



**RFP REFERENCE NO: PLIT 08-2019**

**INVITATION/REQUEST FOR PROPOSALS**

**FOR**

**SALES AUDIT & INTERLINE SECOND  
PASS AUDIT  
FOR  
SRILANKAN AIRLINES LTD.**

**SECTION III**

**DATE OF ISSUE: 25<sup>TH</sup> MARCH 2019**

**SRILANKAN AIRLINES  
AIRLINE CENTRE  
BANDARANAYAKE INTERNATIONAL AIRPORT  
KATUNAYAKE  
SRI LANKA**

## **Section I. Instructions to Suppliers (ITS)**

<b>A: General</b>	
1. Scope of Bid	<p>1.1 The Purchaser named in the Data Sheet invites you to submit a quotation for the supply &amp; provision of Sales Audit and/or Interline second pass audit as specified in Section III - Scope of deliverables expected from the internationally reputed service providers.</p> <p>Upon receipt of this invitation you are requested to acknowledge the receipt of this invitation and your intention to submit a quotation.</p>
<b>B: Contents of Documents</b>	
2. Contents of Documents	<p>2.1 The documents consist of the Sections indicated below.</p> <ul style="list-style-type: none"><li>• Section I. Instructions to bidder</li><li>• Section II. Data Sheet</li><li>• Section III. Schedule of Requirements</li><li>• Sections IV. Quotation Submission Form</li><li>• Section V. General Conditions</li><li>• Annexure A :<ul style="list-style-type: none"><li>➤ Schedule 1 - Sales audit specification price schedule &amp; Interline Second Pass Audit specification &amp; price Schedule</li><li>➤ Schedule 2 - Vender's Information</li></ul></li><li>• Annexure B : Sample Contract Agreement</li></ul>
<b>C: Preparation of Quotation</b>	
3. Documents Comprising your Quotation	<p>3.1 The document shall comprise the following:</p> <ul style="list-style-type: none"><li>• Sections IV - Quotation Submission Form.</li><li>• Annexure A - Sales audit &amp; Interline Second pass audit specification &amp; price schedule with vender's Information</li><li>• Annexure B - Sample Contract Agreement</li></ul>

4. Quotation Submission Form and Sales audit & Interline Second pass audit specification & price schedule with vender's Information	4.1 The Supplier shall submit the Quotation Submission Form using the form furnished in Section IV. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.
5. Prices	<p>5.1 The price to be quoted in the Quotation Submission Form shall be the price of the Quotation.</p> <p>5.2 Prices quoted by the bidder shall be fixed during the contract period and not subject to variation on any account. A Quotation submitted with an adjustable price shall be treated as non-responsive and may be rejected.</p>
6. Currency	6.1 The bidder shall quote only in US Dollars (USD)
7. Period of Validity of quotation	7.1 Quotations shall remain valid for a period of sixty (60) days after the quotation submission deadline date.
8. Format and Signing of proposal	8.1 The quotation shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the service provider. Please ensure all documents are duly signed and stamped in the given area when forwarding.
<b>D: Submission and Opening of Quotation</b>	
9. Submission of Proposal	9.1 Suppliers shall submit their quotations by email to "salesaudit@srilankan.com"
10. Deadline for Submission of Proposal	10.1 Proposal must be received by the procurer at the email address set out in Section II, "Data Sheet", and no later than the date and time as specified in the Data Sheet.
11. Late Proposal	11.1 The procurer shall reject any quotation that arrives after the deadline for submission of quotations in accordance with ITS Clause 10.1 above.

12. Opening of Quotations	<p>12.1 The procurer shall conduct the opening of proposals by the selected Bid Opening Committee at airline's offices at the address, date and time specified in the Data Sheet.</p> <p>12.2 A representative of the bidders may attend to the bid opening ,if they wish and mark its attendance.</p> <p>12.3 Presence of the bidder, will not necessarily ensure the selection of their proposal.</p>
<b>E: Evaluation and Comparison of Quotation</b>	
13. Clarifications	<p>13.1 To assist in the examination, evaluation and comparison of the proposals, the Procurer may, at its discretion, ask any bidder for a clarification of its proposal. Any clarification submitted by a bidder in respect to its proposal which is not in response to a request by the Procurer shall not be considered.</p> <p>13.2 The Procurer's request for clarification and the response shall be in writing.</p>
14. Responsiveness of Proposals	<p>14.1 The Procurer will determine the responsiveness of the bidder to the documents based on the contents of the bid received.</p> <p>14.2 If a proposal is evaluated as not substantially responsive to the documents issued, it may be rejected by the Procurer.</p>
15. Evaluation of proposals	<p>15.1 The items will be subjected to a Technical Committee for evaluation based on the following criteria :(separate evaluations will be done for Sales Audit &amp; Interline second Pass Audit.)</p> <p><u>First Criteria</u></p> <ul style="list-style-type: none"> <li>I. Working experience &amp; capacity</li> <li>II. Minimum of 3 years' experience in providing Sales Audit and/or Interline Second Pass Audit.</li> <li>III. Minimum clients of 3 reputed Airlines to whom Sales Audit and/or Interline Second Pass Audit service providing.</li> </ul> <p><u>Second Criteria</u></p> <ul style="list-style-type: none"> <li>I. Cost</li> <li>II. Accuracy of Pilot Audit results</li> </ul>
16. Procurer's Right to Accept any proposal, and to Reject any or all proposals.	<p>16.1 The Procurer reserves the right to accept or reject any proposal, and to annul the process and reject all proposals at any time prior to acceptance, without thereby incurring any liability to bidders</p>
<b>F: Award of Contract</b>	

17. Acceptance of the proposal	17.1 The Procurer will accept the proposal of the Bidder whose offer is not necessarily the lowest evaluated bid and is substantially responsive to the documents issued.
18. Notification of acceptance	18.1 The Procurer will notify the successful Bidder, in writing, that its proposal has been accepted.

## SECTION - 01

### GENERAL INSTRUCTIONS TO BIDDERS IN ADDITION TO THE ITS RFP NO: PLIT 08-2019

#### REQUEST FOR PROPOSAL FOR THE PROVISION OF SALES AUDIT & INTERLINE SECOND PASS AUDIT FOR SRILANKAN AIRLINES.

##### **1. GENERAL INFORMATION AND INSTRUCTIONS**

###### **A. Purpose of the Request for proposal**

- The scope of the RFP is to select a service provider with Airline Traffic Document Audit experience to provide sales audit service & Second Pass Audit service for SriLankan Airlines, complying with requirements indicated in this RFP, with an aggressive implementation schedule in order to commence the sales audit & Second Pass audit early.
- The Bidder needs to propose the sales Audit service or/& the Second pass audit according to the requirement below (not limited to). The bidder may also propose any relevant added services in order to improve the quality of the Audit with a continuity plan and reasonable data retention period.

###### **B. BUSINESS REQUIREMENT**

- **Sales Audit**

Audit of all traffic documents sold, refunded, exchanged through distribution Channels worldwide in connection with Passenger transportation and recovery of monies due to SriLankan Airlines.

- **Interline Second Pass Audit**

To identify the weak areas of Interline billing & recover the under billed values in terms of outward billing and over accepted values billed by other airlines in terms of inward billing.

##### **C. DISTRIBUTION CHANNELS**

- **Sales Audit**

BSP, ASD and ARC Agency, General Sales Agency, Passenger sales Agency, Ground Handling Agency and Direct at SriLankan Airlines ticketing Counters.

- **Interline Second Pass Audit**

Tickets issued through worldwide Airlines & sales channels.

##### **D. TYPE OF DOCUMENTS**

- **Sales Audit**

Passenger ticket  
Electronic EMDs  
Excess Baggage EMDs  
Refund Documents Advice , Application

- **Interline Second Pass Audit**

Other airline passenger documents (tickets) uplifted by SriLankan Airlines & UL tickets uplifted by other airlines.

## **E. AUDIT PARAMETERS**

- **Sales Audit**

- Fare on tickets issued using published/unpublished fares filed in Global Distribution systems
- Fare on tickets issued using fares not filed through GDSs (according to UL manual fare sheets/ad-hocs )
- Eligibility
- Day/Time applicability
- Seasonality
- Flight Application/restriction
- Advance purchase/Ticketing conditions
- Stopovers
- Fare combination
- Surcharges (YQ,Q & etc)
- Travel Restrictions
- Sales Restrictions
- Penalties
- Ticket Endorsements
- Fare By Rule
- Voluntary Changes
- Reservation Booking Designator ( RBD of SriLankan Airlines and Other Airlines)
- Sale date and Place of issue validity.
- Discounts ( Child, Infant, Student, Seaman, to any other promotional, with proof if required)
- Travel date validity including black-out periods
- Commission Applicability
- Carrier Combination ( Unrestricted or with carriers having Special Prorate Agreements)
- Group Travel Conditions
- Excess baggage Calculation
- Taxes and surcharges( Payable to third party and Airline specific)
- Routing (Stopover, transfer....)
- Ticket Validity
- Reissue Calculation
- Baggage allowance
- Refund Calculation
- Minimum / Maximum stay and add-ons
- Name Changes
- Service fee (including OB)
- All fare relates conditions
- All other UL/IATA rules applicability

- **Interline Second Pass Audit**

- Outward billing
- Inward billing

The audit verification shall be governed as per guidelines mentioned in IATA Revenue Accounting manual ("RAM") and Special Prorate Agreements (SPA).

Audit should be performed on Non **OneWorld** airlines.

Should provide the scope to understand the weak areas of Interline billing & recovers the under billed values in terms of outward billing and over acceptance values billed by other airline in terms of inward billing.

- SPA/CSA/MPA applicability
- RAM rule applicability
- Tax & surcharges
- Interline service charge
- All listed parameters under Sales audit when necessary

**F: VOLUME:**

- **Sales Audit**

Average number of documents (Passenger Tickets and all types of EMDs) per month including refunds is around 200,000 – 250,000

The network is divided to region as follows,

Region	Percentage of Documents(Average)
	Issued per Month
South Asian Sub Continent(including Sri Lanka)	51.50%
Middle East & Africa	20%
Europe & America	13.50%
Asia Pacific	14%

\*/Interline Second Pass Audit

Inward billings – Average 25,000 - 31,000 per month without FIMs/EMDs & EBTs.

Outward billings –Average 10,000-15,000 per month without FIMs/EMDs & EBTs.

Audit is applicable only for the airlines which give consent to disclose the agreements excluding Oneworld carriers.

**G. WORK FLOW & THE PROCESSES**

Service provider must clearly define the complete process of sales & Interline second pass audit and the roles and responsibilities of each process. Sales & interline related data and other related information will be provided by SriLankan Airlines.

**H. REPORTING**

Service provider must indicate the reporting methods and schedules on the performance of the sales & interline second pass audit and measuring tools of the status at any given time.

**I. QUALITY ASSURANCE**

Service provider must indicate the quality assurance available for making sure accuracy of the audit, minimizing any errors or issues, and mechanisms to identify any such issue at the earliest possible to avoid any delays and maximize the recovery process.



**J. LIABILITY**

While provider must ensure the implementation of strict auditing and controls to avoid/minimize errors, the provider needs to indicate how any revenue loss to the airline would be compensated which is due to sales & interline second pass audit errors.

**K. CONFIDENTIALITY**

Service provider must enter into a non-disclosure agreement with the SriLankan Airlines.

**L. CONTRACT PERIOD**

Initially one year, and then review and extend further subject to review of the initial one year operations.

There could be a one month pilot project if required.

**M. COMMERCIAL MODE**

Vendor must propose commercial model on the basis of revenue sharing.

**N. SHORTLISTING AND PRESENTATION**

SriLankan Airlines reserves the right to shortlist bidders who may be invited to make presentations to discuss the details of their proposals. The date of presentations will be advised by SriLankan Airlines if required.

**O. OTHER CONDITIONS**

SriLankan Airlines reserves the right to:

- ❖ Modify any part of this Request for Proposal including the deadline for submission and waive any minor defect contained therein.
- ❖ Reject any or all submissions and assumes no responsibility or liability whatsoever to the bidders.
- ❖ Accept the proposal most advantageous to it at its absolute discretion.

**P. UNDERSTANDING THE SCOPE OF SERVICES**

The bidder shall make itself fully aware of SriLankan Airline's requirements, conditions and other matters which may affect the proposal.

The bidder must clearly understand the intent and meaning of SriLankan Airline's requirements for the Scope of Services.

Any failure to comply with the forgoing shall not allow the bidder to deviate from performing the Scope of Services if successful.

## Section II: Data Sheet

ITS Clause Reference	
1.1	The Purchaser is: SriLankan Airlines Address: SriLankan Airlines, Airline Centre, Bandaranayake International Airport, Katunayake
10.1	Email address for submission of Quotations is “salesaudit@srilankan.com”  Deadline for submission of quotations is on or before 05 <sup>th</sup> May at 15Hrs Sri Lankan time(GMT +5.30 Time Zone)

### Section III - Schedule of Requirements

SriLankan Airlines is looking for a leading professional Firm/Firms to handle its Sales Audit and/or Interline second pass audit assignments on a contract basis.

In the case of carrying out the above the agency shall:

<b>a. <u>Scope of work relating to Sales Audit</u></b>	
1	Expected Date of Completion of the Audit: Document sold during any calendar month to be completed within 45 days from the last day of the sale month.
2	Audit of all traffic documents sold, refunded, exchanged through distribution Channels worldwide in connection with Passenger transportation and recovery of monies due to SriLankan Airlines.
3	All Agency Debit Memos for BSP, ARC & ASD need to be uploaded to BSP/ARC/ASD Link immediately after expected date of completion of the audit (within 55 days from the last day of the sales month).
4	Service provider needs to handle the ADM dispute management on behalf of the Airline & responsible to handle the ADM disputes without any delay (within 3days of the dispute)
5	Audit identifications relating to General Sales Agency, Passenger sales Agency, Ground Handling Agency and Direct at SriLankan Airlines ticketing Counters need to be listed through the audit identification list immediately after expected date of completion of the audit.(within 55 days from the last day of the sales month)
6	Airline queries need to be actioned immediately by the service provider.
7	Service provider needs to have a mechanism to accommodate monthly waivers.
8	Needs to have a proper audit software to accommodate all Airline requirements.
9	Service provider must indicate the quality assurance available to make certain the accuracy of the audit, minimizing any errors or issues, and mechanisms to identify any such issue at the earliest possible to avoid any delays and maximize the recovery process.
10	Service provider must ensure the implementation of strict auditing and controls to avoid/minimize errors, the provider needs to indicate how any revenue loss to the airline would be compensated.
11	All Invoices & Credit notes need to be supported with the relevant ADM & Ticket break-up. (No service fee will be entitled for the ADM admin fee & same need to be show through a separate column for easy identification)
12	If any Audit error same need to be adjusted through Credit Note immediately within the following month of the error being identified.

**b. Scope of Interline second pass audit**

- Outward billing
- Inward billing

The audit verification shall be governed as per guidelines mentioned in IATA Revenue Accounting manual ("RAM") and Special Prorate Agreements (SPA).

Audit should be performed on Non Oneworld airlines.

Should provide the scope to understand the weak areas of Interline billing & recovers the under billed values in terms of outward billing and over acceptance values billed by other airline in terms of inward billing.

#### Section IV - Quotation Submission Form

[The Supplier shall fill in this Form in accordance with the instructions indicated no alterations to its format shall be permitted and no substitutions will be accepted.]

Date:

To: SriLankan Airlines

We, the undersigned, declare that:

- (a) We have read and have no reservations to the document issued;
- (b) We agree to supply conforming to the documents issued and in accordance with the Schedule of Requirements of the following Services. [insert a brief description of the service];
- (c) The monthly value of our quotation for 1year in words & figures in [USD value];
- (d) Our quotation shall be valid for the time specified in ITS Clause 8.1
- (e) We understand that our quotation, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us.
- (f) We understand that you are not bound to accept the lowest evaluated proposal or any other proposal that you may receive.

Signed: [insert signature of the duly authorized person]

Name: [insert complete name of person signing the Bid Submission Form]

Date:

## Section V - General Conditions

- I. Bidder” means the principal of the agency or an authorized representative for the principal. In the event where the bidder is an authorized representative (of Audit company), it is mandatory an Authorized Representative Status letter from the Principal is submitted to SriLankan Airlines along with the proposal to avoid rejection of the proposal.
- II. Once accept the proposal there could be a one month pilot project if required.
- III. Separate Agreement & the Non-Disclosure Agreement will be sign for the Pilot projects.
- IV. Once selected the service provider, it is mandatory that the bidder signs the Contract Agreement & the Non-Disclosure Agreement for the Live Audit project- Annexure B.
- V. Annexure B shall be duly completed and signed by SriLankan Airlines and will be sent to the bidder, subsequent to the successful bidder’s appointment by SriLankan Airlines.
- VI. The Main agreement is valid for a period of 36 months.
- VII. The fee quoted in Annexure A will be valid only for the live project after signed the main agreement & NDA.
- VIII. The Bidder shall make available the stipulated service for 36 months. All payments will be made Nett of taxes in USD.
- IX. Bidder’s registration letters and certificates, Company profile, Clientele details & Sales Audit or/& Interline Second Pass Audit experiences also be furnished along with this document.

Please note our expected payment terms for the operation are as follows:

Delivery : Monthly Invoices

Payment : 30 days from date of invoice

Currency : US Dollars

Pay Back : 100% pay back of all Audit errors at the end of the listings period at the service providers cost.

➤ **ANNEXURE A - Schedule 1 - Sales audit or/ & Interline Second Pass Audit specification & price schedule per month**

	<b><u>Service</u></b>	<b><u>Fee</u></b>	<b><u>Remarks</u></b>
	<b>❖ <u>Sales Audit</u></b>		
i	*/First Pass Agency Sales Audit BSP,ARC & ASD(Sales, Refunds, Exchange ,VMPDs, Baggage ,Group & etc)		
	*/Dispute management service		
ii	Direct Sales Audit - Sample Audit (Sales, Refunds, Exchange ,VMPDs, Baggage ,Group & etc)		
iii	Direct Sales Audit		
iv	GSA ,PSA & other		
	<b>❖ <u>Interline Second Pass Audit</u></b>		
v.	Inward Billing		
vi.	Outward Billing		

**Note:** Please specify relevant fees/charges related to above, outside of this format if required

➤ ANNEXURE A Schedule 2 - Vender's Information

Name of Audit Firm	
Type of Audit (Sales Audit/Interline Second Pass Audit)	
Address	
City Province	
Postal Code Telephone No. Fax No.	
Name of Person Signing For Firm	
Position of Person Signing For Firm	

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Signature

**\*\*Person signing must be authorized to sign on behalf of the Company/Individual represented, and to bind the Company /Individual to statements made in response to this contract.**



## ANNEXURE B - SAMPLE CONTRACT AGREEMENT & NDA

### AUDIT AND REVENUE RECOVERY SERVICES AGREEMENT (FARE AUDIT & INTERLINE SECOND PASS AUDIT)

This Agreement is made on [ ] day of [ ] 2019 ~~the~~ Commencement Date.

By and Between:

XXXXXXXXXX Limited a company incorporated in [ ] and having its registered office at [ ] (hereinafter referred to as "**Supplier**") which term shall include, where the context so requires or admits mean and include the said XXXXXXXXXX Limited, its liquidators, successors in office subsidiaries and assigns) and the One Part.

And

**SriLankan Airlines Limited**, a company incorporated in the Democratic Socialist Republic of Sri Lanka, bearing Company Registration No. PB 67 and having its registered address at Airline Centre, Bandaranaike International Airport, Katunayake in the said Republic of Sri Lanka (hereinafter referred to as "**Customer**") which term shall include, where the context so requires or admits mean and include the said SriLankan Airlines Limited, its liquidators, successors in office and assigns) of the Other Part.

The Supplier and the Customer shall individually be referred to as a "Party" and collectively "Parties".

#### Whereas:

- A The Customer is the national carrier of Sri Lanka engaged in international passenger, cargo and mail transportation as a commercial airline which operates scheduled commercial flights to numerous destinations worldwide;
- B The Supplier is in the business of providing solutions that help airlines manage their financial processes;
- C The Customer issued a Request For Proposal Ref [PLIT 08-2019 - INVITATION TO TENDER FOR SALES AUDIT & INTERLINE SECOND PASS AUDIT] for the provision of audit and revenue recovery services for the Customer (RFP) as set out therein;
- D The Supplier responded to the RFP and the basis of its responses, was selected as successful bidder. Based on such responses and discussions subsequently held between The Customer and the Supplier, Customer wishes to appoint the Supplier to provide Services (as defined below) and the Supplier agreed to provide the Services to the Customer in accordance with the terms and conditions contained in this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and conditions herein contained, the Parties covenant and agree as follows:

#### 1 DEFINITIONS AND INTERPRETATION

- 1.1 Unless the context otherwise requires, the following words, expressions and terms shall for the purposes of the Agreement, have the meanings set opposite them:

"XXXXXXXXXX Limited" means the Supplier and any parent, subsidiary or affiliate company of the Supplier.

"**ACM**" means Agency Credit Memo or Credit Note being the document used to credit an Agency.

"**ADM Standard Delivery Channels**" means ADM electronic transmission via BSPlink, ARC Memo Manager or IATA-ASD, as appropriate.

**"ADM"** means Agency Debit Memo or Debit Note being the document used by the Customer to debit an Agency. An ADM is raised when the amount that should have been paid by the Agency is more than was actually paid by the Agency. An ADM is expressed in the currency in which the related document has been paid.

**"Agency"** means travel agency or General Sales Agents (GSA) issuing passenger air tickets within the framework of the BSP/ARC on behalf of the Customer.

**"Agreement"** means the Agreement comprising any and all Appendices to the Agreement as amended, modified or supplemented from time to time in accordance with the provisions of the Agreement and agreed in writing by duly authorised representatives of both Parties.

**"ARC"** means Airline Reporting Corporation which provides a similar service as BSP, of sales and settlement solutions for the travel industry, to ARC-accredited Travel Agency locations and Corporate Travel Departments in the United States, Puerto Rico and the U.S. Virgin Islands.

**"ARC Memo Manager"** means the electronic mechanism used by ARC to transfer and process ADMs and ACMs.

**"ATPCO"** means the Airline Tariff Publishing Company which provides electronic access to information concerning tariff filings filed electronically with the US Department of Transport and other participating governments.

**"Audit Policy"** means the set of principles and interpretations defined by the Customer that differ from or complement the industry common rules of ticketing as defined in IATA's Passenger Air Tariff.

**"Audit Results"** means the results of the particular Audit Service carried out by the Supplier in respect of a Sales Period which identifies the Recoverable resulting from the Sales Audit, Interline Second Pass Audit, PNR Audit and Revalidation Audit, as appropriate.

**"Audit Scope"** means the number, type of Transactions and elements of the Transactions being audited (fare, commissions, taxes, penalties and criteria to define who is entitled to issue such Transactions).

**"Audit Service"** means, as appropriate, Direct Sales Audit, Sales Audit, Interline Second Pass Audit, PNR Audit and Revalidation Audit as set out in Appendix A.

**"Audit Service Error"** means an error in the calculation of a Recovery made by the Supplier, which is not attributable to the informations provided, Documents or data provided by the Customer to the Supplier in accordance with Clause 5.1.5.

**"BSP"** means Billing and Settlement Plan, being the system used to provide billing and settlement between airlines and the Agencies in a given Country.

**"BSPlink"** means the electronic mechanism used by IATA to transfer and process ADMs and ACMs.

**"CAT file"** means the file including all the information on Documents issued by the Agencies on behalf of the Customer for the United States, Puerto Rico and the U.S. Virgin Islands.

**"Confidential Information"** means any trade secrets or other confidential information relating to either Party's businesses, processes, (including information relating to either Party's clients or customers or anyone else with whom they deal).

**"Commencement Date"** means the date on which the Agreement is signed between the Parties and shall be deemed to have commenced.

**"Country"** means an individual geographical territory (whether it be by reference to a BSP, station or market as defined by the particular airline and recognised by IATA) that has its own identifiable code and each of the three territories within the ARC.

**"Currency"** means the agreed currency for billing and payment which shall be as stated on the front sheet and if the Currency is other than the Euro all fees shall be converted from Euros to the Currency at the exchange rate that applies on the invoice date.

**"Deal"** means the document that the Customer provides to the Agency or group of Agencies. It describes the Fare to be applied and their application rules for a given destination or a geographic area.

**"Direct Sales Audit"** means the Supplier will provide Sales Audit for tickets internally sold by the Customer's own staff or through the internet, and where no third party Agency is involved.

**"DISH"** means the data interchange standard implemented by IATA for the BSPs.

**"Disputes Management Service"** means the optional service which the Supplier will provide to the Customer , as detailed in paragraph 1.4 of Appendix A, whereby the Supplier manages disputes concerning ADMs that were identified by the Audit Service and loaded to BSPlink or submitted by e-mail.

**"Documents"** mean all records, reference data, reports, documents, papers and other materials whatsoever originated by or on behalf of the Customer pursuant to the Agreement.

**"Fare"** means the price obtained when the terms of a Deal are implemented for a given destination.

**"GDS"** means Global Distribution System, which for the purposes of the Agreement enables Agencies to search, price, book and reserve airline tickets.

**"HOT" or "HOT Files"** means Hand-Off Tape Files that the Customer provides to the Supplier for each of the BSP Countries coming within the scope of the Agreement in super-long format as per IATA DISH definition. These files include all the information on Transactions issued by the Agencies on behalf of the Customer over a given Sales Period.

**"iINET"** means the service used by IATA to transfer data between organizations.

**"Initial Period "** means three years from the Commencement Date.

**"EMD"** are all formats of the multi-purpose document which are used for charging additional fees and Penalties.

**"Penalty"** means the amount specified in a Deal or a Fare to be used to re-adjust a ticket price where one or more of the application rules specified in the Deal or the Fare rules were not complied with.

**"PNR"** means Passenger Name Record.

**"Pre-waived Transaction"** means a Transaction that has been totally or partially waived by the Customer and provided to the Supplier in accordance with Clause 5.1.5.

**"Proposed ADM"** means adjustment obtained through controls carried out by the Supplier and proposed to the Customer.

**"Recovery" or "Recoverable"** means any error or errors identified by the Supplier through its Audit Services and presented to the Customer which is in accordance with the all audit policies provided to and accepted by the Supplier in accordance with Clause 5.1.5.

**"Revalidation Audit"** means a service, optionally provided by the Supplier, whereby the Supplier checks, as detailed in point 2.2 of Appendix A, that only allowed changes were made by Agencies to the service to be delivered.

**"Sales Audit"** means the provision of a revenue recovery service whereby the Supplier checks, as described in paragraph 1.1. of Appendix A, that the Customer's fare, commission and taxes rules were complied with and that the Customer ticketing, exchange and refund policies were matched.

**"Interline Second Pass Audit"** means the provision of a revenue recovery service whereby the Supplier checks, as described in paragraph 1.1. of Appendix A, that's the interline tickets are governed as per guidelines mentioned in IATA Revenue Accounting manual ("RAM") and Special Prorate Agreements (SPA).

**"Sales Period"** means the calendar period of sales in respect of which the Supplier will carry out the Sales Audit, Direct Sales Audit and PNR Audit.

**"Services"** means those of the services described in Appendix A, which the Parties agree from time to time during the lifetime of the Agreement that the Supplier will provide to the Customer under the Agreement by identifying them and the type of audit to which they will be applied in the table set out in Appendix A.

**"Set-Up Meeting"** means the initial meeting between the Parties in which the Parties will agree all the Audit Scope and procedures, communication channels and responsibilities . The Set-Up Meeting could take place as a face-to-face meeting, or via a teleconference call as agreed by the Parties.

**"Site"** means any premises of the XXXX Group which the Supplier uses for the purpose of discharging its obligations under the Agreement.

**"Substitution Fare"** means the lowest applicable Fare. All the rules applicable thereto have been complied with and such rules are used to adjust a ticket in relation to which at least one of the application rules specified in the Deal or the Fare rules has not been complied with. When a Penalty applies, the Substitution Fare is computed by adding the Penalty to the Fare used by the Agency.

**"Suspect Transaction"** means a Transaction that the Supplier feels is a potential ADM but does not have enough information to justify it as an ADM, which the Supplier will flag them under Query logs.

**"Transaction"** means any documents such as tickets, refunds, exchanges and vMPDs to be audited under the scope of the Agreement.

**"Waiver Evaluation"** means Supplier will evaluate the waiver transactions provided by the Customer as detailed in paragraph 1.3 of Appendix A,

**"Working Day"** means 09h00 to 17h00 on any day from Monday to Friday inclusive, which is not a public, Bank or Statutory holiday at the Site(s).

**SPA** - Special Prorate Agreement

**MPA** - Multi-lateral Prorate Agreement

**RAM** - Revenue Accounting Manual (IATA).

1.2 In this Agreement unless the context otherwise requires:

- (i) headings herein contained are inserted merely for convenience of reference and shall be ignored in the interpretation and the construction of any of the provisions herein contained;
- (ii) references to any statute or statutory provision, enactments, legislations shall include references to such statute or statutory provision, enactments, legislations as re-enacted, replaced, amended, modified or extended and any sub-ordinate legislation made under it from time to time;
- (iii) references to one gender include all genders and the singular includes the plural and vice versa;
- (iv) A warranty, representation or obligation of more than one person binds them jointly or severally;
- (v) references to persons include, includes natural persons, companies, corporations or any other juristic person or other corporate entity, partnerships, associations, and other organizations whether or not having a separate legal personality.
- (vi) "including" means "including without limitation" and shall not be interpreted so as to limit the meaning of any word or term to the same genus or class as the examples given.

1.3 The Appendices shall form part of the Agreement. In the event that there is a conflict between the contents of this Agreement and the contents of any other Appendix to the Agreement then the contents of this Agreement shall prevail.

1.4 All technical terms used but not defined in the Agreement will have the meanings given to them as set out in the current version of the DISH-.

## **2. SUBJECT MATTER OF THE Agreement**

The object of the Agreement is to define the scope of and the terms and conditions for the provision of the Services.

## **3. SCOPE OF THE SERVICE**

3.1 The Services may include the audit of all tickets, refunds, exchanges and EMDs for all types of fares, taxes and commissions, including bookings and revalidations.

3.2 The procedures for each of the Services are as described in Appendix A.

3.3 The Parties agree that the list of Countries and/or the Audit Scope and procedures may be amended from time to time by the mutual agreement in writing of both Parties.

## **4 COMMENCEMENT AND DURATION**

- 4.1 The Agreement shall be deemed to commence on the Commencement Date and shall, subject to early termination under Clause 7, continue for a period of 3 years . This Agreement may be extended at the discretion of Customer for further period of 2 years on the terms and conditions mutually agreed by the Parties unless either Party gives written notice to the other, at least 6 months prior to the date of expiry of the either (a) the Initial Period of three years or (b) any extended period, to terminate the Agreement in which event the Agreement shall expire at the end of the Initial Period or the relevant extended period.

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## **5 MUTUAL OBLIGATIONS**

### **5.1 The Customer's obligations**

The Customer will carry out the following steps and procedures;

- 5.1.1 The appointment of a project manager to co-ordinate all the Customer's obligations under the Agreement. The project manager will also be the main contact and correspondent of the Supplier's account manager.
- 5.1.2 The project manager of the Customer shall be available to answer the Supplier's questions concerning the Deals, distribution lists and Fares. The project manager may handle multiple Countries.
- 5.1.3 Forwarding, through secured File Transfer Protocol (sFTP) channels, data relating to HOT/CAT/Direct Sales, Agencies, reference data and any other agreed input files to the Supplier in accordance with the pre-agreed frequency and prior to the commencement of the audit.
- 5.1.4 Authorization of the Supplier to obtain from BSPlink their HOT sales data necessary to enable the Supplier to perform the agreed Services, when possible.
- 5.1.5 Provision to the Supplier, via an agreed electronic method, of all relevant Documents, data, and guidelines required to enable the Supplier to carry out the Services efficiently, including those described in Appendix A, not less than Five (5) Working Days before the date on which the audit of the Sales Period will start, as a complete and final set of information organized for each individual Country, such that no relevant information is missing.
- 5.1.6 At no cost to the Supplier, authorize and/or procure the authorization to use the Customer's Amadeus IDs through the Supplier's PCC (Psuedo City Code) using Amaseus's EOS Agreement or alternatively provide the supplier with at least (02) Amadeus licences and five separate logins to Amadeus, free of charge for the sole purpose of performance of the Services but not further or otherwise and during the Initial Term or the extended period of the Agreement.
- 5.1.7 Payment for the Services in accordance with the terms & conditions set forth in Clauses 10 and 11.
- 5.1.8 Exceptional Queries need to list by the Supplier through Query Logs & will be actioned by ten (10) working days.
- 5.1.9 Ensure that the Customer has Internet connections and systems in accordance with the requirements stated in Appendix A.
- 5.1.10 The grant by the Customer to the Supplier of the right to use the Customer's proprietary data, coupons, information and Documents as required by the Supplier in order to provide the Services.
- 5.1.11 The provision by the Customer to the Supplier, where as part of the Audit Services being provided the Supplier is carrying out an ADM Upload or a Dispute Management Service in BSPlink/ARC/ASD, and sFTP upload and download user to the BSPlink/ARC/ASD for the Countries where such services are being carried out, or if the Supplier is carrying out the Collections Management Service of user access to ARC Memo Manager.

- 5.1.12 Clarify, within two Working Days , any questions presented by the Supplier arising from the Documents, data and guidelines.

## **5.2 The Supplier's obligations**

- 5.2.1 The Supplier shall perform the Services with all reasonable skill and care and will comply with the procedures and obligations set forth in the Agreement and in its Appendices.
- 5.2.2 The Supplier shall at all times during the contract period or any extended period of the Agreement, deliver the Services to the Customer efficiently in a timely, faithfully, diligently and in a professional manner with all due care and prudence practices in the industry, in accordance with lawful, reasonable and best professional and international standards and practices applicable to the industry.
- 5.2.3 The Supplier shall use suitably qualified, competent and sufficient personnel and resources to perform its obligations under the Agreement and to provide the Services listed in Appendix A to the Agreement.
- 5.2.4 The Supplier shall provide the selected Services described in Appendix A and on the basis of the Documents forwarded by the Customer in accordance with Clause 5.1.5.
- 5.2.5 The Supplier shall appoint an account manager who shall be in charge of relations with the Customer for contractual and operational aspects at a global level. The Supplier shall arrange regular meetings between the account manager and the Customer's Project Manager, as well as monthly reviews by phone/email to solve potential/recurring problems and/or improve processes.
- 5.2.6 The Supplier shall be able to substantiate, if required, the pricing of each Proposed ADM.
- 5.2.7 The Supplier shall perform the Services to the performance standards described in Appendix A.
- 5.2.8 The Supplier shall comply with all applicable policies of the Customer in so far they are formally disclosed and mutually agreed by the Parties including but not limited to Privacy Policy ,Information Security Policies and procedures, code of conduct/ethics guidelines as amended from time to time, subsequent to the execution of the Agreement and before and during the commencement and performance of the Services under the Agreement.
- 5.2.9 The Supplier shall comply with all applicable legal and regulatory requirements in performance of the Services and immediately notify Customer if it receives a written intimation of non-compliance with any law by any person.
- 5.2.10 If any inquiry and/or investigation arises as a result of the conduct of the Supplier's personnel causing any detriment to the Customer, the Supplier shall assist the Customer in investigation process.
- 5.2.11 Notwithstanding anything to the contrary in this Agreement, upon the Customer's reasonable written request, the Supplier shall immediately remove any Supplier's personnel from participation in the Services. It is hereby clarified that the Customer shall not be responsible for any liability arising from termination of employment of Supplier's personnel under this Agreement and Supplier hereby acknowledges that it shall undertake any responsibility connected with termination of a Supplier personnel as stated above and/or consequent to termination of this Agreement.
- 5.2.12 Any software used by Supplier shall be free of viruses, malware and trojans which may affect the IT infrastructure of the Customer and ensure that Supplier shall take best commercial efforts to have all security measures as per the requirements.

- 5.2.13 The Supplier shall take reasonable care to safeguard any of Customer's property that may have been entrusted to the care or custody of the Supplier ,employees or subcontractors of the Supplier and the Supplier shall reimburse the Customer for such loss and damage to such property due to the negligent act or or omission of the Supplier or employees, or subcontractors.
- 5.2.14 The Supplier shall not do or permit to be done and prevent its employees from doing at the premises of the Customer anything which would or may constitute an illegal act, a nuisance or cause a hindrance, annoyance or inconvenience to the Customer or other service providers or which might interfere with the Customer's day to day business.
- 5.2.15 The Supplier shall rectify any documented error or defect in the work performed within a 30 days period upon receiving notification of such error or defect from the Customer, at Supplier's sole cost, provided said error or defect is not attributable to the provision of incorrect document by the Customer.
- 5.2.16 The Supplier represents and warrants that the Supplier shall, at its sole cost and expense, keep in effect or obtain at all times during the Initial Period or any extended period of this Agreement any license, permits and approvals that are legally required for the Supplier to practice its profession or provide the Services.

### **5.3 Joint Obligations**

- 5.3.1 The Parties undertake to regularly consult one another so as to overcome any difficulty encountered during performance of the Agreement. In general, they shall do whatever is necessary to send to one another in good time all information that may be useful for the other Party to have in order to perform its obligations in accordance with the Agreement.

## **6 LIABILITY and indemnity**

- 6.1 Subject to the provisions of, and limitations contained in this Agreement, each Party ("Indemnifying Party") shall hold harmless and indemnify the other Party and its respective directors, officers, licensors and employees (collectively, referred to as "Aggrieved Persons") from and against any claim, loss, suit, judgement, settlement, penalty, damages, expense (including reasonable legal costs and expenses) or liability incurred or suffered by any of the Aggrieved Persons, directly or indirectly, whether it's a third party claim or not, arising out of or in connection with:
- (i) Any loss or damage to property or any act of theft, pilferage of property committed by the Indemnifying Party or any employees, staff, agents or sub-contractors of the Indemnifying Party or any other person acting for or on behalf of the Indemnifying Party (whether such act is negligent or not);
  - (ii) fraudulent or dishonest acts committed by the Indemnifying Party or any employees, staff, agents or sub-contractors of the Indemnifying Party or any other person acting for or on behalf of the Indemnifying Party which causes financial loss;
  - (iii) any breach by the Indemnifying Party of its obligations, representations or warranties under this Agreement;

- (iv) violation of any laws, regulations or rights of any party by any act or omission of the Indemnifying Party and/or its employees, staff, agents or sub-contractors or any other person acting for or on behalf of the Indemnifying Party;
- (v) bodily injury, accident or death of any of the Aggrieved Persons, any third party, customers, business visitors and business invitees to the extent caused by any wilful, unlawful or negligent act or omission on the part of the Indemnifying Party or its employees, staff, agents or sub-contractors or any other person acting for or on behalf of the Indemnifying Party;
- (vi) any fines, penalties and/or awards made or imposed by any regulator or any other person against the Aggrieved Persons caused by any wilful, unlawful or negligent act or omission on the part of the Indemnifying Party or its employees, staff, agents or sub-contractors or any other person acting for or on behalf of the Indemnifying Party.
- (vii) subject to proof any passenger claim made based on the improper conduct or performance, insofar as the Party alleged is responsible for any financial losses;
- (viii) Infringement or misappropriation or alleged infringement or misappropriation of an Intellectual Property Right of a third party;
- (ix) Violation of Confidentiality and Data Protection requirements as stipulated in this Agreement;

6.2 *The Supplier shall hold harmless and indemnify the Customer and its respective directors, officers and employees, licensors from and against any claim, loss suit, judgement, settlement, penalty, damages, expense (including reasonable legal costs and expenses) or liability incurred or suffered by any of the Customer and its respective directors, officers and employees, licensors, directly or indirectly, whether it's a third party claim or not, arising out of or in connection with:*

- (i) provision of Services under this Agreement by the Supplier or its employees, staff, agents or sub-contractors or any other person acting for or on behalf of the Supplier and any error or defect in the work performed;
- (ii) misuse or unauthorized usage of the Amadeus IDs or license provided by the Customer.

6.3 The Parties acknowledge that the Supplier will be relying on the Customer to provide Transactions and data to it over which it has no control, in particular in relation to the accuracy or completeness of such Transactions and data and that the Supplier can only audit such Transactions and data and notify the Customer of any errors in the Transactions and data provided to it by the Customer using its reasonable endeavours in accordance with the terms of the Agreement. The Parties agree that the Supplier shall not in any circumstances be liable for any loss or damage at all arising from any inaccuracies, faults or omissions in, or in the provision of, such Transactions and data as supplied to it by the Customer.

6.4 Neither Party shall be liable to the other Party for any loss of profits, business or anticipated savings, nor for any indirect or consequential loss or damage, punitive, incidental and exemplary damages, claims; nor for any loss or damage to goodwill or consequential or indirect or punitive loss or damage suffered by a third Party. Neither Party seeks to limit or exclude liability for death or personal injury to any employee of either Party, or subcontractor of the other Party arising from any act or omission solely attributable to that Party.

6.5 Either Party's total liability under the Agreement for direct loss in respect of any claim or a connected series of claims shall be limited to an amount equivalent to the total fees received by or payable to the Supplier in the 24 (twenty four) months period from the date of any claim.



- 6.6 In addition and to the full extent permitted by law, the Supplier's liability to the Customer under the Agreement, or in tort (including negligence), under statute or otherwise will be reduced by the extent, if any, to which the Customer contributed to the loss, cost, expense or damage.
- 6.7 This Clause 6 shall survive the termination of the Agreement howsoever arising and the rights conferred upon the Supplier in this Clause 6 are in addition to and not in limitation of any other rights and remedies to which the Supplier may be entitled at law or in equity.

## **7 TERMINATION**

7.1 Either Party may terminate the Agreement if:

- (i) the other breaches any of its terms and the breach if capable of remedy (save as to the time of performance) is not remedied within 60 days of a notice in writing from the Party not in breach specifying the breach and requiring it to be remedied;
- (ii) the other Party makes an assignment, composition or arrangement for the benefit of creditors, or is or becomes insolvent, or has a liquidator, administrator or receiver appointed over it or its assets, or enters into compulsory or voluntary liquidation (other than for the purposes of effecting a reconstruction or amalgamation of a solvent company in such manner that the company resulting from such reconstruction or amalgamation, if a different legal entity, shall agree to be bound by and assume the obligations of the relevant Party under the Agreement) (or any step or procedure is taken analogous to the foregoing in the jurisdiction in which it operates), or if it ceases or threatens to cease to trade.

7.2 Upon termination however arising, the Supplier shall cease to provide the applicable Services. Any

termination of the Agreement shall be without prejudice to any other rights or remedies either Party may be entitled to under this or Agreement by law and to any provision of the Agreement which is expressly or by implication intended to come into or continue in force on or after such termination.

7.3 In the event of termination of the Agreement, whatever the reason, the Supplier undertakes at the

Customer's written request to destroy all fare and audit databases in its possession. The Customer

is authorized to continue using Audit Data base during the period of 30 days after such termination

date. After the expiry of such period the Customer's access to Audit Data base will cease.

7.4 Expiration or prior termination of this Agreement shall not prejudice the accrued rights and liabilities

of the Parties.

## **8 CONFIDENTIALITY**

8.1 The Agreement and all information regarding the business or activities of either Party including that relating to any systems or operations of either Party as disclosed, communicated or supplied to the other whether orally, in writing or by any other method or otherwise acquired under or in connection with the Services including, without prejudice to the generality of the above, all handbooks, manuals, drawings, designs, specifications, charts, diagrams, disks, all private information such as passenger information, contact numbers, email addresses, bank accounts or credit/debit card details and all sales and account details and any other documents or materials containing any such information made available to the other under or as a result of the Agreement shall at all times be treated as confidential ("Confidential Information").

8.2 In addition to Clause 8.1 above, the Parties agree:

8.2.1 to use the Confidential Information solely for the purpose of performing their respective obligations under the Agreement;

8.2.2 to protect the Confidential Information from and against theft or damage or unauthorized copying or disclosure

8.2.3 not to allow any persons who are not employees or authorized representatives of either Party to have access to the Confidential Information or any copies of it;

8.2.4 to restrict access to the Confidential Information to those of its employees directly engaged in providing/receiving Services under the Agreement;

8.2.5 to ensure that the employees of either Party who will have access to the Confidential Information are aware of and comply with the obligations under the Agreement;

8.2.6 return or destroy, upon the termination or expiry of the Agreement all Documents belonging to the other Party as per Clause 7.4 above.

8.3 Both parties shall hold and treat all Confidential Information in the same manner as if the Confidential Information were its own, in strict confidence and shall not without the prior written consent by the Disclosing Party, make public or disclose to any third party.

8.4 Each Party shall implement rigorous security practices against any unauthorized copying, use, disclosure, damage, destruction of the Disclosing Party's Confidential Information and shall immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorized access, copying, use or disclose in any form.

8.5 This Clause 8 shall survive termination of the Agreement howsoever arising.

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## **9 DATA PROTECTION**

Refer the conditions set out in Appendix C.

## **10 THE SUPPLIER'S REMUNERATION**

10.1 In consideration for the Services, the Customer shall pay to the Supplier the total fees as mentioned in Appendix B (hereinafter known as the "Fees").

## **11 METHOD AND PLACE OF PAYMENT**

- 11.1 All payments shall be made by the Customer by direct credit transfer to an account at a bank notified in writing to the Customer by the Supplier. The payment will be made through IATA Clearing House once this facility has been set up.
- 11.2 The Customer's billing address and contact numbers are as set out in the Contract or as otherwise notified by the Customer to the Supplier in writing.
- 11.3 The Supplier will provide a credit to the Customer equivalent to the fee related to the Audit Service Error paid to the Supplier for all invalid ADMs proven to the Audit Service Errors, provided that such errors have been brought to the attention of the Supplier. Such credit will be passed by way of issuance of credit note in the following month after the Audit service error has been agreed.
- 11.4 SriLankan Airlines shall be entitled to withhold or deduct from any payments due to the Service Provider or any sums of money required to be withheld by SriLankan Airlines under any law or regulation for the time being in force and/or pursuant to this Agreement. In the event the amounts to be withheld or deducted exceed the amount payable to SriLankan Airlines at the relevant time, the Service Provider shall pay such amounts to SriLankan Airlines within fourteen (14) days of demand."

## **12 NON-SOLICITATION OF personnel**

- 12.1 Each Party undertakes not to solicit, hire or employ either directly or indirectly any worker of the other Party, whether as salaried personnel or otherwise.
- 12.2 The above undertaking shall be valid throughout the lifetime of the Agreement and for the period of two (2) years following its termination, whatever the reason may be.
- 12.3 In the event of a breach of this undertaking, the Party breaching the undertaking shall be bound to pay to the other Party lump sum compensation (a) where the worker is an employee of that other Party equal to twelve (12) months of the gross salary of the employee; or (b) where the worker is self-employed and/or a consultant, compensation equal to six (6) months of the daily rate paid to the self-employed worker/consultant.

## **13 ASSIGNMENT AND TRANSFER**

- 13.1 The Agreement is personal to the Supplier and the Customer. Neither Party shall assign, transfer or subcontract or otherwise dispose of its obligations under the Agreement, whether in whole or in part, except with the prior written consent of the other Party. Such consent will not be unreasonably withheld.
- 13.2 Notwithstanding Clause 14.1, the Supplier may, without the prior written consent of the Customer (i) assign or otherwise transfer the whole or any part of the Agreement to any member of XXXXXX Group or to any entity with or into which it is merged or consolidated or to which it sells/buys all or substantially all its capital stock or assets associated with the provision of the Service; and/or (ii) subcontract the performance of the Service in whole or in part within the XXXXXX Group. Such consents will not be withheld unreasonably by the Customer. Any assignment or transfer or subcontracting should not increase the obligations of the Customer or decrease the rights of the Customer.

## **14 FORCE MAJEURE**

- 14.1 Without prejudice to accrued rights and liabilities, neither Party shall be liable for, nor be in default by reason of any failure or delay in performing its obligations under the Agreement where such failure or delay is caused by any action or inaction of government authorities, fire, flood, mechanical difficulty, riot, war, civil war, threatened or actual hostilities or terrorism, insurrection, pandemic, labour dispute (other than those of Suppliers, employees, agents or subcontractors) Government intervention (including new laws, regulations or directives) or any other cause beyond its control ("Event of Force Majeure").

- 14.2 If either Party is affected by any Event of Force Majeure, it shall promptly notify the other Party of its nature and extent.
- 14.3 The Party so prevented or delayed by an Event of Force Majeure shall be excused from such non-performance to the extent and during the period of prevention or delay without extending the duration of the Agreement and shall exercise all due diligence to minimize the extent of the prevention or the delay in the performance of its obligations under the Agreement.
- 14.4 In the case where an Event of Force Majeure lasts longer than thirty (30) days from the date of its notification, then both Parties shall meet and seek to agree on the arrangements to be made to implement the remainder of the Agreement or to agree its termination.

## **15 Mutual Representations and Warranties**

- 15.1 Each Party represents and warrants that:
- i. it has the power to enter into and perform this Agreement and transactions and obligations under this Agreement;
  - ii. it is duly incorporated with limited liability and validly existing under the laws of the respective jurisdictions;
  - iii. it is not nor will it by executing this Agreement be in breach or default under any other existing Agreement or agreement binding on it or to which it is subject;
  - iv. any consent, licence, approval or authorization of any regulatory authority which is required in connection with the execution, performance, validity or enforceability of this Agreement has been obtained and is in full force and effect; and
  - v. it shall perform its obligations and duties under this Agreement in a professional and ethical manner and in accordance with the relevant laws.
- 15.2 In addition to the above, the Supplier represents and warrants to the Customer that:
- i. it meets the technical requirements set out in the responses to the RFP; at the subsequent negotiations and that all information and documents provided by it to the Customer in response to the RFP and during subsequent evaluation of the Supplier are true and correct;
  - ii. the Services shall conform in all material respects to the specifications, requirements and performance criteria indicated by the Customer as set out in the Appendices;
  - iii. it owns or has the right to use, and will at all relevant times own or have the right to use, all Intellectual Property Rights necessary to supply the Services; and will not infringe or cause the Customer to infringe any person's Intellectual Property rights in supplying or receiving the Services;
  - iv. it is not subject of any investigation or disciplinary action by any regulatory authority
  - v. it is not insolvent or unable to pay its debts as they fall due, no order has been made or petition presented or resolution passed for its winding-up or administration and no receiver, administrative receiver or manager has been appointed by any person of its business or assets or any part thereof, nor has any equivalent or analogous event taken place.

- 15.3 Either Party shall promptly inform the other should any representation or warranty under this Clause cease to exist or become invalid. Failure to inform the other party diligently may be considered a material breach.
- 15.4 Each Party shall be responsible for all of its own costs incurred in the performance of its obligations hereunder.
- 15.5 Each Party shall from time to time upon the request of the other Party execute any additional documents and do any other acts or things which may reasonably be required to effectuate the purposes of this Contract.
- 15.6 Both Parties shall undertake all necessary action to meet the requirements set out in any implementation or project plans and the terms and conditions of this Contract so as to facilitate a smooth transition of the provision of the Services to Supplier to ensure that the transition proceeds with due expedition and without delay and that the Services shall be provided by Supplier with effect from the Service Commencement Date.

## **16 ADVERTISING AND PUBLICITY**

No advertising, written articles, broadcasts or public statements shall be undertaken or initiated by either party or its agents with respect to this Agreement without the prior written approval of the other Party except for instances where a Party is bound to disclose in compliance with local laws and regulations.

## **17 SUNDRY PROVISIONS**

- 17.1 The Agreement and its Appendices express all of the Parties' obligations with regard to its subject matter and cancel and supersede all other documents, communications or previous agreements that may have been exchanged or made between the Parties concerning the subject matter of the Agreement. The Agreement may only be amended by a written agreement which has been duly signed by the authorised representatives of the Parties.
- 17.2 Each of the Parties to the Agreement is an independent contractor and not an agent or representative of the other Party for any purpose whatsoever. Neither of the Parties may give guarantees nor make statements on behalf of the other Party and neither can they assume or create any obligation whatsoever on behalf of the other Party. Moreover, each of the Parties shall be solely liable for its acts and omissions and those of its personnel. Nothing contained in the Agreement shall be construed as creating a joint venture, partnership or employment relationship between the Parties.
- 17.3 The fact that one of the Parties does not take action against the other Party on the ground of that other Party's breach of its obligations under the Agreement shall not be interpreted in the future as a waiver of its rights or the obligation in question.
- 17.4 Neither Party may bring any legal action, regardless of its nature, more than one year after the occurrence of the event or the origin of this legal action, except in the case of fraud or unlawful conduct by the other Party
- 17.5 Except as provided under this agreement, no person who is not a Party to the Agreement (including any employee, officer, or subcontractor of either Party) shall have the right to enforce any term of the Agreement without the express prior agreement in writing of the Parties.
- 17.6 If any provision of the Agreement is declared inoperative, void or illegal by a court or arbitral tribunal of competent jurisdiction, the Parties shall agree, through negotiations in good faith, to replace any such part of the Agreement in such a way that, as amended, it is valid and enforceable and to the maximum

extent possible carries out the original intention of the Parties. The failure of the Parties to reach an agreement on a replacement provision shall not affect the remaining provisions which shall continue in full force and effect unless the Agreement is thereby rendered impossible to perform.

- 17.7 The text of the Agreement is written in the English Language and any difficulties or uncertainties in interpretation arising shall be solved by reference to the English text and each Party shall be responsible for its own costs incurred in making any translations of the Agreement.
- 17.8 The Agreement and its Appendices have been produced in two counterparts which when each Party has signed and initialled each page of its counterpart, those counterparts shall be dated the same date and exchanged and each counterpart shall be treated as the original of the Agreement and its Appendices.
- 17.9 Both Parties warrant that the signatory on their behalf of the Agreement is duly authorised by and has the power to enter into the Agreement on behalf of that Party.

## **18 INSURANCE**

The Supplier agrees and arrange and keep in place the undernoted policies of insurance;

- i. A workmen's compensation policy of insurance covering all employees and / or representative of the Supplier involved with the performance of this contract. The policy shall be extended to cover riot and terrorism.
- ii. A public liability policy of insurance covering third party bodily injury / death and / or third party property damage including injury / death caused to of employees of the Customer and property damage of the Customer. The policy shall have a limit of liability per event of not less than LKR 5,000,000 and shall be extended for fire and explosion.
- iii. A professional indemnity policy of insurance with a limit of indemnity of not less than LKR 5,000,000 per event.

## **19 VARIATION AND AMENDMENTS**

Save to the extent expressly referred to in the Agreement, any variation to the scope or terms of the Agreement shall be jointly agreed and accepted in writing by the Parties. Otherwise any purported variation will be considered a breach of the Agreement made by the Party seeking to apply such variation.

## **20 NON EXCLUSIVE RIGHTS**

20.1 The Parties agree that the Customer is not bound by any exclusive rights commitment vis-à-vis the Supplier and vice versa.

## **21 NOTICES**

21.1 Any notice, election or other communication required to be given or submitted under the terms of the Agreement shall be made in writing and shall be (i) delivered by hand, or (ii) sent by prepaid world-renowned courier (in which case such notice shall take effect on the date the notice is recorded as having been delivered to the recipient's address as set out below), or (iii) sent by facsimile transmission with delivery confirmed (in which case such notice shall take effect on the day the facsimile has been sent if it is during a Working Day on the Site, and on the next Working Day if it is a Saturday, Sunday or a bank, public or statutory holiday or if sent after the end of the Working Day).

21.2 Notices shall be sent to the Party's address detailed below or to such other address or fax number or person as the relevant Party may from time to time notify to the other Party.

In case of the Supplier

Name :

Designation :

Address :

Email :

Telephone Contact :

Fax :

In case of the Customer

Name : Mrs.Upekha Abeysekera

Designation : Senior Manager Revenue Accounting

Address : SriLankan Airlines Ltd,Finance, Airline Centre, Bandaranaike International Airport, Katunayake, Sri Lanka.

Email : upekha.abeysekera@srilankan.com

Telephone Contact : : Office +94197332607 | Mobile: +94710212629

Fax : +94197335261

## 22 Copyright and Title

- 22.1 Where any materials or information are provided by One Party to the other to perform the Services, whether or not through sub-contractors, then the Party providing materials or information shall ensure that it has first obtained all necessary licences and consents in respect of any applicable copyright or other intellectual property rights to provide such information to the other Party. Any actions or claims arising out of any infringement or alleged infringement of such rights and where the other Party reasonably incurs any charges with regard to any such licenses or consents the Party providing such material or information agrees to reimburse the the other Party for them and shall indemnify the other Party against such actions or claims.
- 22.2 The Services contain confidential information and represent and embody certain valuable proprietary information of a Party and all copyright, trade mark, service marks and other intellectual property rights in them are and shall remain the exclusive property of that Party, as the provider of the Services. All right title and interest in and to any modifications to the Services belong to a Party and shall be included in the definition of Services for all the purposes of the Agreement.
- 22.3 Both Parties acknowledge that the Other party will suffer irreparable harm should the Parties fail to abide by the provisions of this Clause 22 and that the Party Affected shall, in addition to recovering damages, be entitled to obtain injunctive relief from a court of competent jurisdiction to enjoin the Defulting Party from infringing the proprietary rights of Affected Party.

## 23 GOVERNING LAW AND JURISDICTION AND DISPUTES RESOLUTION

- 23.1 If a dispute arises in connection with the interpretation or performance of the Agreement, the Parties shall endeavour to settle the dispute out of court before referring the matter to court in accordance with the following process:
- 23.1.1 The Parties will in good faith attempt to resolve the dispute via dialogue between the respective Parties' project managers within 15 Working Days of the of the dispute having arisen.
  - 23.1.2 In the event the project managers fails to resolve the dispute within 15 Working Days of the dispute having arisen, the dispute will be escalated to the representatives of Parties who shall either be directors or senior managers, senior management authorised to bind the Party which they represent.
  - 23.1.3 If, having exhausted the process set out in Clauses 23.1.1 and 23.1.2, the Parties are unable to reach an out of court settlement within one month after one Party has notified the other of the dispute, either Party may refer the dispute to be resolved by the court of [ ].
- 23.2 Notwithstanding the reference of the dispute for settlement out of court as set forth in Clause 23.1, in the event the dispute is not resolved within a period of 1 month after their dispute is notified by the other Party and irrespective of the parties having exhausted the above process of not, either Party shall have the right to refer the dispute to be resolved by the court of [ ] upon the expiry of the one month after the dispute is notified by either Party to the other.

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto as of the day and year first above written.

For and on behalf of  
**XXXXXXXXX Limited**

\_\_\_\_\_  
Name:  
Title:

Witness:



\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

For and on behalf of \_\_\_\_\_  
**SriLankan Airlines Limited**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Witness:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **Appendix A: Description of the Service & Scope**

### **1. Audit & Revenue Recovery Services**

#### **1.1 Sales Audit & Interline Second Pass Audit**

##### **A. BUSINESS REQUIRMENT**

- **Sales Audit**

Audit of all traffic documents sold, refunded, exchanged through distribution Channels worldwide in connection with Passenger transportation and recovery of monies due to SriLankan Airlines.

- **Interline Second Pass Audit**

To identify the weak areas of Interline billing & recover the under billed values in terms of outward billing and over accepted values billed by other airlines in terms of inward billing.

##### **B. DISTRIBUTION CHANNELS**

- **Sales Audit**

BSP, ASD and ARC Agency, General Sales Agency, Passenger sales Agency, Ground Handling Agency and Direct at SriLankan Airlines ticketing Counters.

- **Interline Second Pass Audit**

Tickets issued through worldwide Airlines & sales channels.

## C. TYPE OF DOCUMENTS

- **Sales Audit**

Passenger ticket  
Electronic EMDs  
Excess Baggage EMDs  
Refund Documents (Refund Advice / Application)

- **Interline Second Pass Audit**

Other airline passenger documents (tickets) uplifted by SriLankan Airlines & UL tickets uplifted by other airlines

## D. AUDIT PARAMETERS

- **Sales Audit**

- Fare on tickets issued using published/unpublished fares filed in Global Distribution systems
- Fare on tickets issued using fares not filed through GDSs (according to UL manual fare sheets/ad-hocs )
- Eligibility
- Day/Time applicability
- Seasonality
- Flight Application/restriction
- Advance purchase/Ticketing conditions
- Stopovers
- Fare combination
- Surcharges (YQ,Q & etc)
- Travel Restrictions
- Sales Restrictions
- Penalties
- Ticket Endorsements
- Fare By Rule
- Voluntary Changes
- Reservation Booking Designator ( RBD of SriLankan Airlines and Other Airlines)
- Sale date and Place of issue validity.
- Discounts ( Child, Infant, Student, Seaman, to any other promotional, with proof if required)
- Travel date validity including black-out periods
- Commission Applicability
- Carrier Combination ( Unrestricted or with carriers having Special Prorate Agreements)
- Group Travel Conditions
- Excess baggage Calculation
- Taxes and surcharges( Payable to third party and Airline specific)
- Routing (Stopover, transfer....)
- Ticket Validity
- Reissue Calculation
- Baggage allowance
- Refund Calculation
- Minimum / Maximum stay and add-ons
- Name Changes
- Service fee (including OB)
- All fare relates conditions
- All other UL/IATA rules applicability

- **Scope of Interline Second Pass Audit**

- Outward billing
- Inward billing

The audit verification shall be governed as per guidelines mentioned in IATA Revenue Accounting manual ("RAM") and Special Prorate Agreements (SPA).

Audit should be performed on Non **oneworld** airlines.

Should provide the scope to understand the weak areas of Interline billing & recovers the under billed values in terms of outward billing and over acceptance values billed by other airline in terms of inward billing.

- All listed parameters under Sales audit when necessary

- **Audit Parameters for Interline Second Pass Audit**

SPA/CSA/MPA/Proviso Applicability  
IATA rule applicability  
TAX & Surcharges  
Interline Service Charges

Each ADM/Audit Identification need to be proposed in the currency appearing on the audited document to which it relates. No ACM will be proposed.

## **1.2 ADM Upload**

The Supplier shall upload ADMs through ADM Standard Delivery Channels on behalf of the Customer on time.

## **1.3 Waiver Management**

Supplier need to facilitates the transmission to the Supplier of fares and Pre-waived Transactions and provides search facilities to the Customer. The Supplier shall provide Waiver Evaluation. The Supplier will evaluate the difference between the value of the Pre-waived Transaction and its value had it not been waived.

## **1.4 Disputes Management Service**

Where the Agencies raise disputes over the ADMs issued by the Supplier they shall present the disputes in either BSPlink or send notification of the dispute via e-mail. The Supplier shall download such disputes submitted by Agencies in BSPlink/ASD or, when not available to the Agency, through e-mail and shall respond to the disputes with information that support the ADM or accept the disputed item, if the Agency provides valid information to cancel the ADM. All the disputes will be handled in the English language.

If the dispute presented by the Agency is with a view to reaching a commercial agreement with the Customer or if, after three or more replies, the Agency continues to dispute the ADM, the Supplier will transfer such dispute to the Customer, together with all information supporting the ADM.

The Supplier will only be required to respond to disputes raised in respect of ADMs that are no older than 9 months.

## **1.5 Collections Management Service**

After the submission of ADMs to ARC Agencies, the Supplier shall contact ARC Agencies to request payment of the ADMs raised by the Supplier on behalf of the Customer that remain unpaid. The Supplier will contact the Agency at least twice a month, through any combination of the following media: e-mail or telephone. The tone, pressure and format of contact shall be agreed by the Parties.

The Customer must inform the Supplier, within 5 working days, of any collections that it has made from Agencies outside ARC settlement or that have been waived.

ADMs that have not been collected after 9 months are excluded from the scope of the Collection Management Service.

## **2. Additional Optional Audits**

### **2.1 PNR Audit**

The Customer shall provide the PNR feed in a format, frequency, and by a secure transfer mechanism agreed between the Parties.

The Supplier shall load the PNR file and filter the Transactions to be audited according to the scope defined.

The Supplier shall audit the PNR elements agreed between the Parties.

ADM Creation and ADM Validation works as stated in agreement.

Where a document contains multiple errors being rated to Sales Audit and PNR, the reason is assigned according to the error with the highest value .

### **2.2 Revalidation Audit**

The Customer shall provide the PNR feed in a format, frequency, and by a secure transfer mechanism agreed between the Parties.

The Supplier shall load the PNR file and filter the Transactions to be audited.

The Tickets are re-audited whenever PNR changes are received with no related EMDs or ticket number in relation to the change unless the Supplier has been notified of schedule changes, flight cancellations and pre-waivers.

Tickets that meet the criteria for Revalidation are re-audited on an agreed frequency cycle after the original audit period and continue until the last coupon of the ticket is flown.

The ADM is sent to the Agency making the violation. If the Agency is in a different Country, the ADM is raised in the appropriate currency-

### 3. Technical features of the workstations

Component	Supported system	Recommended system
<b>Operating System</b>		
<b>Browser</b>		
<b>RAM</b>		
<b>Monitor</b>		
<b>Internet Connection</b> (necessary for getting and sending data)		
<b>Microsoft SW</b>		
<b>Network security configuration (firewall)</b>		
<b>Database server Software</b>		

### 4.THE SERVICES FOR FARE AUDIT

The Services provided by the Supplier shall be carried out in accordance with the table below:

<b>Sales Source</b> <b>(BSP/ARC/ASD</b> <b>GSA/OWN</b> <b>Direct Sales)</b>	<b>Audit Commencement date</b>	<b>Sales Month</b>	<b>Services Provided</b>
BSP/ASD			A,B,C, D,E,F,G
ARC			A,B,C,D,E,G,H

GSA(including GHA & PSA)			A,B,D
OWN			A,B,D

The Supplier shall audit the following document types:

- (A) Tickets
- (B) Exchanges
- (C) Refunds
- (D) EMDs

The Supplier shall provide the following additional services:

- (E) ADM upload
- (F) Waiver Management
- (G) Dispute Management Service
- (H) Collection Management Service

## **Appendix B: The Supplier Remuneration**

## Appendix C: Extended Information Security Schedule

_____	hereafter referred to as the Third Party
Organisation/Cloud Service Provider	

Extended Information Security Schedule for service providers ,contractors and other interested 3rd parties							
#	Policy statements/ Compliance requirements for Third Party Organizations	Deployed technical controls	Deployed procedural controls	Overall compliance (Yes/No/ Not Applicable )	Reasons for Not Applicability	Compensating controls	Remarks
<b>1</b>	<b>General</b>						
<b>1.1</b>	<b>Access control</b> (access to buildings/areas) Technical and/or organizational procedures shall be in place for access control and, in particular, for the identification of authorized persons						
<b>1.2</b>	<b>Access controls</b> Procedures shall be available with regard to user identification and authentication, both technical (password/password security) and organizational (master user data)						

1.3	<p><b>Access privilege controls</b> (the prevention of prohibited activities that exceed the granted user rights within an IT system).</p> <p>Authorization model and access rights to meet requirements shall be available; with monitoring and logging of the same</p>						
1.4	<p><b>Transfer controls</b> (for all aspects of the transfer of personally-identifiable data: electronic transmission, data transport, conveyance checks) shall be available</p>						
1.5	<p><b>Input controls</b> (audit trail, documentation on data administration and maintenance)</p> <p>Procedures that support a historical audit of when data was entered, modified or removed (deleted), and by whom shall be available.</p>						
1.6	<p><b>Contract controls</b> (assurance of policy-compliant processing of contractual data)</p> <p>Procedures (technical/organizational) shall be available defining the responsibilities of contractor and client.</p>						
1.7	<p><b>Availability controls</b> (data shall be protected against accidental deletion or loss)</p> <p>Procedures for data archiving (physical/logical) shall be available</p>						
1.8	<p><b>Controls for separation of duties</b> (datasets that are created for different purposes shall also be processed separately).</p> <p>Procedures shall be available to support the separate processing (storage, modification, deletion, transmission) of datasets that serve different contractual purposes.</p>						
2	<b>Privacy Policies</b>						
2.1	<p>The Third Party Organization shall comply with the obligations under the EU General Data Protection Regulation (GDPR) in relation to any Personal Data of customers, employees, and Board of Directors of SriLankan Airlines (hereafter referred to as "Personal Data").</p>						
2.2	<p>The Third Party Organization shall process any Personal Data solely for the purposes identified by the relevant Agreement.</p>						

2.3	<p>The Third Party Organization shall have in place appropriate technical and organisational measures to ensure a level of security commensurate with the risks associated with the Processing of Personal Data, such measures shall be appropriate in particular to protect against accidental or unlawful destruction, loss, alteration or unauthorised disclosure of or access to Personal Data.</p> <p>These measures shall take into account and be appropriate to the state of the art, nature, scope, context and purposes of Processing of personal data and prevent unauthorised or unlawful Processing or accidental loss, destruction or damage to Personal Data.</p> <p>For the avoidance of doubt in the event of a dispute between the Third Party Organization and SriLankan, SriLankan shall decide whether the Third Party Organization has put in place appropriate technical and organisational measures in accordance with this Clause 11.</p>					
2.4	<p>The Third Party Organization shall will notify SriLankan promptly and without undue delay and in any event within 24 hours of becoming aware of any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to Personal Data ("Personal Data Breach") of the existence, nature and scale of the Personal Data Breach and shall comply with its obligations under the EU GDPR in respect of the Personal Data Breach; and co-operate with SriLankan to make any reasonable changes to its processes or procedures to prevent a reoccurrence of the Personal Data Breach.</p>					
2.5	<p>The Third Party Organization shall not engage any third parties or non-employees to process Personal Data unless SriLankan has expressly consented in writing in advance to the use of such third parties. The Third Party Organization shall ensure that any person acting under its authority in relation to the Personal Data, including a Data Processor, is obligated to Process the Personal Data only on the instructions of SriLankan and have in place appropriate technical and organisational measures to ensure a level of security commensurate with the risks associated with the Processing.</p>					



2.6	The Third Party Organization shall use reasonable endeavours to provide such assistance as SriLankan reasonably requires in relation to satisfying any legitimate requests received from Data Subjects in relation to the Personal Data.						
2.7	The Third Party Organization shall keep a record of any Processing of Personal Data it carries out, including: 9.7.1 the purposes of the processing; 9.7.2 a description of the categories of data subjects and of the categories of Personal Data; 9.7.3 the categories of recipients to whom the Personal Data have been or will be disclosed; and 9.7.4 each transfer of Personal Data and, where relevant, the documentation of suitable safeguard.						
2.8	The Third Party Organization shall take steps to ensure that, from and including 25 May 2018, their Processing of any Personal Data is compliant with the GDPR.						
3	<b>Security Governance</b>						
3.1	Third Party Organization shall designate named individual or a team with overall accountability for Information Security, to review compliance and enforce information security requirements in the agreement with SriLankan Airlines and liaise with SriLankan Information Security team as required.						
3.2	Third Party Organization shall have management-approved Information Security policies and procedures aligned with applicable external standards, regulations and SriLankan requirements, which shall be reviewed and updated periodically.						
3.3	The Solution and the Third Party Organisation is compliant for ISO/IEC 27001:2013 Information Security Management System (ISMS) standard and the certification is up-to-date. (if proposed solution is compliant to other standards, legislative and regulatory requirements, please provide details in 'Remarks').						
3.4	Third Party Organization shall continually improve the suitability, adequacy and effectiveness of Information Security in accordance with applicable external standards, regulations and SriLankan requirements.						
4	<b>Security Risk and Compliance</b>						

4.1	Third Party Organization shall perform Information Security risk assessments on periodic basis and maintain a register of security risks related to the provision of its services to SriLankan and to processing of SriLankan information and/or information systems.						
4.1.a.	The risk register shall be maintained to show the nature, extent of and progress made in mitigating the identified risks.						
4.2	Third Party Organization shall conduct periodic compliance reviews against management-approved Information Security policies.						
4.3	Third Party Organization shall notify SriLankan where sub-contractor is engaged to provide services and shall ensure that sub- contractor also abides by this policy.						
4.4	Third Party Organization shall abide by the contractual agreements put in place with respect to SriLankan requirements which includes but not limited to code ownership and intellectual property rights.						
4.5	Third Party Organization shall facilitate and participate in periodic Information Security reviews which will be carried out by SriLankan or on behalf of SriLankan. Information Security reviews may also be conducted under the following conditions:						
4.5.a	Security incident/breach						
4.5.b	Major change in information systems used to provide services to SriLankan						
4.6	Third Party Organization shall provide periodic reports on risk and compliance management as applicable to services provided to SriLankan.						
4.7	Third Party Users shall comply with all applicable SriLankan corporate and Information Security policies, standards and procedures.						
5	<b>Personnel and Physical Security</b>						
5.1	Third Party Organization shall conduct adequate back-ground verification checks of their staff involved in SriLankan Airlines engagement						
5.2	Third Party Organisation shall proactively inform SriLankan Airlines if screening has not been completed or if the results give cause for doubt or concern						
5.2	All employees in the Third Party Organization shall sign a Non-Disclosure Agreement.						

5.3	Third Party Organization shall ensure that all employees complete mandatory Information Security awareness course periodically covering topics like password and user account security, information protection and handling, issues of confidentiality and company security standards.						
5.4	Third Party Users shall sign a Non-Disclosure Agreement before gaining access to SriLankan information and information systems.						
5.5	Third Party Organization shall maintain a formal employee separation process which includes but not limited to revocation of access, return of assets, exit interview.						
5.6	Third Party Organization shall implement all applicable physical and environmental security controls to provide adequate protection to SriLankan information & information systems.						
6	<b>Security in Applications, Systems and Networks</b>						
6.1	Third Party Organization shall design, implement and operate a Layered Security model to provide adequate and effective protection for SriLankan information and information systems. This shall be a combination of preventative, detective and reactive controls and must apply to development, test, pre-production and production environments.						
6.2	Third Party Organization shall ensure that SriLankan information and/or information systems are physically or logically segregated from other customers.						
6.3	Third Party Organization shall design, implement and operate suitable controls to ensure continuity of services in accordance with system uptime and performance requirements, Recovery Time Objective and Recover Point Objective.						
6.4	Third Party Organization shall maintain an established process to provision, review access rights of, de-provision user and service accounts. Periodic access review reports shall be submitted to SriLankan.						
6.5	Third Party Organization shall implement and operate robust network, system and application access controls to authenticate, authorize and log all access attempts pertaining to SriLankan information and information systems. This applies to access attempts made by users, services and devices.						

6.6	Third Party Organization shall not process or store SriLankan information on end user systems like laptops, desktops, mobile devices, etc. Where this is a legitimate requirement, adequate security controls including but not limited to encryption, access control, Mobile Device Management shall be implemented and operated.						
6.7	Third Party Organisation should periodically deliver an independent report on the effectiveness of information security controls and agreement on timely correction of relevant issues raised in the report to SriLankan Airlines, on request						
6.8	Third Party Organization shall conduct annual vulnerability assessments and/or penetration tests on applications, systems and networks that transmit, process or store SriLankan information. Reports shall be shared with relevant stakeholders in SriLankan. Third Party Organization shall apply security patches in mutually agreed timeline without any cost escalation.						
6.9	SriLankan Airlines may perform Vulnerability Scans at least annually and findings will be notified to Third Party Organization. If any vulnerability is found, Third Party Organization shall agree to apply security patches in mutually agreed timeline without any cost escalation.						
###	Third Party Organisation should provide to SriLankan Airlines on request, the status of the closure of high vulnerabilities						
###	During the year , Third Party Organisation shall conduct information security reviews of its sub contractors and its own suppliers engaged in services/products delivered to SriLankan during the year						
6.1	Third Party Organisation shall conduct BCP testing on SriLankan Related systems/services during the year						
7	<b>Security in System Delivery Lifecycle</b>						
7.1	Third Party Organization shall have an established Software/Systems delivery Lifecycle process embedding adequate security at all stages, including but not limited to secure by design, secure by default and security in deployment in accordance with the applicable external standards, regulations and SriLankan requirements.						
7.2	Third Party Organization shall conduct security code reviews for all versions of the application prior to release. Reports shall be shared with relevant stakeholders in SriLankan.						

7.3	Third Party shall ensure that access to program source code is restricted and strictly controlled.						
8	<b>Data Security</b>						
8.1	Third Party Organization shall design, implement and operate adequate security controls to protect confidentiality, integrity and availability of SriLankan data and/or information in accordance with the classification levels.						
8.1.a	Security controls for adequate protection shall include but not limited to access control, cryptography, data backups, Data Loss Prevention, Digital Rights Management, Anti-Malware.						
8.2	Third Party Organization shall only transmit, process or store SriLankan data and/or information in accordance with the contract requirements.						
8.3	Third Party Organization shall retain SriLankan data and/or information based on SriLankan data retention policy which is 12 years as per Right To Information Act.						
8.4	Third Party Organization shall have an established data and media disposal processes incorporating suitable security requirements aligned with relevant industry accepted standards or regulations. SriLankan data shall be suitably disposed of under the following conditions:						
8.4.a	Contract expiry						
8.4.b	Equipment / media retirement or maintenance						
8.5	Third Party Users shall not process or store SriLankan data and/or information on non SriLankan devices. Where there is a legitimate business requirement to do so, approvals must be taken from SriLankan Information Security team.						
9	<b>Authentication &amp; Password Compliance</b>						
9.1	Role Based Access & Workflow Approvals (Segregation of Duties)						
9.2	Active Directory (AD) Integrated (If <b>Yes</b> , please proceed to A-7)						
9.3	Password age – 60 Days						
9.4	Minimum password length – 8 Characters						
9.5	Password change at initial login						
9.6	Password Complexity						
9.6.1	At least one 'UPPERCASE' character						
9.6.2	At least one 'lowercase' character						
9.6.3	Mixture of numbers and/or symbols						
9.6.4	Account Lockout						
9.6.5	Lockout after 5 unsuccessful attempts						
9.6.6	30 minutes lockout duration						
9.6.7	Password History – 8 Passwords						

9.6.8	Availability of multiple-factor authentication						
9.6.9	Transfers authentication information through secure protocols						
9.6.10	Ability to display the time and date of last successful login, and any failed login attempts to user						
9.7	Third Party Organisation shall support integration of solution with Microsoft Identity Manager for Identity & Access Management						
10	<b>Backups</b>						
10	Scheduled configuration backups						
10	Scheduled data backups						
###	Backup retention period - 12 years for all SriLankan/service related data						
11	<b>Audit &amp; Event Logs</b> (for all user activities, including administrative and privileged user activities, and system configuration changes)						
11	Application Audit Logs (including transaction logs)						
11	Database Level Audit Logs						
11	OS Level Audit Logs						
11	Event Logs (including successful/unsuccessful login attempts)						
12	Integration with McAfee Enterprise Security Manager for log correlation and management (recommended log format: syslog)						
12	<b>Encryption</b>						
12	256 bit key encryption for data at rest and in transit.						
12	Application services support enabling a public-key infrastructure (public key cryptography and digital signatures)						
13	<b>Data Validation</b>						
13	Input & Output Data Validation						
14	<b>Connectivity and Access Control</b>						
14	Web applications enabled with current TLS version certificates						
14	Remote diagnostic and configuration port should be protected.						
14	Ability to configure inactive Sessions timeout (for Application, Database, OS, Console)						
14	Ability to configure a Log-on banner						
15	<b>Dependent Systems and Services</b> (if yes, please provide information on systems/services/ports in remarks)						
15	Solution necessitates dependent systems & services						
16	<b>Incident Management</b>						

16	Third Party Organisation shall inform SriLankan Airlines about any incidents related to information security as soon as an incident occurs						
16	Third Party Organisation shall inform about the workarounds and rectifications taken to address the incidents						
16	Third Party Organisation shall provide audit trails and records of information security events, operational problems, failures, tracing of faults and disruptions related to the service delivered						
17	<b>Service Continuity</b>						
17	Availability - 99.95%						
17	Recovery Time Objective - 1 hour						
17	Recovery Point Objective - 1 hour						
17	Third Party Organisation agrees to setup a local office or a competent local service provider to assist SriLankan Airlines in support queries or incidents.						
18	<b>Right to Audit &amp; Monitor</b>						
18	Third Party Organisation agrees that performance of the Services will be subject to monitoring by SriLankan Airlines.						
18	Third Party Organisation agrees to keep accurate and complete records and accounts pertaining to the performance of the Services. Upon no less than seven (7) days' written notice, and no more than once per calendar year, SriLankan Airlines may audit, or nominate a reputable firm to audit, records relating to performance of Third Party Organisation/service provider under the Service Level Agreement, during the agreement period and for a period of three (03) months thereafter.						
18	If Third Party Organisation obtains third party services by means of outsourcing or sub-contract, Third Party Organisation is required to ensure such activities maintain applicable records to reflect the services agreement with SriLankan Airlines and will be subject to audit/monitor as set forth in 18.1 to 18.3 above.						
19	<b>Licensing Requirements</b>						
19	Does the solution necessitate additional licenses for third party components/services? (If Yes, please provide information in remarks)						
19	If solution necessitates additional licenses for third party components/services, please state if such licenses are included in the proposed solution? (If No, please provide details of additional licenses required from SriLankan Airlines)						

<b>20</b>	<b>Legislative, Standards &amp; Regulatory Compliance</b>						
<b>20</b>	Third Party Organisation agrees to sign a Reciprocal Non Disclosure Agreement with SriLankan Airlines						
<b>20</b>	Information shared or services obtained as part of SriLankan Airlines engagement with Third Party Organisation will be governed by requirements set forth in ISO/IEC 27001:2013 Information Security Management System (ISMS) and subjected to signing this policy which will become an integral part of the Service Agreement(s).						
<b>20</b>	Third Party Organisation shall agree to adhere to SriLankan Airlines Information Security Policy						
<b>21</b>	<b>Service Level Agreement</b>						
<b>21</b>	Signed Service Level Agreement including, and not limited to,						
<b>21.1.1</b>	Reflect Service Continuity objectives set forth above 17.1 to 17.3						
<b>21.1.2</b>	Defined Response Times and Resolution Times based on defined priorities						
<b>21.1.3</b>	Periodic service review meetings between SriLankan Airlines and the Third Party Organisation						
<b>21.1.4</b>	Escalation Criteria for Incident Management to ensure performance of services under the Service Level Agreement						
<b>21.1.5</b>	Information about the licensing arrangements (for dependents systems/services), code ownership and intellectual property rights related to the Third Party Organisation's products/ services						
<b>21.1.6</b>	Service Credits for failing to meet performance of services under the Service Level Agreement						
<b>21.1.7</b>	Third Party Organisation should submit service reports at a defined frequency						
<b>Cloud Computing Security Standard</b>							
<b>22</b>	<b>Evaluation of Third Party Organization/ Cloud Service Provider (CSP)</b>						
<b>22</b>	SriLankan may perform periodic assessment of the Cloud Security Provider's security posture where necessary.						
<b>22</b>	Third Party Organization/ Cloud Security Provider (CSP) hosting SriLankan data shall maintain a certification in good standing against an approved Information Assurance Framework. The certification by an independent and recognized third-party may be required to get a reasonable assurance that security controls are planned and properly implemented.						
<b>23</b>	<b>Protection of SriLankan Data in Cloud Environment</b>						



23	Third Party Organization/CSP must operate a Layered Security model at the perimeter, core network, systems, application and data layers to adequately protect SriLankan data.						
23	SriLankan data and application environment must be segregated from other entities' environments.						
23	SriLankan data must be adequately protected in accordance with the classification levels of the data sets as per Annexure A.						
24	<b>Compliance and Audit in Cloud Environment</b>						
24	Third Party Organization/CSP must demonstrate compliance against SriLankan Extended Information Security policy, relevant contractual requirements and applicable external standards and regulations.						
24	SriLankan shall conduct security reviews where necessary on the cloud environment on an ongoing basis to verify compliance.						

\_\_\_\_\_ Third Party Organization  
Name \_\_\_\_\_

By:

Name:

Title:

Date:

By:

Name:

Title:

Date:

#### - Information Classification Matrix

##### **Classification Level: Public**

**Classification Criteria:** Making the information public cannot harm Sri Lankan Airlines in any way

**Access Restriction:** Information is available to the public

##### **Classification Level: Internal use**

**Classification Criteria:** Unauthorized access to information may cause minor damage and/or inconvenience to Sri Lankan Airlines

**Access Restriction:** Information is available to all employees and selected third parties

**Classification Level:** Restricted

**Classification Criteria:** Unauthorized access to information may considerably damage the business and/or Sri Lankan Airlines' reputation

**Access Restriction:** Information is available only to a specific group of employees and authorized third parties

**Classification Level:** Confidential

**Classification Criteria:** Unauthorized access to information may cause catastrophic (irreparable) damage to business and/or to Sri Lankan Airlines' reputation

**Access Restriction:** Information is available only to individuals in Sri Lankan Airlines

## NON-DISCLOSURE AGREEMENT

THIS NON DISCLOSURE AGREEMENT made and entered into on this ..... [.....] day of ..... Two Thousand and Nineteen [2019],

### By and Between

**SRILANKAN AIRLINES LIMITED**, a company duly incorporated under the laws of the Democratic Socialist Republic of Sri Lanka, bearing Company Registration PB 67 and having its registered address and principal place of business at "Airline Centre, Bandaranaike International Airport, Katunayake in the said Republic of Sri Lanka (hereinafter referred to as the "**SriLankan**" which term shall where the context so requires mean and include the said **SRILANKAN AIRLINES LIMITED**, its successors and permitted assigns) of the **First Part**;

### And

....., a company duly incorporated under the laws of the [ ], bearing Company Registration ..... and having its registered address and principal place of business at ..... in the said [ ] (hereinafter referred to as the "**Company**" which term shall where the context so requires mean and include the said ....., its successors and permitted assigns) of the **Second Part**

(SriLankan and the Company are collectively referred to as the "**Parties**" and individually referred to as a "**Party**")

**WHEREAS** the Company is engaged in the business of  
.....;

**WHEREAS** SriLankan is the international commercial airline providing international passenger and cargo transportation services and ground handling services;

**WHEREAS** SriLankan is desirous of retaining the professional services of the Company to  
(the "**Purpose**");

**AND WHEREAS** in view of the confidential private and proprietary nature of information to be disclosed and exchanged between the Parties, **IT IS HEREBY AGREED AS FOLLOWS:**

1. To facilitate discussions and meetings as may from time to time be necessary between the Parties with respect to the Purpose; it may be necessary for either Party to disclose to the other, whether it be transmitted orally, electronically or in writing, information relating to either Party's a) financial information, technical, customer, personnel business plans, any documents relating to IT programs of SriLankan, any documents relating to the aircraft fleet of SriLanka, specifications, records, data, computer programs, source codes, object code, research, analysis, drawings, schematics, know-how, notes, models, reports and samples; b) materials, documents, components, parts, information, drawings, data, sketches, plans programs, specifications, techniques, processes, software, inventions and other any other technical and financial information pertaining to the IT System of either Party, technical and financial information pertaining to the aircraft or engine fleet of SriLanka; c) information which may contain proprietary, private or confidential material, or material subject to applicable laws regarding secrecy of communications or trade secrets including without limitation any and all information relating to marketing, finance, forecasts, invention, research, design or development of information system and any supportive or incidental subsystems, and any and all subject matter claimed in or disclosed by any patent application prepared or filed by or behalf of SriLankan in any jurisdiction; d) derivations, analyses, compilations, studies, reports, memoranda, notices and other materials prepared and copies of such documents by a Party or its representative based on the information referred to in above Sub-Paragraph (a),(b) (c) and (d) (hereinafter collectively referred to as "**Confidential Information**").

2. Each Party acknowledges and agrees:

2.1 That all Confidential Information received by either Party ("**Receiving Party**") from the other Party ("**Disclosing Party**") shall be and shall remain the exclusive property of the Disclosing Party and no title to or other interest in the Confidential Information is granted or transferred to the Receiving Party by this Agreement.

2.2 To receive in confidence any Confidential Information and to limit access to such Confidential Information to those of its agents, employees and representatives who have a need to know the Confidential Information on behalf of a Party in order for the Party to participate in the matter of Purpose described above; and not to disclose such Confidential Information to third parties other than Authorized Representatives (as defined below) or authorize anyone else to discuss such Confidential Information with others without the prior written approval of the Disclosing Party. '**Authorized Representatives**' means only those officers, shareholders, directors, employees, contract employees, subcontractors, agents or professional advisers of Receiving Party, its parent company or an affiliate of Receiving Party who (i) are directly involved in the Purpose; and (ii) are obligated to protect the Confidential Information in accordance with the terms hereof and limit its use to evaluation the Purpose. With regard to the Authorized Representatives abovementioned, the receiving Party shall use all reasonable endeavors to procure that such Authorized Representatives keep such information confidential on terms equivalent to this clause. For the avoidance of doubt, disclosure of the Confidential Information by any of the Receiving Party's Authorized Representatives in a manner inconsistent with any of the terms hereof shall be deemed a breach of this Agreement by Receiving Party for all purposes of this Agreement.

- 2.3 To use such Confidential Information only for the purpose of work, services or analysis related to the matter of Purpose described above and the receiving Party shall not use such Confidential Information disclosed by the disclosing Party for its own benefit or disclose to a third party(ies). If a Party seeks to use the information for any other use, it must seek the agreement of the Disclosing Party who may refuse so for any reason whatsoever;
  - 2.4 To return promptly to the Disclosing Party, or to destroy such Confidential Information in written, graphic or other tangible form at the Disclosing Party's request including all including any copies of same and notes thereof and including Confidential Information incorporated into analyses, compilations, studies or other documents prepared by the Receiving Party with destruction being certified in writing by an officer of the Receiving Party. The Receiving Party will not be obligated to erase Confidential Information that is contained in an archived computer system backup in accordance with its security or disaster recovery procedures, all of which shall continue to be held by the Receiving Party and kept confidential and subject to the terms of this Agreement.
  - 2.5 Neither disclosure of Confidential Information nor this Agreement shall be construed as a license to make, use or sell the Confidential Information or products derived there from.
  - 2.6 To treat all information provided herein as Confidential Information until such time as the Parties mutually agree in writing that such treatment is no longer warranted.
  - 2.7 To not to copy or reverse engineer any such Confidential Information.
  - 2.8 The Receiving Party shall immediately notify the Disclosing Party in writing of any misappropriation or misuse by any person of the Disclosing Party's Confidential Information of which the Receiving Party is aware of.
3. These obligations do not apply to Confidential Information which:
- 3.1 As shown by reasonably documented proof, was in the other's possession prior to receipt thereof from the disclosure; or
  - 3.2 As shown by reasonably documented proof, was received by either of the Parties in good faith from a third party not subject to a confidential obligation under any other agreement; or
  - 3.3 Now is or later becomes publicly known through no breach of confidential obligation by the SriLankan or the Company as the case may be.
  - 3.4 Is disclosed pursuant to a requirement imposed by a government agency or is otherwise required to be disclosed by operation of law, except that prior to any disclosure pursuant to this subsection, the Receiving Party receiving the request for the Confidential Information shall, to the extent legally permissible, notify the Disclosing Party and shall give the Disclosing Party an opportunity to participate in objecting (at Disclosing Party's own cost and expense) to production of the Confidential Information and shall cooperate with the Disclosing Party to restrict such disclosure to the fullest extent possible.
- 3.5 Was developed by either Party independently without using any of the Confidential Information received from the other Party; or
- 3.6 Is authorized in writing by the other Party to be released or is designated in writing by that other Party as no longer being confidential or proprietary.
4. Nothing contained in this Agreement shall act to prevent any one or all of the Parties hereto from concurrently or otherwise discussing or planning or initiating similar projects with non-parties to this Agreement so long as the nondisclosure aspects of this Agreement are not violated. Neither Party shall discuss or disclose in writing or by any other means to any third party, any information knowingly allusive to any Confidential Information.
5. The Receiving Party hereby accepts the full responsibility for the unauthorized disclosure of the Confidential Information by any employee of the Receiving Party. The Receiving Party shall be responsible for any breach of this Agreement by the Receiving Party or any Authorized Representatives and shall defend, indemnify and save harmless the Disclosing Party from and against all manner of actions, causes of actions, proceedings, claims, demands, damages, losses, expenses, penalties, fines, costs, that the Disclosing Party may suffer or incur as a result of or in connection with any breach of this Agreement by the Receiving Party.
6. It is agreed that a violation of any of the provisions of this Agreement will cause irreparable harm and injury to the non-violating Party and that Party shall be entitled, in addition to any other rights and remedies it may have in law or in equity, to an injunction; enjoining and restraining the violating Party from doing or continuing to do any such act and any other violations or anticipatory violations of this Agreement. Except in showing of willful violation of this Agreement, neither Party shall be liable to the other, whether in contract or in tort or otherwise, for special, indirect, incidental or consequential damages.

7. Neither this Agreement nor exchange of Confidential Information pursuant to this Agreement shall be construed as an agreement, commitment, promise or representation by either Party to do or enter into any business relationship with the other Party or with any other entity or to do anything except as set out specifically in this Agreement.
8. This Agreement shall be construed in accordance with the laws of [ ] and shall be subject to the exclusive jurisdiction of the Courts in [ ].
9. This Agreement is the entire agreement between the Parties with respect to non-disclosure of Confidential Information pertaining to the matter of Purpose stated above and supersedes all prior agreements and understanding with respect to this subject. This Agreement may be amended only by written agreement executed by both Parties. This Agreement shall not be assigned or transferred by either Party without the prior written consent of the other. This Agreement shall be binding on executors, heirs, agents, successors and permitted assigns of the Parties.
10. If any provision of this Agreement is found to be unenforceable or invalid, such provision shall be ineffective to the extent of such unenforceability or invalidity, without affecting the remaining provisions of this Agreement.
11. This Agreement shall commence on the date first written above and unless the Confidential Information becomes public (through no inaction or action by the Receiving Party or any of its agents, employees or representatives in violation of this Agreement) at an earlier date, this Agreement shall remain valid until it is terminated by either Party with 90 days' prior written notice. However, the obligations of the Parties accrued and arisen hereunder including but not limited to protection, use, disclosure and return or destruction of Proprietary Information shall survive such termination and shall continue until such time the Parties hereto mutually agree in writing that such treatment is no longer warranted.
12. Any notice required to be given under this Agreement shall be in writing and sent to the addresses of the Parties stated at the beginning of this Agreement or any other address or addresses or facsimile/email as such Party shall specify from time to time, by written notice to the other. A notice shall be deemed to be properly served, if personally delivered, upon signed acknowledgement on delivery, if sent by registered post or certified airmail (return receipt requested and postage prepaid) upon proof of registered article receipt, if sent by facsimile, after electronic receipt of conformation, if sent by email upon acknowledgement of receipt of same.

**IN WITNESS WHEREOF** the authorized signatories of **SRILANKAN AIRLINES LIMITED** and .....have placed their respective hands hereto and to one other of the same tenor and date as these presents on the day of [.....] ..... Two Thousand and Nineteen (2019)

FOR AND ON BEHALF OF

FOR AND ON BEHALF OF

**SRILANKAN AIRLINES LIMITED**

\_\_\_\_\_  
Name:  
Designation:

\_\_\_\_\_  
Name:  
Designation:

**Witness:**

**Witness:**

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Name:  
Designation:

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