

Larnaka International Airport Local Ground Handling Rules

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| Date of Approval: | 13/04/2022 |
| Approved by: | Minister of Transport, Communications & Works |
| Name: | Yiannis Karousos |
| Signature: |  |

Article 1 Purpose and scope

The purpose of the present rules (the “**Ground Handling Rules**”) is to define the framework relating to the provision of Ground Handling Services (by Third Party Ground Handlers and/or Self-Handlers) at Larnaka International Airport in conformity with the provisions of Article 81 of the Civil Aviation Law (213(I) of 2002), as amended, European Union (EU) legislation and any other Applicable Legislation. The complete list of the Ground Handling Services is incorporated in Annex A herein. The Application for Approval as a Supplier of Ground Handling Services or Self-Handler (Annex B herein) and the Rules of Conduct for the provision of Ground Handling Services (Annex C herein) form an integral part of the present Ground Handling Rules.

Article 2 Definitions

“Access Rights” means the right of access to the Airport for the provision of Ground Handling Services, granted by HERMES Airports Ltd subject to terms and conditions set out in these Ground Handling Rules as applicable in each case;

“Airport” means the area of land especially adapted for the landing, taking-off and manoeuvring of aircraft, including the ancillary installations which these operations may involve for the requirements of aircraft traffic and services including the installations needed to assist commercial air services and in particular for these Ground Handling Rules, the Larnaka International Airport as defined in the Concession Agreement;

“Airport’s Approved Emergency Response and Preparedness Plan” means the Airport’s Emergency Response and Readiness Plan as drafted by HERMES Airports Ltd and approved by the Competent Authority;

“Airport User” means any natural or legal person responsible for the carriage of passengers, mail and/or freight by air from or to the Airport;

“Applicable Legislation” means any of the national, international and European Union (EU) legislation, including Ministerial Decrees, ICAO, IATA standards, codes and practices that are from time to time applicable relating, without limitation, to health, safety, environment, customs, immigration, public order, policing, quarantine, veterinary and phyto-sanitary services, transport, traffic, airport or air traffic control, fire, ambulance or other emergency services;

“Application for Approval as a Supplier of Ground Handling Services or Self-Handler” or “Application” means the procedure for the approval followed by HERMES Airports Ltd to grant Access Rights and Approval to Applicants for the provision of each and all of the Ground Handling Services, as described in the current Ground Handling Rules, attached as Annex B;

“Applicant” means the natural or legal person that applies for Approval and Access Rights for the provision of each and all of the Ground Handling Services;

“Approval” means the approval granted by HERMES Airports Ltd to the Third-Party Ground Handlers and/or Self-Handlers, giving them Access Rights to provide Ground Handling Services;

“Centralised Infrastructure” shall have the meaning prescribed in the Ministerial Decree and comprises inter alia of the facilities set out in Article 4 herein;

“Competent Authority” means the Department of Civil Aviation of the Ministry of Transport, Communications and Works

“Concession Agreement” means the agreement entered into between the Republic of Cyprus through the Ministry of Transport, Communications and Works and HERMES Airports Ltd for the development and operation of Larnaka and Pafos International Airports including the construction of new passenger terminals and associated infrastructure at the Airports for a 25 years period;

“Force Majeure Event” means any of the following events:

(a) war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy in each case involving or directly affecting the island of Cyprus; (b) revolution, riot, insurrection or other civil commotion, a threat of or act of terrorism or sabotage in each case within the island of Cyprus; (c) explosion of any kind which may affect the normal operation and is brought to or near the Airport; (d) strikes, working to rule, go-slows and/or lockouts, at the Airport or affecting the Airport’s operations; (d) any effect of the natural elements, including lightning, fire, earthquake, pandemics, tidal wave, flood, storm, cyclone, typhoon, hurricane or tornado and any other similar unforeseeable events which are beyond the reasonable control of the parties affected, occurring in the territory of the Republic of Cyprus over which the Government of the Republic of Cyprus exercises effective control;

“Ground Handlers” means the Third-Party Ground Handlers and/or Self-Handlers that have obtained the relevant Approval and Access Rights by HERMES Airports Ltd for the provision of each and all of the Ground Handling Services;

“Ground Handling Services” means each and all of the ground handling services provided at the Airport to Airport Users as described in Annex A;

“Ground Support Equipment (GSE)” means the ground handling equipment and the related accessories used by the Ground Handlers for servicing the aircraft;

“HERMES Airports Ltd” means the appointed managing body and/or operator of the Airport pursuant to the Concession Agreement, defined as ProjectCo in the Concession Agreement, and includes any assignees and/or successors;

“Ministerial Decree” means either, as may be applicable:

- i. Ministerial Decree R.A.A. 550 of 2021- Civil Aviation (Access to ground handling services) Decree published on the 28th of December 2021 (as may be amended from time to time);
- ii. Any other Ministerial Decree as may be issued from time to time pursuant to the provisions of the Civil Aviation Law L.213 (I) of 2002 as amended in respect of the provision of Ground Handling Services and the operation of any provider at the Airport;

“Minister” means the Minister of Transport, Communications and Works;

“Quality Monitoring System” means the framework to be developed by the Ground Handlers to maintain high quality service levels as required. The Quality Monitoring System developed by the Ground Handlers must be approved by HERMES Airports Ltd;

“Safety Management System (SMS)” means a systematic approach to managing safety including the necessary organizational structure, accountabilities, policies and procedures;

“Self-Handlers” means any natural person or legal entity providing Self Handling;

“Self-Handling” means a situation in which an Airport User directly provides for himself one or more categories of Ground Handling Services subject to the terms and conditions of these Ground Handling Rules and concludes no contract of any description with a third party for the provision of such services;

“Third Party Ground Handlers” means any natural person or legal entity other than a Self-Handler that provides Ground Handling Services subject to the terms and conditions of these Ground Handling Rules;

Terms not otherwise defined in these Rules shall have the meaning provided in the Council Directive 96/67/EC and/or the Civil Aviation Law (213(I) of 2002) as amended and the Ministerial Decree as the case may be (as each instrument may be amended, replaced or re-enacted from time to time).

Article 3 Airport Users’ Committee

In accordance with Applicable Legislation and the terms and conditions of these Ground Handling Rules, HERMES Airports Ltd has ensured that an Airport Users’ Committee has been set up. All Airport Users are entitled to participate in the Airport Users’ Committee.

The Airport Users’ Committee adopts its operating rules and procedures which are filed with the Competent Authority.

The Airport Users’ Committee shall meet at least once a year with HERMES Airports Ltd and the Ground Handlers to discuss how to best implement and apply the Ground Handling Rules. Minutes of these meetings of the Airport Users’ Committee shall be sent to the Competent Authority and HERMES Airports Ltd.

HERMES Airports Ltd will also consult with the Airport Users’ Committee in all other cases provided for in these Ground Handling Rules and/or Applicable Legislation as the case may be.

Article 4 Centralised Infrastructure

Centralized Infrastructure is the installations and/or facilities at the Airport which cannot, for complexity, cost, technical, environmental, or capacity reasons, be divided or duplicated and whose availability is essential and necessary for the performance of Ground Handling Services.

HERMES Airports Ltd will control, operate, and manage this infrastructure either directly or through a third party contracted by HERMES Airports Ltd, with the approval of the Minister, in accordance with Applicable Legislation.

The following infrastructure of the Airport is, in this respect, declared as Centralized Infrastructure:

| CENTRALISED INFRASTRUCTURE (FACILITIES) | OPERATED BY | CHARGES STATUS |
|---|------------------------|--|
| All Baggage handling systems including belts, carrousel, chutes and lift facilities, aircraft hold baggage security screening systems, out of gauge/out of size baggage facility and related connections to BRS | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |
| Baggage reconciliation systems | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Electric vehicle charging points | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Sewage pre-treatment plant | Ground Handlers | Hermes Airports Ltd Fees & Fares |

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| Passenger baggage trolleys | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |
| Aircraft fresh water supply facilities | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Parking bays for Ground Support Equipment (GSE), aircraft baggage containers, security screened baggage storage areas | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| ULD storage racks | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Visual Docking Guidance System (VDGS) | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Flight Information Display System (FIDS) | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |
| Passenger Boarding Bridges (PBB) including PCA & Power | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| Check in desk and associated equipment and conveyors | Ground Handlers | Hermes Airports Ltd Fees & Fares |
| CUTE system | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |
| Freight and mail facilities a. Common use and governmental areas of the cargo village. b. Freight pick-up and delivery terminal point (Cargo Shed). c. Freight Refrigerator | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |
| Fuel tank farm and/or aircraft refuelling system (All respective equipment and facilities associated with the fuel tank farm and/or aircraft refuelling system) | HERMES Airports Ltd | Hermes Airports Ltd Fees & Fares |

Among HERMES Airports Ltd future strategic planning and objective is to apply innovative Airport Centralized Infrastructure to achieve operational excellence and improve passenger experience.

The use of the Centralised Infrastructure is compulsory for the Ground Handlers, except for the freight pick-up and delivery terminal point (Cargo Shed). Such use shall be made in conformity with these Ground Handling Rules.

Handlers that engage in aircraft Fuel Handling agree to pay the fuel throughput fee to HERMES Airports Ltd, when applicable.

The Approved Ground Handlers will have access to the Centralised Infrastructure on the principle of fair and equal treatment subject to compliance with these Ground Handling Rules.

Fees and fares levied for the use of the Centralised Infrastructure shall be transparent, objective, non-discriminatory and will be set in accordance with Applicable Legislation.

Article 5 Granting of Approval

HERMES Airports Ltd grants Approval for the provision of Ground Handling Services at the Airport using an appointment procedure pursuant and subject to the provisions and terms of Article 6 herein.

This appointment procedure is applicable for all Ground Handling Services.

Article 6 Appointment Procedure for Third Party Ground Handlers and/or Self-Handlers

An Applicant who wishes to conduct Ground Handling Services or Self-Handling must satisfy the following:

a. Obtain an Approval from HERMES Airports Ltd

The Applicant should obtain an Approval and through it Access Rights from HERMES Airports Ltd., prior to commencement of the provision of any Ground Handling Services at the Airport. To obtain Approval the Applicant must comply with the provisions of Article 7.

b. Enter into a Space/Land License Agreement with HERMES Airports Ltd

After obtaining Approval, the Applicant should enter into a Space/Land License Agreement with HERMES Airports Ltd providing inter alia, the space/land licensed from HERMES Airports Ltd and the license fee to be paid to HERMES Airports Ltd.

Notwithstanding any other provisions in these Ground Handling Rules, space/land at the Airport shall be provided subject to the capacity and availability of the infrastructure of the Airport. It is clarified that the applications will be examined in order of priority (first-come, first-served) based on the date of their submission.

Article 7 Approval and Access to Installations

a. Conditions for Approval

To obtain Approval to provide Ground Handling Services at the Airport, the Applicant must complete and submit Annex B [Application for Approval as a Supplier of Ground Handling Services and as a Self-Handler](#) as applicable, and fulfil the conditions set out therein.

Hermes may, where deemed necessary, ask the applicant for further information and/or clarifications; the Applicant shall provide this information within the timeframe set by Hermes.

Hermes will consider only those applications which shall be accompanied by all the required documentation and/or information and/or clarifications which are being requested by Hermes.

b. Space Allocation

1. HERMES Airports Ltd will allocate space within the Airport premises amongst Ground Handlers, through the Space/Land License Agreement as per Article 6 (b).
2. Space allocation will be based on relevant, objective, transparent and non-discriminatory criteria to allow fair competition and to ensure the efficient operation of the Airport. HERMES Airports Ltd will conduct consultations with the prospective Ground Handlers prior to the determination of the required facilities taking into consideration the Ground Handlers' business plan and other Airport Users' requirements.

It is clarified that Ground Handling suppliers holding valid Approvals under the previous Ground Handling Rules and providing Ground Handling Services at the Airport after the implementation of these Ground Handling Rules, shall, if they wish to continue providing Ground Handling Services at the Airport, submit an application for Approval within a period of one (1) year from

the date these Ground Handling Rules come into force, in order to obtain the required Approval to provide Ground Handling Services under these Ground Handling Rules.

Article 8 Health, Safety, Security & Environmental Requirements

The Ground Handlers shall, in addition to the Applicable Legislation, comply to the following basic requirements:

- a. The Ground Handler shall be responsible for the health & safety of its operations and the implementation costs of keeping and maintaining health & safety standards. If the use of Centralized Infrastructure facilities or any equipment of HERMES Airports Ltd give rise to any form of safety hazard, then the Ground Handler shall immediately notify HERMES Airports Ltd.
- b. The Ground Handler is obliged to comply with all applicable IATA, ICAO, European Union and/or national and/or HERMES Airports Ltd rules and regulations relating to safety and aviation security and to all Applicable Legislation relating to health and safety including safety measures as prescribed in HERMES Airports Ltd Standard Operating Procedures and Manuals.
- c. The Ground Handler is obliged to comply with the provisions of the Occupational Health Safety & Environment Guide established by HERMES Airports Ltd.
- d. The Ground Handler shall ensure that all safety and aviation security requirements included in Applicable Legislation are strictly followed by all staff and by any other parties contracted. In connection with this, the Airport identity cards, and Airport safety passes issued by the Competent Authority and HERMES Airports Ltd must be worn by all staff involved in the provision of the Ground Handling Services in such a way as to be clearly visible on outer garment, in all Airport areas.
- e. In performing their Ground Handling Services, the Ground Handlers shall ensure that any noise nuisance and/or pollution of water, soil or air caused in connection to these services are kept to a minimum.

Article 9 Sub-Contracting Requirements

The Third-Party Ground Handlers may subcontract each and all of the Ground Handling Services, provided that they comply with these Ground Handling Rules and in particular with the provisions of article 7 (conditions for approval) and have prior obtained the relevant approval from HERMES Airports Ltd. The subcontracting party must obtain the necessary Approval as per article 7 (conditions for approval) prior to the commencement of services.

A Self-Handler is not allowed to subcontract any of the Ground Handling Services except only in case the said Self-Handler is temporarily unable to perform Self-Handling due to a Force Majeure Event and provided that such event has been notified to HERMES Airports Ltd and HERMES Airports Ltd has given its prior written consent for such subcontracting.

In case of subcontracting of the Ground Handling Services as noted above, the party appointing the subcontractor shall ensure that the subcontractor complies with the obligations imposed on the appointing party under the Ground Handling Rules and Applicable Legislation and with such terms imposed by HERMES Airports Ltd upon granting its consent. Any breach of these Ground Handling Rules and/or Applicable Legislation by a subcontractor will be also considered being a breach by the appointing party and the provisions of Article 10 shall apply in addition to any other provisions included in any other agreement.

The Third-Party Ground Handler must always maintain supervision of all sub-contracted activities. Such supervision should include regular audits ensuring that all health and safety, security as well as all quality standards are met as specified in these Ground Handling Rules. All subcontractors should also adhere to all environmental standards as those are set according to Applicable Legislation.

It is clarified that no subcontractors are allowed to subcontract Ground Handling Services and in case that any subcontractor of a Third-Party Ground Handler proceeds with any subcontracting contrary to these Ground Handling Rules the relevant Third-Party Ground Handler will be considered being in breach of these Ground Handling Rules and the provisions of Article 10 shall apply.

Article 10 Termination of Approval and/or Access Rights and/or Agreements

HERMES Airports Ltd may issue a termination notice of the Ground Handlers' Approval and/or Access Rights and/or agreements if the Ground Handlers do not comply with the terms and conditions of these Ground Handling Rules or any of the agreements entered into with HERMES Airports Ltd. Upon issuance of the termination notice, HERMES Airports Ltd will duly notify the Airports Users' Committee of this respect.

Following such termination notice the Ground Handlers shall, within twenty (20) working days from the date of issuance of the termination notice, cease any operations at the Airport and remove any of their equipment situated at the Airport. It is clarified that termination under the Ground Handling Rules supersedes any provisions of any agreement signed between the Ground Handlers and HERMES Airports Ltd relating to the license of space at the Airport.

Subject but not limited to the above and in conformity with the provisions of the Civil Aviation Law 213(I) of 2002, article 76 as amended, the Competent Authority, ex officio or upon proposal by HERMES Airports Ltd may withdraw an Approval and prohibit the Ground Handlers from supplying Ground Handling Services, if they fail to comply with the rules imposed upon them, to ensure the proper functioning of the Airport.

Article 11 Amendments

HERMES Airports Ltd may, subject to the Minister's approval, amend the Ground Handling Rules when this is deemed necessary. Any amendments to the Ground Handling Rules will be brought before the Airport Users' Committee for consultation subject to the provisions of Applicable Legislation.

It is clarified that in case of future amendments to the Ministerial Decree and the current Ground Handling Rules, HERMES Airports Ltd shall not be held responsible and/or liable in any way with respect to the Ground Handlers' operations that may be affected from such amendments.

Article 12 Entry into force

These Ground Handling Rules replace any previous versions and shall enter into force twenty days after their approval by the Minister.

ANNEX A

List of Ground Handling Services at the Airport

| List of Ground Handling Services | |
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| 1. | Ground administration and supervision |
| 1.1 | Representation and liaison services with local authorities or any other entity, disbursements on behalf of the Airport User and provision of office space for its representatives; |
| 1.2 | Load control, messaging and telecommunications; |
| 1.3 | Handling, storage and administration of unit load devices; |
| 1.4 | Any other supervision services before, during or after the flight and any other administrative service requested by the Airport User. |
| 2. | Passenger Handling |
| 2.1 | Any kind of assistance to arriving, departing, transfer or transit passengers, including checking tickets and travel documents, registering baggage and carrying it to the sorting area. |
| 3. | Baggage Handling |
| 3.1 | Handling baggage in the sorting area, sorting it, preparing it for departure, loading it on to and unloading it from the devices designed to move it from the aircraft to the sorting area and vice versa, as well as transporting baggage from the sorting area to the reclaim area. |
| 4. | Freight and Mail Handling |
| 4.1 | For Freight: Physical handling of export, transfer and import freight, handling of related documents, customs procedures and implementation of any security procedure agreed between the parties or required by the circumstances; |
| 4.2 | For Mail: Physical handling of incoming and outgoing mail, handling of related documents and implementation of any security procedure agreed between the parties or required by the circumstances; |
| 4.3 | Freight and mail handling as regards the physical handling of freight and mail, whether incoming, outgoing or being transferred, between the air terminal and the aircraft. |
| 5. | Ramp Handling |
| 5.1 | Marshalling the aircraft on the ground at arrival and departure; |
| 5.2 | Assistance to aircraft parking and provision of suitable devices; |
| 5.3 | Communication between the aircraft and the airside supplier of services; |
| 5.4 | The loading and unloading of the aircraft, including the provision and operation of suitable means, as well as the transport of crew and passengers between the aircraft and a terminal, and baggage transport between the aircraft and a terminal; |
| 5.5 | The provision and operation of appropriate units for engine starting; |
| 5.6 | The moving of the aircraft at arrival and departure, as well as the provision and operation of suitable devices; |

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| 5.7 | The transport, loading on to and unloading from the aircraft of food and beverages. |
| 6. | Aircraft Services |
| 6.1 | The external and internal cleaning of the aircraft, and the toilet and water services; |
| 6.2 | The cooling and heating of the cabin, the removal of snow and ice, the de-icing of the aircraft; |
| 6.3 | The rearrangement of the cabin with suitable cabin equipment, the storage of this equipment. |
| 7. | Fuel Handling |
| 7.1 | The organization and execution of fuelling and de-fuelling operations, including the storage of fuel and the control of the quality and quantity of fuel deliveries; |
| 7.2 | The replenishing of oil and other fluids. |
| 8. | Aircraft Maintenance |
| 8.1 | Routine services performed before flight; |
| 8.2 | Non-routine services requested by the Airport User; |
| 8.3 | The provision and administration of spare parts and suitable equipment; |
| 8.4 | The request for or reservation of a suitable parking and/or hangar space. |
| 9. | Flight Operations and Crew Administration |
| 9.1 | Preparation of the flight at the departure airport or at any other point; |
| 9.2 | In-flight assistance, including re-dispatching if needed; |
| 9.3 | Post-flight activities; |
| 9.4 | Crew administration. |
| 10. | Surface transport |
| 10.1 | The organization and execution of crew, passenger, baggage, freight and mail transport between different terminals of the same airport, but excluding the same transport between the aircraft and any other point within the perimeter of the same airport; |
| 10.2 | Any special transport requested by the Airport User. |
| 11. | Catering Services |
| 11.1 | Liaison with catering providers and administrative management; |
| 11.2 | Storage of food and beverages and of the equipment needed for their preparation; |
| 11.3 | Cleaning of this equipment; |
| 11.4 | Preparation and delivery of equipment as well as of bar and food supplies. |

ANNEX B

Application for Approval as a Supplier of Ground Handling Services and as a Self-Handler

Application for Approval as a Supplier of Ground Handling Services and as a Self-Handler

ANNEX C

Rules of Conduct for the provision of Ground Handling Services at Larnaka and Pafos Airports

Section 2 Rules of Conduct for the provision of Ground Handling Services