

AIRCRAFT CHARTER GENERAL TERMS

1. THE CARRIER'S OBLIGATIONS

The Carrier will provide aircraft type agreed and qualified crew at the agreed time, in airworthy condition and fuelled. The Carrier shall pay and discharge all costs, charges and expenses relating to the aircraft and its crew, arising out of flight operations agreed hereunder.

The Charterer agrees that the Carrier is entitled to change the aircraft type, if such change does not interfere with the agreed service.

Passengers' transportation to/from the airport is not included in the services.

The Carrier can dispose of free seats/capacity for own use, with Charterer's consent. Such disposal will not affect the fare.

Any changes of the agreed flight schedule have to be expressly approved by the Carrier, in writing.

The Carrier will provide standard catering service during the flight, as on his regular flights.

Captain of the aircraft is entitled to reduce the payload whenever necessary and to decide about all flight issues, safety of passengers and cargo on board. The Charterer will accept any such decision.

In case of a damage, technical breakdown or other extraordinary technical or operational problem, the Carrier will do its best to replace the aircraft, but if this is not possible, or will cause delay unacceptable to the Charterer, Charterer is entitled to cancel this Agreement, or flight, and Carrier shall return him all funds received with respect to the cancelled operation.

In case of termination of the Agreement, or flight cancellation due to such reasons, the Carrier is released from all liabilities.

2. THE CHARTERER'S OBLIGATIONS

Charterer is responsible for obligations arising out of passengers' contract for carriage. Passenger's claims for cancellation or delay shall be addressed to the Charterer and settled by him.

Charterer shall not request a journey that may expose the aircraft, crew or passengers to any danger, nor a journey that may prolong the duration of the flight beyond the schedule.

The Charterer has to inform the Carrier of the actual number of passengers and an accurate list of passengers three days prior to the flight.

The Charterer is responsible to assure that passengers have all required travel documents and, if necessary, visas and permits for entry or transit through another state and that they comply with all security measures. If Carrier is required to pay any fine or penalty or to incur any expenditure by reason of passenger failure to comply with the laws, regulations, orders, demands or other travel requirements of the countries concerned, the Charterer shall reimburse the Carrier, on demand, any amount so paid.

In principal, the Charterer will issue tickets to passengers using Carrier's stock of passenger tickets (in paper or electronic form). If Charterer issues its own tickets then these tickets have to contain a notice prescribed by law to the effect that the liability of the Carrier to passengers is limited. Sample of such ticket and notice have to be delivered to the Carrier prior to the flight. The Carrier is entitled to refuse their use and insist that its own documents are used.

It is Charterer's obligation to ensure that tickets are delivered to each passenger before embarking the aircraft and to take care that all passengers comply with the Croatia Airlines' General Conditions of Carriage and all others rules and instructions applicable for the flight.

3. PAYMENT

Amounts expressed in foreign currency but payable in Croatian kunas, will be exchanged at the exchange rate determined by the Croatian National bank valid at the date of invoicing.

All payments are to be made in favour of the Carrier's bank account at Privredna Banka Zagreb d.d. as follows:

- for payments in Croatian kunas at the account number 2340009-1100015828

- for payments in foreign currency at the account number IBAN HR70 2340 0091 5102 0370 6; SWIFT code (BIC code): PBZGHR2X.

If Charterer fails to make payment on time, Carrier is entitled to charge interest for the late payment: for payments in EUR or US\$ at the rate of 9% per annum and for payments in Croatian kunas at the rate determined by the Croatian law.

The Charterer is due to pay the stipulated fare together with taxes and other charges, seven (7) days before scheduled departure and shall provide the Carrier with a proof of payment.

Taxes will be invoiced based on presumption of 100% booking. Settlement will be made within seven days after the flight, according to the actual number of passengers and the Carrier will return to the Charterer balance, if any.

Banking fees and cost are at the cost of Charterer.

4. NON-REFUNDABLE SECURITY DEPOSIT

Provided no default on the part of the Charterer has occurred, the Carrier may at its own discretion return the non-refundable security deposit to the Charterer, or apply it for the payment of all invoices due (in case of series of rotation – for the last rotation).

If any default on the part of the Charterer occurs the Carrier is entitled to retain the non-refundable security deposit and apply it as a compensation for damage or loss sustained.

In case of cancellation, the Carrier is entitled to retain the non-refundable security deposit and apply it for the payment of cancellation fee.

The Charterer is not entitled to interest at the amount paid as non-refundable security deposit.

5. CANCELLATION POLICY

The Charterer is entitled to cancel the agreement in whole, or in part, by paying a stipulated cancellation fee. The notice about cancellation has to be in writing.

Cancellation fee for "ad hoc" charter flights: in case Charterer cancels a flight 15 days or more before the departure, cancellation fee in the amount of 20% of the fare will be charged. In case cancellation is made 14 days or less before the departure, cancellation fee in the amount of 50% of the fare will be charged. For the cancellation made within 7 days of departure, cancellation fee in the amount of 100% of the fare will be charged.

Cancellation fee for series of charter flights: in case Charterer cancels one rotation 7 days or more before the scheduled departure, a cancellation fee in the amount of 10% of the fare for respective cancelled rotation will be charged. For the cancellation within 7 days prior to departure, 100% of the fare for respective cancelled rotation will be charged.

In case of the cancellation of the whole charter series, cancellation fee in the amount of deposit and not less than 10% of the value of the whole charter series, will be charged.

6. EXTRAORDINARY CIRCUMSTANCES AND FORCE MAJEURE

The Carrier will not be liable to the Charterer and his passengers for delay or cancellation arising from any cause beyond his control, including extraordinary circumstances that could not have been avoided even if all reasonable measures had been taken. Such circumstances include: meteorological conditions (fog, snow, storms, ice formation etc), security risks, unexpected flight safety shortcomings (incl. technical problems, airport related problems such as runway closures and limitations, etc), Air Traffic Control decisions, strikes, war, warlike operations, embargo, insurance market failure to provide required level of cover.

Due to above mentioned reasons the Carrier shall promptly advise the Charterer and may cancel the flight/s, upon which notice both parties are entitled to cancel this agreement, or affected rotation. Neither party shall be liable for damage, including loss of profit, arising out of the foregoing.

If the Carrier cancels the agreement, he will repay an amount equal to the fare paid in respect to the rotation not operated and in case all flights are cancelled the deposit as well.

7. LIABILITY OF THE CARRIER TO PASSENGERS

Liability of Carrier is subject to the rules and limitations established by the law:

1. International air carriage is subject to the liability rules of the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed in Montreal, 28 May 1999 (the Montreal Convention), or the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed in Warsaw, 12 October 1929 (the Warsaw Convention) including its amendments; whichever is applicable;
2. Regulation (EC) br. 261/2004;
3. Domestic air carriage is subject to the Croatian Law on Obligations and Proprietary Rights in Aviation.

Carrier has, at its own cost and expense insure the aircraft and its aviation specific liabilities with respect to passengers, baggage, cargo and third parties, including war risk insurance cover, in accordance with the applicable Croatian legislation and Regulation (EC) 785/2004, in order to ensure the payment of compensation to every person entitled to.

In case where Carrier pays the compensation or performs other obligations towards passengers arising out of law, he may request the reimbursement from the Charterer to the extent permitted by applicable law and this Agreement.

8. AMENDMENTS

Amendments to the Agreement are valid only in a form of a written amendment.

9. APPLICABILITY OF CROATIA AIRLINES' GENERAL CONDITIONS OF CARRIAGE (PASSENGERS AND BAGGAGE)

Croatia Airlines' General Conditions of Carriage (Passenger and Baggage) will apply to the carriage by air performed under this Agreement, with exception of Articles 2.1, 2.2, 3.2, 3.3, 5, 9, 10, 14 that are not relevant for this kind of Agreement. Croatia Airlines' General Conditions of Carriage (Passenger and Baggage) are available at OU offices and website www.croatiaairlines.com

10. COMPETENT COURT AND GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Republic of Croatia.

The parties to this Agreement agree to use the best reasonable efforts to resolve by negotiation any dispute that may arise with respect to this Agreement.

All disputes arising out of this Agreement that cannot be resolved by negotiation shall be submitted to the court of competent jurisdiction in Zagreb, Republic of Croatia, which jurisdiction shall be non-exclusive.

Nothing in this clause shall limit the right of the Carrier to bring proceedings against the Charterer in connection with this Agreement to any other court of competent jurisdiction and the Charterer agrees that it shall in no way object such jurisdiction.

CROATIA AIRLINES d.d.

Zagreb, January 2011.