

(c) In the event that the Carrier decides to cancel, delay or abort a flight for any other reasons not directly attributable to the UN, including but not limited to reasons of operational difficulties, technical failure of the aircraft, or unavailability of aviation fuel, the Carrier shall not, except where alternate air transportation has been provided by the Carrier, be entitled to payment from the UN for that flight, and where payment has already been made, the UN shall be entitled to full reimbursement of any amounts paid plus the reasonable expenses incurred by the UN as a result of such decision. **[applicable only for short-term charters]**

7. Cancellation by the UN

(a) The UN may, subject to the conditions below, cancel any flight covered by this Charter Agreement by giving notice of cancellation to the Carrier:

(i) If such notice of cancellation is given more than seven (7) days before the scheduled departure of the flight, the UN shall not be subject to any cancellation penalty and the Carrier shall not be entitled to any part of the contract price attributable to that scheduled flight. **[applicable only for short-term charters]**

(ii) If such notice of cancellation is given less than seven (7) days prior to the scheduled departure of the flight, but more than forty-eight (48) hours before the scheduled departure, the Carrier shall be entitled to retain as liquidated damages ten percent (10 %) of that part of the contract price attributable to that flight. **[applicable only for short-term charters]**

(iii) If such notice of cancellation is given less than forty-eight (48) hours prior to the scheduled departure of the flight, the Carrier shall be entitled to retain as liquidated damages ten percent (10 %) of that part of the Charter price attributable to that flight and the Carrier's reasonable and unavoidable expenses occasioned by the cancellation, provided that the Carrier has not dispatched the aircraft earlier than necessary to perform the flight. **[applicable only for short-term charters]**

(b) The UN may request the Carrier to make a routing change or to delay a flight. In such cases the UN shall reimburse the Carrier for any reasonable additional flying hours and services required to effect the routing change or to accommodate the delay. **[applicable only for short-term charters]**

8. Termination of the Charter Agreement

(a) Either Party may terminate this Charter Agreement for cause upon seven (7) days written notice to the other Party, which notice shall be provided in accordance with Article 14 of the Basic Charter Agreement. In the event of termination pursuant to this clause, no costs relating to termination shall be reimbursable by the terminating Party to the other Party. The initiation of arbitral proceedings in accordance with Article 16 (b) "Arbitration" below shall not be deemed a termination of this Agreement, provided, however, that in the event of termination by the UN pursuant to this clause, the UN shall be entitled to a proportionate reimbursement by the Carrier of the positioning costs paid to the Carrier and a proportionate reduction of the Carrier's depositioning costs.

(b) Either Party may terminate this Charter Agreement, in whole or in part, upon thirty (30) days written notice to the other Party, which notice shall be provided in accordance with Article 14 of the Basic Charter Agreement. In the event of termination pursuant to this

clause, the UN shall only be responsible for payment to the Carrier for services satisfactorily performed in accordance with this Agreement prior to the effective date of termination. In the event of termination by the Carrier, the UN shall be entitled to reimbursement by the Carrier for all reasonable costs relating to such termination, including, without limitation, any additional costs incurred to obtain a substitute aircraft. In the event of partial termination, the price shall be proportionately reduced.

(c) The UN may also terminate this Charter Agreement at any time should the mandate or the funding of the mission relating to this Charter Agreement be curtailed or terminated, in which case the Carrier shall be entitled to reimbursement by the UN for all reasonable costs relating to such termination.

9. Forward Commitments

The Carrier shall, upon receipt of notice of termination of the Charter Agreement under paragraph 8 above, bring the Charter Agreement to a close in a prompt and orderly manner and reduce all expenses to a minimum and shall not undertake any forward or further commitments in connection with the Charter Agreement.

10. Assignment

The Carrier shall not assign, transfer, pledge or make other disposition of this Charter Agreement, or any part thereof, or any of the Carrier's rights, claims or obligations under this Charter Agreement, except with the prior written consent of the UN.

11. Insolvency

Should the Carrier be adjudged bankrupt, or be liquidated or become insolvent, or should the Carrier make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Carrier, the UN may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Agreement forthwith. The Carrier shall immediately inform the UN of the occurrence of any of the above events.

12. Modification to Charter Agreement

Pursuant to the Financial Regulations and Rules of the UN, only the Procurement Service in New York possesses the authority to agree on behalf of the UN to any modification of or change in this Charter Agreement, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Carrier. Accordingly, no modification or change in this Charter Agreement shall be valid and enforceable against the UN unless provided by a written amendment to this Charter Agreement signed by the Carrier and the Chief of the Procurement Service or officials delegated authority for this purpose.

13. Prohibition against advertising; use of name, emblem or official seal of the UN

The Carrier shall not advertise or otherwise make public that the Carrier is chartering aircraft or providing services to the UN, nor shall the Carrier, in any other manner whatsoever, use the name, emblem or official seal of the UN, or any abbreviation of the name of the UN in connection with its business or otherwise.

14. Confidentiality

(a) All documents and all other data compiled by or received by the Carrier under this Charter Agreement shall be the property of the United Nations, shall be treated as confidential and shall be delivered only to United Nations authorized officials on completion of work under this Charter Agreement.

(b) The Carrier may not communicate at any time to any other person, Government or authority external to the UN, any information known to it by reason of its association with the UN which has not been made public except with the prior written authorization of the UN; nor shall the Carrier at any time use such information to private advantage. These obligations do not lapse upon termination of this Agreement.

15. Officials not to benefit

The Carrier warrants that no official of the UN has received or will be offered by the Carrier any direct or indirect benefit arising from this Charter Agreement or the award thereof. The Carrier agrees that breach of this provision is a breach of an essential term of this Charter Agreement.

16. Settlement of Disputes

(a) Amicable Settlement

The Parties shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Charter Agreement or the breach, termination, or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law ("UNCITRAL") then obtaining, or according to such other procedure as may be agreed between the Parties in writing.

(b) Arbitration

Any dispute, controversy, or claim between the Parties arising out of the Charter Agreement or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Charter Agreement, order the termination of the Charter Agreement, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Charter Agreement, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Charter Agreement, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be

simple interest only. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17. Privileges and Immunities

Nothing in or relating to this Charter Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the UN, including its subsidiary organs.

18. Force Majeure

(a) In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Carrier shall give notice and full particulars in writing to the UN, of such occurrence or change if the Carrier is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Charter Agreement. The Carrier shall also notify the UN of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Charter Agreement. On receipt of the notice required under this Article, the UN shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Carrier of a reasonable extension of time in which to perform its obligations under this Charter Agreement.

(b) If the Carrier is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Agreement, the UN shall have the right to suspend or terminate this Agreement on the same terms and conditions as are provided for in Article 8, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

(c) Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

(d) Notwithstanding anything to the contrary in this Charter Agreement, the Carrier recognizes that the services under this Charter Agreement may be performed under harsh or hostile conditions caused by civil unrest. Consequently, delays or failure to perform caused by events arising out of, or in connection with, such civil unrest shall not, in and of itself, constitute force majeure under this Charter Agreement.

19. Title to Equipment

Title to any equipment and supplies that may be furnished by the UN shall rest with the UN and any such equipment shall be returned to the UN at the conclusion of this Charter Agreement or when no longer needed by the Carrier. Such equipment, when returned to the UN, shall be in the same condition as when delivered to the Carrier, subject to normal wear and tear. The Carrier shall be liable to compensate the UN for equipment damaged or degraded beyond normal wear and tear.