

Operational interface agreement between Operations and CPC Air

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Note:

Document Version:

For content changes only a **partial** version increase is required (e.g. 1.0 → 1.1)

Status change implies a **full** number version increase (e.g. 1.3 → 2.0)

Document status:

Draft: Document is not finalized yet, pls. indicate finalization degree in %

Final: Document has been finalized and reviewed. Additions and changes can still occur.

Approved: Document content has been approved by Project Owner and Steering Committee

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1 Operational process interfaces between Operations and CPC Air

There are following operational interfaces between Operations and CPC Air:

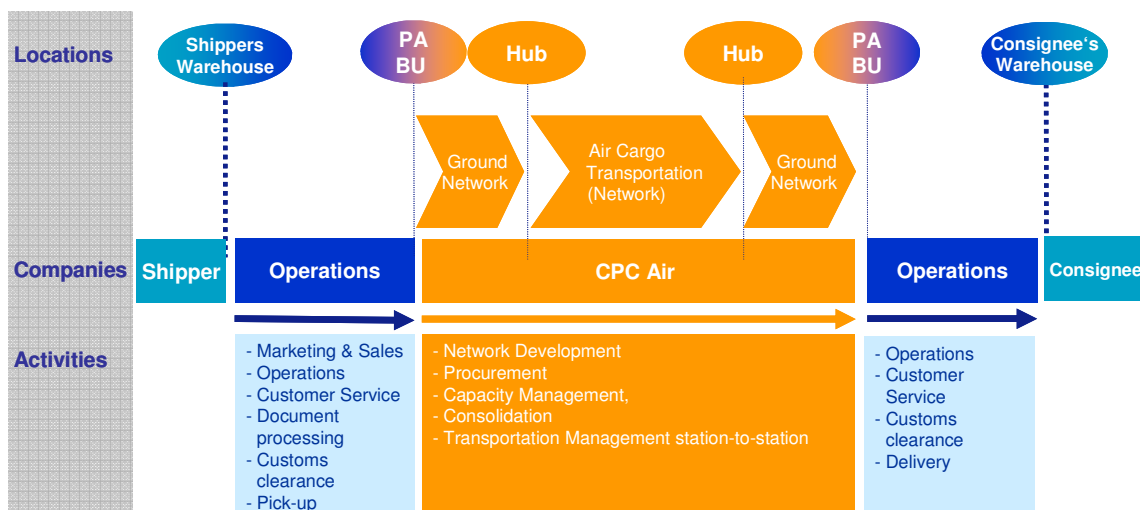
- Physical hand-over of cargo and documents
- Pre-booking and booking
- Claims handling
- Irregularity handling
- Tracking
- Customer Service
- Invoicing
- Customs requirements

2 Process interface agreement

The following sections are describing the interface agreement between Operations and CPC Air. The agreed duties and deliverables for both parties must be integrated into the concerned processes or SOP's of Operations and CPC Air.

3 Process responsibility

Below the Target Model role split within the Panalpina Group :



4 Physical hand-over of shipments and documents

Operations will hand-over cargo and documents to CPC Air for transportation to the agreed final destination. CPC Air will hand-over cargo and documents to Operations at the agreed final destination.

4.1 Physical hand-over of shipments and documents from Operations to CPC Air at Panalpina business unit

a) Duties and responsibility of Operations

Activity
1. All shipments will be handed over “ready for carriage” from Operations to CPC Air Definition of “ready for carriage” : - Shipments must be labeled with at least 1 label per piece containing the HAWB and MAWB number for the shipment, unless otherwise bilaterally agreed. - Shipments must be checked for the weight and dimensions indicated by the shipper. - Outer packing of the shipments must be verified and it must be in good order and sufficient for airfreight transportation. For DGR shipments : The DGR pre-check must be done. Verify if the DGR declarations are filled out and signed and outer package labeling complies with existing IATA DGR Rules and Regulations. All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.
2. Loading of the CPC Air trucks It is under the responsibility and liability of Operations to load all the CPC Air trucks. The loading must be done as per the loading guide provided by CPC Air. No loading or handling charges will be invoiced to CPC Air.
3. Export customs clearance The export customs clearance must be performed for all shipments or the required documents to be provided to perform the export or transit customs clearance.
4. Issuance of customs/transit documentation Customs/transit documentations (eg. T1 in Europe etc) must be issued. Customs seal

must be put on the trucks for the countries having this Customs Rules in Place. In case CPC Air will take away the seal during the first trucking leg, it's under the CPC Air responsibility and liability to inform the Panalpina business unit concerned and to arrange a new custom seal on the truck.

5. Issuance of shipping documentation

Shipping documentation must be issued (e.g. HAWB)

6. Issuance of trucking manifest and inland waybill/CMR

Trucking manifest and inland waybill/CMR must be issued and get same signed by the trucking driver (clean receipt confirmation)

7. Trucking pre-alert and movement out message to CPC Air

Trucking pre-alert and movement out message must be sent immediately but latest 1 hour after departure at the Panalpina business unit via e-mail to CPC Air containing the following information :

- RFS No. (Unique AirWarder truck number)
- Plate number of the truck
- Trucking contractor
- Time of Departure at Panalpina business unit
- Loading details (truck manifest, CMR etc)
- Custom document number (eg T1, T2 etc) ** (see Appendix)
- Customs seal and security seal if applicable

8. Liability

For direct hauls :

Operations are responsible for any missing or damaged shipments noticed during the unloading process of the truck at the first CPC Air Hub or Sub-Hub.

For cross docking :

Operations are responsible for delivery of the cargo to CPC Air and loading the CPC Air trucks at the Panalpina business unit. CPC Air is responsible that all shipments will be handed over to Operations complete and in good conditions. CPC Air is also responsible when cargo is transported, unloaded and reloaded on a truck in a CPC Air Hub or Sub-Hub for customs clearance purposes which can be performed by Operations.

Documents

The following documents must be handed over to CPC Air :

- Set of HAWB containing 1 original for consignee (Original No.3)
- Commercial invoices, packing list
- Import licenses (if available)
- Customs documentation and trucking manifest
- Known shippers declaration (if applicable)
- Inland Waybill/CMR for trucking company
- Origin Certificate (if applicable)

For DGR shipments :

- DGR declaration in accordance with the IATA DGR Rules and Regulations. The DGR declaration must have at least 2 originals and each original must be signed by the shipper. Shipments with routings via multiple hubs/carriers (eg ZRH-LUX-MIA-PTY) need to have 3 originals or more (1 original per transit point) since each carrier involved will request for 1 original and at least 1 original must arrive at final destination. Please refer to the special instructions published by CPC Air per traffic lane.
- All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.
- Shipments ex Europe :
ADR declaration in accordance with local Rules and Regulations. The ADR declaration must have 2 originals and must be signed by the shipper.

b) Duties and responsibility of CPC Air

Activity

1. Re-labelling in case of routing changes

All shipments which are re-routed by CPC Air must be re-labelled with the new assigned flight details.

2. Weight check for direct deliveries to CPC Air Sub-Hubs or Hubs

There must be a weight and dimension check for all shipments which are delivered directly by Operations or direct customers to CPC Air Sub-Hubs or Hubs.

4.2 Physical hand-over of shipments and documents from Operations to CPC Air at direct customer of Panalpina

(direct pick-up by CPC Air without stop-over at Panalpina business unit)**a) Duties and responsibility of Operations**

Activity
1. Request for direct pick-up A direct pick-up request must be sent to CPC Air indicating following information : • Complete address of shipper incl. phone number and person in charge • Date and time of loading • Complete cargo details (number of pieces, weight, volume, specials) including HAWB and MAWB Number • Special handling and documentation instruction (eg if any documents must be picked up at shippers location or will be provided by Operations)
2 . Issuance of customs/transit documentation Customs/transit documentations (eg. T1 in Europe etc) must be arranged in coordination with CPC Air RFS.
3. Issuance of shipping documentation Shipping documentation must be issued (e.g. HAWB)
4. Liability Operations are responsible for any missing or damaged shipments noticed during the process of unloading of the truck at the first CPC Air Hub or Sub-Hub.

Documents

Operations will ensure that the following documents will be handed over to CPC Air latest with the arrival of the cargo at the first CPC Air Sub-Hub or Hub :

- Set of HAWB containing 1 original for consignee or at least HAWB copy.
- Commercial invoices, packing list
- Import licenses (if available)
- Customs documentation and trucking manifest
- Known shippers declaration (if applicable)
- Inland Waybill/CMR for trucking company
- Origin Certificate (if applicable)

For DGR shipments :

- DGR declaration in accordance with the IATA DGR Rules and Regulations. The DGR declaration must have at least 2 originals and each original must be signed by the shipper. Shipments with routings via multiple hubs/carriers (eg ZRH-LUX-MIA-PTY) need to have 3 originals since each carrier involved will request for 1 original and at least 1 original must arrive at final destination. Please refer to the special instructions published by CPC Air per traffic lane.
- All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.
- Shipments ex Europe :
ADR declaration in accordance with local Rules and Regulations. The ADR declaration must have 2 originals and must be signed by the shipper.

b) Duties and responsibility of CPC Air**Activity****1. Ready for carriage check**

The “ready for carriage” check will be subcontracted to CPC Air by Operations. No extra fee for this “ready for carriage” task will be debited from CPC Air to Operations.

Definition of “ready for carriage” :

- Shipments must be labeled with at least 1 label per piece containing the HAWB and MAWB number for the shipment.
- Shipments must be checked for the weight and dimensions indicated by the shipper.
- Outer packing of the shipments must be verified and it must be in good order and sufficient for airfreight transportation.

For DGR shipments :

The DGR pre-check must be done at the first entry point into the CPC Air network point on behalf of Operations. Verify if the DGR declarations are filled out and signed and outer package labeling complies with existing IATA DGR Rules and Regulations. All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.

2. Loading of the CPC Air trucks

The shipper is responsible that the shipments are loaded on the truck.

3. Signing of shippers delivery order

CPC Air or subcontracted party (eg trucking company) will sign shippers delivery order to confirm that all goods listed on the documents are received complete and in good order. If reasonable and under the permission that the access to the warehouse is permitted.

4. Costs for direct pick-up

CPC Air will debit the agreed (ad-hoc or per defined lane/customer) rate per pick-up to Operations.

Document

- Signed shippers delivery order to Operations
- Signed inland waybill/CMR by CPC Air or subcontracted party

4.3 Physical hand-over of shipments and documents from Operations to CPC Air at direct customer of Panalpina (direct pick-up by CPC Air with stop-over at Panalpina business unit)

a) Duties and responsibility of Operations

Activity
1. Request for direct pick-up A direct pick-up request must be sent to CPC Air indicating following information : • Ready for carriage agreement between Operations and CPC Air • Complete address of shipper incl. phone number and person in charge • Date and time of loading • Complete cargo details (number of pieces, weight, volume, specials) including HAWB and MAWB Number • Special handling and documentation instruction (eg if any documents must be picked up at shippers location or will be provided by Operations)
2 . Issuance of customs/transit documentation Customs/transit documentations (eg. T1 in Europe etc) must be issued in coordination with CPC Air RFS.
3. Issuance of shipping documentation Shipping documentation must be issued (e.g. HAWB)
4. Trucking pre-alert and movement out message to CPC Air Trucking pre-alert and movement out message must be sent immediately but latest 1 hour after departure at the Panalpina business unit via e-mail to CPC Air containing the following information : • RFS No. (Unique AirWarder truck number) • Plate number of the truck • Trucking contractor • Time of Departure at Panalpina business unit • Loading details (truck manifest, CMR etc) • Custom document number (eg T1, T2 etc) • Customs seal and security seal if applicable

5. Ready for carriage check

Definition of “ready for carriage” :

- Shipments must be labeled with at least 1 label per piece containing the HAWB and MAWB number for the shipment.
- Shipments must be checked for the weight and dimensions indicated by the shipper.
- Outer packing of the shipments must be verified and it must be in good order and sufficient for airfreight transportation.

For DGR shipments :

The DGR pre-check must be done. Verify if the DGR declarations are filled out and signed and outer package labeling complies with existing IATA DGR Rules and Regulations. All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.

6. Liability

Operations are responsible for any missing or damaged shipments noticed during the process of unloading of the truck at the first CPC Air Hub or Sub-Hub.

Documents

Operations will ensure that the following documents will be handed over to CPC Air latest with the arrival of the cargo at the first CPC Air Sub-Hub or Hub :

- Set of HAWB containing 1 original for consignee
- Commercial invoices, packing list
- Import licenses (if available)
- Customs documentation and trucking manifest
- Known shippers declaration (if applicable)
- Inland Waybill/CMR for trucking company
- Origin Certificate (if applicable)

For DGR shipments :

- DGR declaration in accordance with the IATA DGR Rules and Regulations. The DGR declaration must have at least 2 originals and each original must be signed by the shipper. Shipments with routings via multiple hubs/carriers (eg ZRH-LUX-MIA-PTY) need to have 3 originals since each carrier involved will request for 1 original and at least 1 original must arrive at final destination. Please refer to the special instructions published by CPC Air per traffic lane.
- All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.

- Shipments ex Europe :
ADR declaration in accordance with local Rules and Regulations. The ADR declaration must have 2 originals and must be signed by the shipper.

b) Duties and responsibility of CPC Air

Activity
1. All shipments will be handed over “ready for carriage” from Operations to CPC Air Definition of “ready for carriage” : • Shipments must be labeled with at least 1 label per piece containing the HAWB and MAWB number for the shipment. • Shipments must be checked for the weight and dimensions indicated by the shipper. • Outer packing of the shipments must be verified and it must be in good order and sufficient for airfreight transportation. For DGR shipments : The DGR pre-check must be done. Verify if the DGR declarations are filled out and signed and outer package labeling complies with existing IATA DGR Rules and Regulations. All DGR shipments must comply in addition as well to any local country regulations outlined by the origin country of the shipment.
2. Loading of the CPC Air trucks The shipper is responsible that the shipments are loaded on the truck.
3. Signing of shippers delivery order CPC Air or subcontracted party (eg trucking company) will sign shippers delivery order to confirm that all goods listed on the documents are received complete and in good order. If reasonable and under the permission that the access to the warehouse is permitted.
4. Costs for direct pick-up CPC Air will debit the agreed (ad-hoc or per defined lane/customer) rate per pick-up to Operations.

Document
• Signed shippers delivery order to Operations • Signed inland waybill/CMR by CPC Air or subcontracted party

4.4 Physical hand-over of shipments and documents from CPC Air to Operations at business units

a) Duties and responsibility of CPC Air

Activity
1. Arrival message to Operations CPC Air will send an arrival message to Operations notifying the planned arrival time of the truck, flight at the Panalpina business unit.
2. Hand-over of shipments and documents CPC Air or subcontracted party (eg. trucking company) will hand-over shipments and documents to Operations at the agreed Panalpina business unit or airport/carrier.
3. Update arrival time in AirWarder CPC Air will enter the arrival/hand-over time in AirWarder provided by the Panalpina business unit. AirWarder will update automatically Pantrace for all shipments concerned and set the status as “Arrived” at the final destination.
4. Liability CPC Air is responsible that all shipments will be handed over to Operations complete and in good condition. CPC Air is also responsible when cargo is unloaded and reloaded on a truck in a CPC Air Hub or Sub-Hub for customs clearance purposes which is performed by Operations.

Documents
The following documents must be handed over to Operations : • Set of HAWB containing 1 original for consignee • Commercial invoices, packing list • Import licenses (if applicable and available) • Customs documentation and trucking manifest • Inland Waybill/CMR for trucking company • Origin Certificate (if applicable and available) For DGR shipments : • At least 1 original DGR declaration • At least 1 original ADR declaration

b) Duties and responsibility of Operations

Activity
1. Offload of CPC Air trucks Operations will offload the truck and arrange a check that physically all the pieces listed on the trucking manifest/CMR is complete and in good order and that all expected documents arrived. Operations must state a remark on the trucking manifest/CMR in case of any irregularities. Same must be notified to CPC Air. No offloading or handling charges will be invoiced to CPC Air.
2. Clear customs documentation Operations will customs clear the CPC Air incoming truck (eg T1 etc) and take-off customs seal if applicable.
3. Confirm arrival of CPC Air truck/flight Operations must send a trucking or flight arrival message to CPC Air immediately upon arrival of the truck or flight at the receiving Panalpina business unit. This message must contain: • Arriving RFS No. (AirWarder truck number) or arriving flight number • Plate number of the truck • Trucking contractor • Arrival time of CPC Air truck at Panalpina business unit • Arrival time of the flight at the airport of the receiving Panalpina business unit In case of multiple stops of the CPC Air truck (eg LUX-ZRH-STG) all Panalpina business unit of the multiple routing must inform CPC Air with all the information listed above.

Documents
The following documents will be handed over to Operations : • Set of HAWB containing 1 original for consignee (Original No.3) • Commercial invoices, packing list • Import licenses (if applicable and available) • Customs documentation and trucking manifest • Inland Waybill/CMR for trucking company For DGR shipments : • At least 1 original DGR declaration • At least 1 original ADR declaration

4.5 Physical hand-over of shipments and documents from CPC Air to direct customer of Panalpina

a) Duties and responsibility of CPC Air

Activity
1. Arrival message to Operations CPC Air will send an arrival message to Operations notifying the planned arrival time of the truck at the direct customer. CPC Air will confirm to Operations once the shipment has actually been delivered to the customer and update Pantrace if AirWarder is available at the concerned CPC Air Hub/station.
2. Hand-over of shipments and documents CPC Air or subcontracted party (eg. trucking company) will hand-over shipments and agreed documents to the direct customer.
3. Offload of CPC Air trucks The direct customer of Panalpina will offload the truck and arrange a check that physically all the pieces listed on the trucking manifest/CMR are complete and in good order. The direct customer of Panalpina will state a remark on the trucking manifest/CMR in case of any irregularities. Any irregularities must be notified to the concerned Panalpina business unit. No offloading or handling charges will be invoiced to CPC Air or Operations.
4. Update arrival time in AirWarder CPC Air will enter the arrival/hand-over time in AirWarder provided by the Panalpina business unit. AirWarder will update automatically Pantrace for all shipments concerned and set the status as "Delivered" at the customer of Panalpina. In case AirWarder is not available at CPC Air then the update status "Delivered" must be set by Operations.
5. Liability CPC Air is liable towards Operations that all shipments will be handed over to their customer complete and in good condition. CPC Air is also liable towards Operations when cargo is unloaded and reloaded on a truck in a CPC Air Hub or Sub-Hub for customs clearance purposes which is performed by Operations.

6. Costs for direct delivery

CPC Air will debit an agreed rate per pick-up to Operations which might be based on a standardized agreement. This agreement must still be worked out by :

Responsibility Operations : Head of Area OPS/Head of Regional OPS PA

Responsibility CPC Air : Head of Region ASB-Air

Documents

The following document will be handed over to the direct customer of Panalpina :

- Signed inland waybill/CMR or delivery note

For DGR shipments :

- At least 1 original DGR declaration
- At least 1 original ADR declaration

All further documents which will be handed over to the direct customer must be in line with the “direct delivery request” previously received from the concerned Panalpina business unit. This can vary case by case and therefore no general rule/guideline can be defined.

b) Duties and responsibility of Operations**Activity****1. Send direct delivery request to CPC Air**

Operations will send a direct delivery request to CPC Air prior arrival of the first entry point in the country of the final destination. This request must contain following information :

- Complete address of consignee incl. phone number and person in charge
- Date and time of delivery
- Complete cargo details (number of pieces, weight, volume, specials)
- Special handling and documentation instruction (eg if any documents must be given to the consignee)

2. Clear customs documentation

Operations will customs clear the CPC Air incoming truck (eg T1 etc) and take-off customs seal if applicable.

5 Pre-booking / booking

Operations will pre-book all airfreight shipments at CPC Air with the Panalpina AirWarder pre-booking screen or via e-mail if the Panalpina AirWarder pre-booking screen is not yet available at the Panalpina business unit.

a) Duties and responsibility of Operations

Activity
1. Pre-booking of airfreight shipments via AirWarder Please follow the instruction listed in the global SOP for CPC Air pre-bookings : PAC-SOP-701 Pre-booking via AirWarder (see IMS Manual). Further information is available in the detailed “AirWarder pre-booking” procedure available on the k-web under the following link: http://kweb.cpcair.com/Home/airwarder/manuals/panalpina.html
2. Booking of airfreight shipments via e-mail Please follow the instruction listed in the global SOP for CPC Air bookings PAC-SOP-730 Pre-booking via e-mail (see IMS Manual).

b) Duties and responsibility of CPC Air

Activity
1. Confirm pre-bookings to Operations via AirWarder Pre-booking confirmation via e-mail to Operations within 30 minutes after receipt of the pre-booking at CPC Air.
2. Confirm bookings to Operations via e-mail Booking confirmation via e-mail to Operations within 30 minutes after receipt of the bookings at CPC Air.

6 Claims handling

Operations will process all claims in accordance with the global claims handling procedure. CPC Air will assist in the claims handling.

a) Duties and responsibility of Operations

Activity
1. Operations will process all claims Operations will process all claims in accordance with the global claims handling procedure loaded on the k-web under http://kweb.panalpina.com/site/organization/corporate/rim/risk/liability/claims2.html Further please follow the Global process PAC-PRO-054 Claims Handling Process available in the IMS manual under http://doc.panalpina.com/ims/imsManuals/pacglobal/

b) Duties and responsibility of CPC Air

Activity
1. CPC Air will assist the claims handling process of Operations CPC Air will assist the claims handling as per the internal CPC Air Claims Management guidelines loaded on the CPC Air k-web under http://kweb.cpcair.com/Home/human/claims.html

7 Irregularity handling

Any irregularities are reported by Operations to CPC Air or vice versa.

Irregularities are defined as following :

- Shipments not flown as booked
- Shipments arrived late
- Shipments arrived damaged
- Shipments arrived missing or partly missing
- Shipments wrongly labeled
- Shipments wrongly documented
- Weight and volume discrepancies

a) Duties and responsibility of Operations

Activity
1. Irregularity reporting Any of the above mentioned irregularity must be reported immediately in writing (e-mail, fax) to CPC Air latest within 24 hours of the event and vice versa.
2. Irregularity handling Immediate assistance is required in case CPC Air reported any irregularity to Operations and vice versa.

b) Duties and responsibility of CPC Air

Activity
1. Irregularity handling CPC Air must reply immediately, latest 24 hours after receipt of the report any Irregularity requests from Operations in writing (e-mail, fax). The reply must contain all the information related to the irregularity and must include a solution how the irregularity will be solved. For very complex irregularities CPC Air must inform Operations that the case is under processing and the approximate time when a reply can be expected.

8 Tracking

Operations will be able to track all the shipments transported by CPC Air via Pantrace.

All technical details and possible further tracking status are currently evaluated in a running "Track & Trace Project" at Corporate Level.

a) Duties and responsibility of Operations

Activity
1. Trucking departure message A trucking departure movement out message must be sent immediately but latest 1 hour after departure at the Panalpina business unit via e-mail to CPC Air. The content is according to the loading/trucking manifest provided by CPC Air. (For content of message see under 4.1. point 7 and 4.3. point 4 under duties and responsibility for Operations).
2. Pantrace update Update of the following departure messages : • Departed first leg operated by CPC Air (i.e. departure from Panalpina business unit) • Arrived last leg operated by CPC Air (i.e. arrival at Panalpina business unit)

b) Duties and responsibility of CPC Air

Activity
1. Update Pantrace with agreed tracking status CPC Air has to update Pantrace manually or via AirWarder all the below mentioned status in Pantrace. Updates must be done latest 1 hour after the receipt of the trucking or flight departure message from Operations or at after the change of the tracking event (i.e. departed flight or truck). Agreed tracking status : • Booked after the confirmation of the AirWarder pre-booking • Arrived first leg (i.e. CPC Air Hub or Sub-Hub) • Departed second leg (i.e. CPC Air Hub or Sub-Hub) • Arrived second leg (i.e. CPC Air Hub or Sub-Hub) etc.

9 Customer Service

CPC Air is offering a “Customer Service Desk” to reply any customer service requests received by Operations via e-mail, fax or phone. Emergency contacts for a 24 hours/7 days availability of the Regional CCM Centers of CPC Air must be provided.

Customer Service request are defined as following :

- Exceptional uplift control information (i.e. departure missing in Pantrace or wrong)
- Administrative information (i.e. missing invoices, documents etc)
- Product or Service information (i.e. flight departure days, capacity, main deck etc)

All the customer service requests will be replied by CPC Air via e-mail, fax or phone.

10 Invoicing

CPC Air will invoice the agreed rates with Marketing & Sales (TPM) for the services performed by CPC Air. (i.e. ITP, special or ad-hoc rates).

a) Duties and responsibility of Operations

Activity
1. Verification of CPC Air invoice
Operations must verify the invoices from CPC Air for compliance and must report in writing (e-mail or fax) in case of any rate discrepancies detected.

b) Duties and responsibility of CPC Air

Activity
1. Dispatch of invoices to Operations
CPC Air must send the invoices to Operations latest 15 working days (Cass standard) after departure of the shipment at the Panalpina business unit. The invoice must contain the following information :
• Origin and Destination • Actual and chargeable weight • HAWB, MAWB and flight number • Rate agreed • Surcharges (i.e. fuel- or security charge, war risk, costs for direct- or delivery fee if

- applicable)
• VAT

CPC Air will provide the invoices via data file (Cass style) if requested by any Panalpina business unit.

11 Customs requirements

The following data must be provided in line with the customs/security regulations of the various destination countries.

a) Duties and responsibility of Operations

Activity

1. Providing of HAWB data

All the HAWB data for customs and security requirements must be provided and sent by Operations to CPC Air in the format required by the concerned country authorities.

b) Duties and responsibility of CPC Air

Activity

1. Providing MAWB data

All the MAWB and HAWB data for customs and security requirements must be provided and sent by CPC Air to the carriers.
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12 Joint Warehouse Management

The following rules are applicable for the warehouse subcontractor management where Panalpina Business Unit and Panalpina CPC Air Hub are physically in the same warehouse facilities.

The lead for warehouse management is in general with the Panalpina Business Unit (PA Operations) unless the warehouse activities pre-dominantly consists of airfreight consolidations.

12.1 Warehouse management subcontracted to an external handling agent:

- a) The Panalpina Business Unit and CPC Air Hub must use the same subcontractor and finalize one single contract containing all needs of both functions.
- b) The Panalpina Business Unit and CPC Air Hub are requested to jointly set up a quality management system with the clear formulation of needs and KPIs for the warehouse subcontractor in order to measure the warehouse performance.
- c) The subcontractor will raise one invoice (e.g. monthly), separating cost for the activities of each function: CPC Air for the consolidation and Operations for the “ready-for-carriage”-tasks. If this is not possible, the subcontractor must state all services in such a way that Panalpina is able to split the cost accordingly.

12.2 Warehouse management by own blue-collar warehouse staff:

- a) Panalpina Business Unit or CPC Air Hub supplies the warehouse management to the other party. The other party is not allowed to build up an own warehouse setup.
- b) Both parties set up a quality management system with clear formulation of needs and KPIs for the warehouse management in order to measure the warehouse performance.
- c) The party not in the lead will take over cost for their dedicated warehouse activities (lumpsum arrangement, per MPW or with a rate per kg).
- d) The responsibility of the correct loading/offloading of all trucks is with the leading party for the warehouse management.

12.3 Interface Panalpina Business Unit – CPC Air Hub

- Panalpina Business Unit and CPC Air Hub organize regular meetings at least once a month in order to discuss warehouse issues and performance.
- All shipments are handed over “ready for carriage” to CPC Air Hub for consolidation.
- If IPAWS is used, shipments are registered/scanned by IPAWS when entering and leaving the warehouse only but not when handed over by Panalpina Business Unit to CPC Air or vice versa.

12.4 Incident Management

- Export/Outbound: Any Incident Management will be in the responsibility of the Panalpina Business Unit until Re-forwarding or palletization of cargo in the Hub, regardless of time of document hand over.
- Import/Inbound: Any Incident Management after offloading or de-palletization at Hub will be in the responsibility of the Panalpina Business unit.
- Transit cargo: Any Incident Management will be within the responsibility of CPC Air Hub.

13 Approval of the interface agreement

This agreement is approved and signed by the following parties:

Panalpina Operations
Panalpina CPC Air

Christian Steinle (Head of Corporate Operations)
Remo Eigenmann (MD CPC Air)

Basel 27.04.2005

14 Appendix

The following issues are pending and will be defined in due course:
Reference to:

4.1. Physical hand-over of shipments and documents from Operations to CPC Air at Panalpina business unit

a) Duties and responsibility of Operations (hand-over at PA station)

Point 7 Trucking pre-alert and movement message to CPC Air (Page 6)

It has been agreed that Operations will try to transmit the export declaration number per shipment (i.e. AEX, export declaration, EX 1 etc) in the future.