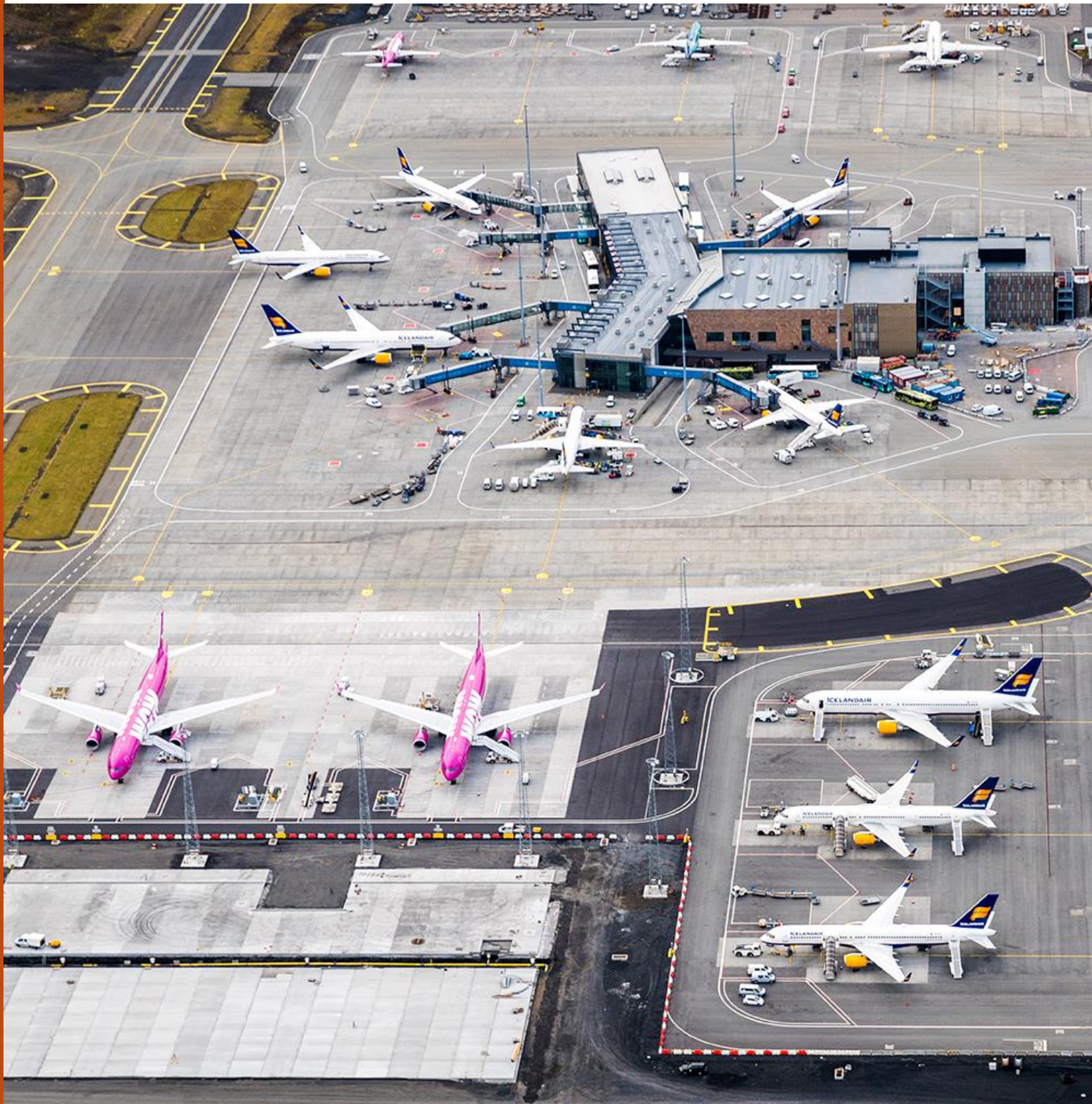


KEFLAVIK INTERNATIONAL AIRPORT
RULES ON GROUND HANDLING
JAN 2019



ISAVIA LTD.

KEFLAVIK INTERNATIONAL AIRPORT

RULES ON GROUND HANDLING 2019



ISAVIA

These Rules for Ground Handling Services are issued by Isavia as the “managing body” of Keflavik International Airport, in accordance with an authorization in Article 14 (a) of regulation No. 370/2018. The rules are furthermore based on regulation (EU) 2018/1139 of the European Parliament and of the Council and its implementing Rules set forth in Commission Regulation (EU) No 139/2014 on Aerodromes. The Rules apply to the entire airport area.

These Rules apply to any entity who is a “supplier” of ground handling services or a “self-handler” in accordance with the Regulation and provides ground handling service at Keflavik Airport. A list of types of ground handling services that fall under these Rules is in Appendix I which is an integral part of the Rules.

The Rules shall be governed by and be interpreted in accordance with Icelandic Laws. Violation of the these Rules and the Airport’s Terms of Services qualifies as an unlawful act vis-à-vis the Airport Operator. This applies equally to violation of any governmental regulations that affect the airport operator. Depending on the nature and extent of the violation, the Airport Operator will hold the offender liable under civil law, from whom all costs associated with the violation will be recouped.

The Supplier’s rights and obligations according to these Rules will take effect on the date stated in the License.

Any notice or other document required or authorized to be given by either the Supplier or the Airport Operator to the other under these Rules shall be in writing or by other proved or agreed procedure.

The Rules will be published at Isavia’s website and shall enter into force on the date mentioned in the publication.

The Airport Operator reserves the right to amend these Rules at all times with effect after a period of three (3) months’ notice. In special cases when, for reasons of urgency, the three (3) months’ notice period cannot be adhered to, the Airport Operator may amend these Rules with shorter notice.

CONTENTS

DEFINITIONS (FOR THE PURPOSE OF THIS DOCUMENT ONLY) 5

RULES ON GROUND HANDLING SERVICES 6

 1. PRELIMINARY..... 6

 2. LICENSE TO OPERATE 7

 3. EMPLOYMENT AND TRAINING 7

 4. PROVISION OF HANDLING SERVICE..... 8

 5. USE OF THE AIRPORT 9

 6. SAFETY AND SECURITY 10

 7. SAFETY MANAGEMENT SYSTEM (SMS) 11

 8. VEHICLES AND OTHER EQUIPMENT 11

 9. ENVIRONMENT..... 12

 10. EMERGENCY, CRISIS AND CONTINGENCY PLANNING 13

 11. FACILITIES 13

 12. CHARGES..... 14

 13. INSURANCE..... 14

 14. LIABILITY 15

 15. TERMINATION OF SERVICES 15

 16. CLAIMS PROCEDURES..... 16

APPENDIX I 17

 LIST OF GROUND HANDLING SERVICES..... 17

APPENDIX II 19

 OPERATING PRACTICES 19

DEFINITIONS (FOR THE PURPOSE OF THIS DOCUMENT ONLY)

„**Airport User**“ means individual or legal entity responsible for the carriage of passengers or goods by air to and from the airport.

“**Airside Areas**” means the areas and adjacent terrain and buildings at an airport where access is restricted.

“**Applicable Laws**” means any Act of the Icelandic Parliament.

“**AUC**” means the Airport Users’ Committee.

“**Competent Regulatory Authority**” means any court, governmental body or regulatory authority having authority over the Airport, Isavia, Airport Users or Suppliers of ground handling services.

“**Facilities**” means any office or other accommodation consisting of physical space or rights pertaining to real or leasehold property or other facilities which may be made or have already been made available to the Supplier of ground handling services to enable him to perform his ground handling services.

“**Force Majeure Event**” means any failure or delay in performance of duty which is caused by circumstances beyond the reasonable control of an entity such as war, natural disasters, strikes, lockouts or similar events that prevent the parties from complying with any of their obligation under the Rules.

“**ID Card**” means permit to access restricted areas at the airport in accordance with the relevant requirements or limitations and identifies a person as being employed by the Supplier of ground handling services and is issued by the Airport Operator.

“**Interest**” means interest on the sum in question at the penal interest rate as specified in Act No. 38/2001 on interests and indexation.

“**Isavia**” means Isavia Limited, the Airport operator.

“**Landside Areas**” means the areas and adjacent terrain and buildings at an airport where access is not restricted.

“**License**” means a license to operate at the Airport issued by the Airport Operator and listing the ground handling services which the Supplier of ground handling services is entitled to provide at the Airport.

“**Personnel**” means all employees, officers, sub-suppliers and agents engaged by or on behalf of the Supplier of ground handling services at the Airport.

“**Regulation**” means Regulation no. 370/3018 on Access to Ground Handling Services at Airports.

“**Rules**” means these Rules for Ground Handling Services at Keflavik Airport.

“**Self Handler**” means an aircraft operator and self-service provider of one or more categories of ground handling services.

“**Service**” means any ground handling service provided to Airport Users at aerodromes, as described in Appendix I.

“**Standards**” means any generally recognised industry of service standard of code of practice (including Icelandic and European Standards and Codes of Practice) relating to ground handling services.

“**Supplier**” means an individual or legal entity that supplies ground-handling services to Airport users.

“**The Airport**” means Keflavik International Airport.

“**The Airport Operator**” means Isavia as the managing body of Keflavik International Airport.

RULES ON GROUND HANDLING SERVICES

1. PRELIMINARY

1. The Supplier shall be subject to these Rules and Applicable Laws, regulations and standards.
2. The Supplier shall comply and ensure compliance by its agents with
 - a. the essential requirements for aerodromes and shall comply with applicable conditions and restrictions
 - b. all Applicable Laws and regulations, especially that pertaining to safety, security and the environment
 - c. the requirements of any Competent Regulatory Authority
 - d. the Aerodrome Manual and Safety Rules for Keflavík Airport
 - e. the Emergency Response Plan for the Airport and the Airport Security Emergency Response Plan. The Emergency Response Plans and an introduction to the plans will be provided by the Airport Operator concurrent issuance of the License
 - f. The Airport's Terms of Services
 - g. these Rules on Ground Handling Services;
 - h. other conditions issued by the Airport Operator regarding the operation of the Airport.
3. The Supplier has a duty to always be updated with all relevant applicable rules and regulations, cf. paragraph 1, in force as might be amended from time to time and shall ensure that its Personnel are informed about the relevant content of said rules and regulation and observe them.
4. The Supplier is responsible for the safe operation of its activities at the Airport and shall have all the means necessary to ensure safe provision of service at the aerodrome. These means shall include, but are not limited to, facilities, personnel, equipment and material.
5. The Supplier shall ensure that manuals for the operation and maintenance of ground handling equipment are available, applied in practice and cover operation, maintenance and repair instructions, servicing information, troubleshooting and inspection procedures.
6. The Airport Operator's role includes, so far as these Rules are concerned, the operation and development of the Airport and the provision and management of airport facilities at the Airport and that as such the Supplier shall not carry out any act or omission, which may cause any prejudice to or which shall interfere with the proper execution of such role by the Airport Operator.
7. The Supplier shall keep confidential any information classified as such that is provided by the Airport Operator to the Supplier. Such information must not be disseminated or communicated in any way by the Supplier except only to:
 - a. its employees on a need to know basis;
 - b. to a third party if required for the purposes of these Rules, and only with the express consent of the Airport Operator (provided that such party is bound by obligations of confidentiality in respect of such information); and
 - c. to any regulatory authority if required by law.
8. The Supplier shall be subject to a monitoring and audit procedure by the Airport Operator in respect of its provision of the Services at the Airport in accordance with appropriate regulations.
9. The Supplier shall be subject to audit by the Airport Operator or its agents in respect of charges it collects on the Airport Operator's behalf and of statistical returns required by the rules.
10. The Supplier shall grant the Airport Operator access to relevant and necessary records and data retained by the Supplier, whether in paper format or electronically, for auditing purposes.
11. The Airport Operator is allowed to set performance standards regarding ground handling services provided by the Supplier.

2. LICENSE TO OPERATE

1. The Supplier is required to obtain a License from the Airport Operator before carrying out any Services at the Airport. For the avoidance of doubt, the License only entitles the Supplier to carry out the Services explicitly listed in the License. The Supplier is not entitled to carry out other services or commercial business of any kind at the Airport without the prior written approval of the Airport Operator.
2. The License is non-exclusive and subject to the terms and conditions stipulated in these Rules.
3. Use of sub-suppliers, which supply Services, is subject to the prior written approval of the Airport Operator. Such sub-suppliers shall comply with the Rules, and the Supplier shall make sub-suppliers familiar with these Rules and monitor their compliance. The Supplier is liable for the acts and omissions of its sub-suppliers, including but not limited to security and safety issues unless the sub-supplier itself has obtained a License. Self Handlers cannot use sub-suppliers, which supply Services, and sub-suppliers may not subcontract Services. The Airport Operator reserves the right to require a sub-supplier to obtain own independent License.
4. The Supplier shall not permit any party to provide the Services as a sub-contractor without informing the Airport Operator thereof. Where a third party provides Services on behalf of the Supplier, such party shall be subject to these Rules and conditions in their entirety.

3. EMPLOYMENT AND TRAINING

1. The Supplier shall only use adequately trained and qualified Personnel and shall ensure the implementation and maintenance of training and checking programmes to ensure the continuing competence of all relevant Personnel.
2. The Supplier shall ensure that all employees have the appropriate qualification and requested skills for the safe and efficient performance of their duties.
3. The Supplier shall ensure that its employees undergo appropriate training required for the proper and safe discharge of their functions prior to commencing work at the Airport. Such training shall comply with applicable safety and security regulations and as appropriate the industry standards where other requirements have not been determined.
4. The Supplier is responsible for ensuring that its Personnel have received the necessary airside traffic training and that they have been trained to perform their respective tasks, including how to use handling facilities, equipment and appliances in relation to airside safety, the environment and occupational health and safety, and that instruction, supervision and control processes are adequate.
5. The Airport Operator will monitor and audit the qualification and training and make such recommendations and instructions in relation thereto to ensure compliance with Applicable Law and regulations.
6. The Supplier shall ensure that its employees obtain ID cards issued by the Airport Operator and display them clearly whilst on the Airport and adhere to the Access Rules for KEF airport.
7. The Supplier shall ensure that its managerial and supervisory employees are adequate in Icelandic or English to enable them to perform their duties and that they are familiar with all relevant aviation terminology.
8. The Supplier is responsible and liable for the Supplier's employees in respect of all matters relating to their engagement, employment, terms of engagement, terms of employment, benefits, health and safety.

4. PROVISION OF HANDLING SERVICE

1. The Airport is open 24 hours a day. The Supplier shall be able to provide Services 24 hours a day, 365 days a year.
2. The Supplier guarantees to have the necessary expertise and qualifications to perform the Services listed in its License. The Supplier shall ensure that it can supply services based on standards and recommended practices in respect of each category of service it is providing or has approval to provide if so required, see Appendix II.
3. The Supplier shall collaborate with the Airport Operator in providing the best possible service to passengers and Airport Users at the Airport.
4. The Supplier shall provide the Airport Operator with mobile telephone numbers and e-mail addresses of its operational management to be used for on-going problem solving 24 hours a day and for provision of general information from the Airport Operator and other general operational information. All changes and replacements of the operational management, employee responsible for quality control and safety, head of security and person in charge of ID cards shall be reported to the Airport Operator.
5. The Supplier shall make available to the Airport Operator on request statistical information pertaining to passenger and freight and mail throughputs, baggage statistics, aircraft movements and all other relevant matters.
6. The Supplier shall upon request make available to the Airport Operator information regarding Airport Users they have contracted with, Services provided and underlying standards.
7. The Airport Operator and the Supplier have a duty to immediately inform the other party of special circumstances (force majeure or other circumstances) which could significantly affect the general operations, service levels or safety of the Airport.
8. The Supplier shall inform the Airport Operator in respect of any proposed changes to the Services it performs on its own behalf or on behalf of any Airport User. The Supplier shall give the Airport Operator reasonable notice that identifies the nature and reason for any change and its proposed date of implementation, and the Airport Operator may attach such conditions as it sees reasonably fit.
9. The Supplier shall attend the relevant cooperation forums with the Airport Operator in order to ensure efficient traffic flows and operations, high safety standards, related both to safety, security and the working environment and to promote general cooperation at the Airport.

5. USE OF THE AIRPORT

1. The Supplier shall use such infrastructure or other elements of the Facilities as may be determined by the Airport Operator and notified to the Supplier by way of instructions or otherwise.
2. The Airport Users and Suppliers shall use the centralized infrastructure in the Airport, which e.g. comprises of the baggage handling systems, on arrival and departure, transport of passengers between aircrafts and terminal, all counters and desks in existing terminal and piers and the CUTE system.
3. The Supplier shall use such technical devices, systems and connection as directed from time to time by the Airport Operator.
4. The Airport Operator shall allow the Supplier such access to the Airport as is necessary for the Supplier to carry out the Services subject to compliance with the Applicable Law, regulations, rules and standards and the requirements laid down in the aerodrome manual and the Airport's Terms of Service.
5. The Supplier has a duty to comply with the Airport Operator's directions for the location of equipment in airside and landside areas. The Airport Operator will continuously allocate and manage the space, facilities and infrastructure available at the Airport in cooperation with the Suppliers present at the Airport.
6. The Airport Operator will, whenever possible, notify the Supplier in advance of any enlargements, conversions, repairs and similar works or projects, which can significantly affect the Supplier's operations at the Airport. Any inconvenience or disruption caused by such activities shall be regarded as unavoidable and must be tolerated by the Supplier. However, the Airport Operator will strive to limit the negative impact on the Supplier and, if necessary and possible, make replacement facilities available to the Supplier.
7. The Supplier shall ensure that technical or physical errors in IT systems, equipment, air bridges and other fixed ground installations, malfunctioning air bridges, DGS, etc. are immediately reported to the Airport Operator.
8. All incidents, accidents, spillages or breaches of safety or security, including but not limited to persons, property, aircraft, vehicles, buildings or installations that may influence the Airport's or any third parties' operation, shall immediately be notified to the Airport Operator and to any other relevant agencies in accordance with laws and regulations.
9. In case of force majeure events, including but not limited to an emergency, special weather conditions, damage to Airport infrastructure, security alerts, epidemics, as well as in case of special event (e.g. summits), the Airport Operator may restrict or limit use of Airport facilities and services.
10. The Airport Operator may also refuse to provide particular services or refuse access to Airport infrastructure at any time to Suppliers or others, who materially breach their obligations towards the Airport Operator, or causes danger to the secure and safe operation of the Airport.
11. The Airport Operator will consult with the AUC regarding matters that impact the Supplier in respect of the Services and obligations on the Supplier in these Rules.
12. The Supplier shall liaise with and co-operate with any person authorised to supply any Service to an Airport User.

6. SAFETY AND SECURITY

1. The Supplier and its Personnel are required to comply with the directions and instructions, including but not limited to rules for ID cards and vehicle permits, ad hoc directions or instructions issued by the Airport Operator with regards to safety and security and to ensure that the safety and security plans of the Airport User they provide Services to are known and observed.
2. The Supplier's Personnel shall have ID cards and complete the "Security Awareness" course before they can be allowed access to airside areas. ID cards are issued by the Airport Operator and subject to background check. The Supplier is responsible for the cost of obtaining ID cards and other documents required for their Personnel and equipment including vehicles. The Supplier shall ensure that ID cards are returned to the Airport Operator immediately upon termination of employment.
3. The Supplier must appoint a person to be responsible for compliance with safety and security regulations, informing Personnel about safety rules and registration of violation of security and safety rules, immediate reporting of any actual or potential breaches of airport safety and security practices, and co-operation during safety and security audits by the Airport Operator, Icelandic Transport Authority, or other parties as appropriate.
4. The Airport Operator's security officers shall at all times, upon presenting their ID card, be allowed access to the Facilities used by the Supplier in order to perform the control tasks imposed on the Airport Operator in accordance with security regulations.
5. The Supplier shall participate and co-operate in security and safety audits and inspections and shall provide such information relating to safety and security as the Airport Operator or other official auditing bodies may reasonably request from time to time.
6. The Supplier must be capable of handling aircrafts subject to special security requirements and the Supplier shall comply with the Airport Operator's reasonable directions in this regard.
7. The Supplier shall use the Facilities reserved for handling aircrafts, passengers and/or baggage subject to special security requirements, handling of lawful weapons, and handling of confiscated objects in accordance with the Airport Operator's instructions in this regard.
8. The Supplier shall sign an arrangement with the Airport Operator specifying all safety processes interfacing with the safety processes of the Airport Operator.
9. The Supplier shall take reasonable steps to ensure that no damage is caused to any premises or property of the Airport Operator, tenant or concessionaire or any person at the Airport or anything contained therein.
10. The Supplier shall co-operate with the Airport Operator and other agencies in investigation that may be appropriate in respect of any incident at the Airport. The Supplier shall promptly evaluate any accident, incident or breach of safety or security involving its own operations and shall promptly provide details of such evaluation to the Airport Operator.
11. The Supplier shall take all practicable steps to prevent fire or fire risks.
12. The Supplier shall have in place procedures to respond to the consumption of alcohol, psychoactive substances and medicine.

7. SAFETY MANAGEMENT SYSTEM (SMS)

1. The Supplier shall implement and maintain a management system to ensure compliance with the essential requirements, manage safety risks and to aim for continuous improvement of the system before 31 December 2019.
2. The Supplier shall establish processes containing at least the following:
 - a) Safety Policy which clearly states how the Supplier manages safety. The Supplier must be able to demonstrate the safety management approach taken to comply with the Airport's safety requirements.
 - b) Dedicated person responsible for the Safety Management System at the Airport.
 - c) Process for performing risk assessments. All operational changes that can affect flight safety must be risk assessed.
3. The Supplier shall develop and maintain a ground handling service manual and operate in accordance with that manual. The manual shall contain all necessary instructions, information and procedures for the service, the management system and for service personnel to perform their duties.
4. The Airport Operator has the right to perform audits of the SMS.
5. The Airport Operator has in-place a mandatory, non-punitive reporting system, where no sanctions will be given, provided the person, who is involved in the occurrence, has not acted with negligence and the person reports the occurrence to the Airport Operator's Safety Management Department within 72 hours.
6. The Supplier shall participate in investigations launched by the Airport Operator regarding flight safety occurrences, incidents or accidents and the Airport Operator may require the Supplier to act upon the findings of the investigation to improve the flight safety at the Airport. The Supplier shall also forward internal investigation reports regarding such flight safety occurrences/incidents/accidents, including defined recommendations, to the Airport Operator's Safety Management Department for information.
7. The Supplier shall actively participate towards the development of positive flight safety conduct at the Airport through participation in the respective, relevant flight safety forums and implementation of agreed initiatives in its own organization.

8. VEHICLES AND OTHER EQUIPMENT

1. The Supplier shall provide and maintain equipment necessary for the Services unless otherwise determined by the Airport Operator.
2. Vehicles and equipment must comply with specifications and regulatory requirements at any given time and may not be introduced onto the Airport by or on behalf of the Supplier without the prior approval of the Airport Operator and the Administration of Occupational Safety and Health if applicable.
3. The routing, positioning and parking of the Supplier's vehicles and equipment on the Airport shall be subject to the control of the Airport Operator. The Supplier shall comply with laws, regulations and rules relating to the operation of such vehicles and equipment and the movement thereof on the Airport.
4. The Supplier shall immediately comply with an Airport Operator's instruction to move any vehicle or equipment.
5. All Supplier's vehicles operating at the Airport shall be clearly identified and meet the Airport Operator's vehicle livery requirements and airside operating requirements.

6. The Supplier shall be responsible for the safe custody and handling of all vehicles and equipment and shall ensure that all vehicles and equipment are handled and stored in such a manner that they do not cause injury, loss, damage or death to persons or damage to property or to the environment.
7. The Supplier shall ensure that all vehicles and equipment are operated by trained and properly qualified operators only.
8. The Supplier shall immediately remove from the Airport and at its own expense, any vehicles or equipment the Supplier is responsible for which are found to be defective or unserviceable or if so directed by the Airport Operator.
9. All vehicles and equipment introduced onto the Airport by or on behalf of the Supplier shall be for the purposes of ground handling only. Upon termination of the operation the Supplier shall remove at its own expense from the Airport all such vehicles and equipment owned by it or held by it under hire or rental agreements.
10. The Supplier shall promptly notify the Airport Operator of any defect or malfunction of the Airport Operator's equipment or systems.
11. If the Supplier does not comply with the Airport Operator's demand to remove defective or unserviceable vehicles or equipment or those who are not suited to be at the Airport, they may be removed at the Supplier's expense without further notice.

9. ENVIRONMENT

1. The Supplier shall obtain and comply with any additional environmental approvals required by the public authorities under the applicable rules and regulation for the supply of the Services listed in the License.
2. The Supplier shall take all reasonable steps to restrict any pollution to air, water or land to such acceptable levels of normal airport operations, and ensure that no nuisance or any risk to the health of any person at or on the Airport or within the neighboring local communities is either created or aggravated.
3. The Supplier shall not discharge or allow to be discharged into the Airport's drains or sewers any effluent or thing which may injure or damage the Airport's drains or sewers or any drains or sewers into which they discharge or which may cause an obstruction in such drains or sewers or pollute any stream or river into which any such drains discharge.
4. The Supplier shall notify the Airport Operator immediately of any environmental discharge, spill or other incident on the Airport. The Supplier shall be responsible for the clear up and cost of any such discharge, spill or incident on the Airport which is attributed to the Supplier.
5. If it is established that pollution is caused by the Supplier's activities, the Airport Operator reserves the right, with prior notice to the Supplier, to clean up and implement any necessary remedial action for the account of the Supplier. The Supplier may by prior agreement and in cooperation with the Airport Operator, choose to conduct clean up and preventions itself, provided that the necessary environmental approvals are obtained, and the activities of the Supplier will not cause any damage or risk for the proper operation of the Airport.

10. EMERGENCY, CRISIS AND CONTINGENCY PLANNING

1. The Supplier shall ensure that its Personnel working on its behalf are trained in the Airport Operator's evacuation procedures.
2. The Supplier shall implement an emergency response plan in respect of its operations and submit to the Airport Operator for assessment and approval. On request, the Supplier shall provide the Airport Operator with all information related to the Supplier's emergency response plan.
3. The Supplier shall provide at their own cost adequate resources during emergencies and emergency exercises arranged and coordinated by the Airport Operator
4. In the event of an emergency, the Supplier may be designated by the Airport Operator to act as coordinator and upon such designation shall liaise with the Airport Operator and shall co-ordinate the activities of other suppliers involved.
5. In the event of an emergency at the Airport, the Supplier shall co-operate with the Airport Operator providing resources and equipment as directed by the Airport Operator in such a way as not to detract from or prevent the ongoing safe operation of the Airport.
6. The Supplier shall if required by the Airport Operator or appropriate authorities assist in fulfilling any obligation of an Airport User with which it contracts, including, without limitation, removing disabled aircraft.
7. In the case of threatened or actual disruption of service, the Supplier shall submit a Contingency Plan to the Airport Operator for approval and make arrangement for its implementation. The Supplier shall use its best endeavors to resume full service as soon as reasonably practicable.
8. If relevant changes in the Service are foreseeable, the Supplier shall as soon as possible give a written notice to the Airport Operator regarding the change. The notice shall include the reason for the changes in the Service.

11. FACILITIES

1. Any office, desk or other accommodation consisting of physical space in or rights pertaining to real or leasehold property or other facilities which may be made or have already been made available to the Supplier to enable it to perform its Services, may be subject to separate agreement, license or other arrangement.

12. CHARGES

1. The Supplier shall pay to the Airport Operator the charges that are applicable to the Supplier at such times and in accordance with terms as may be specified by the Airport Operator. The Supplier shall keep all charges collected for the Airport Operator separate and is not allowed to connect or add extra charges for his own service to the charges it collects for the Airport Operator.
2. If the Airport Operator so requires, the Supplier shall set bound for all charges it collects for the services of the Airport Operator.
3. All charges payable by the Supplier shall be subject to any taxes, service charges or other overheads applicable thereto or suffered by the Airport Operator. Administrative fees levied on payable charges shall be itemized separately on the invoice.
4. The Supplier shall deliver to the Airport Operator in a format and within the time limit set down by the Airport Operator, all forms, documents, returns, statistics, information or other matters as may reasonably be required by the Airport Operator, for billing, statistical information or any other financial purpose.
5. Invoices served by the Airport Operator on the Supplier and are based on information from the Supplier shall, except in the case of manifest error, be conclusive evidence as to the sum owing. Any shortcomings or inaccuracies resulting from information provided by the Supplier shall be his responsibility.
6. Invoices shall be paid on due date. Remarks made to invoices are corrected afterwards. In the event of invoices being rejected by the Supplier due to minor shortcomings, penal interest will be collected according to the Airport's Terms of Services.

13. INSURANCE

1. The Supplier shall purchase all mandatory insurance stipulated by laws and regulations, including insurance for his employees in accordance with the provisions of collective wage agreements.
2. The Supplier must purchase a third party aviation liability insurance covering their aviation activities, in accordance minimum requirements set by the Airport Operator. The Airport operator shall be named as an additional insured in the insurance policy, and such insurance policy shall also contain a severability of interest's condition.
3. The Supplier shall not knowingly perform or omit to perform a duty that may cause the Airport Operator to be in breach of an Applicable Law or liable for any cost or penalty.
4. The Supplier shall upon request provide the Airport Operator with a copy of the certificate of all insurance policies referred to above. Failure to do so will lead to denial of access to the airport.

14. LIABILITY

1. The Airport Operator is not liable for damage or bodily injury sustained as a result of or during a stay in the airport area. This does not apply to damage or injury sustained as a result of a demonstrable intentional act or omission or demonstrable gross negligence on the part of the Airport Operator.
2. The Airport Operator or its employees, servants, agents or affiliated companies shall not be held liable to pay for any damage caused by force majeure or other circumstances which are outside the control of the Airport Operator, irrespective of whether the Airport Operator itself participates in such circumstances or the like. This includes natural disasters; severe weather conditions; war; civil unrest; strikes; sabotage, acts of terrorism, including computer virus and hacking; power, data communication or telecommunication failures; breakdown of or lack of access to IT systems or damage to IT systems or damage to data in such systems caused by such events, regardless of whether the Airport Operator or a third-party supplier is in charge of the operation of the systems; and other similar situations. The Airport Operator shall not be liable for any loss originating from claims from third parties (including pax, Suppliers and Airport Users) even if the Airport Operator has been advised of the possibility of such loss.
3. The Airport Operator shall not be liable for the negligence, default, breach of duty of the Supplier nor shall the Airport Operator be liable or responsible for the receipt, approval or otherwise of plans, reports, information or communications submitted by the Supplier in accordance with the Supplier's obligations under these Rules.

15. TERMINATION OF SERVICES

1. The Airport Operator may request the Icelandic Transport Authority to limit the number of suppliers at the Airport for one or more categories of Services as well as to limit the number of self-handlers at the Airport, in accordance with the Regulation and subject to the selection procedure stipulated herein. In such case, the Airport Operator reserves the right to withdraw the License with a written notice of not less than 12 months.
2. The Supplier may terminate the Licence with 60 days written notice. The notice will take effect on the first day the following month.
3. The Supplier shall remedy any breach of these Rules immediately and no later than 30 days after such breach has been claimed in writing by the Airport Operator. In case of serious breach the Airport Operator reserves the right to make the notice shorter. If the Supplier has not remedied the breach within the notice period, the Airport Operator may terminate the License with immediate effect without the Supplier being entitled to compensation.
4. If the Supplier's non-compliance with these Rules is deemed to be material, or if the activities of the Supplier or the conduct of its Personnel, irrespective of a demand from the Airport Operator to reverse their conduct, give rise to safety, environmental or security risks, The Airport Operator may terminate the License with immediate effect without the Supplier being entitled to compensation.
5. If the Supplier discontinues the provision of Services at the Airport, the Airport Operator may with 30 days written notice terminate the Licence to expire on the last day of a month, without the Supplier being entitled to compensation.
6. Unless the Airport Operator has consented in writing in advance, the Airport Operator may immediately or by giving up to 90 days written notice, terminate the License if there is an event of change of control. Termination shall not entitle the Supplier to any compensation.

7. If the Supplier fails to take out insurance coverage it will be deemed to constitute material breach of these Rules, and the Airport Operator may terminate the License with immediate effect without the Supplier being entitled to compensation. Alternatively, the Airport Operator may order the Supplier not to perform the relevant Services until it has been documented that insurance coverage has been (re-)established.
8. In the event of the Supplier's bankruptcy or reconstruction, the Airport Operator may at its own discretion a) terminate the License with immediate effect without the Supplier being entitled to compensation, or b) terminate the License by giving three months' written notice to expire at the end of a month. If the bankruptcy estate continues the provision of Services but for any reason fails to satisfy the obligations pursuant to these Rules, the Airport Operator will be entitled to terminate the service without further notice. Termination shall not entitle the Supplier to any compensation.
9. Upon ceasing to provide the Services or any one of them at the Airport the Supplier shall be required to vacate and return any Facilities provided to it by the Airport Operator in respect of the provision of those Services.
10. Upon termination of service the Supplier's access or right to use any of the Airport's Facilities shall expire unless otherwise determined by the Airport Operator.
11. If the Airport Operator deems it necessary in order to maintain the safety level at the Airport applicable security standards or in the case of termination of services or if an approval is revoked or suspended the Airport Operator may terminate associated access authorisations.

16. CLAIMS PROCEDURES

1. If the Supplier deems the Airport Operator liable for loss or damages the Supplier shall without delay file a claim to the Airport Operator's Legal Department providing particulars of the reason for the claim together with any supporting evidence available at this time. The Supplier loses the right to make any claim if it is not filed within three months following the incident giving rise to the claim or within one month of the time when the incident giving rise to the claim should have been detected.
2. The Airport Operator and the Supplier shall ensure that the dispute is processed without undue delay. The Supplier shall assess and inform the Airport Operator of the amount claimed as soon as possible.

APPENDIX I

LIST OF GROUND HANDLING SERVICES

The Supplier must indicate which categories of Services, as described in attachment to the regulation, intends to provide.

1. Ground administration and supervision comprise:
 - 1.1. representation and liaison services with local authorities or any other entity, disbursements on behalf of the airport user and provision of office space for its representatives;
 - 1.2. load control, messaging and telecommunications;
 - 1.3. handling, storage and administration of unit load devices;
 - 1.4. any other supervision services before, during or after the flight and any other administrative service requested by the airport user.
2. Passenger handling comprise any kind of assistance to arriving, departing, transfer or transit passengers, including checking tickets and travel documents, registering baggage and carrying it to the sorting area.
3. Baggage handling comprise handling baggage in the sorting area, sorting it, preparing it for departure, loading it on to and unloading it from the devices designed to move it from the aircraft to the sorting area and vice versa, as well as transporting baggage from the sorting area to the reclaim area.
4. Freight and mail handling comprise:
 - 4.1. for freight: physical handling of export, transfer and import freight, handling of related documents, customs procedures and implementation of any security procedure agreed between the parties or required by the circumstances;
 - 4.2. for mail: physical handling of incoming and outgoing mail, handling of related documents and implementation of any security procedure agreed between the parties or required by the circumstances.
5. Ramp handling comprise:
 - 5.1. marshalling the aircraft on the ground at arrival and departure
 - 5.2. assistance to aircraft parking and provision of suitable devices
 - 5.3. communication between the aircraft and the air-side supplier of services
 - 5.4. the loading and unloading of the aircraft, including the provision and operation of suitable means, as well as the transport of crew and passengers between the aircraft and the terminal, and baggage transport between the aircraft and the terminal;
 - 5.5. the provision and operation of appropriate units for engine starting;
 - 5.6. the moving of the aircraft at arrival and departure, as well as the provision and operation of suitable devices;
 - 5.7. the transport, loading on to and unloading from the aircraft of food and beverages.
6. Aircraft services comprise:
 - 6.1. the external and internal cleaning of the aircraft, and the toilet and water services;
 - 6.2. the cooling and heating of the cabin, the removal of snow and ice, the deicing of the aircraft;
 - 6.3. the rearrangement of the cabin with suitable cabin equipment, the storage of this equipment.
7. Fuel and oil handling comprise:
 - 7.1. the organization and execution of fuelling and defuelling operations, including the storage of fuel and the control of the quality and quantity of fuel deliveries;
 - 7.2. the replenishing of oil and other fluids.

8. Aircraft maintenance comprise:
 - 8.1. routine services performed before flight;
 - 8.2. non-routine services requested by the airport user;
 - 8.3. the provision and administration of spare parts and suitable equipment;
 - 8.4. the request for or reservation of a suitable parking and/or hangar space.

9. Flight operations and crew administration comprise:
 - 9.1. preparation of the flight at the departure airport or at any other point;
 - 9.2. in-flight assistance, including re-dispatching if needed;
 - 9.3. post-flight activities;
 - 9.4. crew administration.

10. Surface transport comprise:
 - 10.1. the organization and execution of crew, passenger, baggage, freight and mail transport between different terminals of the same airport, but excluding the same transport between the aircraft and any other point within the perimeter of the same airport;
 - 10.2. any special transport requested by the airport user.

11. Catering services comprise:
 - 11.1. liaison with suppliers and administrative management;
 - 11.2. storage of food and beverages and of the equipment needed for their preparation;
 - 11.3. cleaning of this equipment;
 - 11.4. preparation and delivery of equipment as well as of bar and food supplies.

APPENDIX II

OPERATING PRACTICES

1. In respect of Ground Administration and Supervision, the Supplier shall provide:
 - a. Representation and liaison services with local authorities or any other entity.
 - b. Load control, messaging and telecommunications.
 - c. Handling, storage and administration of unit load devices.
 - d. Any other supervision services before, during or after the flight and any other administrative service requested by the Airport User.
 - e. Participate in any meetings, committees and consultative processes with the Airport Operator as are deemed by the Airport Operator to be necessary or desirable for the safe, secure or proper function of the Airport.

2. In respect of Passenger Handling, the Supplier shall:
 - a. Adhere to all Airport protocols in operation relating to the allocation and apportionment of check-in and gate boarding facilities and ensure the allocated number of check-in desks are open on time as per the Suppliers's arrangements with the Airport User.
 - b. Provide suitable trained staff to facilitate passenger handling at check-in and the gate (for departures and arrivals).
 - c. Ensure that all staff appropriately use check-in and gate equipment and report any maintenance and cleanliness issues or equipment failures.
 - d. Ensure that the Airport Operator is informed of any issues relating to function and cleanliness of passenger loading bridges.
 - e. Ensure effective management of queue length at ticketing desks, self-service machines, bag drops, check-in desks and departure gates.
 - f. Provide to the Airport Operator sufficient information to allow the handling of passengers with reduced mobility in accordance with agreed procedures.

3. In respect of Ramp Handling, the Supplier shall:
 - a. Have in place co-ordinated turnaround plans for all the relevant aircraft equipment types operated by Airport User and maintain up to date copies of the turnaround plans that the Airport Operator may use to audit the turnaround process.
 - b. Actively cooperate with the Airport Operator to audit turnaround practices against applicable requirements and IATA and other relevant standards and any replacement or amendments to such standards.
 - c. Follow all protocols in operation by the Airport Operator for the allocation and apportionment of aircraft stands.
 - d. Fully co-operate with the Airport Operator and Airport Users to ensure the maximum availability of passenger boarding bridges service to comply with the Airport Operator's stand allocation policy.
 - e. Provide suitably trained staff on stands in advance of an aircraft's arrival so to ensure that safe and timely handling of the aircraft is achieved.
 - f. Operate stand entry guidance systems;
 - g. Use fixed electrical ground power and any other fixed facilities if available and appropriate.
 - h. Provide necessary communications equipment required to perform the Services and to ensure that necessary licences are obtained for such equipment. Endure that the equipment is used so as to minimise interference with communications equipment used by others operating at the Airport.
 - i. Use only those coaching services and facilities which are specifically approved by the Airport Operator for the coaching of passengers and crew in Airside Areas.
 - j. When requested by the Airport Operator, and subject to operational constraints, handle diverted flights subject to any Airport User agreement being in place and subject to the standard rates and conditions of any Airport user agreement.
 - k. Store all container bins on secured trailers as per IATA recommendations and maintained in a safe condition.

- I. Ensure the appropriate resource levels are provided to meet demand and enable effective management of Airport capacity and airside space. Equipment not required to meet demand must be removed from the apron areas unless agreed by the Airport Operator.
 - m. Ensure only certified personnel operate the passenger loading bridges. Training is to be carried out by the Supplier, including subsequent practical proficiency checks of each operator. The standard of the training will be checked by the Airport Operator through regular audits.
4. In respect of Baggage Handling, the Supplier shall:
 - a. Work with the Airport Operator in respect the use of stand, baggage chute check-in infrastructure used by Airport Users and all Suppliers to achieve the optimum use of the infrastructure.
 - b. Ensure all equipment used by the Supplier complements the design of the baggage system and be in accordance with designated protocols and be of a suitable size. Trailers must take up only one chute when in position to be loaded or two positions when being loaded into a double trailer from two chutes.
 - c. Ensure that working and rest areas within the baggage sortation hall are maintained to an acceptable level of cleanliness as determined by the Airport Operator.
 - d. Provide sufficient suitably trained staff to facilitate baggage handling and to ensure that bags are efficiently removed from the chutes.
 - e. Comply with the Airport Operator's baggage sortation hall safety and operating standards.
5. In respect of Cargo Handling, the Supplier shall:
 - a. Maintain equipment in a safe and effective condition, and store in locations in compliance with the Airport Operator's requirements and to avoid congestion.
 - b. Ensure that employees adhere to industry standard safe practice regarding the movement of cargo around the ramp, apron and dedicated areas and the loading and unloading of aircraft.
 - c. Ensure that appropriate government and airline weight and cargo identity regulations are complied with.
 - d. Use infrastructure and equipment in such a manner as to avoid damage to the Airport infrastructure, and in the event of accidental damage, report the incident immediately to the Airport Operator.
6. In respect of Fuel and Oil handling, the Supplier shall:
 - a. Maintain their operation manuals and procedures according to latest version of JIG, Where as:
 - i. JIG 1 is for into-plane fueling service
 - ii. JIG 2 is for airport storage and handling system
 - b. The operation manual and procedures shall be audited at least once a year by certified JIG inspector.
7. The Supplier and its agents shall, subject to the prior approval of the Airport Operator, enter only those areas necessary for the provision of their Services. The Supplier shall strictly observe all laws, rules and regulations relating to the movement area.
8. The Supplier shall not in its performance of the Services infringe upon other suppliers operating at the Airport.
9. The Supplier shall ensure that persons, baggage, freight, mail and equipment, for which the Supplier is responsible, enter, operate within and leave the terminal and apron areas strictly in accordance with all relevant procedures and arrangements of the Airport Operator.
10. The Supplier shall notify the Airport Operator of any special handling arrangements outside the normal course of business. The Supplier shall be responsible for implementing any procedures so approved by the Airport Operator.

11. Subject to the right of the Airport Operator as to over-riding control and direction, the Supplier shall assume overall responsibility for the turnaround of the aircraft and shall co-ordinate the activities of all other parties associated therewith, which parties shall be obliged to co-operate in this matter.
12. The Supplier shall be responsible for liaising with the Airport Operator on matters regarding the aircraft movement, including in respect of passengers, baggage, freight and mail, until the aircraft has departed the Airport or, in the case of inbound aircraft, is parked on stand.