

MEMORANDUM OF UNDERSTANDING

Delegations representing the Aeronautical Authorities of the Czech Republic and the Russian Federation (hereinafter referred to as the Czech side, the Russian side or both sides respectively) met in Prague on 3 and 4 September 2014 to discuss mutual aviation relations between their respective countries.

The lists of the two delegations are attached as Appendix A.

The discussions were held in a friendly and cordial atmosphere reflecting the mutual respect of the two delegations.

Both sides discussed the following issues:

1. New Air Services Agreement (ASA)

Both sides discussed pending issues in the draft text of a new Air Services Agreement initialled “ad referendum” on 23 October 2013, especially Article 9(1). The Russian side expresses the need for additional time for their consideration.

Both sides agreed to remain in the close contact and solve the issues in the near future.

2. Air services between the two countries

Both sides considered the present situation in the marketplace and came to the following conclusions.

2.1. Both sides agreed to accept designation of the second airline from each side to operate scheduled air services on the route Moscow – Prague and v.v. with up to seven (7) weekly frequencies with the utilization of any type of aircraft from IATA Summer Season 2015. Usage of aircraft with seating capacity of more than 200 seats by the second designated airlines is subject to approval of the Aeronautical Authorities of the other side. Prospective requests for usage of such aircraft in the peak season will be considered sympathetically.

2.2. Russian delegation approves the following cities: “Kazan”, “Volgograd” and “Voronezh” as additional points of destinations in the territory of the Russian Federation to be operated by a Czech designated airline from the IATA Summer Season 2015 with up to five (5) weekly frequencies on each route.

2.3. Any replacement of existing points of destination on the territories of both countries shall be subject to the separate agreement between the Aeronautical Authorities of both sides.

2.4. Both sides agreed that Russian all cargo airlines may utilize 3rd, 4th, 5th and 7th freedom traffic rights for their all cargo scheduled as well as charter operations to/from the territory of the Czech Republic to any points in Europe, America and Asia with unlimited number of flights on any type of all cargo aircraft in accordance with legislation in force in the territory of the Czech Republic concerning utilization of aircraft.

2.5. Furthermore, the Czech side expressed that prospective requests of Russian designated carriers for granting 5th freedom traffic rights for passenger and combination air services to North America will be considered sympathetically without any preconditions.

2.6. Both sides agreed to evaluate the impact of the above new arrangements at the end of 2016 in order to properly review the perspectives of potential future liberalization of air services between the two countries.

3. Agreed Principles

Both delegations discussed the Agreed Principles of the Modernisation of the existing system of utilisation of the Transsiberian routes (hereinafter referred to as Agreed Principles), initialled on 24 November 2006 in Helsinki and updated in 2011, also in the view of the EU-Russia Aviation Working Group on 16 January 2014 in Moscow. The Czech side therefore requested the implementation of the Agreed Principles in the framework of our bilateral aviation relations.

Both delegations stated their mutual interest in further developing their air transport relations on a bilateral basis.

This Memorandum of Understanding comes into effect on the date of its signature.

Done in Prague on 4 September 2014.

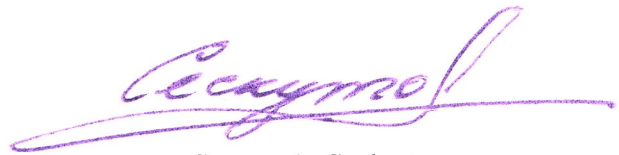
For the delegation of the Aeronautical
Authorities of the Czech Republic

Jaromir Stolic



For the delegation of the Aeronautical
Authorities of the Russian Federation

Sergey A. Seskutov



CZECH DELEGATION

Mr. Jaromir Stole
(Head of delegation)

Director, Civil Aviation Department, Ministry of
Transport

Mr. Marek Skrna

Head of Air Transport Division, Civil Aviation
Department, Ministry of Transport

Mr. Tomas Vokaty

Air Transport Negotiator, Civil Aviation Department,
Ministry of Transport

Industry observers

Mr. Jozef Sincak

Czech Airlines

Mr. Jan Toth

Czech Airlines

Mr. Daniel Schur

Czech Airlines

Mr. Miroslav Andres

Travel Service

Mr. Pavel Chlup

Travel Service



RUSSIAN DELEGATION

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| Mr. Sergey A. Seskutov (Head of delegation) | Deputy Director, Department of State Policy in Civil Aviation, Ministry of Transport |
| Mrs. Darya A. Kondrashova | Adviser, Air Service Division, Department of State Policy in Civil Aviation, Ministry of Transport |
| Mr. Alexey P. Katkov | Second Secretary, Economic Department, Russian Embassy in Prague |
| Mr. Vadim V. Bykov | Acting Head of the Russian Trade Representation to the Czech Republic |

Industry observers

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| Mr. Igor Chernyshov | Aeroflot – Russian Airlines |
| Mr. Vladimir Ivchenko | Aeroflot – Russian Airlines |
| Mr. Maxim Titov | S7 Airlines |
| Ms. Natalia Pechinkina | Transaero Airlines |
| Mr. Alexander Delezha | Transaero Airlines |
| Ms. Anna Zentcova | Ural Airlines |
| Ms. Irina K. Okuneva | Yakutia |
| Mr. Kamil Feyzrakhmanov | Airport Domodedovo |