

Incentive Scheme for Suvarnabhumi Airport

Background of Incentive Scheme

Airports of Thailand (“AOT”) is introducing a new Incentive Scheme (“Scheme”) for Suvarnabhumi Airport. The Scheme will reward the participating airline (“Airline”) through reduction of landing fees. The reduction will be calculated as a percentage of the landing fees that the Airline paid during the calculating year, and the calculation will be based on the increase in number of international passengers that the Airline brought through Suvarnabhumi Airport during that year as compared to the number brought through during the previous year. AOT will reward the airline after the end of each calculating year, which runs from 1st January at 00.01 hrs to 31st December at 24.00 hrs.

Objectives of the Scheme

- The Scheme aims to offer incentives to airlines for increases in passengers brought through Suvarnabhumi Airport
- The Scheme aims to assist airlines whose businesses were negatively impacted by the economic and political climate
- The Scheme aims to supplement any measures for aiding airlines (the previous of which has expired on 31st December 2009)

Calculation of Landing Fees Reduction

AOT will reward the Airline through reduction of landing fees. The reduction will be calculated as a percentage of the landing fees that the Airline paid in each calculating year. The calculation will be based on the increase in number of passengers, including both inbound and outbound, that the Airline brought through Suvarnabhumi Airport during the calculating year, as compared to the number brought through during the previous year. Qualifying passengers are international passengers and do not include transit passengers, transfer passengers, flight attendants or flight captains. In addition, a bonus factor will also apply to further reward the Airline for additional increases in passengers as follows:

Increase in Passengers over Previous Year	Bonus Factor
Less than 5%	1.00
5% and over but less than 10%	1.05
10% and over but less than 15%	1.10
15% and over but less than 20%	1.15
20% and over	1.20

The percentage reduction in landing fees can be expressed as follows:

$\text{Percentage of Landing Fees Reduced} = \frac{\text{Airline's Credit}}{\text{Landing Fees Paid in Calculating Year}} \times \text{Bonus Factor}$

Example:

Airline A brought 800,000 passengers through Suvarnabhumi Airport during this calculating year as compared to 400,000 passengers during last year. As a result, Airline's A credit amounted to THB 14.0 million. Airline A's paid a total of THB 25.0 million for landing fees this year. Calculation of landing fees reduction for Airline A in 2010 is as follows:

$\text{Percentage of Landing Fees Reduced} = \frac{14.0 \text{ million (Airline's Credit)}}{25.0 \text{ million (Landing Fees Paid in Calculating Year)}} \times 1.20 \text{ (Bonus Factor)}$

Percentage of reduction before Bonus Factor, therefore, is $14.0 / 25.0 = 56.0\%$. The increase in passengers over previous year is $\frac{800,000 - 400,000}{400,000} = 100\%$. Hence the Bonus Factor is 1.20.

Final percentage of landing fees reduced is $1.20 \times 56.0\% = 67.2\%$ or THB 16.8 million.

Note: Qualifying passengers refer to both inbound and outbound international passengers and do not include:

- Transit passengers and transfer passengers
- Flight attendants and flight pilots

Process for Landing Fees Reduction

AOT will calculate the percentage reduction by reviewing statistics for inbound and outbound passengers brought through Suvarnabhumi Airport during the calculating year by the Airline. AOT will use passenger statistics obtained from the Airline as well as AOT's own statistics for comparison; however, AOT reserves the right to use its own statistics for the purpose of calculating the percentage reduction. The percentage reduction will be given to the Airline after each calculating year as credit or through other means to be determined by AOT.

Conditions of Participation and Disclaimer

- The Airline must have achieved a passenger increase of at minimum 5,000 pax during the calculating year, as compared to the previous year
- The Airline must not have outstanding unpaid invoices for Passenger Service Charges, Landing Fees or Parking Fees at the time of landing fees reduction calculation

- The Airline must complete and submit the form of intention. The form of intention can be downloaded from the website of AOT. AOT will subsequently review the submitted form and notify the Airline accordingly
- AOT reserves the right to revoke the Scheme agreement with the Airline if the Airline fails to comply with the conditions and guidelines of the Scheme

Duration for Submission of Intention Form

- The submission period for the form of intention is from 1st February 2010 to 30th September 2010



Airports of Thailand Public Company Limited

Incentive Scheme 2010 Intention Form

Airline:

Billing Address:

Contact Person:

Phone:

Fax:

Email:

Authorized Airline Representative

Witness

Name:

Name:

Title:

Title:

Date:

Date:

If you have any questions regarding the Incentive Scheme, please contact AOT at:
incentive_program@airportthai.co.th

Suwicha Thongsima Tel: 02-132-9115

Fax: 02-132-9119

Ratirut Gettuphan Tel: 02-535-2421

Fax: 02-535-2427