Route Support Cork Route Support Scheme ("RSS") Long-Haul Operations Valid from 1st January 2011

1. Introduction

Cork Airport is committed to encouraging airlines to operate new routes to/from Cork Airport and to promote the continued development of Cork Airport's route network. This scheme (the "Scheme") aims to assist the participating operator to commence and establish a new and sustainable route which is not already operated by any other airline from Cork Airport. In accordance with the Scheme, Cork Airport provides support in the form of discounted airport charges for certain services on the routes which fall within the scope of the Scheme. The discount is applied as a percentage reduction on relevant charges for the limited duration of five years. The Scheme relates to long haul flights which are defined as routes which are greater than 2,500 nautical miles from Cork Airport and/or is a transatlantic route. The components of the Scheme are set out below.

2. Scheme Outline

An airline that initiates a new route from Cork Airport (the "New Route"), in accordance with the Scheme criteria, may benefit from a discount on qualifying airport charges services provided by Cork Airport on that route. The discount may only applied to the following charges (i) passenger service charge; (ii) aircraft parking, charge; (iii) airbridge use charge; and (iv) runway movement charge (together the "Qualifying Charges"). Details of these charges are set out in the document entitled "Terms & Conditions" available from www.corkairport.com.

For the avoidance of doubt Qualifying Charges do not include charges: (i) introduced by Cork Airport in compliance with National or European legislation; (ii) introduced by the Commission for Aviation Regulation,; or (iii) relating to additional services provided by Cork Airport, including but not limited to, the persons with reduced mobility charge ("PRM Charge"), self service kiosk charge ("SSK Charge"), security charge, check-in desk rental charge, customs and border protection charge or any environmental-related charge.

3. Level of Route Support

Approved routes operating on a year round or seasonal basis, are afforded the following discounts: for Year 1 to Year 5 of the Scheme:

Year	Discount on Qualifying Charges for approved long-haul year- round routes
1	100% for the first 12 months
2	90% for the subsequent 12 months
3	75% for the subsequent 12 months
4	50% for the subsequent 12 months
5	25% for the subsequent 12 months

The Scheme shall operate for the duration of five years, commencing on the date of the airline's first flight on the New Route (the "Commencement Date") and ending on the expiry of five years from the Commencement Date (the "Termination Date"). Following the Termination Date, Qualifying Charges will be charged at the standard rate as published by Cork Airport on the Termination Date.

4. Route Approval

Subject to Cork Airport's approval, a New Route may qualify as a route under the Scheme if it meets the following criteria:

New Route

- **a)** The New route is a long-haul route which operates from Cork airport i.e. it originates or terminates at an airport which is greater than 2,500 nautical miles from Cork Airport and/or is a transatlantic route.
- b) The new route commences on or after 1st January 2011.
- c) The minimum frequency requirement is two return services per week per season.
- **d)** The proposed route is one that increases the network coverage and traffic bases at Cork Airport. This means that the route must give access to a market not adequately served directly, is expected to increase the overall number of passengers using the airport and is a route that has a commercial benefit to Cork Airport.
- **e)** Subject to exception (as set out in section 4(f)), the New Route has not been served by any airline within the 12 months prior to the Commencement date at a greater frequency than 2 return services per week on a year-round or seasonal basis.
- **f)** Where a route has been served within the 12 months prior to the Commencement Date at a frequency greater than 2 return services per week on a year-round or seasonal basis this route may be considered for approval under the Scheme if Cork Airport considers that the New Route provides a significant commercial benefit to Cork Airport.
- g) Where section 4(f) applies Cork Airport reserves the right to decrease the discount levels afforded under the Scheme. The level of discount will be determined by Cork Airport and will be assessed on the incremental value of the New Route to the overall route network at Cork Airport. The evaluation criteria are outlined in Appendix 1 of this document "Appendix 1: Abandoned Route Evaluation Matrix Long-Haul." However, in cases where an operator reenters a route previously abandoned by the same operator within the previous 12 months for reasons contrary to the objectives of the Scheme, the route will not be considered a New Route for the purposes of the Scheme.

- **h)** The proposed route is promoted by the relevant airline as a new destination i.e. a route which has not previously been served from Cork Airport by any airline.
- i) The proposed route is a non-stop service from Cork Airport. Services operating with a commercial transit stop at an airport already served from Cork Airport may in certain circumstances be awarded a discount on Qualifying Charges under the Scheme.
- I) Where traffic on a New Route is generated by reducing capacity on other routes with no obvious net economic benefit to the airport/airports, approval will not be granted under the Scheme. This means that any new services which involve switching capacity from one service to another, or from one airport controlled by DAA to another, will not generally qualify for support under the Scheme.
- **m)** The schedule timings of the proposed route have been approved by Cork Airport's slot coordinator, and any slot change request issued by the slot coordinator has been fully complied with. Operators which are deemed to be operating off slot by the coordinator will not qualify for the Scheme. In such instances, the Cork Airport slot coordinator shall notify the operator of its non compliance.
- **n)** The operator is in possession of the requisite traffic rights to fly the proposed route.
- **o)** Where Cork Airport believes that in light of all relevant criteria the New Route shall not provide any significant commercial benefit to Cork Airport, Cork Airport reserves the right to refuse to approve a New Route under the Scheme. Cork Airport's decision on these matters is final.

5. Application and Operation of the Scheme

Application Procedure

- **a)** Applications for entry into the Scheme must be in the format of the Application Form contained in Appendix 2 of this document "Appendix 2: "Application Form for Route and Marketing Support for Routes to/from Qualifying Haul Destinations".
- **b)** Applications must be received by Cork Airport one calendar month prior to the Commencement Date of the New Route. Where the expiry of one month following the Commencement Date falls on a non-working day, the closing date will be the next working day.
- c) Applications will not be accepted before 6 calendar months prior to the Commencement Date of the New Route. Applications sent in advance of the 6 calendar months will be

considered only as expressions of interest, and will not confer any qualifying rights on the operator.

- **d)** If two or more operators make an application within the same time frame in relation to the same route, approval will be given to the operator with the earliest Commencement Date, where the route proposals are similar in terms of capacity and frequency proposed.
- **e)** If two or more operators makes an application within the same time frame in relation to the same route with the same Commencement Date, approval will be given to the operator whose application was received first where the route proposals are similar in terms of capacity and frequency proposed.

Approval Letter

- f) An operator whose proposal has been accepted by Cork Airport under the terms of the Scheme will receive a Route Support Approval letter from the Director-Strategy, Regulation and B2B to this effect (the "Approval Letter"). This letter constitutes an acceptance by Cork Airport of the route proposal, subject to the operator operating in full accordance with its route proposal to Cork Airport. No operator may be considered to be approved for support under the Scheme until it has received such an Approval Letter.
- **g)** Once the Approval Letter has been issued in respect of a particular route, no other operator will be eligible to receive support under the terms of the Scheme for the route concerned as long as the approved operator is compliant with the terms and conditions of the Scheme.
- h) If an operator which has received an Approval Letter fails to commence operations on such route on the Commencement Date as set out in the Approval Letter, such approval shall automatically expire and be invalid unless Cork Airport otherwise consents in writing.

Payment of Discount

- i) The discount on Qualifying Charges for the Approved New Route is set off against the customers account. In this regard the operator is levied at the discounted rate.
- j) The approved New Route will be afforded discounted charges for the duration of its participation in the Scheme.

Application of Discount

k) Airbridge charges will be applied for all airbridge-compatible aircraft occupying an airbridge-served stand whether or not the airbridge is used. The billed period for airbridge charging purposes will be the same as that used for aircraft parking charges i.e. it applies from the Actual Time of Arrival (landed time) to the Actual Time of Departure (airborne time) minus 30 minutes as recorded in the Cork Airport Operations System databases.

- I) For the purposes of the Scheme, discounted airport parking charges and discounted airbridge charges will mean a discount on parking and airbridge related to the departure movement on the qualifying route for a maximum period of 3 hours.
- **m)** Where aircraft parking period occurs fully or partly during the charge-free period defined as "night-time" in the document Airport Charges at Cork Airport Terms and Conditions, no further discounts on aircraft parking or airbridge will be given.
- **n)** For qualifying services, operation to/from a contact stand will be at the discretion of Cork Airport, and therefore availability of a contact stand cannot be assumed.
- **o)** If an operator alters its ticketed and/or operated scheduled timings, Cork Airport must be notified. Approval may be withdrawn if the operator does not operate to the scheduled timings as approved by the slot coordinator and as notified by the operator in its original route support request.

6. Amendment or Termination of the Scheme

- a) Cork Airport considers that an operator providing a New Route annually is more likely to contribute to the route network at Cork Airport than a New Route operating seasonally. It is on this basis that where a year-round operation (similar in terms of capacity and frequency) is commenced by another carrier, during the 'off-season' of a seasonal route receiving route support, the year-round operation will be eligible for support. In turn, the seasonal operation will not receive support when it returns during the next operational season. Please note that only one carrier will receive support on each route.
- **b)** Where an operator fails to provide services on a seasonal route for a particular season its participation in the Scheme shall be deemed to have come to an end. Benefits under the Scheme will not apply to services provided on that route in future seasons.
- **c)** Qualifying seasonal operations will not receive support under the Scheme for the period during which services are not provided.
- d) Where an operator increases capacity, through increased frequency or seat capacity, ("Additional Capacity") substantially on a route, during the course of the Scheme, Cork Airport reserves the right to reward this growth by amending the discount levels and/or length of the Scheme for the individual operator in question. Cork Airport may request evidence from the operator to ensure that such increases are incremental to Cork Airport and not as a result of switching capacity. The final decision to amend the Scheme will be at the discretion of Cork Airport. Additional Capacity introduced by operators not in receipt of long-haul route support may also be eligible for support. Details of this incentive can be found in Appendix 3 "Additional Capacity Support Incentive."

7. Deferral of Scheme Benefits

- a) If due to unforeseen and extraordinary circumstances an operator receiving support under the Scheme is unable to comply with the terms and conditions of the Scheme, Cork Airport may, if it considers that the approved New Route is of significant economic or strategic importance to Cork Airport, allow the operator to continue to participate in the Scheme but defer the route support for such a time as it considers, at its sole discretion, necessary to ensure the continued viability of such route. The maximum period of deferral of support shall be 6 months from the last date of that the operator complied with the terms and conditions of the scheme. During the period of deferral the operator will be obliged to pay full airport charges. If the route support is reinstated an operator will receive the level of support that would have applied had it not been suspended.
- **b)** Cork Airport may approve transferring the remaining portion of the Scheme from one route to another on one occasion during the three year duration and only if the Cork Airport decides that it is an appropriate commercial decision in the interests of the route network at Cork Airport.
- **c)** If an operator reduces its operations on the route below the minimum requirement specified in 4 (c), approval under this scheme will be withdrawn immediately.
- **d)** The Scheme will apply or continue to apply only as long as an operator is fully compliant with the published Cork Airport Terms and Conditions (available on the airport charges page located at www.corkairport.com), and specifically with respect to:
- The payment of invoices for all airport charges and any other fees and services provided by Cork Airport to the operator, including adhering to credit terms in respect of all Cork Airport invoices, unless Cork Airport, in its absolute discretion, shall otherwise determine.
- The provision of information whereby the operator is required to provide Cork Airport with passenger, cargo and aircraft related information as outlined in the published Airport Charges at Cork Airport Terms and Conditions, sections 4.14 to 4.32 inclusive.
- e) Cork Airport reserves the right to amend the terms of the Scheme at any time including the criteria for eligibility to participate in the Scheme. If Cork Airport makes an amendment, it shall publish the amended scheme on its website located at www.corkairport.com. It is the operator's responsibility to keep informed of such updates. All changes to the document will be detailed in Appendix 3 "Register of Revisions."

Marketing Support Long-Haul Operations Valid from 1st January 2011

1. Introduction

The Cork Airport Marketing Support Scheme (the "Marketing Support") for long haul routes aims to assist operators in establishing their presence in new markets. The objective of the Marketing Support is to assist operators with marketing and promotional activities aimed at promoting new destinations and capacity.

2. Scheme Outline

Cork Airport may make available marketing support for the introduction of new direct services and additional new capacity from Cork Airport. Such routes must meet certain criteria, as set out in this document, namely that the route which the operator is seeking support for (the "New Route/Capacity"): (i) has not been serviced within the past 12 months by any operator; (ii) is consistent with Cork Airport's Route Development Strategy and (iii) meets certain criteria required under the Marketing Scheme.

The New Route may be assessed for approval in accordance with the Marketing Support Review Matrix (attached as Appendix 4 to this document) to determine the potential level of marketing support Based on this review, one of three levels of support may be available to the operator. The thresholds are outlined in the following table:

Bands	Year 1	Year 2
1	Up to €199,999	Up to €49,999
2	Up to €299,999	Up to €149,999
3	€300,000 and over	€150,000 and over

Note that all applications for marketing support will be reviewed in the context of Cork Airport's total Cork Airport marketing support budget.

3. Other conditions

- a) The route must be greater than 2,500 nautical miles from Cork Airport and/or is a transatlantic route.
- b) Applications for marketing support will only be accepted if the proposal is set out on the standard application form (attached as Appendix 2 below "Application Form for Route and Marketing Support for Routes to/from Qualifying Haul Destinations") 1 calendar month before the Commencement Date (which is the commencement of operations on the New Route/Capacity). Where the expiry of one month following the Commencement Date falls on a non-working day, the closing date will be the next working day.
- c) Applications will not be accepted before 6 calendar months prior to the Commencement Date of the New Route/Capacity. Operator applications sent in advance of the 6 months will

be considered only as expressions of interest in a route, and will not confer any qualifying rights on the operator.

- **d)** Continuing support under the Marketing Scheme is contingent on the operator cooperating fully with Cork Airport's slot coordinator.
- **e)** Where an operator's route proposal does not meet the criteria listed in the marketing matrix (Appendix 4). Cork Airport reserves the right to refuse to approve the route under the Marketing Scheme. Cork Airport's decision on these matters is final.
- f) Cork Airport reserves the right to amend the terms of the Marketing Scheme at any time including in relation to the criteria for eligibility to participate in the Scheme. If Cork Airport makes any amendment, it shall publish the amended scheme on its website located at www.corkairport.com.

4. Notes

- **a)** Marketing support cannot be netted by the operator against amounts owed to Cork Airport.
- **b)** One-stop routes may, in certain circumstances, qualify for marketing support. Cork Airport will determine the amount and duration of any such support on a case-by-case basis.
- c) Cork Airport may provide marketing support for route development and other promotional activities. Cork Airport will determine the amount and duration of any such support on a case-by-case basis.

Appendix 1: Abandoned Route Evaluation Matrix - Long-Haul

Where a route has been served within the 12 months prior to the Commencement Date at a frequency greater than 2 return services per week on a year-round or seasonal basis this route may be considered for approval under the Scheme if Cork Airport considers that the New Route provides a significant commercial benefit to Cork Airport. The level of discount will be determined by Cork Airport and will be assessed on the incremental value of the New Route to the overall route network at Cork Airport. The evaluation criteria are outlined below:

Route Support Scheme Long Haul - Abandoned Route Evaluation Criteria Matrix			
Weighting	Criteria	Detail	
	Key Business Route	Yes	
		No	
	Frequency of service proposed	>= 7 times a week	
		>3 and <7 times a week	
1		<= 3 times per week	
	When route was abandoned	>10 months previously	
		7-9 months previously	
		4-6 months previously	
		1-3 months previously	
	Applicant Airline	Yes, airline is new to the proposed route	
		No, airline was on the proposed route	
		within last 12-month period*	
	Commercial Potential (eg. Duty-	High	
2	paid, duty free, DAA lounges	Medium	
_	used, Shop and Collect etc)**	Low	
	Aircraft Seating Capacity	>200 seats	
		101-199	
		50-100	
		0-49	
	Tourism Potential (eg. Proportion	High	
2	of foreign originating passengers,	Medium	
3	strong tourism links to destination etc)**	Low	
	Capacity Origin	Redeployed from another DAA route	
4		New capacity	
		Traffic switching from another airline	

^{*} In cases where an airline re-enters a route previously abandoned by the same airline within the previous 12 months (to the date of application), the route will not be considered a new route and will not receive approval for any discount award level.

Based on the outcome of such a review, four levels of support are possible as outlined in the table below:

Band	Route Support for an Abandoned Route
1	80%, 60%, 40% over 3 successive years
2	60%, 40%, 20% over 3 successive years
3	40%, 20% over 2 successive years
4	20% for one year

^{**}This list is simply indicative and therefore is not exhaustive

Appendix 2: Application Form for Route and Marketing Support for routes to/from qualifying long-haul destinations

Cork Airport Application Form for Route and Marketing Support for new qualifying long-haul destinations					
Operator Name					
Billing Address					
Route Name					
Destination IC	AO airport code				
Frequency of Year-round Operation (per week)					
Aircraft Capacity					
Number of s	tops en-route				
Start-	up date				
		ICAO type	designator	IATA ty	pe designator
Aircra	ft Type				
US CPB pre-clearance services required		Yes		No	
Scheduled	Scheduled time	e(s) of Arrival	at Schedul	ed time(s) of D	eparture from Cork
Timings*	Co	ork	Jenedal	eu time(s) or b	eparture from cork
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					
Sunday					

All applications for route and marketing support can be submitted to apcadmin@daa.ie

^{*}Any changes of times to be notified to DAA

Appendix 3: Additional Capacity Support Incentive

Cork Airport reserves the right to award the following levels of discount to operators that increase capacity by increasing frequency or seat capacity substantially.

Year	Discount on all Airport Charges for the Additional Capacity
1	50% for 12 months following the introduction of the Additional Capacity
2	50% for the subsequent 12 months

- Discounts will apply to all Qualifying Charges (as per the Scheme) relating to the additional frequencies. Full, published charges will apply to the original frequencies.
- Cork Airport reserves the right to apply this incentive to any operator that introduces Additional Capacity. The route does not need to be in receipt of long-haul route support to be considered for eligibility.
- The Additional Capacity introduced on a route must generate a net benefit for DAA i.e. switching of capacity will not be considered as eligible Additional Capacity. Cork Airport may require information from an operator to confirm that Additional Capacity is incremental to Cork Airport.
- To continue to be eligible for the incentive and continue receiving support, approved Additional Capacity on a route must be maintained or increased during the 2 year duration of the incentive.

Appendix 4: Marketing Support Review Matrix for qualifying long-haul routes:

The below matrix will be applied by Cork Airport to determine whether the New Route/Capacity falls within the scope of the Marketing Scheme and if so, what band of marketing is available to the operator.

Cork Airport			
Marketing Support Review Matrix for qualifying long-haul destinations			
Weighting	Criteria	Detail	
	Network Development Potential	New Market	
1		Key Developing Market	
		Existing Market	
2	Capacity Origin	New capacity	
2		Capacity redeployment from another DAA route	
	Country Served or Not Served	Country not already served	
		Country already Served	
	Commercial Potential (eg. Duty-paid,	High	
	duty free, DAA lounges used, Shop	Medium	
3	and Collect etc)*		
3	Aircraft Capacity	>250 seats	
		< 250 seats	
	Tourism Potential (eg. Proportion of	High	
	foreign originating passengers,	Medium	
	strong tourism links etc)*	Low	
	Availability of New Route	Annual	
		Seasonal	
4	New or Existing Route	New Route	
4		Existing Route	
	Operator Commitment to Cork	High	
5	Airport (eg. Staff employed in Cork,	Medium	
3	aircraft base, office space at Cork	Low	
	etc)*	Predatory Route Entry	

^{*} This list is simply indicative and therefore is not exhaustive

Appendix 5: Register of Revisions

Please find below the complete list of revisions since the introduction of the scheme on 1st January 2011.

Date	Section (Page Number)	Please identify if the revision represents the introduction of new text or is a revision to the previous text
6/01/2012	Section 6 (d) Page 5	Addition
6/01/2012	Appendix 3	Addition
6/01/2012	Appendices	Order Change