

**GENERAL CONDITIONS OF CARRIAGE
FOR DOMESTIC PASSENGER AND BAGGAGE**



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CHAPTER 1. GENERAL

RULE 1. DEFINITIONS

1. “ Domestic Passenger Carriage” (hereinafter referred to as “ carriage”) means, irrespective of whether performed for compensation or gratuitously, a carriage in which, according to the contract of carriage, the place of departure, the place of destination and any other place(s) of landing are situated wholly within the territory of the Republic of Korea.
2. “ Ticket” means a document or Electronic Ticket issued by AirBusan Airlines (hereinafter referred to as “ Carrier”) in accordance with the Conditions of Carriage, which provides for the carriage of passenger on Carrier’ s domestic route(s).
3. “ Passenger Coupon” means a document as a part of ticket, which is given to passenger to prove the contract of carriage between passenger and Carrier.
4. “ Flight Coupon” means a document as a part of ticket, or in the case of an Electronic Ticket, the Electronic Coupon, which indicates the particular portion between which the passenger is to be transported.
5. “ Electronic Ticket” means Itinerary/Receipt issued by Carrier and the Electronic Coupons.
6. “ Electronic coupon” means an Electronic Flight Coupon or other value document held in Carrier’ s database.
7. “ Itinerary/Receipt” means a document or documents issued by Carrier to Passengers traveling on Electronic Tickets that contains the Passenger’ s name, flight information and notices.
8. “ Normal Fare” means the full fare, established by Carrier, applicable to the domestic carriage of passenger.
9. “ Round Trip” means a travel from one point to another and return to the point of origin either by the same route as that used for the outbound journey or by the different route from that used for the outbound journey, provided that the same one-way fare applies to the outbound and inbound routings.
10. “ Baggage” means, checked or unchecked, such articles, effects and other personal property of a passenger as are carried in connection with the passenger’ s trip.
11. “ Checked Baggage” means baggage which a passenger wishes to be checked and for which Carrier has issued a baggage (claim) tag and/or excess baggage ticket.
12. “ Unchecked Baggage” means baggage other than checked baggage.

13. " Excess Baggage" means baggage in excess of the free baggage allowance of a passenger as permitted by Carrier.
14. " Baggage Tag" means a document issued by Carrier for the carriage of checked baggage of a passenger.
15. " Excess Baggage Ticket" means a document issued by Carrier for the carriage of excess baggage.
16. " Group Passengers" means a party of ten or more passengers traveling together over two or more segments of travel at the same time, provided that the reservations of all the passengers have been applied for in advance at the same time.
17. " Special Fare" means other fares than normal fare.
18. " Adult" means a passenger who is 13 years of age or over at the time of commencement of travel.
19. " Child" means a passenger who is 2 years of age or over but under 13 years of age at the time of commencement of travel.
20. " Infant" means a passenger who is under 2 years of age at the time of commencement of travel.

RULE 2. APPLICABILITY AND CHANGE OF CONDITIONS OF CARRIAGE

- ① These Condition of Carriage shall apply to domestic carriage of passenger and baggage by scheduled and charter flight, and all services incidental thereto performed by Carrier, except to the extent Carrier' s Conditions of Carriage for International Passenger and Baggage shall apply; provided that the carriage by charter flight shall preferably be subject to a charter agreement, and any others not specifically provided in the charter agreement shall be subject to these Conditions of Carriage.
- ② Where a special agreement is made with respect to a certain rule in these Conditions of Carriage, such special agreement shall have the precedence over such rule.
- ③ The carriage of passenger and baggage shall be subject to these Conditions of Carriage and the rules and regulations established thereunder in effect on the date of commencement of travel.
- ④ With respect to a gratuitous carriage, Carrier shall reserve the right to exclude the application of all or part of these Conditions of Carriage.
- ⑤ The passenger, by accepting carriage pursuant to a charter agreement as provided in Paragraph ① above, shall be regarded as having agreed to these Conditions of

Carriage.

- ⑥ These Conditions of Carriage and the rules and regulations established thereunder shall be subject to change without previous notice by the specified law or government order.

RULE 3. PUBLIC NOTICE

Passenger fares, charges, time tables and Conditions of Carriage shall be displayed at visible place in Carrier's offices for passengers.

RULE 4. PASSENGER' S CONSENT

It shall be assumed that a passenger has recognized and consented to these Conditions of Carriage and the rules and regulations established thereunder by purchasing a ticket.

RULE 5. APPLICABLE LAW AND JURISDICTION

- ① These Conditions of Carriage shall be construed in accordance with the law of the Republic of Korea, and to any other matter that is not provided for herein shall apply the applicable laws of the Republic of Korea.
- ② The jurisdiction of any action, concerning the carriage performed pursuant to these Conditions of Carriage, whoever the person entitled to claim for damages is or whatever the basis for such claim is, shall be subject to the courts of the Republic of Korea and the legal procedures of such action and shall be in accordance with the laws of the Republic of Korea.

RULE 6. INSTRUCTIONS BY CARRIER' S EMPLOYEE

Passenger shall observe the instruction or demand by Carrier's employee with regard to emplaning, deplaning and any other acts or conducts at the airport and on board the aircraft, and to loading, unloading and custody of baggage.

RULE 7. CHANGE IN FLIGHT OPERATIONS

- ① Carrier may, without notice, change the scheduled time of or cancel, suspend or

terminate any flight, change the place of departure or destination, make emergency landings, limit the number of passengers on board, unload all or part of loaded baggage, because of laws and regulations, government orders or request, maintenance troubles, adverse weather, force majeure, strikes, labor disputes, riots, civil commotion, wars, a natural disaster and any other circumstances beyond Carrier's control.

- ② Carrier shall not be liable for any damage caused as a result of taking any one of the Paragraph ① of RULE 7, except that Carrier shall make refund for the applicable fare or charges for the unused portion of ticket in accordance with the provisions in Paragraph ③ of RULE 24.

CHAPTER 2. TICKET

RULE 8. ISSUANCE OF TICKET

Carrier shall issue a ticket when passenger has paid the applicable fare and/or charges, or has complied with all conditions for credit arrangements established by Carrier.

RULE 9. EFFECTIVENESS OF TICKET

- ① Passenger shall use his ticket as instructed or specified therein. Any ticket shall be invalid if any specification therein is erased or altered by other than Carrier's agent or other person authorized by Carrier to do so, or all or part thereof is mutilated, unless Carrier specially admits its validity for carriage or refund.
- ② Ticket shall be valid only when passenger's name and all other items as necessary under Carrier's rules and regulations are specified therein and is validated by the official validator.
- ③ Ticket shall be non-transferable.
- ④ Carrier shall not be liable to a passenger or any other party for any damage caused as a result of improper or unauthorized use of a ticket, or false or incorrect information furnished by a passenger in a ticket.
- ⑤ The ticket issued at a fare, which limits the carriage to a specific period, shall be

good for passage only during such specific period and on the specific portion(s) to which the fare applies.

RULE 10. PERIOD OF TICKET VALIDITY

Except as otherwise specified, the period of ticket validity shall be 1 year from the date of commencement of travel, or if no portion of ticket is used, from the date of issuance of the ticket; provided that for the purpose of counting ticket validity, the day upon which the ticket is issued or travel is commenced shall not be included.

RULE 11. EXTENSION OF TICKET VALIDITY

- ① Notwithstanding the provisions in RULE 10, if a passenger requests extension of ticket validity before the expiration date by any of the following reasons, Carrier may, without additional collection of fare if any, extend the ticket validity;
 1. When a passenger who holds an open-dated ticket is unable to obtain a space at the time of his application to Carrier, the period of validity may be extended to the first flight on which space is available.
 2. When Carrier cancels the flight on which the passenger holds a confirmed space, is unable to provide passenger's confirmed space, fails to land at the point of departure, stopover or destination as specified in the passenger's ticket, or is unable to operate the flight reasonably according to schedule, the period of validity may be extended to the time when Carrier is able to operate the flight reasonably.
 3. When a passenger is prevented from traveling by reason of illness or other bodily injury, provided that the passenger submits a medical certificate written by a competent doctor testifying such illness or injury to Carrier's office, the period of validity may be extended to the date when he becomes fit again to travel according to a medical certificate.
- ② Under such circumstances as mentioned in Paragraph 3 above, Carrier may similarly extend the period of ticket validity of person(s) actually accompanying such incapacitated passenger.

RULE 12. LOST TICKET

- ① In case a passenger has lost his ticket or any portion thereof, Carrier will make such a ticket invalid.
- ② In the event that a passenger has lost ticket or any portion thereof, carriage for that part of travel covered by such lost ticket or portion thereof shall not be furnished, unless the passenger purchases a new ticket for the whole or part of the travel at the fare in effect on the date of travel.
- ③ In the above case, a refund will be made only if the person to whom the refund is made undertakes, in such form prescribed by Carrier, to repay to Carrier the amount refunded in the event of fraud and/or to the extent that the lost ticket or portion thereof is used by a third party, in accordance with the following provisions if the passenger afterwards discovers the lost and presents it to Carrier, or it is proved to Carrier's satisfaction that such ticket had not been used by or refunded to any other person

1. When the passenger has not purchased a replacement ticket, the refund will be the full amount of fare paid by the passenger in the case of entirely unused ticket, or the difference, if any, between the full amount of fare paid and the amount of fare applicable between the points between which the transportation has actually been provided in the case of partially used ticket.

2. When the passenger has purchased a replacement ticket for carriage on the same portion covered by the lost ticket or portion thereof, the refund will be the full amount of fare paid by the passenger for such a replacement ticket.

CHAPTER 3. FARES AND CHARGES

RULE 13. PASSENGER FARES AND CHARGES

- ① Passenger fares and charges shall be those shown in Carrier's tariffs.
- ② The fares and charges shall apply only to carriage by air from the airport at the point of departure to the airport at the point of destination.

- ③ When collection fares or charges, an amount less than 10 Won shall not be counted.

RULE 14. APPLICABLE FARES AND CHARGES

- ① The applicable fares and charges shall be those in effect on the date of commencement of travel by the passenger.
- ② Where the fare or charge collected is not the applicable one, the difference, if any, shall be refunded to or additionally collected from the passenger, as the case may be.

RULE 15. ROUND-TRIP FARE

Unless otherwise provided, the applicable fares for a round trip shall be twice the normal one-way fare.

RULE 16. FARES FOR CHILD AND INFANT

- ① An infant accompanied by an adult in the same compartment shall be carried free of charge provided that the infant does not occupy a seat.
- ② The applicable fare for a child, an infant occupying a seat or any infant(s) in excess of one per accompanying adult shall be 75 percent of the applicable normal adult fare.

RULE 17. FARES FOR PASSENGER OCCUPYING TWO OR MORE SEATS

Where a passenger, due to illness or other bodily reasons, applies for reservations to use two or more seats at the same time, the applicable normal adult fare between points between which the passenger is to be transported shall be charged per each in excess of one.

RULE 18. VALUE-ADDED TAX

In addition to the applicable fare and/or charge, value-added tax shall be collected from the passenger in accordance with the applicable laws and regulations.

CHAPTER 4. RESERVATIONS AND REROUTINGS

RULE 19. RESERVATIONS

- ① Request for seat reservation may be accepted by Carrier's office from 354 days prior to the scheduled date of the flight, and a reservation for space on a given flight shall be valid only when specified on confirmed basis in the ticket.
- ② Ticketing Time Limit

| Time when reservation is made | Ticketing Time Limit |
|---|---|
| on or before 300 days prior to departure | Within 190days including reservation date |
| 299~200 days prior to departure | Within 140days including reservation date |
| 199~90 days prior to departure | Within 50days including reservation date |
| 89~60 days prior to departure | Within 35days including reservation date |
| 59~30 days prior to departure | Within 18days including reservation date |
| 29~15 days prior to departure | Within 7days including reservation date |
| 14~10days prior to departure | Within 5days including reservation date |
| 9~5 days prior to departure | Within 3days including reservation date |
| 4~2 days prior to departure | Within 2days including reservation date |
| the day before or on the day of departure | - |

For international connection passengers, however, provisions mentioned above shall not apply.

- ③ The reservation will be cancelled automatically without notice if there is no ticketing information on Passenger Name Record.

RULE 20. REROUTINGS

- ① At the passenger's request, Carrier may, subject to the availability of space, effect a change in the date, flight, portion or destination of carriage and the rules and regulations established thereunder; provided that such a request must be made to Carrier's office prior to the scheduled departure time of the flight.
- ② In the event that by other reasons than request from the passenger Carrier cancels the flight, fails to provide the previously confirmed space of the passenger, omits a scheduled stop at the point of the passenger's departure, stopover or destination as specified in the ticket or fails to operate the flight reasonably according to schedule,

he will either:

1. Carry the passenger and baggage to the point of stopover or destination on another aircraft or other means of transportation on which space is available, without additional collection;
2. Change the date of travel, flight or routing upon request from the passenger; or
3. Make refund for the fare and/or charge, if any, in accordance with the provisions in Paragraph ③ RULE 24 and other related rules and regulations.

CHAPTER 5. PASSENGER'S TRANSPORTATION

RULE 21. PASSENGER'S ARRIVAL AT AIRPORT

- ① Passenger must arrive at airport well in advance of the scheduled departure time of the flight on which a space has been confirmed and complete government formalities and Carrier's boarding procedures. Carrier reserves the right to refuse to carry a passenger who fails to complete the check in procedures at least 20 minutes before the scheduled departure time of flight.
- ② In no case shall Carrier delay the departure time of the particular flight to wait for a passenger who fails to arrive in time to complete the procedures, and Carrier shall not be liable to the passenger except for a refund, if any, in accordance with the provisions in Paragraph ② of RULE 24.

RULE 22. LIMITATIONS OF CARRIAGE

- ① Carrier reserves the right to refuse to carry the passenger or cancel the confirmed space, when deemed necessary under the applicable laws and regulations or government request.
- ② Carrier reserves the right to refuse carriage of or remove en route any passenger, if he considers:
 1. Such action is necessary for reason of safety in flight operation;
 2. Such action is necessary under any of the circumstances as set forth in RULE 7;
 3. The conduct, age, or mental or physical condition of the passenger is such as to:
 - (1) make the passenger unable to travel without special assistance of Carrier or any other person;
 - (2) cause discomfort or inconvenience to other passenger(s); or
 - (3) involve any hazard or risk to other passenger(s) or property.
 4. The passenger has been notified in writing that he/she will be refused carriage for inflicting damage on or disrupting other passengers' comfort and safety or, displaying any act of violence to any AIR BUSAN employee or making repeated improper claims

during business transactions resulting AIR BUSAN's inability to provide a public service

- ③ Passenger shall cooperate with Carrier in verifying his/her identity. Otherwise, Carrier may refuse to carry such passenger.

RULE 23. UNAUTHORIZED PASSAGE

Any of the conducts enumerated hereunder shall be considered to constitute unauthorized passage and the passenger shall be charged twice the normal adult fare applicable to the portion of the involved passage:

- ① Where a passenger has been carried with an invalid or forged ticket, a ticket issued in the name of someone other than the passenger, or other passenger's lost ticket.
- ② Where a passenger has been carried at a special discount of fare falsely representing himself as the eligible for a special fare established by Carrier.

CHAPTER 6. REFUNDS, REFUND CHARGES AND CANCELLATION CHARGES

RULE 24. REFUNDS AND REFUND CHARGES

- ① Refund for an unused ticket or portion thereof shall be made in accordance with the following provisions:
1. The application for refund shall be made within the period of ticket validity.
 2. The person requesting refund for unused ticket must surrender to Carrier's office flight coupon(s) and passenger coupon of the ticket. In the case of Electronic ticket, he/she must notify Carrier's office.
 3. Except as provided below, refund will be made to the person named on the ticket or any other person whom Carrier specially admits to be entitled to the refund.
 - (1) Refund of tickets issued against a commercial credit card will be made only to the commercial credit card account of the person to whom such credit card had been issued
 4. Refund made in accordance with this rule to a person named or designated in the document presented for refund will be a valid refund and Carrier will not be liable to the true person for another refund.
- ② Voluntary Refunds
- The amount of voluntary refund shall be the full amount of fare paid by the passenger in the case of entirely unused ticket, or the difference, if any, between the full amount of fare paid and the amount of fare applicable between the points between which the ticket has been used in case of partially used ticket.

③ Involuntary Refunds

As involuntary refund will be made either when Carrier cancels the flight, fails to provide previously confirmed space of the passenger, causes a misconnection, delays or postpones the scheduled departure time of the flight or omits a scheduled stop as shown in the passenger's ticket, or when a refund is necessary under the circumstances as set forth in RULE 7 and RULE 22.

However, the Carrier shall compensate passenger for the loss except otherwise specified by the RULE 7, Paragraph ① and RULE 22 in accordance with the Notice of Finance and Economy Planning Board 96-3.

1. The full amount of fare and/or charge paid by the passenger shall be refunded in case of entirely unused ticket.
2. In the event that the flight is interrupted after commencement of travel at a point between the point of departure and the point of stopover or destination as specified in the passenger's ticket, the amount of fare and/or charges in effect on the date of flight between the interruption point and the point of stopover or destination shall be refunded.

RULE 25. CANCELLATION CHARGES

① Cancellation of confirmed seat by individual passenger

1. A passenger who wishes to cancel his confirmed seat must notify Carrier's office of the cancellation prior to the scheduled departure time of the flight.
2. When a cancellation notice has not been received by Carrier's office by the scheduled departure time of the flight and a passenger has failed to use his confirmed space without cancellation notice, Carrier will collect a cancellation charge of 10 percent of the fare paid (exclusive of value added tax).

② Cancellation of confirmed seat(s) by group passenger(s)

Where all or part of group passengers cancel all or part of the confirmed seat(s), a cancellation charge will be applied in accordance with the following provisions.

1. When a cancellation notice has not been received by Carrier's office at least 3 days prior to the scheduled date of the flight, Carrier will collect a cancellation charge of 10 percent of fare paid (exclusive of value added tax) per passenger.

③ When calculating the cancellation charge in accordance with the provisions in Paragraphs ① and ② above, an amount of 50 WON or more but less than 100 WON will be rounded up to 100 WON.

CHAPTER 7. BAGGAGE

RULE 26. MOVEMENT OF BAGGAGE

Checked baggage will be carried on the same flight as passenger; however when such carriage is deemed impracticable because of aircraft loading status or other reasons beyond Carrier's control, baggage will be carried on another flight on which space is available, with the consent of the passenger.

RULE 27. INSPECTION OF BAGGAGE

Carrier may inspect the contents of passenger's baggage in the presence of the passenger or a third party designated by the passenger, whenever he deems it necessary to do so for the purpose of security or any other reason.

RULE 28. RESTRICTED BAGGAGE

① Except as otherwise permitted by Carrier, the articles listed below shall not be accepted for carriage as passenger's baggage:

1. Any article the loading on aircraft or transferring of which is "prohibited" by laws or

government orders or request:

2. Any article which is likely to endanger or cause inconvenience to the aircraft, persons or property: or

3. Any fragile or improperly packed article.

② Currency, banknotes, securities, stamps, jewelry, art works, curios, samples, documents or other high-valued articles shall not be accepted for carriage as checked baggage.

RULE 29. FREE BAGGAGE ALLOWANCE

① Passengers paying the adult Economy class fare shall be granted the checked baggage allowance of 20kgs (44pounds).

② Passenger paying applicable adult fare may carry the baggage suitable for placing in closed overhead rack or under passenger seat on the passenger's custody, with maximum three dimensions of not more than 115 cm (45 inches) and weight of not more than 10 kgs (22 pounds). Baggage exceeding such maximum dimensions and/or weight will be carried as checked baggage.

③ The provisions in Paragraph ①,② above and RULE 30 will also apply to infant or child paying 75 percent of the applicable fare.

④ The provisions in Paragraph ①,② above and RULE 30 will not apply to the infant specified in Paragraph ① of RULE 16. But one fully collapsible stroller/push-chair or infant's carrying basket or infant's car seat may be carried as checked baggage.

RULE 30. FREE ARTICLES CARRIED IN CABIN

① Unless specifically prohibited or restricted by laws, government regulations, orders or directives, in addition to passenger's free baggage allowance, articles listed below may be carried in cabin by passenger when retained in the passenger's custody:

1. A handbag;

2. An overcoat, blanket or wrap;

3. An umbrella or walking stick;

4. A small camera;

5. Reasonable amount of reading materials
 6. Infant's food for consumption in flight;
 7. A small electronic calculator;
 8. A fully collapsible wheelchair, a pair of crutches, braces and other prosthetic devices for the physically handicapped passenger's use; provided that the passenger is fully dependent upon them.
 9. A seeing-eye dog accompanied by a blind passenger or a hearing dog accompanied by a deaf passenger
- ② Any of other articles than Paragraph ① above shall not be carried in cabin, unless otherwise permitted by applicable laws, government orders or Carrier's rules and regulations.

RULE 31. EXCESS BAGGAGE CHARGES

- ① Any weight of passenger's baggage in excess of the allowable weight limit as provided in RULE 29 shall be subject to excess baggage charge established by Carrier, upon issuing an excess baggage ticket therefor.
- ② When determining total weight of excess baggage, a weight of 0.5 kilogram or more shall be rounded up to 1 kilogram, and a weight less than 0.5 kilogram shall not be counted.

RULE 32. REFUND OF EXCESS BAGGAGE CHARGES

- ① If a passenger cancels the carriage of baggage up to 20 minutes before the scheduled departure time of the flight, the full amount of excess baggage charge paid will be refunded.
- ② If a passenger cancels the carriage of baggage after the limit provided above or requests delivery of baggage at an intermediate point, Carrier shall be under no obligation to refund the excess baggage charge paid, except where Carrier fails to fulfill part or all of the contract of carriage with the passenger.

RULE 33. CARRIAGE OF SPECIFIC ANIMALS

- ① In addition to passenger's free baggage allowance, a seeing-eye dog accompanied by a blind passenger or hearing dog accompanied by a deaf passenger may be carried in cabin free of charge, subject to following conditions :
1. Such animal must not occupy a seat :
 2. Such animal must not cause discomfort, inconvenience or hazard to other passenger ;
 3. Carrier shall not be liable for any damage caused by the death, wounding or illness of such animals, unless it is proved that the damage was caused by the willful misconduct or other wrongful act of Carrier ; and
 4. The passenger accompanying such animal shall be liable for any damage to other passenger or property caused by the animal.
- ② Pets accompanied by a passenger will be carried as baggage, subject to the following conditions :
1. Pet (s) accepted for carriage shall be limited to such domestic animals as small dogs, cats and birds;
 2. The pet must be retained in container at the time of delivery for carriage and during the flight; and
 3. The total weight of pet and its container shall be subject to the excess baggage charges, irrespective of the passenger's free baggage allowance.

RULE 34. EXCESS VALUE CHARGES

- ① A passenger may declare in advance the value of baggage and other property in excess of the limit of liability as listed in Paragraph ② of RULE 41.
- ② When such declaration is made, an excess value charge for the value in excess of the limit of liability shall be assessed at the rate of 50 WON (exclusive of value added tax) per each 100,000 WON or fraction thereof, mentioned in Paragraph ② of RULE 41.
- However, any baggage or other property whose value so declared exceeds 1,000,000 WON per passenger shall not be accepted for carriage unless advance arrangements have been made with Carrier.

RULE 35. REFUND OF EXCESS VALUE CHARGES

- ① When Carrier fails to fulfill all or part of the contract of carriage, or a passenger cancels his confirmed space before the departure time of the flight, the full amount of excess value charge paid will be refunded
- ② When a passenger cancels his travel after the departure of flight, no excess value charge paid will be refunded

RULE 36. DELIVERY OF CHECKED BAGGAGE

- ① Checked baggage shall be delivered to the bearer of such tag upon presenting to Carrier the baggage (claim) tag issued by Carrier for the carriage of the baggage.
- ② Delivery of baggage shall be made only at the point of destination specified in the baggage (claim) tag. However, upon request from the bearer of baggage (claim) tag, Carrier may deliver checked baggage at the place of departure unless time and other circumstances don't permit.
- ③ Carrier shall be under no obligation to ascertain whether the bearer of baggage (claim) tag is the person entitled to delivery of such baggage, and shall not be liable for any damage caused to the passenger by Carrier's failure so to ascertain.
- ④ At the time of baggage delivery by Carrier in accordance with the above provisions, acceptance of baggage by the bearer of the baggage (claim) tag without written complaint is presumptive evidence that the baggage has been delivered in good condition and in accordance with the contract of carriage.

RULE 37. LOST BAGGAGE (CLAIM) TAG

In the event that a passenger has lost baggage (claim) tag, Carrier may deliver the baggage only on condition that such person establishes to Carrier's satisfaction his right thereto and that such person shall furnish adequate security to indemnify Carrier and be liable for any damage incurred by Carrier as a result of such delivery.

RULE 38. DISPOSAL OF UNDELIVERED BAGGAGE

In the event that baggage is unclaimed within one week after its arrival at the destination, Carrier may dispose of the baggage as he considers appropriate; provided that fish or other perishables may be disposed of if unclaimed within 48 hours after its arrival at the destination.

CHAPTER 8. LIABILITY FOR COMPENSATION

RULE 39. LIABILITY OF CARRIER

- ① Carrier shall be liable for damage sustained in the event of the death or wounding of or any other bodily injury to a passenger, only when the accident that caused the damage so sustained took place on board the aircraft or in the course of any of the operation of embarking or disembarking.
- ② Carrier shall be liable for damage sustained in the event of the destruction or loss of, or of damage to checked baggage or any other articles of the passenger that Carrier has taken in charge, only when the occurrence that caused the damage so sustained took place during the period such baggage or articles were in charge of Carrier.
- ③ Carrier shall not be liable for the damage as set forth in the above Paragraphs ① and ② if he proves that he and his agents have taken necessary measures to avoid the damage or that it was impossible for him or them to take such measures.
- ④ Carrier shall not be liable for damage sustained in the event of the destruction or loss of, or of damage to unchecked baggage or any other articles of a passenger, unless the damage so sustained was caused by the negligence or willful misconduct of Carrier or his agents.
- ⑤ Carrier shall be liable for damages of checked baggage caused by other checked baggage unless the Carrier demonstrates its attentive handling of the baggage. Any passenger whose property caused damage to other passenger's baggage or the property of Carrier shall indemnify the other passenger or Carrier for all losses and expenses incurred by the other passenger or Carrier as a result thereof.

- ⑥ Carrier shall not be liable for any damage arising out of the negligence or willful misconduct of a passenger, or caused by failure of a passenger to comply with the laws, government orders or instructions, or these Conditions of Carriage and the rules and regulations established thereunder.

RULE 40. TIME LIMITATIONS ON CLAIMS WITH RESPECT TO BAGGAGE

- ① Any complaint relating to damage to checked baggage or other articles of a passenger that Carrier has taken in charge shall be made within the following time limitations :
1. In the case of discovery of damage to such baggage or articles received from Carrier, subject to Carrier's confirmation thereof, at least within 7 days from the date of receipt thereof;
 2. In the case of loss or delay in delivery of such baggage or articles, at least within 21 days from the date on which such baggage or articles should have been delivered to the passenger.
- ② Every complaint must be made in writing and submitted to Carrier's office within the time limitation as set forth in the above Paragraph ①.

RULE 41. SCOPE OF LIABILITY

- ① Carrier's liability for damage sustained in the event of the death or wounding of or any other bodily injury to a passenger not be not limited to certain amount, and Carrier shall not avail itself of defenses, as set forth in the Paragraph ③ RULE 39 with respect to that portion of such claim which does not exceed 100,000SDR. The sum above mentioned in terms of SDR shall mean the Special Drawing Rights as defined by the International Monetary Fund. Conversion of the sum into WON shall, in case of judicial proceedings, be made according to the exchange rate of WON applicable on the date of final judgment by court, or in case of other than judicial proceedings, according to the exchange rate of WON applicable on the date when the damages to be paid is agreed upon.
- ② In case the Carrier is found to be liable for destruction or loss of baggage, the Carrier

shall be liable for compensation amount of USD 20 per kilogram for checked baggage. For all other unchecked baggage or articles, total compensation amount for one passenger shall not exceed USD 400. However, if the passenger has declared in advance a higher value for such baggage or articles and paid an excess value charge pursuant to the provisions in RULE 34, the liability of Carrier shall be limited to such higher declared value, but in no case shall Carrier's liability exceed the actual value of such baggage or articles.

- ③ Where Carrier is found liable for any damage under the above provisions, the place of any payment shall be Busan, the Republic of Korea.

RULE 42. PASSENGER LIABILITY TO CARRIER

Any passenger, who caused damage to Carrier by his negligence or willful misconduct, or by his failure to comply with these Conditions of Carriage and the rules and regulations established thereunder, shall be liable to Carrier for such damage.

RULE 43. TIME LIMITATION ON ACTIONS

Any right to damage against Carrier shall be extinguished unless an action, irrespective of what are the reasons there for, is brought within 2 years from the date of arrival at the destination, from the date on which the aircraft ought to have arrived, or from the date on which the carriage stopped.

RULE 44. ORIGINAL COPIES OF CONDITIONS OF CARRIAGE

The original copies of Carrier's Conditions of Carriage for Domestic Passenger and Baggage shall be those published in Korean language.

RULE 45. MARGINAL HEADINGS

Marginal headings of each RULE in these Conditions of Carriage are for the purpose of reference only and shall not constitute a part of these Conditions of Carriage.