

Revised incentive policy for new routes and additional flights

(Valid from 2006)

General conditions for all programs

- The application for the programs will be done to CAM in written, including a plan of the flights and type of operation to be introduced (Attachment 1).
- Airlines must pay all the fees according with the normal airport invoices and rules. Airlines failing to keep a good payment record to the airport will lose the right to the incentives.
- The flights can only benefit from one of the available incentive schemes and the incentives cannot be accumulated with any other fee discounts in force at any time. When these situations arise the best of them, from the airline perspective, should be applied.
- The Incentives will be calculated after the end of the incentive period considered:
 - o For the existing routes after the conclusion of the calendar year;
 - o For the new routes after first and second years of operation.Incentives will be given by credit note with the respective value, issued to the airline fulfilling the conditions.
- Any disputes in relation with the passenger numbers will be decided by CAM according with the airport official traffic records, after investigation of eventual differences claimed by the airline.
- CAM reserves the right to refuse the incentives to new routes according with the following principles:
 - o The new route being irrelevant to improve MIA destinations offer;
 - o The new route having been operated before by the same airline and abandoned.
 - o The new route being a temporary operation without the airline commitment to make it a regular and sustained route.
- CAM reserves the right to refuse the application of the new routes, additional flights or charter incentives, on a case by case decision, with the specific particular reasons duly justified according with CAM perspective of MIA and Macau aviation development well being.

Passenger flights

Airlines operating at Macau International Airport will be entitled to incentives for additional traffic in existing and new routes according with the following table and specific conditions:

Incentive policy for Passenger Flights	Applicable to all airlines operating at MIA:		
	Existing Routes	New Regional Routes	New Long Range Routes (1)
Duration of Incentives	1 Year	First 2 years of the route	
	15%	40%	50%
Incentive per additional passengers* transported by the airline.	Yearly calculation of incentive amount: Existing routes: Airline collected Passenger fee (year n – year $n-1$) x 15% Airline collected Passenger fee in New regional routes: (year n) x 40% Airline collected Passenger fee in New Long Range routes: (year n) x 50%		

(1) Long Range routes consider Europe, America, Africa, Oceania and also Russia, India and Middle East.

Conditions for existing routes:

- The incentive will apply to additional passengers* transported during the year.
- The incentive is calculated as a percentage of the additional passenger fee amount, collected and delivered by the airline, compared with the previous year.
- The passengers transported in new routes will be deducted for the purpose of this calculation.

Conditions for new routes:

- The incentive will apply to the total passenger traffic in the first two years of a new route.
- New routes are scheduled routes not operated by any airline since January of previous year.
- The new routes have to operate for at least 2 years and cannot be stopped for more than 2 weeks in each 6 months period or cancel in each year more than 20% of its scheduled/planned flights.
- No airline can benefit from MIA incentives for new routes more than once for the same origin/destination city.
- The incentive is calculated annually as a percentage of the passenger fee amount, collected and delivered by the airline, during each of the first 2 years of the operation.
- Passenger volume eliminated from the new routes program can be considered for the existing routes program.

*refer to its passenger tax collected

Charter flights

Organizers of relevant programs of charter flights operating at Macau International Airport, including Travel agents, Tour Operators or airlines by themselves can apply and will be entitled to incentives according with the following tables and specific conditions:

Incentive policy for Charter Passenger Flights	10% on passenger fee collected Calculation of incentive amount = Airline collected Passenger fee on charter flights x 10%
Duration of Incentives	1 Year

Conditions for any charter flights and routes:

- The incentive will apply to the entities organizing and fully responsible for relevant charter flights programs, duly approved by CAM, to destinations without flights from/to Macau.
 - The organizer can be a Tour Operator/Travel Agent or an airline by itself, given that they can prove they are the real owner of the charter operation program for passenger or airfreight.
 - The right to the incentives requires that during each six months of the program a minimum of 1000 passengers and at least 15 flights are effectively made.
 - The charter flights programs do not count for, or entitle their operating airlines to any of the other incentives programs.
 - The right to the incentives is verified after conclusion of the operation program and, if applicable, a credit note will be issued with the respective value, to the organizer or any representative entity appointed by them.
 - The incentives will only apply to a maximum of one year for any destination.
 - Unless under special situations of express interest of CAM, the same applicant or any affiliated or parent company cannot benefit twice from these incentives for any destination flown by them under similar incentive program in the previous 24 months.
-
-

Attachment 1 (Passenger Flights)

Macau International Airport Route Development Incentive Application

(Please attach any additional information relevant to evaluate this application)

Operator Name					
Billing Address					
Route(s) Name(s)					
Destination(s), ICAO airport code(s) and name(s)					
Stops en-route, ICAO airport code(s) and name(s)					
Start-up date(s)					
Aircraft Type					
Aircraft Capacity					
Frequency of Operation (per route/ per week)					
Traffic per year (fill as appropriate)	2006	2007
Planned number of landings					
Planned number of passengers					
Scheduled Timings for 200__ flights*	of Arrival at Macau		of Departure from Macau		
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					
Sunday					

*Any changes of times to be notified to Macau Airport

Date of Application: ____ / ____ /200__

Duly Authorized Applicant Representative

Name: _____

Title: _____

Please address the application to:

Chairman of the Board of Directors & Executive Committee of
CAM-Macau International Airport Company, Ltd.

Tel : 853-5988888

Fax : 853-28785465

Website : www.macau-airport.com