

20-00138

**CHARTER AGREEMENT
2020/IAO-015**

IT IS THIS DAY MUTUALLY AGREED BETWEEN:

PHILIPPINE AIRLINES, INC., a corporation duly organized and validly existing under the laws of the Republic of the Philippines, with registered address at PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City, Philippines, represented herein by its, **ALVIN KENDRICH O. LIMQUECO** Senior Vice President Administration and Vice President Corporate Finance & Aircraft and Asset Management, **JOSEPH BRIAN T. TAN**, hereinafter referred to as "PAL",

-and-

DEPARTMENT OF TOURISM, a corporation duly organized and validly existing under the laws of Philippines with its registered address at 351 Sen. Gil Puyat Makati City, Philippines represented herein by its, Undersecretary for Tourism, Regulation, Coordination and Resource Generation, **ARTURO P. BONCATO Jr.** hereinafter referred to as "CHARTERER,"

In consideration of the mutual covenants hereinafter set forth, that:

ARTICLE 1 - GENERAL

PAL will charter to CHARTERER and CHARTERER will take on charter from PAL the aircraft described in Annex "A" to this Agreement (the "Aircraft") for the flights and price and on the specific terms and conditions specified in Annex "A" to this Agreement.

ARTICLE 2 - AIRCRAFT AND CREW

- 2.1 PAL will place the Aircraft, completely manned and equipped for the performance of the flights.
- 2.2 PAL may substitute another type of aircraft fit for equivalent transportation if the flights cannot be performed or completed with the agreed type of Aircraft.
- 2.3 Any dunnage which may be needed will be provided by PAL if CHARTERER cannot supply such dunnage or if PAL considers that CHARTERER'S dunnage is unsuitable for the purpose, but the costs of such dunnage will be charged to CHARTERER by PAL in addition to the Charter Price.

ARTICLE 3 - CHANGES IN THE FLIGHT SCHEDULE

Changes in and/or extensions of the agreed flights or changes in the duration of the flights or Flight Schedule upon the request of CHARTERER is subject to approval by PAL and may involve changes in the Charter Price.

ARTICLE 4 - AUTHORIZATIONS

Authorizations and/or permits from government and other authorities necessary for the performance of the flights will be applied for and handled by PAL but the risk of the timely granting of such authorizations and/or permits and their continuing effectiveness will be borne by CHARTERER subject to the provisions of Article 9.

ARTICLE 5 - COSTS

- 5.1 The Charter Price is specified in Annex "A" to this Agreement and includes the costs of the items described in Paragraph 2 (a) of said Annex "A".
- 5.2 It is understood that the Charter Price stated in Annex "A" is exclusive of bank charges, fees, surcharges and taxes. Any taxes which may be due to the appropriate governmental authorities will be borne by and for the sole account of the CHARTERER.
- 5.3 If CHARTERER is required by law to make any deduction or withholding of taxes from any payment due to PAL under this Agreement, CHARTERER will (i) timely and properly prepare and submit any necessary filings and remit such taxes to the appropriate taxing authority, (ii) provide PAL with governmental receipts evidencing CHARTERER's withholding and payment to the appropriate tax authorities in a timely manner and (iii) increase each payment related to this Agreement to the extent necessary to ensure that PAL actually receives the amount that it would have received if such payment had not been subject to taxes.

ARTICLE 6 - INDEMNITY FOR TAXES

Taxes and other applicable fees as may be charged or assessed by any taxing authority or any other government authority in any jurisdiction in relation to or as a result of the intended Charter and shall include the applicable fuel and/or insurance surcharges, government taxes (if applicable) and EVAT (if applicable) (the "Taxes") will be for the sole account of the CHARTERER. Accordingly, all payments to be made by the CHARTERER to the airline hereunder will be made free and clear of and without deductions or withholding for or on account of any Taxes. Where CHARTERER is required by law or regulation to make its payments subject to the deduction or withholding of any Taxes, the sum payable by CHARTERER that is subject to such deductions or withholding will be increased to the extent necessary to ensure that, after making the required deduction or withholding, PAL receives and retains (free from any liability in respect of any such deductions or withholding) a net sum equal to the sum which PAL would have received and retained had no such deduction or withholding been made or required to be made. Should PAL suffer or stand to suffer any Taxes concerning any payment of the Charter hereunder, CHARTERER will, upon demand by PAL, pay to PAL such additional amount as is sufficient to hold PAL free from any liability for such Taxes, with respect to such payments or the receipt of any such additional amount, including without any limitation any cost of suit and attorney's fees.

ARTICLE 7 - DEMURRAGE AND EXTRA FLIGHT HOURS

- 7.1 CHARTERER will pay Demurrage and compensation for Extra Hours at the rate stated in Paragraph 1 (l) of Annex "A" to this Agreement if the scheduled departure time indicated in said Paragraph 1 (f) is delayed due to:
- (a) the refusal or delay in the granting of visa or other documents required for the transportation of passengers, baggage or cargo (if applicable), or
 - (b) passengers, baggage or cargo (if applicable) not being ready for check-in or embarking or loading at the time indicated in Paragraph 1 (m) or 1 (n) of Annex "A" to this Agreement; or
 - (c) such other causes, acts or omissions attributable to the CHARTERER or its directors, officers, employees, representatives, agents, or of passengers or shippers of goods or sub-contractors.

- 7.2 However, PAL may opt to avoid such delay by altering the Flight Schedule with due regard to the interest of CHARTERER and other passengers.
- 7.3 Notwithstanding the above, CHARTERER accepts and agrees that PAL has the sole prerogative and option whether to accommodate any delays requested by the CHARTERER.

ARTICLE 8 - PAYMENT

- 8.1 CHARTERER agrees to pay the Charter Price, Taxes, and other costs and charges in the currency, at the place, and by the method (chosen by CHARTERER) mentioned in Paragraph 1 (h) and (i) of Annex "A" to this Agreement. In case CHARTERER fails to pay the Charter Price, Taxes, and other costs and charges or delays in such payment, PAL will be entitled to terminate this Agreement by simple notice without any formal notification or judicial intervention being required, and without prejudice to CHARTERER's obligation to pay penalties as stated under paragraph 1 (j) and (k) of Annex "A."
- 8.2 With respect to Taxes, and other costs and charges, payment may be demanded by PAL to be made in the currency in which those are incurred by PAL. Further, CHARTERER acknowledges that PAL is entitled to charge additional charges such as but not limited to fuel surcharges, over and above the agreed Charter Price.
- 8.3 Upon execution of this Agreement, CHARTERER shall make a non-refundable deposit. The amount and the flights covered by the deposit are stated under paragraph 1(h) of Annex "A". In no case shall the non-refundable deposit be returned to the CHARTERER, except when the flights covered under it are cancelled or may only be partially performed by PAL due to causes stated under Article 9, 16.2, and 17.2 . In only such exceptional circumstances, the non-refundable deposit may be returned subject to reduction for costs, charges, fines, and penalties as provided for in this Agreement.

ARTICLE 9 - NON PERFORMANCE OF THE FLIGHTS

- 9.1 If due to the refusal or delay in the granting of authorizations and/or permits for the performance of the flights, or to any cause beyond the control of PAL, PAL will not be able to perform the flights, PAL will not be liable for any damage or costs due by reason thereof, except to reimburse the corresponding amounts paid for the non-performed flights. However, CHARTERER may request PAL to continue the flight and make the Aircraft available for departure at a later time or date and if PAL is authorized, able and willing to do so, the rescheduled flight will be considered as the original flight. CHARTERER will pay in addition to the Charter Price, compensation based on the rate stated in Article 7.1 calculated as of the agreed date and hour of commencement of the original flights.
- 9.2 If due to any cause mentioned in Article 9.1, the flights can be performed only partially by PAL within the duration of the Flight Schedule, the Charter Price will be reduced in accordance with Article 18.

ARTICLE 10 - COMPLIANCE WITH LAWS, RULES, REGULATIONS

- 10.1 CHARTERER agrees to abide by the currently effective and applicable laws, rules and regulations concerning this Agreement, if any, as issued and construed by the appropriate governmental or other agencies. In case of breach of any of said laws, rules or regulations, PAL will have the right either to refuse the carriage of the passengers or baggage or cargo (if applicable) concerned or to cancel this Agreement without prejudice to CHARTERER's obligation to pay the Cancellation Fee for each flight cancelled as provided under paragraph 2 (d) of Annex "A".

- 10.2 It is understood that the provisions of Article 10.1 will not be deemed to permit CHARTERER to sell or offer for sale the transportation service to be performed under this Agreement unless authorization therefor has been secured by PAL from the appropriate authorities of the country or countries from, to or over which the flights will be performed, if such authorization is required by the applicable laws, rules and regulations of such countries.

ARTICLE 11 – DATA PRIVACY POLICY

11.1 Definitions

- a. Agreement means the contract, agreement or arrangement between PAL and CHARTERER.
- b. Personal Information means an information, whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.”
- c. Processing means any operation or any set of operations performed upon any personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of data.
- d. Data Protection Requirements means (1) Data Privacy Act of 2012, its implementing rules and regulations, issuances, circulars and/or; (2) all other applicable foreign or domestic laws, rules, regulations directives and governmental requirements in relation to the privacy, security and protection of Personal Information.

11.2 Data Privacy and Protection Obligations

- a. Representations and Warranties:
 - i. CHARTERER warrants and represents that it is compliant with the Data Protection Requirements to the extent applicable to its provision of the services and Processing of Personal Information under this Agreement.
 - ii. CHARTERER warrants and represents that it has appropriate technical and organizational measures adopted and maintained to protect Personal Information against any Data Privacy Breach.
 - iii. Except to the extent prohibited by applicable legal, regulatory or law enforcement requirements, CHARTERER shall inform PAL in writing and in sufficient detail of any actual, anticipated or potential loss or disclosure of Personal Information (“Data Privacy Breach”) or any unauthorized or unlawful Processing of any Personal Information (“Data Protection Incident”) (including any corrective action taken) within two (2) days from its discovery.

For purposes of this provision, “discovery” shall mean the first day the Data Protection Incident is known, or should reasonably have been known, to have occurred by any employee, officer or agent of CHARTERER.
 - iv. Except to the extent prohibited by applicable legal, regulatory or law enforcement requirements, CHARTERER must obtain the written approval of PAL prior to the publication or communication of any filings,

communications, notices or press releases related to any Data Protection Incident that expressly mention PAL or any of its affiliates.

b. PCI-DSS Compliance

If in the performance of its obligations under this Agreement, CHARTERER has access to or will collect, access, use, store, process, dispose of or disclose credit, debit or other payment cardholder information, CHARTERER shall at all times remain in compliance with the Payment Card Industry Data Security Standard ("PCI DSS") requirements, including remaining aware at all times of changes to the PCI DSS and promptly implementing all procedures and practices as may be necessary to remain in compliance with PCI DSS, in each case at CHARTERER'S sole cost and expense.

ARTICLE 12 - SUBCONTRACTING

- 12.1 CHARTERER may not subcontract to any third party or allow the use, wholly or in part, of the chartered seats, space and/or payload of the Aircraft without the prior written approval of PAL.
- 12.2 Unless otherwise expressly agreed in writing, PAL's approval is subject to the condition that the subcontractor will abide by all obligations imposed upon CHARTERER, and that CHARTERER assumes full responsibility for all acts or omissions of the subcontractor and the latter's directors, officers, employees, servants or agents.

ARTICLE 13 - UNUSED SPACE

- 13.1 CHARTERER consents to the utilization by PAL, in any manner and at PAL's sole discretion, of any unused or available seat, space and/or payload without any obligation on the part of PAL to refund any portion of the Charter Price.

ARTICLE 14 - LIABILITY

- 14.1 PAL will have no responsibility or liability for any loss, damage, delay or prevention of the completion of this Agreement resulting from force majeure, Act of God, seizure under legal process, sanctions, quarantine restrictions, fire, fog, flood, unusually severe weather conditions, inadequacy or field conditions of airports, riots or civil commotions, strikes or labor stoppage (whether resulting from disputes between PAL and its employees or between other parties), war hazards or dangers incident to a state of war, or any other acts, matters or things, whether or not of a similar nature beyond the control of PAL.
- 14.2 CHARTERER guarantees that PAL or its directors, officers, employees, or agents will not be subject to any other or higher liability than that provided for under the 1999 Montreal Convention of October 12, 1929 or any amendments or changes thereto (insofar as this Convention is applicable to the subject transportation), towards any subcontractor, passenger, shipper, or other persons having an interest in the carriage or in the persons or goods carried.
- 14.3 The times shown in the Flight Schedule are approximate and not guaranteed and PAL has the right to deviate from the Flight Schedule and/or to reduce the maximum load capacity and/or the maximum seating accommodation in circumstances beyond the control of PAL.
- 14.4 Goods carried pursuant to this Agreement will be deemed accepted for transportation without a declaration of value notwithstanding the value for carriage having been indicated in the air waybill or otherwise, unless the special valuation charges due for shipments with declared value will have been paid to PAL before commencement of the carriage. Except in the case where valuation charges have been so paid, CHARTERER will defend, indemnify and hold PAL, its directors,

officers, employees and agents, free and harmless from any increase of liability arising from any declaration of value.

- 14.5 Without prejudice to the provisions of this Article 13 and Article 16, damages to be paid by PAL in case of non-performance of this Agreement due to the fault or omission of PAL, its directors, officers, employees, or agents will in no event exceed an amount equal to the Charter Price and damages for partial performance will not exceed a proportionate part of the Charter Price. In no event will PAL, its directors, officers, employees and agents be made liable for, and CHARTERER will defend, indemnify and hold PAL, its directors, officers, employees and agents free and harmless from, any special, indirect, exemplary or consequential damages, including, but not limited to lost profits by reason of non-performance of any flights agreed herein.
- 14.6 CHARTERER agrees to defend, indemnify and hold PAL, its directors, officers, employees and agents free and harmless from any liability for losses, damages, expenses, claims, suits, fees, including all consequential losses and lost profits, whatsoever, arising out of the non-issuance, incomplete or incorrect completion of documentation by CHARTERER, and the incomplete or incorrect traffic and travel documents of passengers required for their exit from or entry to the place of origin or destination regardless of any negligence of PAL or its agents.
- 14.7 CHARTERER agrees to defend, indemnify, and hold PAL, its directors, officers, employees and agents free and harmless from any liability for losses, damages, expenses, claims, suits, fees, including all consequential losses and lost profits, whatsoever, arising out of destruction/ damage done by the passengers of the CHARTERER to PAL property, or property of any other third party.
- 14.8 CHARTERER agrees to indemnify PAL, its directors, officers, employees and agents from any liability, losses, damages, expenses, claims, suits, fees, whatsoever, arising out of the injury caused by the passengers of the CHARTERER towards the employees and agents of PAL or any other third party during the check-in, embarkation, flight, and disembarkation of the passengers.
- 14.9 CHARTERER accepts, agrees and understands that PAL strictly imposes compliance with its regulations. Thus, CHARTERER agrees to be liable for any violation of PAL's regulations, instructions, and policies by CHARTERER's passengers and to indemnify PAL with respect to such liability. CHARTERER will further ensure that its passengers are properly briefed on PAL's regulations and policies at all times.

ARTICLE 15 - TRAFFIC DOCUMENTS

- 15.1 CHARTERER undertakes to cooperate with PAL so that for all passengers, baggage and cargo (if applicable) transported pursuant to this Agreement traffic documents are made out in accordance with the requirements, practices and procedures of PAL. CHARTERER will provide PAL with all information in connection with passengers, baggage and cargo (if applicable) within the time needed for the completion of such documents.
- 15.2 Transportation documents will be issued by PAL and the transportation of passengers and baggage during the charter flight(s) performed under this Agreement will be subject to and governed by PAL's approved operations manuals for passengers and baggage subject to the rules and limitations relating to liability established by the 1999 Montreal Convention. The Conditions of Carriage of PAL will apply at all times.
- 15.3 In all traffic documents, PAL will appear as the Carrier. For the avoidance of doubt, all traffic documents issued by PAL pursuant to this Agreement will not entitle the passengers to mileage credits under PAL's Mabuhay Miles Program.

ARTICLE 16 - INSURANCE AND CLAIMS

- 16.1 PAL's current insurances on passengers, baggage and cargo will be applied to the passengers, baggage and cargo (if applicable) to be carried under this Agreement, but all costs and expenses incident thereto such as but not limited to insurance premiums will be for the account of CHARTERER and is included in the computation of the Charter Price.
- 16.2 CHARTERER will promptly notify PAL of all claims and legal actions connected with this Agreement and lodged against it and will supply PAL with any supporting documents and relevant information at CHARTERER'S expense. PAL and the CHARTERER agree to consult and cooperate in the handling, resolution, settlement or defense of such claims, but the final claims handling authority rests with PAL and its insurers.

ARTICLE 17 - TERMINATION IN CASE OF BANKRUPTCY/SUSPENSION OR CESSATION OF OPERATIONS

- 17.1 Either party, may terminate this Agreement prior to its agreed commencement by simple notice in writing, without any formal summons or judicial intervention being required, if the other party is declared bankrupt by competent authority or files a petition for a moratorium of debt payment or if the whole or a substantial part of the latter party's property or assets is seized before judgment or under an execution, or if such latter party closes, suspends or discontinues its business or operations.
- 17.2 When this Agreement is terminated by CHARTERER in the cases referred to in Article 16.1, CHARTERER shall pay the Cancellation Fee under paragraph 2 (d) of Annex "A" for each cancelled flight.
- 17.3 When this Agreement is terminated by PAL in the cases referred to in Article 16.1, PAL will return the full Charter Price pertaining to the aborted flight.

ARTICLE 18 – CANCELLATION AND TERMINATION

- 18.1 CHARTERER may, for any reason, cancel a flight without liability by written notice of cancellation to PAL, provided such notice is received by PAL not less than thirty (30) days prior to the departure of the flight to be cancelled. If no written notice to cancel is received by PAL from CHARTERER thirty (30) days or more prior to the departure of the flight to be cancelled, CHARTERER shall be liable to pay the Cancellation Fee under paragraph 2 (d) of Annex "A" for each flight cancelled.
- 18.2 PAL may, for any reason, cancel or terminate this Agreement, without any liability whatsoever, by providing five (5) day prior notice.
- 18.3 PAL will also have the right to cancel or terminate this Agreement on grounds stated in and pursuant to Articles 8.1, 9.1, 10.1 and 16.1.
- 18.4 Without prejudice to the provisions of the foregoing paragraphs, CHARTERER will defend, indemnify and hold PAL, its directors, officers, employees and agents free and harmless from liability for losses, damages, expenses, claims, suits, fees, including all consequential losses and lost profits involving passengers, shippers, or other persons having contracts with CHARTERER, arising out of or in connection with any such cancellation or termination by CHARTERER or PAL.
- 18.5 Furthermore, in the event of such cancellation or any Flight Disruption(s), not attributable to PAL, CHARTERER accepts and agrees to handle and accommodate, at its sole cost and expense, any and all charter passengers affected by such disruption or cancellation. In the event that such Flight Disruption arises out of causes attributable to PAL, CHARTERER accepts and acknowledges that the charter passengers will be handled by PAL in accordance with its standards.

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ARTICLE 19 - ADJUSTMENT

- 19.1 If the agreed flights are only partially performed by PAL due to the causes specified in Article 9.2, the costs saved by PAL with respect to oil, fuel, landing, parking and hangar fees and ground handling services will be deducted from the Charter Price; provided, however, that CHARTERER will pay to PAL, in addition to the amount determined as aforesaid, extra costs, if any, incurred by PAL as a consequence of the non-completion of the agreed flights.
- 19.2 Notwithstanding the above, CHARTERER will pay and continue to be liable to PAL, in addition to the amount determined as aforesaid, for the extra costs, if any, incurred by PAL as a consequence of the non-completion of the agreed flights.

ARTICLE 20 - ENGAGEMENTS OF PASSENGERS AND SHIPPER OF GOODS

This Agreement is made by CHARTERER both in its own name and for its own account and in the names and for the accounts of subcontractors, passengers, owners, and other parties having or claiming any interest in the baggage and cargo transported pursuant to this Agreement. CHARTERER guarantees the fulfillment of the obligations of subcontractors, passengers, owners and such other parties under PAL's General Conditions of Carriage and, more particularly, the compensation owed by them with respect to fees, fines and other costs chargeable to or levied against PAL in connection with the non-compliance with any applicable laws, rules or regulations of governmental and other authorities.

ARTICLE 21 - DISCRETION OF PILOT IN COMMAND OF THE AIRCRAFT

The pilot in command of the Aircraft will have the complete discretion concerning the load carried and its distribution, as to whether or not a flight will be undertaken and as to where landings will be made and CHARTERER will accept all such decisions as final, without prejudice to the provisions of Article 9 and Article 13.

ARTICLE 22 - LAW APPLICABLE AND COMPETENT COURT

- 22.1 This Agreement and the execution and performance hereof is governed by and construed in accordance with the laws of the Republic of the Philippines.
- 22.2 Any action brought by or against PAL arising out of this Agreement or for the execution or performance hereof will be brought only in the proper court of Pasay City, Republic of the Philippines or in any other venue at the sole discretion PAL to the exclusion of any other courts.

ARTICLE 23 - FEE DISCLAIMER

CHARTERER represents, warrants and acknowledges that it is bound by this Agreement and has not paid, agreed to pay or caused or permitted to be paid either directly or indirectly in any form to any director, officer, employee or agent of PAL any commission, percentage or contingent fee payment or other benefit of any kind in connection with the entering into or operation or performance of this Agreement or any other agreement with PAL. It is also acknowledged that upon any breach of this representation and warranty, PAL has the right to immediately cancel and terminate this Agreement without prejudice to any other civil or criminal action which may be brought by PAL in connection with such breach.

ARTICLE 24 - ALTERATIONS

This Agreement and Annexes, if any, constitute the entire agreement between the parties hereto and supersedes all previous arrangements and stipulations concerning the subject matter hereof, and may be changed or amended only upon the written agreement of both parties.

Article 25 – NOTICES

Any notices, claims, demands and other communications required under this Agreement will be in writing and is deemed to have been duly given when left at or sent by hand or by registered post, or by facsimile, or other electronic media to the other party at the address (es) or facsimile number/s set out in Paragraph 3 of Annex "A" to this Agreement for such party or such other address/es as one party may designate by written notice to the other party.

ARTICLE 26 - HEADINGS

Headings are added for ease of reference and convenience only and will in no way be referred to in construing the provisions of this Agreement nor be deemed as limiting or otherwise affecting any of the terms hereof.

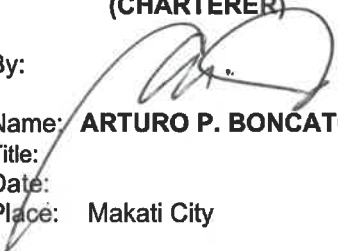
ARTICLE 27 – AUTHORIZATIONS

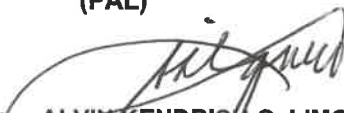
The representative of PAL who has signed this Agreement is duly authorized and CHARTERER acknowledges that it is fully aware of such authority.


ARTICLE 28 – COUNTERPART SIGNING


This Agreement may be executed in two or more counterparts, each of which will be an original, but all of which taken together will constitute one and the same instrument.

Signed and executed by the parties hereto on dates and places stated below.

(CHARTERER)
By: 
Name: **ARTURO P. BONCATO Jr.**
Title:
Date:
Place: Makati City

PHILIPPINE AIRLINES, INC.
(PAL)
By: 
Name: **ALVIN KENDRICH O. LIMQUECO**
Title: SVP-Administration
Date:
Place: Manila


Name: **JOSEPH BRIAN T. TAN**
Title: VP-Corporate/Finance & Asset Mgmt
Date:
Place: Manila



SIGNED IN THE PRESENCE OF:

Shiela L. Yuliong
AVP - GSA Relations & Charter Services

ANNEX "A"

1. Specific Terms:

- (a) Type of Charter : Regular
- (b) Nature of Load : Passenger
- (c) Journey : Clark (CRK) Siargao (IAO)-Clark (CRK)
- (d) Type of Aircraft : Q400
- (e) Seat and payload capacity :
 - i. Allowable seating accommodation: Q400
 - ii. Allowable payload capacity: same as above
- (a) Flight Schedule : **(Subject to Change depending on the approval of airport authorities)**

March 21 ,2020 Flight

ROUTE	FLIGHT NO.	ETD	ETA
CRK-IAO	2P6051	10:00H	12:05H
IAO-CRK	2P9101	12:25H	14:25H
CRK-IAO	2P6052	11:00H	13:05H
IAO-CRK	2P9102	13:25H	15:25H
CRK-IAO	2P6053	11:30H	13:35H
IAO-CRK	2P9103	13:55H	15:55H

March 22 ,2020 Flight

ROUTE	FLIGHT NO.	ETD	ETA
CRK-IAO	2P6051	10:00H	12:05H
IAO-CRK	2P9101	12:25H	14:25H
CRK-IAO	2P6052	11:00H	13:05H
IAO-CRK	2P9102	13:25H	15:25H

- (b) Free Baggage Allowance (FBA) and Excess Baggage Charge (EBC) per passenger will be in accordance with applicable tariff regulations. The FBA and EBC of all passengers will have equal priority in loading and will have higher priority over cargo of CHARTERER.
- (c) CHARTERER will pay the "Charter Price":

Charter Rate : **Philippine Pesos NINE HUNDRED FIFTY THOUSAND (950,000.00)** for ONE round trip inclusive of 12% VAT but exclusive of government taxes.

Total Charter Rate (Charter Rate x 5 Roundtrips) : **Philippine Pesos FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND (4,750,000.00)** for FIVE round trips inclusive of 12% VAT but exclusive of government taxes.

Government Taxes Per Passenger : **Philippine Pesos ONE HUNDRED SIXTY FIVE (165)**

Total Government Taxes (Government Taxes x No. Passenger): **Philippine Pesos SEVENTY THOUSAND NINE HUNDRED FIFTY (70,950)**

The price agreed may be increased by PAL in proportion to any increase in costs of the items mentioned in Paragraph 2 (a) of this Annex "A."

For increase in price agreed due to increase in costs of the items mentioned in Paragraph 2(a) of this Annex "A", PAL will notify CHARTERER in writing of any increase in price, which will take effect fifteen (15) days after receipt by CHARTERER of said written notice. Disagreement by CHARTERER on any price increase as herein provided will entitle PAL to immediately terminate the Agreement, without prejudice to PAL's right to collect any amount which may be owed by CHARTERER under the Agreement.

(d) Methods of Payment: (Please choose or tick appropriate mode of payment)

aa) Cash Payment

Taxes and other costs/charges: The remaining payment for Taxes and other costs/charges will be paid in cash. The term Taxes is as defined in Article 6 of this Agreement. Payment shall be made in accordance with the schedule of billing to be provided by PAL. If none, payment shall be made by the CHARTERER within fourteen (14) days from receipt of invoice.

bb) Bank Transfer Payment

PAL Bank Details

Account Name: PHILIPPINE AIRLINES, INC
Account Number: 140770001091 (PHP)
Bank Name: PHILIPPINE NATIONAL BANK
(formerly, Allied Bank Greenbelt Branch)
Bank Address: G/F Charter House Bldg, 114 Legaspi St.
Legaspi Village, Makati City Philippines

Taxes and other costs/charges: The remaining payment for Taxes and other costs/charges will be paid in cash by effecting a bank transfer from CHARTERER'S bank account to PAL's bank account indicated above. The term Taxes is as defined in Article 6 of this Agreement. Payment shall be made in accordance with the schedule of billing to be provided by PAL. If none, payment shall be made by the CHARTERER within fourteen (14) days from receipt of invoice.

(e) In the event that CHARTERER defaults or fails to pay the charter rate or the applicable costs/charges, or the amount received by PAL is less than the stipulated amounts herein, or CHARTERER fails to settle any of its obligations, or fails to ensure confirmation of the transfer to PAL's designated account on the due dates, PAL will be entitled to charge a penalty rate of two percent (2%) per month computed from the due date and compounded daily until fully paid.

- (f) In addition to the right to impose a penalty charge, PAL may terminate this Agreement without need of any notice in any events specified in paragraph 1 (j) of this Annex "A." Furthermore, in case of such termination, CHARTERER will be liable to PAL for all outstanding dues, the Cancellation Fee under Paragraph 2 (d) of this Annex "A" for each flight cancelled, as well as penalties, interests and costs, damages and other dues arising from the discontinuance of the scheduled charter flight.
- (g) Demurrage Rate and compensation for Extra Hours for twenty-four (24) hours or part thereof delay will be computed at US Dollars Two Thousand Six Hundred (USD2,600) per Extra Hour or part thereof starting two (2) hours after the scheduled time of departure from any point.
- (h) Passengers or baggage will be ready for check-in at least two (2) hours before scheduled time of departure.
- (i) Cargo will be ready for loading at least four (4) hours before scheduled time of departure.

2. Charter Price

- (a) The Charter Price stated in Paragraph 1 (h) of this Annex "A" and referred to in Article 5 (Costs) of the Agreement includes the cost for fuel oil and maintenance of the Aircraft, landing fees, parking fees, hangar fees, dispatch costs and other ground handling costs for the Aircraft, salaries, flight pay and per diem for the crew, and the cost of services for passengers such as in-flight meals.
- (b) All other costs, including but not limited to costs of ground transportation at the places of origin and destination, visa fees, customs inspection fees, customs duties and other fees and taxes (including travel taxes, insurance surcharge, fuel surcharge and terminal fees but excluding PAL's income tax) payable in connection with passengers, baggage and cargo (if applicable) transported are not included in the Charter Price and will be borne by CHARTERER.
- (c) Costs of loading and unloading insofar as special equipment has to be hired or procured for these purposes, the cost of dunnage insofar as this has to be provided by PAL pursuant to Article 2.3 of the Agreement and all other special costs incurred by PAL with respect to passengers and goods in case of emergency landings, as well as fees for the notarization and authentication of this Agreement, if any, are not included in the Charter Price and will be borne by CHARTERER.
- (d) Cancellation Fee: CHARTERER agrees to pay the Round Trip price for each flight cancelled and other costs as a result of the cancellation, in the instances referred to in this Agreement

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CHARTER AGREEMENT
2020/LAO-015

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3. Address for Notices

(a) PAL's address for service of notices is:

Address: GSA Relations & Charter Services
5th Floor, PNB Financial Center
President Diosdado Macapagal Avenue
CCP Complex, PasayCity 1308,
Philippines
Fax: (632) 777 4800 local 5495 & 5489
Email: shiela_yuliong@pal.com.ph
ajo_tan@pal.com.ph

(b) CHARTERER's address for service of notices is:

Contact Person: Joyce Cesar
Contact number: +639275600264
Email: ouapb.trcrg@tourism.gov.ph

[END]

20-00138

ACKNOWLEDGMENT

Republic of the Philippines)
City of Makati.....)S.s.

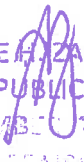
BEFORE ME, a Notary Public in and for Makati City, Philippines, this 26th day of August 2020 personally appeared:

Name	Government ID	Date/Place Issued
ARTURO P. BONCATO, JR. <small>JOSEPH BRIAN TAN</small>	Passport # 30015044A Passport # P4939487A	

Known to me to be the same person who executed the foregoing Agreement and he acknowledged to me that the same is his free and voluntary act and deed and the entity he represents.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place above written.

Doc. No. 344 :
Page No. 69 :
Book No. II :
Series of 2020.


 ATTY. AUDELLE H. ZAMORA
 NOTARY PUBLIC
 UNTIL DECEMBER 2021
 PENTHOUSE, LEGAL AFFAIRS SERVICE, DOT BLD
 PTR NO. 8144622 - 1/15/20 - MAKATI CITY
 IBP LIFETIME MEMBER 04646 / MAKATI CITY
 ROLL NO. 44115 MCLE VI-0024349