

Commission Agreement

This Commission Agreement, valid from April 1, 2016 until December 31, 2016, hereinafter referred to as the “Agreement”, is entered into, by and between:

Turk Hava Yollari, A.O. (“Turkish Airlines”), referred to as “*Turkish Airlines*”, with its registered office at 7200 Corporate Center Drive, Suite 300, Miami, FL 33126, USA

And

_____, referred to as the “*Travel Agency*”, with its registered office at _____, USA

to establish the terms and conditions by which Turkish Airlines will pay commission to the Travel Agency in consideration for the Travel Agency’s selling Turkish Airlines air transportation with the “TK” flight designator, validated on Turkish Airlines’ validation code (#235) and duly reported and paid through the Travel Agency’s ARC sales reports during the period of this Agreement. The Travel Agency will take the commission at the time of reporting its sales through its ARC Sales Report. However, please note: Only the Travel Agency offices whose ARC numbers and addresses are written in Appendix B of this Agreement will be able to take commission per the terms of this Agreement.

Article One: Commission Program

Turkish Airlines will pay the Travel Agency a commission amount based upon seasonality, the base fare of each ticket sold during the period of this Agreement, the Point of Travel Origin and whether the ticket is exclusively comprised of Turkish Airlines flights operated aboard Turkish Airlines aircraft (Please see Appendix A for commission amounts). Please note: When tickets subject to this Agreement are refunded, the Travel Agency must return the commission to Turkish Airlines at the time of processing the refund through its ARC Sales Report. If Turkish Airlines refunds the ticket, the Travel Agency must pay the Turkish Airlines-issued Recall Commission Debit Memo through ARC Memo Manager within 30 days of receipt. In addition, the following types of tickets will not qualify for commission:

- Charter Flights
- Free tickets
- Tickets having only Turkish domestic flights
- Travel Agent or Airline Employee Passes

- Any ticket not reported through the Travel Agency's ARC Sales Report

Article 2: Payment Terms

The Travel Agency will notate the amount of commission in the commission box on the ticket and deduct the appropriate amount at the time of reporting the ticket through its ARC Sales Report. For a list of commission levels, please see Appendix A.

Article 3: Marketing

Turkish Airlines will not contribute to a Marketing Fund.

Article 4: Prohibited Marketing Activities

The Travel Agency is prohibited by Turkish Airlines from the following activities without having the express written consent of Turkish Airlines:

- Except to fulfill its obligations in this Agreement, the Travel Agency shall not use Turkish Airlines' name and registered logos, trademarks and other protected Turkish Airlines property in the Travel Agency's print advertising, internet advertising (e.g. banners, advertisements, etc.), social media or other media or publicity campaigns.
- Paying a search engine or similar internet research or marketing aid (e.g. Yahoo, Google, Google Adwords, etc.) to have the name or advertisement (including banners) of the Travel Agency appear on the results page when a person searches the names "Turkish Airlines", "Turkish Airline", "Turk Hava Yollari", "Turkish Airways" or "THY".

Turkish Airlines is prohibited by the Travel Agency from the following activities without having the express written consent of the Travel Agency:

- Using the Travel Agency's name and registered logos, trademarks and other protected Travel Agency property in Turkish Airlines' print advertising, internet advertising (e.g. banners, advertisements, etc.), social media or other media or publicity campaigns except as set forth in this Agreement.
- Paying a search engine or similar internet research or marketing aid (e.g. Yahoo, Google, Google Adwords, etc.) to have the name or advertisement (including banners) of the Travel Agency appear on the results page when a person searches the name of the Travel Agency.

Article 5: Duration of this Agreement

This Agreement is for the period from April 1, 2016 to December 31, 2016. It shall terminate automatically at 11:59 PM on December 31, 2016.

Article 6: Governing Law

This Agreement is governed by the laws of the State of New York and the Courts in the City of New York shall have jurisdiction over this Agreement.

Article 7: Force Majeure

Notwithstanding anything contained in this Agreement to the contrary, no Party shall be liable to the other for failure to perform any obligation under this Agreement if prevented, and only during the time prevented, by reason of a “force majeure”. For purposes of this Agreement, a “force majeure” is any event that is caused, directly or indirectly, without fault by the claiming Party, by: fire, flood, earthquake, elements of nature or acts of God; quarantines, epidemics or embargoes, acts of war, terrorism, riots, civil disorders, rebellions or revolutions. Following a force majeure, the non-performing Party shall be required to exercise reasonable efforts to recommence performance whenever and without delay. All requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of any such contingency which shall interfere with such performance. If the event force majeure continues for an uninterrupted period of more than sixty (60) days, the party to whom the performance is due may terminate this Agreement by giving thirty (30) days’ written notice.

Article 8: Termination and Cancellation of the Agreement

- a. Either Party is entitled to terminate this Agreement upon thirty (30) days’ written notice to the other party, with or without cause.
- b. Notwithstanding the preceding provisions, this Agreement shall terminate *de jure*, upon written notice with immediate effect; at any time should either party become insolvent or entering into a reorganization procedure. Such termination shall be without prejudice to the contractual obligations and liabilities of either party accrued and due prior to the effective date of termination.

Article 9: Notices and Communications

All notices and other communications required under this Agreement shall be in writing addressed to the following names and addresses and sent by overnight delivery service:

For Turkish Airlines:
Mr. Celal Baykal
General Manager
7200 Corporate Center Drive Suite 300
Miami FL 33126
Tel: (305) 869 - 3921
celalb@thy.com

For the Travel Agency:

Until and unless a party has received a written notice that the other party's address has changed, any notice which is sent to the recipient party's address stated in this Agreement or the previous address notified to the other party in accordance with the terms of this Agreement shall be deemed properly served. Any and all notices relating to termination, infringement or breach of this Agreement, request of consent, notice of payment and request of compensation for any kind of loss shall be in writing and shall only be sent by overnight delivery or shall be delivered personally or by courier against a receipt stating the date of delivery and signed by the recipient, at the address of the other party specified above. All other communications between the parties relating to the performance of this Agreement may be sent by e-mail.

Article 10: Confidentiality

Each party agrees to hold all Confidential Information of the other party in the strictest confidence and not to copy, reproduce, distribute, remanufacture, duplicate, reveal, publish, report, disclose, cause to be disclosed or otherwise transfer any such Confidential Information to any third party or utilize any such information for any purpose whatsoever other than specifically required or permitted under this Agreement, except that each party may disclose Confidential Information of the other to its employees who have a specific need to know such information and who are advised of the confidential nature of the Confidential Information. The obligations of this section shall continue for the term and extend with regard to (i) Confidential Information for a period of two (2) years thereafter; (ii) Confidential Information rising to the level of trade secrets under applicable law for so long as such constitutes a trade secret under applicable law; and (iii) Personally Identifiable Information for the maximum time allowed by law. The obligations of this section shall survive the Agreement.

In the event of any unauthorized access to the Confidential Information, the receiving party shall immediately notify the disclosing party and the disclosing party will determine what, if any, individual notification is appropriate. If requested by the disclosing party, at no cost to the disclosing party, the receiving party will use all reasonable efforts to assist the disclosing party in: (i) determining what Confidential Information may have been promised; and (ii) providing legal notices to appropriate individuals. The receiving party may make no statements to any third parties regarding any security breach involving Confidential Information, unless otherwise instructed in writing by the disclosing party.

If the receiving party is requested or required by legal process or by applicable law or regulation to disclose any of the Confidential Information, the receiving party may comply with such request or requirement, provided that the receiving party give the disclosing party reasonable notice of such request or requirement such that the disclosing party may seek an appropriate protective order or other appropriate remedy unless prohibited from doing so by any applicable law or regulatory body with whose instructions the receiving party has to comply. The receiving party agrees to cooperate with the disclosing party in any reasonable efforts to obtain such remedies.

For purposes of this Agreement, Confidential Information shall mean all ideas, concepts, techniques, know-how, technical information, customer information, financial information, business plans or projections, marketing information, any other information pertaining to the

past, present or future business operations or financial or financial condition of the disclosing party or other information or material, in whatever form (received by one party to this Agreement from the other, which the disclosing party desires to protect against unrestricted disclosure or unauthorized use, regardless of the form of disclosure (e.g. whether written, oral, graphic, electronic or visual) that derives economic value, actual or potential, from not being generally known to others and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information shall not include any information which, as demonstrated by written documentation: (a) is in or enters the public domain without breach of this Agreement through no fault of the receiving party; (b) the receiving party can demonstrate it was learned by the receiving party independently and without use of, or reference to, the disclosing party's Confidential Information; or (c) the receiving party receives from a third party without restriction on disclosure and without breach of a nondisclosure obligation or was otherwise lawfully acquired from other sources by the receiving party.

Article 11: Assignment

This Agreement and the rights granted hereunder may not be assigned by either party without the prior written consent of the other party.

Article 12: Severability

If any provision of this Agreement is rendered inoperative, void or illegal by operation or law, regulation, judgment or otherwise, such provision will be deemed omitted and the remainder of the Agreement will remain enforceable to the maximum permissible extent. The parties shall amend that provision in such a reasonable manner as will best achieve the intention of the parties without illegality.

Article 13: Waiver

Failure of either party to insist upon strict performance of any of the covenants or conditions of this Agreement or to exercise any right or option herein contained shall not be construed as a waiver or relinquishment of such any other covenant, condition, right or option or of either party's right thereafter to enforce each and every term and condition of this Agreement.

Article 14: Representations and Warranties

Each party represents and warrants that it has the authority to enter into this Agreement and that it shall comply with all applicable laws in connection with this Agreement.

Article 15: Disclaimer

Except as expressly set forth in this Agreement, neither party makes any representations or warranties of any kind with respect to the subject matter of this Agreement. Each party specifically disclaims any and all implied warranties of merchantability or fitness for a particular purpose.

Article 16: Indemnification

Each party ("Indemnifying Party") shall defend, indemnify and hold the other party, its Affiliates and their Indemnified Parties harmless from and against any losses arising from: (i) the Indemnifying Party's willful misconduct or gross negligence, (ii) a breach by the Indemnifying Party of its representations or warranties in this Agreement or (iii) the Indemnifying Party's provision of, or failure to provide, the Indemnifying Party's services.

Article 17: Limitation of Liability

In no event shall either party, or any Travel Agency distribution channel, be liable to the other for any punitive, incidental or consequential damages in any action arising from or related to this Agreement, whether based in contract, tort (including negligence), intentional conduct or otherwise, including, without limitation, damages relating to the loss of profits, income or goodwill, regardless of whether such party has been advised of the possibility of such damage.

Article 18: Miscellaneous

Any change of the present Agreement will be made in writing signed by the legal representatives of both parties. The appendices and attachments hereto are integral parts of this Agreement.

For the avoidance of doubt, Turkish Airlines will pay the Travel Agency the commission for any part term of this Agreement in case of an early termination of this Agreement. Thus, Turkish Airlines will pay commission on all tickets subject to this Agreement up until the termination date.

In the event that the Travel Agency disputes a debit memo that was a result of a technical problem, it is the Travel Agency's responsibility to contact its GDS provider in order to resolve the disputed debit memo.

Any debit memo generated by Turkish Airlines must be paid in full by the Travel Agency within 30 days of receipt, unless said debit memo is disputed in the Airline Reporting Corporation's (ARC) Memo Manager System and Turkish Airlines has accepted, in writing, to close the debit memo. Any money owed to the Travel Agency under this Agreement will first be used to close the Travel Agency's debit memos that have been open and unpaid for more than 30 days and the remainder will be paid to the Travel Agency.

Parties understand and agree that each party will perform its obligations only to the extent such obligations are not prohibited by law, rule or regulation including, but not limited to, competition laws

For:

Signature

Name:

Title:

Date:_____

For:

Turk Hava Yollari A.O. (“Turkish Airlines”)

Signature

Name:

Title: General Manager, Miami

Date:_____

APPENDIX A

YEAR ROUND COMMISSION LEVELS:

1. For tickets issued in the United States solely for Turkish Airlines-operated flights, using “TK” flight numbers, in Business Class, Comfort Class, Economy Class or any combination of these classes **and the first flight segment departs from one of Turkish Airlines’ United States Gateways**, the total commission amount allowed to be taken depends upon the destination and the fare class:

Please note: When calculating the commission for a ticket with more than one Fare Class, you must calculate each flight coupon’s correct commission separately and add them together to get the total commission for the ticket.

From Turkish Airlines’ USA Gateways to a final destination in Turkey:

<u>Class</u>	<u>Commission Amount</u>
C,D	12%
K,J	10%
U,O,Y	8%
A,B,M	7%
H,S,E	6%
Q,T,L,V	5%
P,W	4%

From Turkish Airlines’ USA Gateways to a final destination beyond Turkey:

<u>Class</u>	<u>Commission Amount</u>
C,D	18%
K,J	14%
U,O,Y	9%
A,B,M	8%
H,S,E	7%
Q,T,L,V	6%
P,W	5%

2. **Westbound Flights:** For tickets issued in the United States solely for Turkish Airlines-operated flights, using “TK” flight numbers, in Business Class, Comfort Class, Economy Class or any combination of these fare classes **and the first flight segment departs from outside the United States and is part of a direct routing to one of Turkish Airlines’ USA Gateways**, the total commission amount allowed to be taken depends upon the originating point of the first flight and the fare class:

Please note: When calculating the commission for a ticket with more than one Fare Class, you must calculate each flight coupon’s correct commission separately and add them together to get the total commission for the ticket. ***In addition, if the ticket includes***

more than one fare basis, the commission will only be paid on the trans-Atlantic fare basis.

From Turkish Airlines' points in Turkey to its USA Gateways:

<u>Class</u>	<u>Commission Amount</u>
C,D	5.0%
K,J	4.5%
U,O,Y	4.0%
A,B,M	3.5%
H,S,E	3.0%
Q,T,L,V	2.5%
P,W	2.0%

From Turkish Airlines' points beyond Turkey to its USA Gateways:

<u>Class</u>	<u>Commission Amount</u>
C,D	5.5%
K,J	5.0%
U,O,Y	4.5%
A,B,M	4.0%
H,S,E	3.5%
Q,T,L,V	3.0%
P,W	2.5%

3. Interline Tickets departing between January and December (inclusive):

For tickets issued and originating in the United States and issued solely for Turkish Airlines-operated flights, using "TK" flight numbers, in Business Class, Comfort Class, Economy Class or any combination of these fare classes ***that include at least one U.S. domestic connection operated by one of Turkish Airlines' preferred domestic partners and the tickets are issued as a Turkish Airlines through fare, connecting to or from a Turkish Airlines flight at one of the Turkish Airlines Trans-Atlantic Gateways in the United States***, the total commission amount allowed to be taken is **5.0%** of the base fare.

For a current list of Turkish Airlines' preferred domestic carriers in the United States, please consult the appropriate Turkish Airlines fare rule in the GDS.

All of the above tickets must be validated on Turkish Airlines' validation code "235" in order to qualify for the above-listed commissions.

APPENDIX B

ALL Travel Agency offices and branches located within the United States, including Puerto Rico and the U.S. Virgin Islands, are included in this Agreement ***as long as they are listed in this Appendix B.*** Failure to include an office, branch or ticketing facility's ARC number and address below will mean that they are not part of this Agreement.

Any updates to this Appendix B will become effective one month after both parties have agreed to and counter-signed the new Appendix B. Commission is never paid retroactively.

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