

1 CONDITIONS OF CARRIAGE FOR GOODS IN AIR TRANSPORT

Part one - General

§ 1 DEFINITIONS

AGENT - A person or organization authorized to sell air transport to other persons or organizations

AIRPORT OF DESTINATION – The airport, where the carriage of cargo terminates according to the air waybill

AIR WAYBILL (AWB) - A document evidencing the contract between the shipper or its representative and the carrier for carriage of goods

CARGO – Any articles on an aircraft or by replacement transport under AWB

CARGO MANIFEST - A list of shipments actually transported on a flight.

CARRIER - Air carrier performing carriage of cargo under air waybills

CHARGES COLLECT SHIPMENT –A shipment, where the consignee pays the transportation charge or freight charge or other charges only

CLAIM – A written request for compensation where the conditions of contract were not met by the carrier

CONDITIONS OF CONTRACT – The conditions under which the carriage of cargo is performed in accordance with Aviation Transport Regulation, specified in details on the reverse side of air waybill originals

CONSIGNEE - A natural or legal person stated in the air waybill as the party the carrier shall deliver the goods to

CONSOLIDATED SHIPMENT – A shipment of multi-packages from different shippers tendered for carriage by the agent under a single airway bill, where each shipper has a separate contract with another person than the carrier

DAMAGE OF GOODS – Change of state by external interference that caused a partial depreciation of goods

DANGEROUS GOODS (DGR) - Articles or substances as specified in the effective IATA Dangerous Goods Regulations, i.e. articles or substances which are capable of posing a risk to health, safety, property or the environment. These are explosives including ammunition, flammables (solid, liquid and gaseous), compressed and liquefied gases, oxidizers and self-combustible substances and substances dangerous when wet, corrosives, poisons and irritants, infectious substances, magnetized and radioactive materials.

DECLARED VALUE - The value of goods declared to the carrier by the shipper for the purpose of determining charges or of establishing the limit of the carrier's liability

DEPARTURE AIRPORT – The airport, where the carriage of cargo begins according to the air waybill

DESTRUCTION OF GOODS - Change of state by external interference that caused a complete depreciation of goods

DISCONTINUED FLIGHT – A flight terminated at a stopover or any other point en-route

EMBARGO – A ban on air transport of goods or certain types of goods for a limited period of time on flights (or on a particular sector) issued by the carrier

FREIGHT CHARGE – An amount to be paid to the carrier for carriage of goods

HEAVY CARGO (HEA) – Goods where the weight of one piece exceeds 150 kg

IATA - International Air Transport Association

IATA AGENT – A person or organization registered in the IATA Cargo Agency List, and authorized to sell air transport of goods to other persons or organizations

ICAO - International Civil Aviation Organization

INCOMPLETE SHIPMENT – A shipment where only a part of it is carried to the airport of destination

INTERNATIONAL AIR TRANSPORT – Transport, where the place of departure and the place of destination are situated in different countries

IRREGULARITIES IN CARGO TRANSPORT - Non compliance with the timetable

LIVE ANIMALS (AVI) – Goods which are subject to veterinary regulations with special requirements regarding packaging and care during the carriage

MARKING OF GOODS – Marking of individual pieces in the shipment with prescribed markings and labels under rules and regulations

MONTREAL CONVENTION – The Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed in Montreal on 28 May 1999

OTHER CHARGES – Charges incurred at airports en-route, including charges bound on transportation of a shipment from the departure airport to the airport of destination

OTHER PAYMENTS – Rightful charges documented by the carrier for services related to the carriage of shipment, other than the additional charges stated in the air waybill

PACKAGING – A receptacle and other necessary components and material where the contents are safely kept throughout the transport

PART SHIPMENT - A shipment transported by two or more flights to its destination

PERISHABLE CARGO (PER, PES, PEP, PEM, PEF) - Goods which will deteriorate over a given period of time or if exposed to adverse temperature, humidity or other environmental conditions

PREARRANGEMENTS – Booking made by the carrier for the complete route, arrangement for permits on transfer or transit airports (if required) and other necessary actions taken by the shipper and the carrier in cooperation

PREPAID SHIPMENT - Transport charges are paid by the shipper

REGULAR TRANSPORT – Air transport according to the timetable

RESERVATION (BOOKING) – A request to allot cargo capacity on a flight

ROUTING – Specification of route to be followed containing individual flights and airports

SCHEDULED TIME OF DEPARTURE – Estimated aircraft departure time according to the timetable

SCHEDULED TIME OF ARRIVAL - Estimated aircraft arrival time according to the timetable

SDR - SPECIAL DRAWING RIGHT defined by the International Monetary Fund

SHIPMENT - One or more pieces of goods accepted by the carrier from one shipper/agent at one time at one point, under one AWB and addressed to one consignee/agent at one destination address

SHIPPER – A natural or legal person stated in the air waybill as the party contracting with the carrier for carriage of goods

SHIPPER'S LETTER OF INSTRUCTIONS – A written instruction by shipper for issuing AWB and transportation

SURFACE TRANSPORT– transportation of goods by other means of transport than by air, under air waybill and flight number

TRANSFER AIRPORT – An airport stated in the air waybill where the cargo is transferred to another flight of the same or different carrier

TRANSPORTATION CHARGE - A sum total for carriage of goods, including the freight charge and other charges for services related to carriage

TRANZIT AIRPORT – A stopover airport not stated in the air waybill where the cargo remains on the aircraft

UNACCOMPANIED BAGGAGE - Baggage transported under air waybill for a cargo tariff

VALUABLE CARGO (VAL) - Goods having declared value for carriage at 1000 USD per 1 kilogram (or equivalent) or more, and selected goods of high value defined in regulations

VALUATION CHARGE – A charge calculated from the value of goods declared by the shipper

VOLUME (CHARGEABLE) WEIGHT – Other than the actual weight of goods to specify freight charges

VULNERABLE CARGO (VUN) – Goods, other than valuables, which usually require special security handling

WARSAW CONVENTION - The Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed in Warsaw on 12 October 1929

§ 2 RANGE OF EFFECT

1) General Provisions

Conditions of carriage for goods in air transport (hereinafter “Conditions“) cover any regular and irregular domestic and international transport of goods, Czech Airlines (hereinafter “carrier“) carries out, including services related to the transport

2) Transport free of charge

The carrier has the right to totally or partly exclude the applicability of these Conditions if they apply to transport free of charge.

Part two - Conditions of carriage for goods in air transport

§ 3 AIR WAYBILL

An air waybill constitutes a document on entering into a contract of goods carriage which accompanies a shipment from its acceptance by the carrier until its delivery to the consignee.

The shipper or agent submits Shipper’s Letter of Instruction to the carrier for air waybill issue. The carrier acknowledges acceptance of goods for carriage by returning the confirmed original of the air waybill. The shipper shall also submit to the carrier special written instructions for certain types of goods in accordance with the regulations.

The shipper is responsible for correctness and completeness of the data stated in the air waybill and is liable for any damage the carrier will incur because the data and declaration of the consigner were inaccurate and incomplete.

§ 4 TRANSPORTATION CHARGES AND OTHER PAYMENTS

1) General provisions

Freight charge rates, other charges and other payments determined by the carrier which are in effect on the date of issuance of the air waybill are applicable to the carriage carried out in accordance with these Conditions.

2) Freight charges

Freight charges are specified from the freight charge rates and the actual or volume weight of the goods and apply to the carriage of goods from the departure airport to the airport of destination according to the data in the air waybill.

3) Other charges related to the carriage and other payments

Other charges related to the carriage according to the data in the air waybill are charges incurred at the airports of departure, transfer, transit and destination effective on the date of the air waybill issue, including charges bound on the shipment transport from the departure airport to the airport of destination.

Other payments are due and by the carrier documented charges for services directly related to the carriage of shipments, other than other charges specified in the air waybill.

4) Supplementary charges and overpayments

If the transport charges were determined on the basis of incorrect shipment data, the carriers and the shipper will carry out a proper financial settlement.

5) Transportation charge payment

Transportation charge payment is carried out in local currency of the country where the transport begins, or in another currency according to the corresponding regulations. If the transportation charge is paid in another currency than the one stated in the carrier's tariffs, the IATA exchange rate in effect on the date of invoicing will be used.

The transportation charge will be paid to the carrier by the shipper at the departure airport (i.e. prepaid shipment) or by the consignee at the destination airport (i.e. collect). Complete transportation charges or freight charges or other charges only may be paid when paid on charges collect basis.

The following goods may not be transported on charges collect basis (i.e. freight charge collect):

- a) Goods, the commercial value of which is lower than the transportation charge,
- b) Live animals,
- c) Perishable cargo,
- d) Printed matters (newspapers, magazines, catalogues..),
- e) Human remains (in coffins and urns),
- f) Unaccompanied baggage and personal effects,
- g) Goods, where the shipper and the consignee are the same person,
- h) Goods to countries where regulations do not allow charges collect shipments or where the regulations of the last carrier do not allow so

The consignee shall pay the carrier the valuation charge according to the regulations.

Unless it is a charges collect shipment, the carrier has the right to refuse transport of a shipment if the transportation charge was not settled.

§ 5 CONDITIONS OF ACCEPTANCE OF GOODS FOR CARRIAGE

1) Goods that may be accepted for carriage

The carrier accepts all types of goods (excepts for specified exemptions) if the nature of the goods and technical parameters of the aircraft used by the carrier permit so. Goods meant ready for carriage must fulfil the following conditions:

- a) goods are not excluded from carriage because of their nature and their import, transfer, transit or export is permitted,
- b) contents must be properly declared,
- c) must be submitted for carriage properly documented,
- d) must be well packed and marked (see marking of goods),
- e) must not show damage,
- f) must not endanger safety,
- g) must not cause inconvenience to passengers and crew (e.g. smell),
- h) transport must be pre-arranged (for certain types of goods)

The carrier may refuse to accept goods for carriage if the above conditions are not met.

1) Packing and marking

The goods must be packed in such packaging and in such a way in order to withstand normal manipulation during carriage and not to cause damage to persons, other goods or property. The shipper is responsible for proper packing of the goods and possible damage resulting from non-compliance with the obligation, especially if a defective packaging was used. Each piece of the shipment must be legibly and durably marked with the name, complete address of the consignee and labelled in accordance with the regulations.

2) Laws and regulations required by the countries of departure, transit, transfer and arrival

The shipper must comply with laws, customs and other special regulations of any country to, from or via the goods are carried.

3) Goods accepted for carriage under special conditions

The shipper shall submit goods for transport in accordance with special conditions specified by the carrier, ICAO, IATA international regulations and regulations of the country of departure, transit, transfer and arrival. The shipper will provide the carrier with necessary information about the character of goods and will submit the required documents.

In case of any variance, the carrier has the right not to accept a shipment for carriage.

The following goods may only be carried upon preliminary arrangement of transport.

- a) dangerous goods
- b) vulnerable and valuable goods
- c) arms
- d) perishables
- e) live animals
- f) human remains
- g) heavy goods and goods of irregular shapes and dimensions
- h) goods requiring special care during transfer and transit
- i) goods with a higher declared value than is the limit specified by the carrier
- j) other goods specified by the carrier

Certain types of goods may only be transported with the carrier's special permission.

Carrier's staff provide after request detailed information about the acceptance and transport of valuable goods, arms and ammunition, dangerous goods, perishable goods, live animals and other special goods.

1) Carriage of dangerous goods

Transport of dangerous goods strictly follows effective international regulations and carrier's conditions.

2) Carrier's right to inspect the contents of shipments

The carrier has the right, in the presence of the customer and airport security or customs authority to check the contents of the shipment submitted to transport.

The carrier is entitled not to accept a shipment for carriage if it cannot be inspected.

3) Declared value goods

The carrier may accept for carriage goods with declared value, that the shipper will prove in the form of a document stating the value, e.g. invoice, declaration. In this case the shipper shall pay a valuation charge for the declared value of the goods.

The declared value and the charge must be entered in the air waybill.

The shipper has not the right to request a change in the declared value for carriage after the goods were sent from the departure airport specified in the air waybill.

4) Goods insured under the air waybill

The carrier may accept for carriage goods insured under the air waybill, if the shipper proves the value of the goods, e.g. with an invoice, declaration. In this case, the shipper shall pay a premium.

The amount of insurance and premium must be entered in the air waybill. The shipper has not the right to request a change in the amount of insurance after the goods were sent from the departure airport specified in the air waybill.

§ 6 TRANSPORTATION OF GOODS

1) Routing

If the shipper does not determine routing and air carrier in the air waybill, the carrier has the right to determine the routing and carrier of the shipment. The carrier may assign another carrier to carry the goods or may use another aircraft without prior information to the shipper or consignee.

2) Surface transport

The carrier is entitled to arrange for transport or to transport a part of or the entire shipment without prior informing the shipper by another means of surface transport, usually by trucks.

3) Transport priorities

Priority is given to shipments with reservations. The carrier reserves the right to specify priorities according to operations conditions.

4) Timetables

Departure and arrival times as printed in timetables are not parts of the carriage contract. The carrier will make every effort to begin and finish the carriage within the shortest possible time limit.

5) Cancellation of a flight, irregularities in air transport

Due to serious reasons beyond the carrier's control (force majeure, e.g. weather conditions, technical reasons not caused by the carrier, war, strike at the organisation providing services to the carrier, etc.) the carrier may postpone, delay, cancel or reroute the flight for which the reservation has been made without any liability, except for its obligation to arrange for the carriage by other aircraft or means of transport or reimburse the transport charge.

The carrier is entitled, without prior information, to cancel, postpone, delay, reroute the flight or terminate transport if the circumstances require so and at the same time to take into account the shipper's interests.

§ 7 SHIPPER'S RIGHT TO DISPOSE OF THE GOODS

1) Disposition right of the shipper

The shipper who met obligations resulting from the contract of carriage may give the following instructions to the carrier in writing:

- a) to require withdrawing of the goods at the airport of departure or destination,
- b) to stop the goods during carriage at any stopping place,
- c) to instruct about delivery at the destination or stopover to another person than the consignee stated in the air waybill,
- d) to require the return of the goods to the airport of departure.

1) Failure to comply with the shipper's instructions

If meeting the shipper's instructions proves to be practically impossible, the carrier has the right to refuse meeting such requirements and must immediately inform the shipper.

2) Settlement of expenses

The shipper must settle all expenses arising in connection with exercising the right of disposal.

3) Extinction of the disposition right

The disposition right of the shipper no longer exists the moment when the consignee takes over the goods at the destination.

§ 8 DELIVERY OF GOODS AND FAILURE TO TAKE DELIVERY

1) Notice of arrival

When the goods reach the destination, the carrier will inform the consignee in writing about their arrival.

2) Delivery of goods to the consignee

If the written instruction of the shipper does not specify otherwise, goods will be delivered to the consignee as stated in the air waybill. If the consignee refuses to take delivery of goods, if he/she cannot be contacted or if the goods cannot be delivered for another reason, the carrier shall request shipper for his instructions.

The consignee shall settle the transportation charge and all other payments involved before the consignment is delivered to him/her, if they have not been settled by the shipper. Both the shipper and consignee are co-responsible for the settlement of transportation charge and other payments to the carrier.

Any damage to carried goods must be reported to the carrier immediately after taking delivery of the goods by the consignee and the carrier shall make a written report of damage. Otherwise delivery of goods without any complaint is the evidence that the goods have been delivered in good conditions.

§ 9 CARRIER'S LIEN

If the shipper and consignee do not pay all costs to the carrier, the carrier has the right to dispose of the goods in order to ensure its unsettled claim. The carrier will inform the shipper and consignee about holding goods and the reasons.

The carrier is in the position of a lien creditor. All relations related to the lien follow effective legal regulations.

The lien expires by complete payment of the transportation charge, or other payments related to the transport of goods, e.g. their storage and keeping.

Part three - Carrier's liability

§ 10 SUCCESSIVE CARRIERS

Air transportation to be performed by several successive carriers under an air waybill is to be regarded as a single operation.

If several successive carriers perform the carriage, each of them, accepting goods, is considered a contractual party of carriage according to valid international conventions.

The shipper may place a claim with the first carrier, then the consignee, entitled to take over the goods, may place a claim with the last carrier and further more, both of them may place a claim with any carrier that performed the carriage when destruction, loss or damage of goods or delay occurred. These carriers are jointly and equally liable to the shipper or consignee.

§ 11 CARRIER'S LIABILITY

1) General

The liability of the carrier follows the Civil Code n. 40/1964 Collection as amended and Aviation Transport Regulation for domestic air transport

In international air transport, the Convention for the Unification of Certain Rules Relating to International Carriage by Air, of 28 May 1999 (Montreal Convention) or the Convention for the Unification of Certain Rules Relating to International Carriage by Air of 12 October 1929 (Warsaw Convention as amended in The Hague Protocol) and also the regulation of the European Parliament and European Commission no. 2027/97 as amended in regulation no. 889/2002 of 13 May 2002 related to the Montreal Convention apply to both domestic and international transport.

The carrier is liable up to the amount of the actual damage, however up to the limit of its liability only. The carrier is not liable for indirect or consequential damage or for loss of profit.

The limitation of liability applies to all employees, agents and representatives of the carrier.

2) Carrier's liability for damage

Compensation for loss, destruction, damage or delay of cargo is limited to 17 SDR per 1kg of cargo. Limitation of liability does not apply to air carriage of goods with declared value and goods insured under the air waybill, where the carrier is liable up to the stated amount, if it does not prove that the amount is higher than the actual interest of the shipper in the delivery of the shipment to the arrival point.

§ 12 CLAIMS AND CLAIM TIME LIMITS

In case of damage to cargo, it is necessary to place a claim immediately, however 14 days after its delivery at the latest. In case of delay, it is necessary to make a complaint in writing within 21 days from the date on which the goods were delivered. If the goods were not delivered, it is necessary to place a claim within 120 days from the date of issuance of the air waybill.

A claim for damages expires 2 years after the arrival at the destination or estimated arrival or 2 years after the carriage was terminated.

Part four - Effectiveness

These "Conditions of carriage for goods in air transport" become effective on 1 April 2005. As of the date, the previous "Detailed conditions of carriage for passengers, baggage and goods" of 1 April 2002 are void.