

MARKETING DEPARTMENT OF MIAT MONGOLIAN AIRLINES

**PROCEDURE OF CHARTER FLIGHTS
AT AIRPLANES OF MIAT
MONGOLIAN AIRLINES JOINT STOCK
COMPANY**

2017



CONTENTS

1. Descriptions
2. Tendencies and Demands to develop procedure of Charter Flights
3. General backgrounds
4. Requirements for customer parties
5. Instructions and conditions to make a request for Charter Flights
6. Necessary documents to be completed by Customer parties
7. Deadline to receive applications and requests for Charter Flights
8. Warnings
9. Resolution on requests of Charter Flights
10. Refusals from requests for Charter Flights
11. Miscellaneous and contacting address of MIAT Company

Attachments

1. Model for official letter to request for Charter Flights
2. Act to summarize contracts



1. Descriptions

MIAT Joint Stock Company is referred to as Mongolian Civil Airlines Joint Stock Company.

Air Transporter's Certificate is referred to as a Special license to grant rights to conduct commercial flight activities on airplanes.

Air Transporter is referred to as economic entities or organizations engaged in activities on aircrafts in accordance with air transportation certificate.

Customer is referred to as tourism organization or profit legal entities organizing the special service or tourism pack, to form, promote, sell, purchase tourism products.

Reserved flight is referred to as non-scheduled, but not additional flight regulated through a special contract signed by and between air transporter and customer organization.

Request for reserved flight is referred to as an official letter delivered from customer organization in accordance with model stipulated in Attachment 1 of the present procedure.

Price for reserved flight is referred to as total sum including operational expenses, relevant taxes and fees, plus income rate calculated on basis of request for the reserved flight.

Validity period of reserved flight is referred to as the term stipulated in the section "Validity period" of the contract signed in accordance with the model stipulated in Attachment 2 of the present procedure; however, it shall not become a reason for release from any responsibilities related to the present contract and its consequences.

Flight of special assignment is referred to as a flight to transport the President of Mongolia, Parliament Speaker, the Prime Minister, foreign state level guests and domestic aircraft necessary to make essential flights in addition to set air ways.



Flight of emergency assignment is referred to as a flight to struggle with disasters and phenomena, peace time defense, border security, and emergency medical flights, flights against criminal actions, and other emergency flights.

Cargo is referred to as products and commodities being conveyed and transported on aircrafts on basis of relevant Bill of Lading.

2. Tendencies and Demands to develop procedure of Charter Flights

This procedure has been developed in accordance with the demands and requirements to make a contribution to the development of tourism sector in Mongolia, to ease and ascertain tour operators' product processing activities, to improve their economic efficiencies, to improve interrelations between MIAT Company and Customer parties, to eliminate various information channels of uncertain sources in order to have common understanding.

The enforcement of the present procedure shall create conditions to systemize the company's information fund on Charter Flights, to ascertain work assignments and interrelations between customer parties and company departments and services, and to improve their operational activities.

Interrelations between air transporters and customer parties are very important for making Charter Flights because taking off and touch-down of Charter Flights, inland service, air navigation and other fees are generally higher than casual flights; however, as a privilege, it takes after normal flights. To clarify, State Civil Aviation Authority of any country makes regulations so that Charter Flights do not affect on scheduled flights or it is not allowed during the overloads of airports or when scheduled flights are delayed from its appointed time, the Charter Flights are generally scheduled last etc.; therefore, Charter Flights have comparatively limited environment.

The number of Charter Flights of MIAT Company has increased sharply in recent years. MIAT Company is a profit business organization; therefore, this procedure was developed upon consideration of the conditions such as but not limited to small market range, fewer numbers of tourist organizations that meet the requirements, the



number of seats supplied by the scheduled flights meet the market; therefore, over supply might cause a financial risk etc.

3. General backgrounds

The objective of the present procedure is to regulate relations until the signature of the contract of economic entities applying for Charter Flights of MIAT Company.

Marketing Department of MIAT Company shall organize Charter Flights so that they do not affect on the normal scheduled flights of the company.

Request for Charter Flights shall not have any contents that may affect on the main operational activities of MIAT Company.

This procedure shall not affect flights of special and emergency services.

4. Requirements for customer parties

Economic entities requesting to conduct Charter Flights must meet the following requirements:

- a. To be an economic entity officially registered in Mongolia or
- b. To have a special license or a certificate of tour operator classification
- c. To get engaged in activities using tour operator's certificate at least for one year
- d. Not to have any overdue debts to MIAT Company in direct or indirect financial ways
- e. To have sufficient financial and human resources capacities to organize tours.

5. Instructions and conditions to make a request for Charter Flights

Main procedure to organize Charter Flights:

- Customer parties shall deliver their request to Headquarter of MIAT Company through mail or in person, the copies shall be sent through e-mail to the Head of Marketing Department or responsible specialists.
- Upon receive of the requests that meet the completion requirements, responsible specialists from the Marketing Department of the MIAT Company



shall give a reply whether it meets the requirements to conduct Charter Flights within 10 days after receive of the request. In case of possibility, price proposals, the flight information, and schedule shall be delivered to Customer parties in advanced models.

- Price proposals of MIAT Company shall be valid and effective for 5 business days. Customer party shall receive the price proposal within this deadline and deliver MIAT Company with an offer to sign a contract.
- Upon receive of Customer's request to sign a contract; MIAT Company shall immediately deliver draft contract of Charter Flights to Customer through e-mail.
- Upon expiry of the contract effective period, the contract shall be summed and Act shall be made.

Conditions to arise during the organization of Charter Flights:

- When a request for Charter Flights includes more than 4 routes, the deadline for reply shall be extended by 1-2 days for every extra route.
- After signature of the contract, flight license obtaining activities shall start whereas MIAT Company shall control the activities and provide Customer parties with uninterrupted information.

6. Necessary documents to be completed by Customer parties

Main documents:

- ✓ Request for Charter Flights
- ✓ Special license or certificate of tour operators
- ✓ When the flight objective is meeting or sports' competitions, and other activities, the evidence on participation or organization of the activities must be shown.

If a request is made to MIAT Company first time or after the interruption for more than 2 years period, the following additional documents must be delivered:

- ✓ State registration certificate of the organization



- ✓ An introduction of the company
 - A brief information on the operational activities for the recent two years
 - Evidence on financial capacities (bank statements and bank account statements)
- ✓ Other necessary documents.

7. Deadline to receive applications and requests for Charter Flights

- a. A request for Charter Flights should be delivered at least 45 days prior to the date of flight.
- b. In case of flight to the uncommon points in the territory of People's Republic of China, a request for Charter Flights should be delivered at least 60 days prior to the date of flight.

8. Fees for additional services to change routes of Charter Flights

- a. If the reserved flight route is changed after Customer party delivers a request for reserved flight and has a flight calculation made and receives a price proposal, the Customer party shall make the request again and pay an additional fee equal to 100US\$ to MIAT Company. When Customer party makes a new request after more than 6 months period, it will be released from above fee.
- b. MIAT Company shall receive requests for the route changes and regulation at least 45 days before the date of reserved flight and make the relevant changes in case of possibilities.

9. Resolution on requests of Charter Flights

MIAT Company shall reply the requests for Charter Flights by the time order they receive; however, in some emergency cases, the following circumstances shall be considered.

- a. When companies and organizations deliver requests to conduct flights in similar routes through similar and same schedules, the earlier delivered requests shall have a privilege; however, in some cases, additional privilege and price proposals can be obtained again considering the requests of



customer parties, completion of documents, and requirements for Customers and resolve the issue for the privilege of the Party that offers the highest price or more efficient privileges. To do so, the choice will be made on basis of the following additional documents and evidence within the framework of the responsibilities to support monetary flows from foreign countries, economic and tourism sectors of Mongolia.

- i. To support domestic production
- ii. When foreigners travel to Mongolia, hotel, food, travel, and service detailed information for passengers should be considered and revised additionally in order to make the choice.
- b. If requests are made to make Charter Flights to different routes in the same period, similarly the earlier requests shall have privileges; however, MIAT Company shall make a choice upon consideration of economic efficient of the flight and aircraft possibilities.

10. Refusals from requests for Charter Flights

- a. When it misinterprets the contents and meaning of the present procedure,
- b. When it does not meet requirements for customer party,
- c. Documents are incomplete,
- d. When the request is made through partnership or joint way of two or more companies and economic entities,
- e. When a request is made upon breaches of the term stipulated in Article 7,
- f. When a fee stipulated in Article 8 is not paid,
- g. When a cargo transportation is offered on passenger transportation reserved flight
- h. MIAT Company pays an attention on the improvement of aircraft exploitation; however, we shall refuse from the proposals of Charter Flights from another organizations within 15 business days before and after the reserved flight in order to prevent from interference of the customer party's legal interest in case of contract signature. The Charter Flights shall be accepted only in case of negotiations accepted and signed by and between the parties.



11. Miscellaneous and contacting address of MIAT Company

a. Miscellaneous

- i. This contract shall terminate upon MIAT Company's acceptance of the draft contract as the further relations or flight permissions and settlement issues shall be regulated through flight contracts.
- ii. Any relations not regulated by the present procedure shall be regulated by the relevant statements and articles of Civil Code of Mongolia, Flight Law of Mongolia, Law on Purchase of Works and ?Service at State and Local Properties.
- iii. An applicant for the Charter Flights fully reads these requirements and procedure; therefore, it is understood to fulfill and obey this procedure.

b. Contacting address of MIAT Company:

Marketing Department,

Mongolian Civil Aviation "MIAT" State Enterprise Joint Stock Company

Head Office of MIAT Company, Khan Uul District, 10th khoroo, Buyant Ukhaa
45, Ulaanbaatar 17120, Mongolia

Tel: 976-11-284100

Fax: 976-70049919

Website: www.miat.com

Sita: ULNDOM

Attachment 1 of "Procedure of Charter Flights
at Airplanes of MIAT Joint Stock Company"
approved by the First Attachment of
Resolution Nr. A/893 on December 7, 2017

Official Blank of the Organization

To: MIAT Company

Date:

Number:

Request for Charter Flights



Paragraph 1. [Objective of reserved flight, route of flight, date, number of passengers, and information on their luggage]

Paragraph 2. [Special conditions]

Paragraph 3. [On reflection of necessary documents into attachments]

[Work position, name/surname, and signature] – To be verified by the company seal



Date:

We, Head of Marketing Department of Marketing Department for "MIAT" State Enterprise Joint Stock Company [name, surname] of the first part and of other part, hereby summarize the fulfillment and enforcement of the contract signed by and between the parties on ... (date) as follows:

1. The number of articles and provisions of the summarized contract
2. On the implementation of the contractual provisions:

.....
.....

3. Contractual settlement, monthly reports (or Act on financial settlement should be attached)

.....
.....

4. Contractual parties' fulfillment of their contractual obligations and responsibilities, to mention if there are any damages caused by the contract; if so, the ways of elimination of these damages

.....
.....

5. Proposals on further collaborations and cooperation

.....
.....

[This is just a general model to summarize the contract; therefore, other provisions and statements may be added depending on the contract features]

For and on behalf of MIAT Company:

Head of Marketing Department

[Name, surname]

Date:

For and on behalf of Customer:

[Work position]

[Name, surname]

Date:

