MEMORANDUM OF UNDERSTANDING BETWEEN THE AERONAUTICAL AUTHORITIES OF THE RUSSIAN FEDERATION AND THE HELLENIC REPUBLIC

Delegations representing the Aeronautical Authorities of the Russian Federation (hereinafter referred to as the Russian Delegation) and the Hellenic Republic (hereinafter referred to as the Hellenic Delegation) met in Moscow on 23-24 of April 2012 to discuss matters related to further development and strengthening of the bilateral air transport relations between their respective countries.

The name lists of delegations are attached hereto as Annex 1.

The discussions were conducted in a cordial and friendly atmosphere and the two delegations decided as follows:

1. Amendments to the ATA

Both delegations discussed amendments of the Air Transport Agreement between the Government of the Hellenic Republic and the Government of the Russian Federation signed in Athens on December 6th 2001 (hereinafter "The Agreement") in order to bring it into conformity with EU law.

Both delegations agreed on the text of the draft Protocol amending the Agreement (attached as Annex 2).

2. EU Emission Trading Scheme

The Russian delegation expressed its concern with the implementation of EU ETS on aircraft operators from third countries. The Russian delegation believes that such unilateral actions contradict the ICAO Assembly Resolution which urges Parties involved to engage in negotiations and consultations to reach an agreement on the implementation of market based measures. The Russian delegation considers unacceptable the implementation of EU ETS on international aviation and reserves its right to impose adequate measures in case Russian carriers will be included into EU ETS. The Hellenic delegation took note of this information.

3. Code share

Both delegations agreed on the following code-share principles.

In operating or holding out the air services on the specified routes, the designated airline(s) may enter into commercial and/or co-operative marketing arrangements including, but not limited to, blocked-space or code-sharing with any other airline,

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including an airline of the same side and an airline of a third country, provided that:

- a) the operating airline in such arrangements holds the appropriate operating authorisation and traffic rights;
- b) both the operating and marketing airlines hold the appropriate route rights¹;
- c) no service is operated by an airline of one country for the carriage of passengers between a point in the territory of the other country and a point in a third country, or between two points in the territory of the other country, and no such passengers are carried, unless that airline itself has traffic rights between those two points;
- d) in respect of each ticket sold, the purchaser is informed at the point of sale which airline will operate each flight forming part of the service;
- e) the activities mentioned are carried out in accordance with the laws and regulations applicable in each country, including those governing competition;
- f) the relevant airline has secured any necessary approvals from its own authorities, for the purposes of ensuring that the code-sharing arrangement is consistent with bilateral arrangements with any relevant third country; and
- g) code-sharing agreements will be subject to approval by aeronautical authorities of both sides.

4. Traffic Rights' Issues

Taking into consideration the existing market demand and conditions between Russia and Greece, the two delegations held discussions on the development of air services between the two countries.

Notwithstanding the provisions of the Annex to the ATA both delegations agreed on the provisional basis that:

- the designated airlines of both sides will have the right to coterminalize two points on the territory of the other side without traffic rights between those points;
- the designated airlines of both sides will have the right to operate "triangular" flights in the framework of the existing route schedule, designation and frequency entitlements;
- the Russian designated airlines will be entitled to operate 21 frequencies per week on the agreed routes from Moscow to Athens, Thessaloniki, Heraklion, Rhodes;
- the Greek airlines for the period between May 15, 2012 and the end of IATA Summer period will be entitled to operate scheduled flights from one point in Greece to Novosibirsk, Omsk, Perm, Nizhniy Novgorod, Tyumen, Ufa, Samara and Volgograd with 1 frequency per week.

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¹ Route rights do not require designation and/or traffic rights as for the marketing carrier.

5. Any other business

The Hellenic delegation expressed concern about visa required by the Russian authorities for Greek designated airlines' crew members, while arriving on round trip and not disembarking from the aircraft, which is contrary to the principle of fair and equal treatment and not in line with international standards and recommended practices (SARPS) of Annex 9 "Facilitation" to the Chicago Convention. The Head of the Russian delegation explained that according to their national laws and regulations the discussion on that matter falls out of the competence of the Ministry of Transport of the Russian Federation.

The Russian delegation asked the Hellenic delegation to advise its airlines to submit their flight schedules in full compliance with Aeronautical Information Publication of the Russian Federation. The Hellenic delegation took note of this information.

Both delegations committed themselves to arrange a meeting at their earliest convenience or make arrangements via correspondence, once the increased market conditions demand the review of operating rights for air carriers of both sides.

This Memorandum of Understanding shall come into effect on the date of signature.

Provisions of the previous arrangements not covered in the present MOU will remain in force.

Done in Moscow April 24, 2012 in two original texts in the English language.

For the Delegation of the Aeronautical Authorities of the Russian Federation

leg Demidov

Deputy Director, Department of the State Policy in Civil Aviation of the Ministry of

Transport of the Russian Federation

For the Delegation of the Civil Aviation Authority of the Hellenic Republic

Fofi Papadimitropoulou

Sovernor

Hellenic Civil Aviation Authority

ANNEX 1

DELEGATION OF THE RUSSIAN FEDERATION

1. Oleg O. Demidov Deputy Director, Department of State Policy

in Civil Aviation, Ministry of Transport of

the Russian Federation, Head of the

delegation

2. Margarita A. Sabinina Expert Air Services Division,

Department of State Policy in Civil Aviation
Ministry of Transport of the Russian

Federation

3. Darya A. Parshina Chief – expert, Air Transport Department

Federal Air Transport Agency

4. Sergey P. Savchenko Senior Counselor, Fourth European

Department, Ministry of Foreign Affairs of

the Russian Federation

DELEGATION OF THE HELLENIC REPUBLIC

1. Mrs. Fofi Papadimitropoulou Governor

of the Hellenic Civil Aviation Authority

Head of the delegation

2. Mrs. Evangelia Delouka Acting Director

of Air Transport Division,

Hellenic Civil Aviation Authority

3. Mrs. Akrivoula Vlachou Head of Bilateral Air Agreements

Section, Hellenic Civil Aviation

Authority

4. Mr. Emmanuel Soultanopoulos Second Secretary for Economic

and Commercial Affairs

Embassy of Greece in Moscow

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PROTOCOL AMENDING THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE HELLENIC REPUBLIC DONE ON DECEMBER 6 2001

The Government of the Russian Federation and the Government of the Hellenic Republic (hereinafter referred to as "Contracting Parties") amending the Air Transport Agreement between the Government of the Russian Federation and the Government of the Hellenic Republic done in Athens on December 6th, 2001 (hereinafter referred to as "the Agreement")

have agreed as follows:

Article 1

To make the following changes in the Agreement:

- 1. To supplement paragraph 1 of Article 1 with the following point j):
- "j) Air Operator Certificate has the meaning assigned to it in Annex 6 "Operation of Aircraft" to the Convention."
 - 2. To make paragraph 6 of Article 2 null and void.
 - 3. To formulate paragraph 4 of Article 3 as follows:
- "4. Each Contracting Party shall designate such airlines for the purposes of operating agreed services on the specified routes which are established on the territory of the State of either Contracting Party.

Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article or to impose such conditions as it may deem necessary on the exercise by the designated airline of the rights specified in Article 2 of the Agreement, in any case where the said Contracting Party is not satisfied that the designated airline of the other Contracting Party is established in the territory of the State of that other Contracting Party, has a valid Operating Licence and Air Operator Certificate in accordance with the applicable legislation of the State of the designating Contracting Party and effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator Certificate and the relevant Aeronautical Authority is clearly identified in the designation.";

4. To formulate paragraph 1 of Article 4 as follows:

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- "1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 3 of the Agreement by an airline designated by the other Contracting Party or to impose such conditions as it may deem necessary on the exercise of these rights:
- a) in any case where it is not satisfied that the airline fulfills the conditions set in Article 3 paragraph 4 of the Agreement; or
- b) in case of a failure by that airline to comply with the legislation of the Contracting Party granting these rights; or
- c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the Agreement; or
- d) in case effective regulatory control over the airline designated by one Contracting Party is exercised by a State with which the other Contracting Party does not have a bilateral air services agreement and that State has denied traffic rights to the airline designated by that other Contracting Party.";
 - 5. To make paragraphs 4 and 5 of Article 12 null and void.
 - 6. To formulate Article 13 as follows:

"Article 13 Tariffs

- 1. The tariffs applicable between the territories of the two Contracting Parties shall be established at reasonable levels, due regard being paid to all relevant factors including the cost of operation, commercial benefits, reasonable profit, class of service and the tariffs of other airlines operating over whole or part of the routes.
- 2. Designated airlines of either Contracting Party develop the tariffs independently.
- 3. The Aeronautical Authorities of either Contracting Party may request to intervene in a tariff, in case of:
 - (a) prevention of unreasonably discriminatory tariffs;
- (b) protection of consumers from prices that are unreasonably high or restrictive because of the abuse of a dominant position;
- (c) protection of airlines from prices to the extent that they are artificially low because of direct or indirect government subsidy; and
 - (d) protection of airlines from prices that are low due to unfair competition.
- 4. The Aeronautical Authorities of either Contracting Party may require tariffs for an agreed service to be submitted for approval for purpose mentioned in paragraph 3 of this article. In this case, the tariffs shall be submitted to the Aeronautical Authorities for approval 30 days prior the application of the tariff."

Article 2

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This Protocol notification through d the entry into force ha	•	hat the necessa	ary internal pro	
Done in Greek and English divergence of interpre	•	s being equal	ly authentic.	
For the Govern Russian Fe			Government Ienic Republi	

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