

CONDITIONS OF USE

Mactan Cebu International Airport

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

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By

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Preface

1. Conditions of Use (including Aviation Related Charges) for Mactan Cebu International Airport, Cebu, Philippines is contained in this booklet.

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1. Introduction

The Department of Transportation and Communications (DOTC) and Mactan Cebu International Airport Authority (MCIAA) (collectively referred to as the “Grantors”) and a consortium led by Megawide Construction Corporation and GMR infrastructure Limited (the “Megawide-GMR Consortium”) entered into and executed the Concession Agreement, that granted the Megawide-GMR Consortium the exclusive right and authority to operate, maintain, develop, design, construct, upgrade, modernize, finance and manage the Airport for a period of twenty-five (25) years. These rights and obligations under the Concession Agreement were later on assumed by GMR Megawide Cebu Airport Corporation (GMCAC) by virtue of the Accession Agreement executed by the parties.

GMCAC has a vision of operating and maintaining the Mactan Cebu International Airport (“MCIA or Airport”) based on the highest international standards with emphasis on safety and security, functionality and flexibility, high level of service for the passengers and cargo, modern architecture, efficient and environmentally friendly operations. In achieving this vision, GMCAC, under the Concession Agreement, is entitled to prescribe certain conditions to be adhered to by the entities engaged in various activities at MCIA. This Conditions of Use document (“Conditions of Use”) prescribes the terms and conditions under which the Airport Users (hereinafter defined) shall use the Common Facilities and Services (hereinafter defined) at the MCIA. The Airports Users using Common Facilities and Services at MCIA, shall be bound by the Conditions of Use.

2. Purpose, Scope and Effect

- a) The Conditions of Use provide for the terms and conditions under which the Airport Users shall use the Common Facilities and Services at the Airport.
- b) The Conditions of Use shall be applicable to all the Airport Users.
- c) The Conditions of Use shall be effective beginning 1st November, 2014 (“Effective Date”).
- d) Subject to Applicable Laws, GMCAC has the right to change, replace or waive any of conditions herein with prior written notice.

3. Definitions and Abbreviations

“**Airport**” or “**MCIA**” means Mactan Cebu International Airport located at Latitude 10° 18' 48 N Longitude 123° 58' 58 E, Cebu, Philippines, comprising all land, runways, taxiways, aprons, terminals, buildings and other structures.

“**Airport User(s)**” shall mean airlines and their representatives who are engaged in the business of providing services.

“**Airside**” means the movement area of the Airport, access to which is controlled including, without limitation, the runways, service roadways, taxiways, aprons, hard stand locations and parking stands used by aircraft, service vehicles and service personnel at the Airport.

“**AO 2**” means Administrative Order No. 2, Series of 2011 and subsequent amendments, an issuance made by MCIAA in 2011 providing the fees, charges, and corresponding rules and regulations prescribed for the properties, facilities and services of MCIAA.

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“Applicable Laws” means all laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in the Philippines including any revisions, amendments or reenactments including without limitation, rules, regulations and notifications made there under and judgments, decrees, injunctions, writs, orders and notifications issued by any court of record or any appropriate authorities, as may be in force and effect as applicable to and during the subsistence of this Conditions of Use.

“Apron” means a defined area in the Airport intended to accommodate aircraft for the purpose of loading or unloading passengers, mail or cargo, fuelling, parking or maintenance.

“Adhoc Flights/operations” are defined as flights that do not have a fixed schedule for the period and only apply for particular slot for operation.

“ATA” shall mean Actual Time of Arrival of the aircraft. Refers to the Landing time as provided by ATC.

“ATD” shall mean Actual Time of Departure/take off of the aircraft. Refers to the Take Off time as provided by ATC.

“Common Facilities and Services” means the facilities and services at the Airport which are made available by GMCAC to Airport Users as indicated below:

1. Ground handling services (Provided by Authorized Third Party Ground Handler’s)
2. Outbound baggage handling system
3. The inbound baggage handling system
4. Boarding gates
5. The common use and curbside
6. Check-in counters and DCS infrastructure
7. The domestic baggage claim facility
8. The international baggage claim facility
9. The flight information display system (FIDS)
10. The public address and paging system
11. The utilities and the computer terminals
12. Software, Hardware, and Counter Space
13. Lounge facilities
14. Other facilities provided by GMCAC and used by the passengers or the airlines or its representative directly for conducting its operations.

“Departure Control System or DCS” means an automated method of performing check-in, capacity and load control and dispatch of flights.

“Disabled Aircraft” means any aircraft that requires assistance to move from any position on the runway, taxiway, or apron areas of the Airport due to technical failure.

“Domestic Airlines” means the airlines that operate within the Philippines i.e. origin and destination are both within Philippines.

“Door Close Time” shall mean the time recorded when the boarding for the flight is completed and the doors are closed.

“Grantors” shall mean the Department of Transportation and Communication and Mactan Cebu International Airport Authority.

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“**International Airlines**” means the airlines originating or departing from/to airport located in a country other than Philippines.

“**Maximum Take-off Weight or MTOW**” in relation to an aircraft means the maximum total weight of the aircraft and its contents at which the aircraft may take-off anywhere in the world in the most favorable circumstance in accordance with the Certificate of Airworthiness in force in respect of the aircraft.

“**Party**” shall mean an individual reference to either of GMCAC or the Airport User.

“**Parties**” shall mean a collective reference to GMCAC and the Airport User.

“**Scheduled Airlines**” means the airlines that operate on a predefined frequency at MCI and are used for passenger transport. They operate from a defined Origin to Destination. This airline have filed for the slot in advance with the slot coordinator at MCI and have the slot approved and is present in the Summer or Winter schedule for MCI as applicable.

“**Step On Time**” shall mean the time recorded when the aircraft is parked and steps are applied for disembarking of passengers.

“**Taxes**” shall mean a compulsory contribution to state revenue, levied by the government on workers' income and business profits or added to the cost of some goods, services, and transactions

“**Tacking**” shall mean the time the aerobridge is attached to the aircraft

“**Transit Flight**” means flight that comes from an origin airport (e.g. MNL) to Cebu and back to a different destination (ex. DVO). This will in the form XXX-CEB-YYY where XXX and YYY are different airports. The transit flight will have transit passengers from XXX to YYY.

“**Turnaround Flight**” means a flight that comes from an origin airport (e.g. MNL) to Cebu and goes back to same airport (ex. MNL). This will in the form XXX-CEB-XXX where XXX is both the origin and destination airport.

4. Information required by GMCAC prior to the use of Common Facilities and Services by the Airport User

Before using the Common Facilities and Services, the Airport User must provide the following details to GMCAC:

- a) Airport User’s name, address and contact details;
- b) Evidence that Airport User has in place emergency procedures in connection with all potential threats to passengers, cargo and Common Facilities and Services at the Airport that at least meet the standard required to comply with MCI’s Airport emergency procedures;
- c) The names, addresses, telephone numbers, facsimile numbers and all other contact details of Airport User’s key personnel that GMCAC may contact at any time in connection with Airport User using Common Facilities and Services at the Airport for the following matters:
 - i. Emergencies
 - ii. Security
 - iii. Operational

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- iv. Financial
 - v. Commercial
- d) Details of the type, registration, configuration, and Maximum Take-Off Weight of each aircraft which Airport User intends to use at the Airport.
- e) Duly filled in Customer Credit Application Form as per Schedule 1 hereof. Any change in the information furnished by Airport User in the Customer Credit Application Form shall be communicated to GMCAC within 30 days of such change.
- f) Duly filled in Aircraft Details Form as per Schedule 2 hereof for Airport User's non-regular public transport operations aircraft which are likely to be using Common Facilities and Services at the Airport. Any change in the information furnished by Airport User in the Aircraft Details Form shall be communicated to GMCAC within 30 days of such change.
- g) In case of scheduled operations at MCIA, the Airport User must provide the details of the emergency support team setup by the airline/agency hired for providing engineering services at the Airport.

5. Commencement of Operations at MCIA

For commencement of operations at MCIA, the Airport Users are required to submit the following documents to GMCAC in order to facilitate smooth operations & credit facility extension:

- i. Copy of CAAP (Civil Aviation Authority of Philippines)/CAB (Civil Aeronautics Board) approval;
- ii. Copy of airworthiness certificate for aircrafts operating at MCIA;
- iii. Copy of schedule filed & duly approved by CAAP/CAB;
- iv. Local Contact Person: Country Manager, Station Manager, Accounts In-charge;
- v. Tax code and details, if applicable
- vi. Signed Agreement with GMCAC for the concerned service in case of availing credit facility
- vii. Billing address and local mailing address for any correspondence;
- viii. A copy of the Airline Security Plan, duly approved by the DOTC; and
- ix. Copy of the Emergency Plan (wherever applicable) duly approved by the CAAP.

For any clarification/information on the above requirements, Airport User can contact GMCAC as per the details specified in Schedule 3 hereof.

6. Submission of Information for computation of charges

Airport Users operating at MCIA are required to provide the following information to GMCAC within 48 hours prior to departure of flight:

- a) Number of embarking passengers
- i. Philippine Nationals
 - ii. Foreign Nationals

The Airport User should provide GMCAC, a list containing the number of adults, children and infants separately within 48 hours of departure of the flight.

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- b) For billing of ground handling, landing and parking charges, the Airport User should provide the following details to GMCAC:
- i. Actual Time of Arrival
 - ii. Chocks on Time
 - iii. Step on Time/Tacking Time
 - iv. Door Close Time
 - v. Chocks off Time
 - vi. Actual Time of Departure
- c) To enhance operational efficiency and for raising of the correct invoices by GMCAC, Airport Users are requested to send GMCAC the SITA TELEX messages as under:
- i. MVT - AIRCRAFT MOVEMENT MESSAGE
 - ii. LDM - LOAD DISTRIBUTION MESSAGE
 - iii. PSM- PASSENGER SERVICE MESSAGE
 - iv. PTM - PASSENGER TRANSFER MESSAGE

The address for sending the SITA Telex message is provided in SCHEDULE 3.

- d) For purposes of reconciliation, the Airport User shall within 7 days from the end of each month provide GMCAC with details of the type, registration and MTOW of each aircraft used in its operations during the previous month.
- e) If the Airport User did not provide the number of passengers within the stipulated time, GMCAC may charge the Airport User for use of the Common Facilities and Services on the basis that all the seats on the aircraft operated by Airport User are occupied on the particular day for which information was not provided. Upon submission of correct information by the Airport User, reconciliation can be done at the discretion of GMCAC.
- f) Airport User acknowledges that GMCAC shall use the information provided by Airport User to calculate the charges applicable for usage of Common Facilities and Services.
- g) In the event of overpayment made by the Airport User, GMCAC shall, after reconciliation of accounts, refund to the Airport User the excess amount without interest.
- h) Airport User acknowledges that GMCAC may verify from time to time, any information that the Airport User has provided to GMCAC by means, including, but not limited to:
- Reference to data collected by the Bureau of Immigration and Deportation;
 - Information made available by the Civil Aviation Authority of Philippines to Airport User directly;
 - Actual head count of the passengers embarking or disembarking from aircrafts operated by Airport User; and
 - ATC/MCIA (for the time of arrival and departure).
- i) GMCAC may ask Airport User to provide a confirmation on the amount due to GMCAC on a quarterly basis. The Airport User shall provide the required confirmation within 7 days from the request made by GMCAC.
- j) At the end of a Schedule, Airport User shall provide GMCAC with statements from regularly-engaged independent auditors certifying the accuracy of the information provided by the Airport User has for the last

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Schedule under Clauses (a) and (b) above within 60 days from the date of request made by GMCAC. For purposes of this clause, 'Schedule' means, in each cycle:

- For the summer schedule, the period commencing on the last Sunday in March and ending on the last Saturday in October
 - For the rainy schedule, the period commencing on the last Sunday in October and ending on the last Saturday in March.
- k) Airport User permits GMCAC (or GMCAC's agents or accountants), on reasonable notice and at reasonable times, to audit, at GMCAC's expense, the records and systems of Airport User relating to the information furnished by Airport User under Clause 6.
- l) In case:
- i. The certified statements provided under clause 6(j) or an audit by GMCAC under clause 6(k) discloses any error in the information furnished by the Airport User under clauses 6(a) and 6(b), and
 - ii. Airport User and GMCAC agree that there was error in such information furnished by Airport User to GMCAC,

GMCAC will issue an invoice to Airport User for the differential amount to be paid by the Airport User. If the extent of the error is more than five per cent (5%) of the information actually given to GMCAC, the Airport User must reimburse GMCAC, the cost of GMCAC's audit under clause 6 (k) apart from the amount payable together with interest.

7. General Information

- a) Any information required to be given to GMCAC under this Conditions of Use shall be furnished to GMCAC in accordance with Schedule 3 hereof. Schedule 3 provides the contact details for various types of communication to GMCAC.
- b) The information can be provided electronically with subsequent hard copies within 7 days of information being provided through electronic mode.
- c) The Airport User must inform GMCAC as soon as practicable if there is any change in the information furnished by the Airport User.
- d) The Airport User acknowledge that they have obtained the copy of:
- i. Aerodrome manual; and
 - ii. Safety Management System (SMS) Manual.
- e) Subject to any confidentiality provisions, GMCAC will provide the following details to the Airport User on written request by the Airport User:
- i. Airport emergency plan; and
 - ii. Airport insurance policy cover note.

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8. Common Facilities and Services

- a) While using the Common Facilities and Services at the Airport, Airport User must comply with the following (including any revisions/amendments that may be made from time to time):
- i. All Applicable Laws;
 - ii. Aerodrome Manual;
 - iii. Conditions of Use;
 - iv. Other conditions, instructions orders and directions issued by GMCAC for the routine operations of the Airport;
 - v. SMS Manual;
 - vi. Airport Emergency Plan;
 - vii. Airport Security Plan; and
 - viii. Airport Environment Plan.
- b) It is the responsibility of all Airport Users to ensure that all their staff and contractors have familiarized themselves with this Conditions of Use.
- c) Airport User must not do anything which puts GMCAC in breach of any Applicable Laws and the Concession Agreement dated April 22, 2014. Airport User must co-operate with GMCAC in its provision of the Common Facilities and Services (including compliance with GMCAC's reasonable instructions arising out of Airport User's use of the Common Facilities and Services).
- d) Airport User accepts that:
- i. Access to Common Facilities and Services is subject to the demands of other users of the Airport;
 - ii. Safety and security is paramount and GMCAC will ensure that the same will always be observed at the Airport and
 - iii. Use of the Airport is subject to Applicable Laws including those dealing with slot allocation and curfews.
- e) GMCAC does not make any representation or warranty in connection with the use of the Airport.

9. Third Party Services

Any service provided by a third party/Airport User (excluding government agencies authorized under Applicable Laws) to Airport Users at MCI A shall be done through a valid contract of third party with GMCAC (for instance, hiring third party for providing engineering services at the Airport). Such third party/Airport User should be authorized by GMCAC through a signed agreement and prices for the service should be mutually agreed by GMCAC and third party/Airport User.

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10. Tariff & Charges

For operating at MCI, Airport Users have to pay GMCAC the following charges:

PARKING FEES

Fees are computed based on the maximum take-off weight in aircraft's certification and the number of hours parked after the first two (2) hours free parking period. The Parking charge is calculated based on the stay time of the aircraft which is calculated as the time span between Step on/Tacking and the Door Close time of the aircraft, the MTOW, and on the basis of whether the flight was scheduled or adhoc.

Airport User shall pay the parking charges to GMCAC as per charges notified in A.O.2

The following charges shall be applicable from Effective Date for a period of One Year.

International Operations:

<i>CATEGORY</i>	<i>RATES in US\$</i>
1. Up to 50,000 kgs.	First half hour is \$ 1.70. Each additional half hour thereafter or fraction thereof is \$ 2.60
2. From 50,001 kgs to 100,000 kgs	First half hour is \$ 16.90. Each additional half hour thereafter or fraction thereof is \$ 3.70
3. From 100,001 kgs and over	First half hour is \$16.90. Each additional half hour Thereafter or fraction thereof is \$ 4.90.

Domestic Operations:

<i>CATEGORY</i>	<i>RATES in Php</i>
1. Up to 50,000 kgs	First half hour is Php 25.00. Each additional half hour thereafter or fraction thereof is Php 20.00
2. From 50,001 kgs to 100,000 kgs	First half hour is Php 206.55. Each additional half hour thereafter or fraction thereof is Php 47.50
3. From 100,001 kgs and over	First half hour is Php 206.55. Each additional half hour thereafter or fraction thereof is Php 55.00

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LIGHTING CHARGES

Aircraft that lands and takes off during night time shall be levied additional lighting charges. Night time is between 6 P.M. To 6 A.M. Rates in U.S. Dollars maybe paid in the Philippine peso equivalent at the prevailing rate of exchange as of the date of billing.

1. International Operations

CATEGORY	RATES in U.S.\$
Parking	Additional 13% of the rate of the daytime parking

2. Domestic Operations

CATEGORY	RATES in Php
Parking	Additional 13% of the rate of the daytime parking

PASSENGER SERVICE FEE ("PSC")

Passenger Service Fee is collected from every departing passenger from the Republic of the Philippines to any Destination. The charges applicable from Effective Date is as follows

International:

Type of Facility	Rate
International Passenger Terminal	₱ 750. 00/departing passenger

The charges shall be directly paid to GMCAC.

The following passengers are exempted from payment of International PSC

- 1.1. Children two (2) years old and below, but without any airline ticket;
- 1.2. Overseas Contract Worker;

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- 1.3. Passenger denied entry;
- 1.4. Airline crew;
- 1.5. Diplomats;
- 1.6. Athletes who have been officially endorsed by the Philippine Sports Commission;
- 1.7. Deportees;
- 1.8. Muslim passengers travelling to mecca on haj; and

Domestic:

Type of Facility	Rate
Domestic Passenger Terminal	₱ 220.00 /departing passenger

The charges shall be collected through Airline tickets in accordance with the agreement with the domestic airlines on the integration of the PSC in the airline tickets..

The following passengers are exempted from Domestic PSC

- 1.1. Children two (2) years old and below, but without any airline ticket; and
- 1.2. Airline crew

GROUND HANDLING CHARGE

GMCAC will provide a list of all authorized Ground Handlers providing ground handling services at MCIA. The charges for ground handling services are based on the aircraft model. The charge defined for various aircraft models for Domestic/ Scheduled International and Adhoc Flights will depend on independent negotiations with the Ground Handler. The list of Ground Handlers can be obtained from the Manager of the Commercial Department who can be reached at commercial@gmcac.ph.

DEPARTURE CONTROL SYSTEM CHARGE (“DCS”)

The DCS charge is applicable in case of aircrafts using the DCS system at the Airport which is levied based on the aircraft model. The DCS charge is specified in schedule 5 hereto.

11. Tariff & Charges for other services

OFFICE SPACE

The parties using office space at MCIA shall pay GMCAC as per the rate defined by GMCAC for the particular area. The rates and the payment terms shall be as per the policy of GMCAC and shall be governed by the agreement between the parties.

UTILITIES

All users consuming the utilities shall pay GMCAC as per the usage. GMCAC shall bill these charges on a monthly basis and payment shall be made by the Airport User within the stipulated period. New connections can be requested to GMCAC as per process and forms indicated on GMCAC website Utility charges are defined in Annexure 9 under Other Charges.

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FUEL CHARGES

Fuel supply is handled by third parties at MCIA. GMCAC will provide a list of Into-Plane fuel providers upon request. A separate contract will need to be executed by the Airport User with the Into-Plane Fuel Providers for the purchase of fuel at MCIA.

EQUIPMENT CHARGES

Equipment usage charge for use of various equipment provided by GMCAC, other than during normal course of providing a service shall be as per rates defined by GMCAC.

TACKING FEES

Airport User shall pay Boarding Bridge Charges to GMCAC as per rates defined in A.O.2. The following rates shall be applicable from Effective Date.

Type of Facility	Rate
1.1 Loading Bridge with Single Tube	\$ 33.00/bridge/hour

Fees quoted in US Dollars may be paid in Philippine Peso equivalent at the prevailing rate of exchange as of the date of payment.

12. Payment modes, Credit policy and payment details

Airport Users can avail the Common Use Facilities and Services at MCIA and pay applicable charges to GMCAC through any of the following payment modes:

- Cash basis – Payment for the flight shall be made before the departure of flight. The payment must be made in cash / manager’s cheque from a bank having an operating branch in Philippines.
- Advance basis – Payment for the projected operations for a month shall be made in advance before the commencement of operations for the month. Payment can be remitted to GMCAC’s account, as provided by GMCAC, applicable for the service through electronic mode.
- Credit basis – GMCAC shall invoice the customer as per the applicable billing cycle for the charge applicable and Airport User shall comply as per the credit norms applicable for the service. Non-adherence to the credit policy may result in the withdrawal of credit facility. GMCAC, at its discretion, may choose to provide a 30 days written notice to clear all outstanding with interest due on the date of payment or may directly withdraw the facility. The Airport User concerned must pay the invoiced amount within the time stated for payment in the invoice through any of the payment methods provided in the invoice

The following schedules specify the details regarding billing, payment modes and credit policy:

Schedule	Details
Schedule 6	Billing cycle for various services, the credit period and delay payment damages.
Schedule 7	Bank accounts of GMCAC for the purpose of making payments
Schedule 8	Format for bank guarantee to be furnished by the Airport User for due performance and observance of the Airport User of its obligation



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GMCAC has the right to utilize/encash the Bank Guarantee/Security Deposit as furnished by Airport User, when it deems necessary to recover the dues from the Airport Users.

Payments may be made in US Dollars or may be paid in Philippine Peso equivalent at the prevailing rate of exchange as of the date of payment.

13. Effect of non-compliance to Conditions of Use

- a) If Airport User fails to comply with any provision in this Conditions of Use, including non-payment of charges, the Airport User shall be required to remedy such non-compliance within the period specified in the notice. If such non-compliance is not remedied by the Airport User, GMCAC may cease to provide the Common Facilities and Services to the Airport User without fault or penalty on the part of GMCAC.
- b) In case GMCAC incurs any loss/damage on account of such noncompliance, GMCAC shall recover the cost incurred by GMCAC along with a service charge of 25% from the Airport User.

14. Moving Aircraft to alternate location

- a) GMCAC may, subject to air traffic clearances and any operational guidelines with regard to the Common Facilities and Services, direct the Airport User to move an aircraft to another place at the Airport, at the Airport User's cost, within a reasonable time as may be determined by GMCAC.
- b) In case (i) an aircraft or (ii) parts of an aircraft is disabled or immobilized on or adjacent to the movement area of MCI as a result of an accident or incident, GMCAC will take necessary measures as outlined in Section 5 of the Airport Emergency Plan.
- c) If Airport User fails or refuses to comply with GMCAC's directive to move the aircraft to alternate location within the specified time, GMCAC may move or remove the aircraft at the expense of the Airport User. In such a case, the Airport User --
 - i. Must pay the costs incurred by GMCAC for moving or removing the aircraft; and
 - ii. Shall indemnify GMCAC, its directors, officers, employees, contractors, subcontractors and agents against any personal injury, death, loss or damage (including consequential losses, costs and expenses) caused or contributed to by Airport User's failure to comply with GMCAC's directions.

15. Closure of Airport or Non-Availability of Services

- a) GMCAC will make the Common Facilities and Services available to the Airport User, subject to reasonable requirements for operational purposes, maintenance and new developments or event of Force Majeure or rights granted to GMCAC under the Concession Agreement.
- b) GMCAC shall endeavor to notify the Airport User before it makes any service or facility at the Airport unavailable, subject to other conditions mentioned hereinabove.
- c) If, at any time, due to safety, operational, maintenance or new development requirements, GMCAC considers it necessary to declare the Common Facilities and Services at the Airport to be wholly or partly unavailable for

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use by Airport User, GMCAC will use its reasonable endeavors to identify alternative facilities and services which might be available for use by Airport User. Failure to provide such alternative facilities and services shall not give rise to any penalties on the part of GMCAC. The use of such alternative facilities or services shall be at the discretion of the Airport User and shall be subject to the same rules and regulations unless otherwise stated by GMCAC.

16. Services not provided by GMCAC at MCIA

GMCAC doesn't provide the following services at MCIA:

- a) Air Traffic Management & Communication, Navigation & Surveillance;
- b) Meteorological services;

The following services are provided at MCIA, but a separate contract will need to be executed with a service provider authorized by GMCAC:

- a) In-flight catering services;
- b) Airport Security;
- c) Ground Handling Services; and
- d) Into-Plane Fuel Services.

17. Environmental Norms

The Airport User shall conform to all applicable environmental laws. The airport user should also endeavor to comply with all the guidelines issued by GMCAC from time to time for the protection and conservation of environment. These would include but not limited to (a) reduction in carbon emissions, particularly the use of battery operated vehicles on the airside; (b) segregation of waste at source and disposal of solid waste; and (c) measures to make the airport pest-free.

18. Advertisement & Signage at the Terminals

GMCAC reserves all rights related to any advertisement and signage at MCIA, including digital signages. The Airport User is not allowed to put any advertisement or signage without written approval from GMCAC. GMCAC reserves all rights related to communication and wireless antennas.

19. Slot Request and adherence

On granting of airport slots (traffic rights will be granted by GMCAC), the Airport User should apply for clearance of its proposed schedule on IATA on a season by season basis directly with the Operations Department of GMCAC. Information about change of aircraft type should be sent to the Operations at least 48 hours in advance for planning resource allocation. Schedules should be sent via email to the Operations Department, as per the time scales specified by the IATA schedules calendar to the following address:

Operations Department
Email: Operations@gmcac.ph



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20. Resource allocation

Resource allocation (parking bays, check-in counters and baggage belt) will be done by GMCAC taking into consideration operational efficiency, passenger convenience and safety. Though check-in counters will be earmarked airline-wise, there will be some dynamic allocation of counters among different airlines/ground handlers, to enhance the operational efficiency of the airlines/airport, to accommodate the special requests of airlines for allotment of additional counters as well as to handle any contingencies with regard to non-availability of some counters.

21. Achievement of Performance Standards

All Airport Users are expected to extend support for the achievement of the performance standards laid down by IATA, ACI and CAAP, with regard to check-in time, immigration clearance and on time performance. For achievement of the same, it is expected that airlines/ ground handlers will open counters 3 hours before the departure time for domestic flights and 4 hours before departure for international flights. They are expected to close the counters D-40 for domestic flights and D-60 for international flights. It is also expected that they will operate sufficient number of counters in order to meet the standards.

22. Recovering of money due to damage

Airport Users are responsible for any damage/loss/injury arising from the use of their aircrafts or other vehicles at the airside. GMCAC shall claim the amount of damage/loss/injury from the Airport Users based on the valuation determined by the parties appointed by GMCAC for this purpose. Similarly, charges for damage to property inside the terminal will also be assessed and recovered from the Airport User concerned.

23. Security Related

Security screening at the airport is provided by the Office of the Transportation Services (OTS). Security service is under the purview of GMCAC. The Airport Users shall comply with the security procedures and access protocols as specified by GMCAC. Among others, they should comply with the following:

- (i) Airport Entry Pass (AEP) should be prominently displayed while moving anywhere in the terminal or on the air side;
- (ii) Loss of the AEP should immediately be reported to the security department; and
- (iii) Restrictions with regard to access to different areas should be complied with.

24. Fire Safety

While using the office space at the terminal, the following measures under fire safety are to be undertaken by the office bearers:

- a) The Airport User shall not use electrical heater, toaster, electric kettle and other allied electrical appliances in the offices.
- b) The Airport User shall not use naked flame/light of any kind in the offices.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

- c) The Airport User shall get their electrical circuit tested, at least once a year and any defect noticed should be rectified immediately. Airport User shall submit the test report issued by electrical supervisory licensee holder or engineer to the GMCAC
- d) Cables should not be laid on the false ceiling or inside the partition wall. Cable, where required, should be laid on metal cable trays.
- e) Miniature circuit breakers and metal clad distribution board should only be used for electrical installation and distribution. Electronic Line Circuit Breaker (ELCB) should also be incorporated in the circuit.
- f) Main switch board, electrical meter, distribution board should not be fixed on the combustible material nor in the combustible panels. Combustible material should not be stored under/close to it and approach to electrical board should be clear.
- g) Over loading of the circuit is prohibited and no temporary connection should be made, without specific approval of the competent authority.
- h) If in the allotted space no false ceiling is provided, the Airport User cannot introduce or construct a false ceiling without securing the relevant approval from GMCAC.
- i) Storing of any type of material above the false ceiling is prohibited.
- j) Internal partition or modifications are not permitted unless written permission is obtained from GMCAC.
- k) The Airport User shall ensure that all its staff are trained in using the fire extinguisher and in activating the fire alarm.
- l) The Airport User shall not tamper with fire protection system at the Airport at any time or use such equipment for any purpose other than firefighting or fire prevention.
- m) The Airport User shall ensure all fire protection systems is operational at all time, and shall maintain clear access at all times including emergency exit routes.
- n) The Airport User shall not store, keep, handle, use, dispense or transport any explosive, flammable, combustible or hazardous material inside or ay any point near the terminal buildings without any specific approval.
- o) One (1) unit 2kg CO² and one (1) unit 4kg DCP type portable fire extinguishers shall be installed by each Airport User. The number of portable fire extinguisher should be kept available as required by Applicable Laws.
- p) Battery operated emergency light shall be provided in shops.
- q) Telephone numbers of the fire control room shall be displayed.
- r) NO Objection Certificate shall be obtained by the Airport User from GMCAC prior to carrying out any modification or renovation.
- s) All woodwork should be painted with fire resistant paint or given a fire retardant treatment.

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- t) The Airport User shall immediately notify GMCAC of any fire, regardless of extent or damage that occurs.
- u) The Airport User shall not obstruct nor interfere with the performance of duties of fire officers or disobey an order of the Fire Officer in Charge at the scene or in the immediate vicinity of a fire or emergency rescue. General and specific powers of the Fire Officer in Charge shall be followed as per stipulated in Philippines Civil Aviation Regulations.

All air carriers, facilities managers, project/maintenance contractors, owners, and all tenants or any of Airport User's contractors or sub-contractors operating within MCIA, are required to comply with all fire safety requirements, safety instructions, permit to work system and hot work procedures.

GMCAC will levy charges on service provided for ensuring compliance as provided in Schedule 9.

25. Airport Safety

The airport safety procedures, which should be strictly followed, are provided in the Safety Management System (SMS) manual. The manual can be provided on request.

26. Work Permit System

No work should be carried out by any Airport User without obtaining necessary Work Permit for the same. The work permits will be issued by the safety department who can be contacted at the following address:

Operations Department
operations@gmcac.ph_

All work permits will be processed in 24 hours unless the nature of work is such that it requires more elaborate safety assessment. However, in case of any urgency, the safety department can be contacted in person and the request will be processed at the earliest possible time. While undertaking any work, the conditions in the work permit should be strictly complied with and the work should be undertaken only through accredited contractors/workmen.

27. Rules and Regulations for operating vehicle at MCIA

The airside driving rules and regulations are as indicated by "*Airside Driving Handbook*". This handbook shall be observed by all Airport Users who intend to operate vehicle(s) within the Airport. The manual is available upon request.

28. Medical Emergency

The medical emergency for airport is as defined per the SOP "Emergency Medical Case" defined by the operator. The manual is available upon request.

29. Misuse of Airport Property

Airport Users shall be liable for any loss sustained by GMCAC, including damages caused/loss sustained by third parties, for any misuse of Airport property.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

26. Governing Law and Dispute Resolution

(a) Governing Law

The Conditions of Use shall be governed by the laws of Philippines.

(b) Dispute Resolution

- a. GMCAC and the Airport Users will first use their best endeavors to resolve through mutual consultation any dispute, difference or question arising between them or their respective representatives or assigns which may arise out of, in connection with or in relation to this Conditions of Use.
- b. All disputes, differences or questions arising out of this Conditions of Use, which cannot be amicably resolved between the GMCAC and the Airport Users within thirty (30) days of being notified as such in writing by GMCAC or the Airport User, as the case may be, shall be finally settled by arbitration under the Arbitration Law (Republic Act No. 867) and Alternative Dispute Resolution Act of 2004 (Republic Act No. 9285), as amended, by a sole arbitrator to be appointed by GMCAC.

The arbitration proceedings shall be in the English language and shall be conducted in accordance with the Rules made under the said Act. Any arbitration award made shall be final and binding on GMCAC and the Airport Users. The venue and seat of the arbitration shall be in Lapu Lapu City. The arbitration award may contain an award as to the cost of the proceedings.

The parties hereto shall, during the period of submission and pending its adjudication, continue to perform the rest of their obligations under their Agreement without prejudice to the results of the adjudication.

27. Force Majeure

- a) GMCAC shall be entitled to suspend or excuse performance of its obligations under Conditions of Use to the extent that the GMCAC is unable to render such performance by an event of Force Majeure.
- b) “Force Majeure” means any event or circumstance or a combination of events and circumstances, which materially and adversely affects the performance of an obligation and is beyond its reasonable control and includes the following events and/ or circumstances:
 - i. war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy in each case involving or directly affecting Philippines;
 - ii. revolution, riot, insurrection or other civil commotion, act of terrorism or sabotage in each case within Philippines;
 - iii. nuclear explosion, radioactive or chemical contamination or ionizing radiation directly affecting the Airport;
 - iv. strikes, working to rule, go-slows and/or lockouts which are in each case widespread, nationwide or political affecting the Airport;

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- v. any effect of the natural elements, including tsunamis, lightning, fire, earthquake, unprecedented rains, tidal wave, flood, storm, cyclone, typhoon or tornado, within Philippines;
- vi. explosion (other than a nuclear explosion or an explosion resulting from an act of war) within Philippines;
- vii. epidemic or plague within Philippines;
- viii. aircraft accident or breakdown;

Notwithstanding anything contained herein, a strike by general employees at the Airport shall be an event of Force Majeure.

- c) GMCAC shall not be liable in any manner whatsoever to the Airport Users in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any event of Force Majeure.

28. Indemnity

- a) Airport User shall defend, indemnify and hold GMCAC harmless from and against any and all claims, proceedings, losses, liabilities, suits, judgments and costs, in respect of acts, omissions or events which occur (each a “**Claim**”) arising out of:
 - i. any breach of Conditions of Use or Applicable Laws by the Airport User;
 - ii. any damage caused by Airport User’s aircraft/equipment/individual to GMCAC’s property/equipment;
 - iii. claims and expenses for injury, death, loss or damage to property caused or contributed to by Airport User, its directors officers, servants, employees, agent, contractors or sub-contractors, unless it is caused by GMCAC’s negligence or its officers, employees or agents.
- b) GMCAC and its officers, employees or agents shall not be liable for:
 - i. any loss or damage caused to an aircraft, its equipment, its load or the property of its crew or passengers at the Airport due to any reason;
 - ii. injury or death caused to the crew or employees passengers of, or persons servicing or attending to, an aircraft at the Airport, unless it is attributable to negligence of GMCAC, its officers, employees or agents;
 - iii. Any loss or expense of any nature, suffered/incurred by the Airport User (including loss of profit and consequential losses) due to closure of the Airport or part thereof or unavailability of any service or facility at the Airport.
 - iv. Any loss or expense of any nature, suffered/incurred by the Airport User (including loss of profit and consequential loss), or by any person claiming through Airport User, due to delay in the movement or scheduling of Airport User’s aircraft.

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- iv. any injury or death or loss/damage to any vehicle caused by the Airport User's (including its agents) equipment or vehicle;
- v. any consequential injury, loss or damage or expense of any nature (including loss of profit or consequential loss) in connection with the use or closure of the Airport (including anything referred to in sub-clause (i) or (ii) of this clause).

29. Insurance

Each Airport User must, at its own cost and expense ensure that insurance policies as specified below are effected and remain valid and in full force and effect and subscribing to the following norms:

1. Property insurance in respect of "All Risks" to the fullest extent available and customary for physical loss or damage including but not limited to in respect of damage by Aircraft and objects falling there from, earthquake and terrorism for full reinstatement value (including allowance for professional fees and removal of debris costs).
2. Motor vehicle insurance on a comprehensive basis to the fullest extent available for own damage including unlimited Property damage and third party liability.
3. Workmen's compensation insurance policy which shall cover all the workmen of the Airport User working at the project site, to the fullest extent available including cover under applicable laws.
4. Legal Liability Insurances including the following coverages:
 - i. Personal injury;
 - ii. Products and completed operations;
 - iii. Sudden and accidental pollution liability;
 - iv. War, hijack and terrorism legal liability;
 - v. Medical expenses

to such extent as described below, stipulating among other things:

- a) The Legal Liability Insurance Policy shall define the Airport User and its subsidiary, associated and affiliated companies or owned or controlled companies, presently in existence or to be constituted subsequently, including its joint ventures as the insured, who shall be contractually obligated to provide coverage and the insured shall include GMCAC, MCIA, its directors, officers, servants, employees, agents, contractors and subcontractors as additional insured's for their respective rights and interests;
- b) Waiver of any right of subrogation against GMCAC;
- c) A breach of warranty cover serving for such insurances not to be invalidated by any breach or violation of any warranties (including misrepresentation or non-disclosure), declarations or conditions in such policies by the insured or any other person (other than GMCAC);
- d) Contain a severability of interests clause serving as if a separate policy had been issued to GMCAC except in respect of the limit of liability stipulated under such policy;

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

- e) For such policy (ies) to be primary and without right of contribution from any other insurance carried by GMCAC;
- f) Provide that GMCAC will have no responsibility for payment of premium there under;
- g) Provide for provision as to cancellation or automatic termination or material alteration adverse to the interests of GMCAC by giving of no less than thirty (30) days (7 days or such lesser period in respect of war and allied perils) notice in writing. Notice deemed to be commencing from the date such notice is given.

In all cases above, relevant certification in a form acceptable to GMCAC on the basis of having noted and included the insurance and indemnity requirements of Conditions of Use will be submitted by the Airport User as issued by their insurers and thereafter for each year at least 15 days prior to renewal.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Schedule 1 – Customer Credit Application Form

GMR Megawide Cebu Airport Corporation		
Mactan Cebu International Airport, Lapu-Lapu Road, Lapu-Lapu City		
CEBU 6016, PHILIPPINES		
For Official Use:		
Customer Category	:	
<i>(Use SAP Industry Type Code)</i>		
Customer Code	:	
Contract Number	:	
Business Partner Number	:	
CLIENT INFORMATION FORM (To be filled by Customer)		
Name of Customer/ Vendor	:	
Nature of Operation(Industry Type)	:	
Mailing Address (PIN Mandatory)		
<i>Name of the Authorized representative</i>	:	
<i>House Number/Street Number</i>	:	
<i>Other</i>	:	
<i>City</i>	:	
<i>State</i>	:	
<i>PIN Code</i>	:	
<i>Land Line Number</i>	:	
<i>Mobile Number</i>	:	
<i>E-mail Address</i>	:	
Billing Address (PIN Mandatory)		
<i>Name of the Authorized representative</i>	:	
<i>Street / House Number</i>	:	
<i>District</i>	:	
<i>City</i>	:	
<i>State</i>	:	
<i>PIN Code</i>	:	
<i>Country</i>	:	
<i>Land Line Number</i>	:	
<i>Mobile Number</i>	:	
<i>E-mail Address</i>	:	
	:	
Customer Contact Details		
For Payment Follow up		
Contact Person Name	:	
Designation	:	



CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Email ID	:	-
Contact Number		
Mobile	:	
Landline	:	
Fax No.	:	
For RE related queries: (Revenue statement & other RE related issue)		
Contact Person Name	:	
Designation	:	
Email ID	:	-
Contact Number		
Mobile	:	
Landline	:	
Fax No.	:	
Details of Security Deposit		
Space, License Fees Etc.	:	
Utility Services (Electricity & Telephone)	:	
Landing, Parking , PSF, Cute & X-Ray & DF	:	
Other services not covered above	:	
Details of Tax code required		
Copy of VAT for Domestic Parties / Tax code for others	:	
Enclosures should be attached		
Copy of VAT / Tax code	:	
Requesting letter from customer for customer code creation	:	
Contract / Letter of Award / Agreement Copy	:	
Address proof (duly self-attested)	:	
CLIENT INFORMATION FORM (To be signed by Customer)		
Customer Signature & Seal:		
Authorized Signature with Seal		
Dated:		
CLIENT INFORMATION FORM (To be signed by Commercial)		



CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Signature required of account owner (Commercial)	Signature required for approval (Commercial)
GMR Megawide Cebu Airport Corporation	GMR Megawide Cebu Airport Corporation
Full Name & Designation	Full Name & Designation
Dated:	Dated:

Schedule 2 – Format for submission of aircraft details required by GMCAC

Aircraft Registration: _____

Aircraft Type: _____

MTOW: _____

Certificate of Registration Holder:

Name: _____

Address: _____

Contact number: _____

Owner: (if different to C of R holder)

Name: _____

Address: _____

Contact number: _____

Airport User:

Name: _____

Address: _____

Contact number: _____

Effective Dates of Operation:

From: _____

To: _____

Signature of person completing the form _____



CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Please identify by circling whether you are the C of R Holder / Owner / Airport User

In addition to the filled in form, a copy of the registration certificate shall be submitted to GMCAC for all aircrafts operating to Cebu Airport.

Schedule 3 – Contact Details for Submission of Information to GMCAC

Address for service of Notices

Commercial Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport
Lapu-Lapu Road, Lapu-Lapu City
Cebu – 6016, Philippines

E-mail: Commercial@gmcac.ph

Address for submission of slot requests

Operations Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport Road
Pusok, Lapu-Lapu City
Cebu – 6016, Philippines
Cebu – 6016, Philippines

Email: Operations@gmcac.ph

Address for submission of credit application form/ Outstanding / Payment related Issues

Finance Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport Road
Pusok, Lapu-Lapu City
Cebu – 6016, Philippines
Cebu – 6016, Philippines
Email: Finance@gmcac.ph

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Address for sending SITA messages

SITA TELEX Message address:

For Ground Handling/Fuel/Cargo – Commercial and Contract

Commercial Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport Road
Pusok, Lapu-Lapu City
Cebu – 6016, Philippines
E-mail: Commercial@gmcac.ph

For Ground Handling/Fuel/Cargo – Operation

Operations Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport Road
Pusok, Lapu-Lapu City
Cebu – 6016, Philippines
E: Operations@gmcac.ph

For Billing & Invoice related Issues

Finance Department
GMR Megawide Cebu Airport Corporation
Mactan Cebu International Airport Road
Pusok, Lapu-Lapu City
Cebu – 6016, Philippines
E: Finance@gmcac.ph

Schedule 4 – List of Ground Handling Service Provider’s at Mactan Cebu International Airport

For list of Ground Handler’s please contact us at ommercial@gmcac.ph

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Schedule 5 – DCS Charge

Common Use Terminal Equipment (CUTE)

a. International Check-in Counters

1. E, F, G & H Counters (with Passport Reader)\$18.00/counter/hr

b. Domestic Check-in Counters

1. A, B1,B2, B3, C1, C2 & D Counters (w/o Passport Reader) \$12.00/counter/hr
2. B4, B5, C3, C4 & C5 Counters (with Passport Reader)..... \$14.00/counter/hr

Check-in Counters/ DCS. Rental charges for the use of the Check-in counters shall be in accordance with the following rates:

Type of Facility	Rate
5.1 International Operations : Check-in counters, Boarding Gate Workstation, Weighing Conveyors and Use of SITA CUTE system - w passport readers	US\$ 18.00/counter/hour
5.2 Domestic Operations : Check-in counters, Boarding Gate Workstation, Weighing Conveyors, and Use of SITA CUTE system w/o passport readers (A, B1, B2, B3, C1, C3 & D)	US\$ 12.00/counter/hour
w/ passport readers (B4, B5, C3, C4 & C5)	US\$ 14.00/counter/hour
5.3 Office SITA CUTE Workstation with Printer	US\$ 500.00/month
5.4 Use for Training Purposes, Check-in Counters/Boarding Gate Workstation, weighing conveyors, and use of SITA CUTE system	US\$ 9.00/counter/hour
5.5 Concession Counters	₱ 3,750.00/counter/month

2. Rates quoted in US dollars may be paid in the Philippine Peso equivalent of the prevailing rate of exchange as of the date of billing.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Schedule 6 – Credit Policy¹ CUSTOMER CREDIT APPLICATION DETAILS

In order to commence operations at MCIA, the airlines are required certain documents in order to facilitate smooth operations & credit facility with GMCAC:

1. Copy of CAAP/CAB approval
2. Copy of airworthiness certificate for aircrafts operating to Cebu
3. Copy of schedule filed & duly approved by CAAP
4. Security deposit amount of PhP----- Manager’s Cheque or via transfer to the account
5. Contact Persons: Head Office contact, Country Manager, Station Manager, Accounts In-charge
6. BIR No (Permanent Account Number) - Income Tax requirement
7. TIN No (Tax Payers Account Number) - Income Tax requirement
8. VAT No – BIR Requirement
9. Local mailing address for any correspondence & billing address once credit is approved

Enclosed is a client information form for you to update. Also is enclosed copy of Credit Policy for GMCAC

Besides the above, certain queries from GMCAC’s operations team required to be addressed are:

- a. Who is the GSA and ground handler? How many staff do they have to support this operation?
- b. Who is the Airport Manager, Country Manager and their contacts?
- c. Is there any office space taken up by your airline?
- d. Which Check in Counters you would be operating from and have you tied up with GMCAC’s IT ?
- e. Have you given the logo for updation in FIDS and flap boards? Destination and airline name addition in Automated Announcement System?
- f. Have you taken the terminal house rules and Airport regulations documents?
- g. Have all regulatory agencies been informed about airlines operations and have necessary approvals been taken?

¹ In case of any conflict or inconsistency between the credit policy specified herein and the terms of definitive agreement, if any, executed between GMCAC and the Airport User, the terms of the definitive agreement shall prevail over credit policy herein.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

**GMR Megawide Cebu Airport Corporation.
Credit Policy for Airlines, Concessionaires, Handler's and Licensees using Mactan Cebu International Airport, Cebu.**

A) Bills

Particulars	Aeronautical Services	Space License other than concessionaires	Trade Concessions	Utility Recoveries	Land License
Billing cycle	Fortnightly	(i) <u>New Contracts</u> : Annually in advance (ii) <u>Existing Contracts</u> : Governed by conditions contained in the agreement	(i) Monthly in advance as per terms of the agreements. For additional revenue share, by 10th of the following month. (ii) Trade Concessionaire to furnish details of sale by 7th of following month to enable GMCAC to bill for additional revenue share by 10th of following month.	Monthly	In advance for Financial Year
Normal Time of raising the bills	Within a week from close of fortnight	First working day of the billing cycle	(i) First working day of the billing cycle. (ii) 10th day of following month (for additional Revenue share of preceding month)	Within 10 days of close of the preceding month	First working day of the billing cycle

B) Security Deposit (Interest Free)

Particulars	Aeronautical Services	Space License other than concessionaires	Trade Concessions	Utility Recoveries	Land License
Scheduled Aircraft Operators	Demand Draft equivalent to one and half (1.5) months billing OR Bank Guarantee equivalent to two (2) months of billing. The month having the maximum charges in the preceding 12 months, will be considered to calculate the security deposit.	Cheque/demand draft equivalent to two (2) months of license fee if it is paid annually in advance or Cheque/demand draft equivalent to six (6) months of license fee if it is not paid annually in advance .	NA	Cheque/demand draft equivalent to three (3) months billing.	Cheque/demand draft equivalent to six (6) months billing.
Non Scheduled Operators	Cheque/demand draft equivalent to two (2) months billing. Minimum 1,000,000 Pesos	Cheque/demand draft equivalent to two (2) months of license fee if it is paid annually in advance or Cheque/demand draft equivalent to six (6) months of license fee if it is not paid annually in advance .	NA	Cheque/demand draft equivalent to three (3) months billing.	Cheque/demand draft equivalent to six (6) months billing.
Concessionaires & Others	NA	NA	Cheque /demand draft as per the agreed terms and conditions of contract.	Cheque /demand draft as per the agreed terms and conditions of contract.	Cheque /demand draft as per the agreed terms and conditions of contract.

C) Interest on delayed payment

Particulars	Aeronautical Services	Space License other than concessionaires	Trade Concessions	Utility Recoveries	Land License
On delayed payments	Interest @ 24% per annum from the date of Invoice	Interest @ 24% per annum from the date of Invoice	Interest @ 24% per annum from the date of Invoice	Interest @ 24% per annum from the date of Invoice	Interest @ 24% per annum from the date of Invoice

The Policy is being circulated for a limited purpose to streamline the financial obligations of various users towards GMCAC . This Policy is not being distributed to the public.

GMCAC reserves its right to amend, add, delete or modify any or all of the terms of the policy at any point of time.



CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Guarantee of Prompt Payment. To guarantee prompt payment of fees and charges covered by contract with Airport Users, this Conditions of Use or A.O.2, a deposit either in the form of a manager's check or cash shall be made to the GMCAC, the amount of which shall be equivalent to three (3) months rental and a surety bond equivalent to the total price of the contract. This shall be maintained during the operations within the airport or during the lease/concession term and in the case of default, shall be automatically applied to the back accounts.

Rules of Payment. The fees and charges prescribed herein shall be due and payable within the thirty (30) days of which the charges are due unless provided otherwise.

Remedies for Non-Payment. Failure on the part of any person, firm or corporation to pay any fees or charges due and payable within the specific date fixed in the contract, permit, bill issued, without the need of any written demand by the GMCAC's duly authorized representatives, shall be considered sufficient ground to deny such person, firm or corporation the further use of the airport or any of its facilities, utilities and services, and shall be basis for cancellation of this contract. Furthermore, should the lessees'/concessionaires' cash deposit be insufficient to cover the outstanding obligations of such concessionaires, GMCAC may hold the lessee'/concessionaire's property within the leased premises or areas; until full payment is made. This shall not prejudice the Authority from taking such other actions and/or proceedings as may deem proper and necessary. Unpaid account shall automatically earn penalty interest at the rate of twenty four percent (24%) per annum computed from the date immediately following the date the fees and charges are due without need of formal advice.

Applicable Taxes – Taxes, whenever applicable, shall be the responsibility of the Airport User. Upon request, GMCAC will provide a withholding certificate on taxes deducted.

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Schedule 7 – Bank Details for GMCAC

All payments

Particulars	Details – USD payments	Details – PHP Payments
Beneficiary Account Name	GMR Megawide Cebu Airport Corporation	GMR Megawide Cebu Airport Corporation
Beneficiary Account No	006140776375	006140776375
Beneficiary Bank Name	BDO Bank Mactan - EPZA	BDO Bank Mactan - EPZA
Beneficiary Bank Location	Mactan - EPZA Compound, 6000 Lapu-Lapu City Cebu	Mactan - EPZA Compound, 6000 Lapu-Lapu City Cebu
Swift Code	BNORPHMM614	BNORPHMM614

CONDITIONS OF USE – MACTAN CEBU INTERNATIONAL AIRPORT, CEBU PHILIPPINES

Schedule 8 – Bank Guarantee Form

Bank Guarantee No. [●]

To:

GMR Megawide Cebu Airport Corporation

Mactan Cebu International Airport,
Pusok, Lapu-Lapu City
Cebu 6016, Philippines

Whereas:

- a. Pursuant to the [●] Agreement dated on or about the date of this Guarantee (hereinafter referred to as the **“Agreement”**), GMR Megawide Cebu Airport Corporation Cebu, Philippines, having its office at Mactan Cebu International Airport, Pusok, Lapu-Lapu City, Cebu - 6016, Philippines (hereinafter referred to as **“GMCAC”** which expression shall include its successors in interest and assigns) has agreed to provide certain services to [Please Insert] (the **“User”**) at Mactan Cebu International Airport, Cebu, Philippines.
- b. The Agreement requires the User to procure and deliver to GMCAC, an unconditional and irrevocable bank guarantee of an amount of USD [●] (United States Dollars [●] only) (**“Guarantee”**) as security for the due performance and observance by the User of all its obligations under the Agreement.
- c. The User has approached [Please insert the details of the Bank] (**“the Guarantor”**), for issuance of the Guarantee and at the User’s request and in consideration of the premises herein, the Guarantor has agreed to give such guarantee as hereinafter appearing.

In consideration of the premises herein, We, [Please insert the details of the Bank] (the **“Guarantor”**) hereby declare, undertake and agree as follows:

1. Upon receipt by us of a first written demand or demands from you (a **“Demand”** or **“Demands”**), from time to time or at any time (subject always to the provisions of paragraph 6 below), we shall, without further proof or conditions and without demur, reservation, contest, recourse or protest and without any enquiry of you or the User, pay you forthwith and in full without any deductions or set-offs or counterclaim whatsoever the sum claimed by you in such Demand, or such lesser sum which in aggregate with all sums previously paid hereunder shall not exceed an amount equivalent to the Guaranteed Amount (as hereinafter defined).
2. The value of the Guarantee shall be from the date hereof an amount equivalent to USD [●] (United States Dollars [●] only) (**“Guaranteed Amount”**).
3. You may make an unlimited number of Demands under this Guarantee provided that the aggregate of all sums paid under paragraph 1 shall not exceed the Guaranteed Amount.
4. We shall make payment hereunder against receipt of a Demand made in accordance with paragraphs 1, 2, and 3 above without further proof or document and notwithstanding any dispute by the User and such a Demand will be conclusive evidence, subject always to the provisions of paragraph 6 below, of our liability to pay you and of the amount or amounts which we are liable to pay to you.



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5. Our obligations hereunder in respect of the sum or sums claimed under this Guarantee are primary, independent and absolute and not by way of surety only and we shall not be entitled as against you to delay payment.
6. This Guarantee shall enter into force on the date hereof and shall be a continuing irrevocable obligation and subject to paragraph 7.2 below shall remain in force and effect until *[Please insert the date occurring after one month from the date of expiry of the Agreement]* ("**Expiry Date**") provided that if the date when we have paid you a sum which equals (or sums which in aggregate total) the Guaranteed Amount pursuant to the written Demand or Demands under paragraph 1 ("**Full Payment**") occurs earlier than the Expiry Date, the Guarantee shall cease to have force and effect from the date on which Full Payment occurs.
7. If before the Expiry Date, the Agreement has been terminated, our obligations hereunder (unless Full Payment has already occurred) shall continue until (but which shall not extend in any case beyond the Expiry Date) the earliest of the date on which:
 - 7.1 GMCAC notifies us in writing that it has no further entitlement under this Guarantee; or
 - 7.2 GMCAC notifies to us that full payment has been made under the Agreement.
8. Any waivers, extensions of time or other forbearance given or variations required under the Agreement or any invalidity, unenforceability or illegality of the whole or any part of the Agreement or rights, of any party thereto, or amendment or other modification of the Agreement, or any other fact, circumstance, provision of statute or law which might, were our liability to be secondary and not primary, entitle us to be released in whole or in part from our undertaking, shall not in any way release us from our obligations under this Guarantee.
9. Subject to paragraph 6, we shall not be in any way released or discharged from any liability hereunder by the termination of the Agreement arising due to insolvency, winding up, re-organization, amalgamation or liquidation of the User (including any appointment of a receiver, administrator, administrative receiver or supervisor of the User or any of its assets) nor any dispute or disagreement whatsoever under the Agreement between you and the User or any other person, or any disclaimer of the Agreement by the User or any liquidator or any other person and the obligations of ours hereunder shall be continuing and shall remain in full force and effect. We shall indemnify you immediately on demand against any cost or liability suffered by you as a result of the obligation to pay in accordance with paragraph 1 above being or becoming unenforceable, invalid or contrary to the laws of Cebu, Philippines (except in the case of fraudulent demand).
10. References herein to you shall be construed so as to include any successors or permitted assigns or any such person in accordance with their respective interests.
11. Any reference in this Guarantee to any other agreement or document shall, unless otherwise expressly provided herein, be construed as a reference to that other agreement or document as the same may be amended, supplemented or novated from time to time.
12. The benefits of this Guarantee may not be assigned by us. The benefits of this Guarantee may however be assigned in full by you to any person to whom all the benefits of the Agreement are transferred, in accordance with the provisions of the Agreement, if any, on to the lenders funding the project. We undertake following receipt of a notice of any such assignment to make any payments made hereunder in accordance with the directions of such assignee.

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13. Any demand, notice or other communication given in connection with or required by this Guarantee shall be made in writing (entirely in the English language) to BDO Bank, Mactan - EPZA Compound, 6000 Lapu-Lapu City, Cebu which shall be the advising and negotiating bank.

14. Any such demand, notice or communication shall be deemed to have been duly served:

- a. If delivered by hand and acknowledged by the bank ;
- b. If given or made by pre-paid registered post, when received,
- c. If sent by e-mail/scanned letter, on the date of delivery.

provided in each case that if the time of such deemed service is either after 5.00 p.m. on a Business Day (being a day, other than a public holiday, on which banks are open for domestic business in the city of Lapu Lapu) or other than on a business day service shall be deemed to occur instead at 9.00 a.m. on the next following business day.

15. This Guarantee shall be governed by and construed in accordance with the laws of the Republic of the Philippines and the parties to this Guarantee hereby submit to the jurisdiction of the Courts at, Lapu Lapu City, Philippines for the purposes of settling any disputes or differences which may arise out of or in connection with this Guarantee, and for the purposes of enforcement under this Guarantee.

IN WITNESS HEREOF this Guarantee has been duly executed by the Guarantor on this [●] day of [●]

Signed by)
[●])
For and on behalf of the Guarantor)
Dated:



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Schedule 9 – Other Charges

Use of Lounges.

PARTICULARS	RATES
2.1 VIP Lounge	₱ 3,046.88 /hour/or fraction thereof
	₱

EXEMPTIONS:

1. *Diplomats;*
2. *Government Dignitaries;*
3. *Designated Guests and Personnel of the Government of the Philippines and the Grantors in accordance with the list provided by the Government of the Philippines/Grantors from time to time.*

UTILITIES

Sec. 1 **Electric Power Charges:** Lessees and/or tenants of the buildings and/or spaces shall be charged for their electrical consumption based on actual meter readings in accordance with MECO rates plus TWELVE AND A HALF PER CENT (12.5%) maintenance and service fees; provided, however, that the minimum charge shall be THREE HUNDRED PESOS (₱300.00). **NOTE:** Electrical Maintenance Services covers to fix and restore the electrical facilities to normal condition. All consumable electrical materials involve herein such as assorted types of lightings, ballasts, starters, lighting fixtures, sockets, outlets, receptacles and Kw-Hr/etc. meter shall be shouldered by the Lessee during the maintenance.

Sec. 2 **Telephone, Cable Pairs and Rights of Way for Communications Facilities:**

2.1 Telephone

2.1.1	Main / Local	₱	450.00 /unit/month
2.1.2	Extension	₱	225.00 /unit/month

2.2 Cable Pairs

2.2.1	House Cable	₱	112.50 /line/month
2.2.2	Outside Cable	₱	112.50 /unit/month

2.3 Deposit for Telephone Set ₱ 2,500.00 /apparatus

2.4 Right of Way for Telephone, Teletype, Cable Pairs, Video monitors and Antennae System ₱ 337.50 /month

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Sec. 3 **Water, Waste Water & Connection, Sewerage System & Air Conditioning.** Lessees and/or tenants of buildings and/or spaces without water provisions and who wish to connect GMCAC water and supply lines shall be required to apply for a water connection permit.

PARTICULARS	RATE
3.1 Water Connection Permit	₱ 500.00
3.2 Water Consumption Charge	actual meter readings in accordance with MCWD rates plus 12.5% maintenance & service charges
3.3 Late Payment Charge	additional 5% on payment of overdue charges
3.4 Waste Water Charge	
3.4.1 Waste Water Connection Permit	₱ 500.00
3.4.2 Maintenance & Service	₱ 100.00/month
3.5 Aircraft Sewage Disposal	
3.5.1 Sewage Discharge Permit	₱ 500.00
3.5.2 Disposal Charge	₱ 25.00/cubic meter
3.6 Air Conditioning Charge	
3.6.1 Repair & Maintenance Service	₱ 200.00/hour

Lessees and/or tenants of buildings and/or spaces with GMCAC owned utilities such as package type air-conditioning units, restroom fixtures, etc., upon request from lessees and/or tenants shall be charged on an hourly basis for services rendered. This excludes materials and spaces needed to accomplish maintenance or repair service.

Sec. 4 **Other Utility Fees and Charges.**

Electrical:

Particulars	Rate
4.1 Installation/Connection Permit for Utilities such as electric	
4.1.1 Commercial	₱ 300.00/point/terminal
4.2 Permit Fee for Reconnection, Repair, Renovation, or Improvement of Buildings and similar structures	
4.2.1 Commercial	₱ 300.00/application
4.3 Permit Fee for Construction of Buildings, Hangars and similar structures	
4.3.1 Commercial	₱ 300.00/application

Telephone:

Particulars	Rate
4.4 Installation/Connection Permit for Telephone	
4.4.1 Commercial	₱ 250.00/point/terminal
4.4.2 Reconnection Fee Permit	₱ 250.00/point/terminal

Others:

Particulars	Rate
4.5 Permit Fee for Reconnection, Repair, Renovation or improvement of buildings and similar structures:	

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4.5.1 Commercial	₱ 600.00/application
4.6 Permit Fee for construction of buildings, hangars and similar structures: 4.5.1 Commercial	₱ 1,450.00/application

Sec. 11 **Miscellaneous Fees and Charges.** For the issuance or replacement of MCIAA Access Cards, Vehicle Permit and Reserved Parking Stickers and other Miscellaneous services shall be charged in accordance with the following rates:

NOTE: The issuance of Temporary Pass on individuals/vehicles on cases not falling under the above category shall be determined by the General Manager or his duly authorized representative.

Particulars	Rate
11.1 Issuance of Access Cards/ID --Concessionaire./airlines/gov't employee -- Manager's Pass	₱ 300.00/card/year ₱ 400.00/card/year
11.2 Replacement Penalty Fee: -- First Loss -- Second Loss -- Third Loss -- Repair of RAB/TB	₱ 250.00/card ₱ 500.00/card ₱ 1,000.00/card ₱ 50.00/card
11.3 Reserved Parking Stickers	₱ 100.00/sticker
11.4 Vehicle Stickers for access to various Airport Restricted Areas	₱ 150.00/sticker
11.5 Vehicle Stickers at Parking Area III as authorized for: -- car/sedan/van -- motorcycles	₱ 1,500.00/sticker/year ₱ 300.00/sticker/year
11.6 Vehicle Stickers for authorized Airport Transportation Concessionaires (TUC)	
11.6.1 Delivery Service	₱ 150.00/Sticker
11.6.2 Rent-a-car/Hotel/ Travel Agency Vehicles: -- Sedans -- Vans/Mini-coasters -- Bus	₱ 200.00/Sticker ₱ 250.00/Sticker ₱ 300.00/Sticker
11.7 Visitor/Temporary Access Pass	₱ 50.00/issuance for not more than one (1) month's usage
Temporary Vehicle Pass	₱ 50.00/issuance for not more than three (3) days usage
11.8 Reproduction of Official Records	₱ 20.00/page
11.9 Issuance of MCIAA Clearance/Certificate	₱ 20.00/issuance

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11.10	Replacement of Lost Visitor's/Vehicle Temporary Pass:	
	- First Loss	₱ 100.00/pass
	- Second Loss	₱ 120.00/pass

Sec. 12 **Garbage Collection Fees.** Garbage Collection Fee should be levied to all lessees at the Cargo area depending on the area they occupied at a rate of ₱0.05/m²/month. Provided, however, that the minimum fee should not be less than Two Hundred Pesos (₱200.00) per month and the maximum fee should not be more than One Thousand Pesos (₱1,000.00) per month.

PENALTY PROVISIONS

Driver-based Violations:

Particulars	Rate
Failure to observe Vehicle Lanes	₱ 2,000.00 /violation
Driving without AMA Driver's Permit	₱ 2,000.00 /violation
Driving with expired AMA Driver's Permit/Sticker/GECN DTS/Passing thru Non-loading bearing areas	₱ 2,000.00 /violation
Illegal Transfer/Use of AMA Driver's Permit	₱ 2,000.00 /violation
Illegal Transfer/Use of AMA Sticker/GECN Violation of AMA Color Access Limit Illegal Dumping of Unit Load Device (ULD)	₱ 2,000.00 /violation
Towing Excessive ULD's (6 small maximum) and (4 big maximum)	₱ 2,000.00 /violation
Towing of Defective Dollies	₱ 2,000.00 /violation
Towing of Open Containers	₱ 2,000.00 /violation
Failure to Use Restraining Net	₱ 2,000.00 /violation
Failure to Use Beacon Light	₱ 2,000.00 /violation
Parking within Aerobridge Safety Perimeter Area	₱ 2,000.00 /violation
Unauthorized Driving under Wing of an aircraft	₱ 2,000.00 /violation
Traversing under Terminal 1 Apron (Baggage build-up breakdown areas)	₱ 2,000.00 /violation
Obstruction of Vehicular Lane	₱ 2,000.00 /violation

Parking Violations:

Improper Parking on Prescribed Slots	ID Confiscation but released upon payment of ₱500.00
Illegal/Double Parking	
1 st Offense	ID shall be confiscated, Access Privilege shall be suspended for 1 week and a fine of ₱1,000.00
2 nd Offense	ID shall be confiscated, Access Privilege shall be suspended for 2 weeks and a fine of ₱1,000.00
3 rd Offense	ID shall be confiscated, Access Privilege shall be suspended for 1 month and a fine of ₱1,000.00

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4 th Offense	Banned from the use of Parking Facility, 6 months suspension of Access Privilege and a fine of ₱1,000.00
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Other Violations:

Prohibition of 2-wheeled and 3-wheeled vehicles	₱ 2,000.00 /violation
Unescorted Motor Vehicle	₱ 2,000.00 /violation
Jogging, Loitering, Illegal Vending, Gambling, Playing at GAA	₱ 2,000.00 /violation + ID Confiscation
Violation of Smoking Ban	₱ 1,000.00 /violation
Loss of GAA Temporary Visitor Pass	₱ 500.00 /violation
Loss of GAA Temporary Vehicle Pass	₱ 1,000.00 /violation

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Mactan Cebu International Airport

Issued on: 1st November 2014