

Program of Resource Coordination During the Phase of Operation Transfer of the “Two Airports in One City” of Beijing

(Applicable to Airlines from Hong Kong, Macao and Taiwan Regions as well as Foreign Airlines)

In order to facilitate operation transfer after the inauguration of Beijing Daxing International Airport, and promote the building and balanced development of dual international hubs in Beijing, this Program of Resource Coordination During the Phase of Operation Transfer of the “Two Airports in One City” of Beijing is hereby developed, applicable to airlines from Hong Kong, Macao and Taiwan regions as well as foreign airlines that have operations in Beijing Daxing International Airport and Beijing Capital International Airport, and is valid from October 27, 2019 to March 26, 2022. Details are as follows:

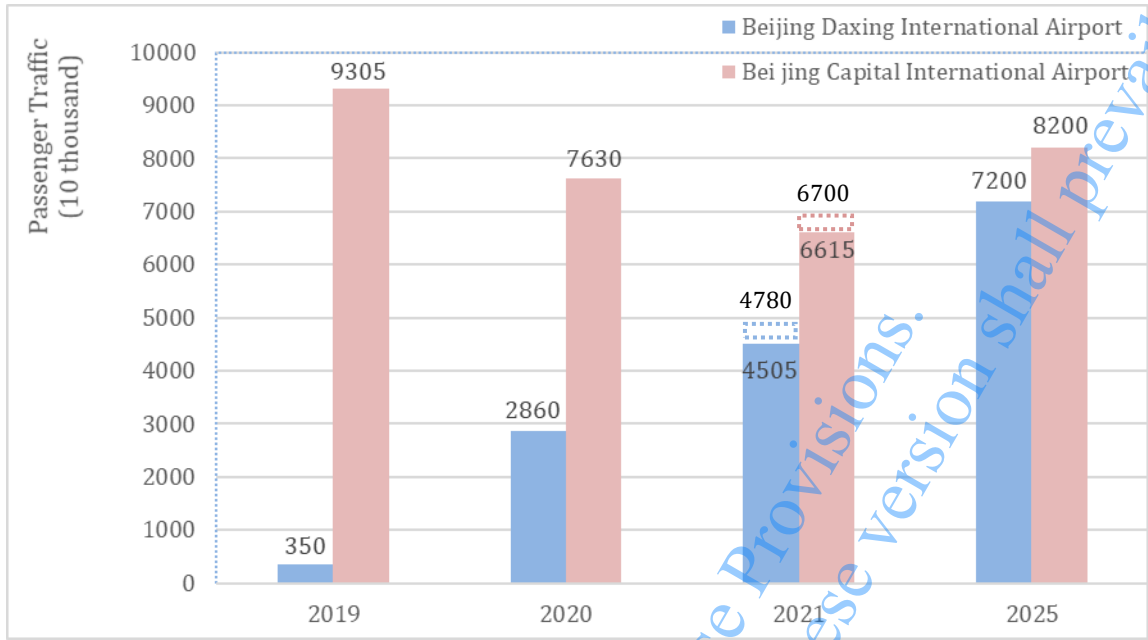
I. Functional Positioning and Development Objectives of the “Two Airports in One City” of Beijing

1. Functional Positioning of the “Two Airports in One City” of Beijing

Beijing Daxing International Airport is positioned to become a large international aviation hub and an integrated transport hub for the Beijing-Tianjin-Hebei region; while Beijing Capital International Airport, a large international aviation hub and an important composite hub for the Asia Pacific region. The two airports together will constitute an international airport layout with dual hubs with coordinated development and moderate competition, promoting the building of airports in the Beijing-Tianjin-Hebei region into a world-class airport cluster.

2. Development Objectives of the “Two Airports in One City” of Beijing

Beijing Daxing International Airport will reach the operational objective of 45 million and 72 million passenger traffic respectively in 2021 and 2025; and Beijing Capital International Airport, by implementing from 2020 to 2025 the innovation program aimed at “quality and efficiency improvement”, will achieve the traffic objective of 82 million passengers.



Note: Dotted boxes represent that the passenger traffic may increase when the regularities out of the two airports both exceed 85%.

*This is a translation of the Chinese Provisions.
In case of divergence of interpretation, the Chinese version shall prevail.*

II. Principles for Operation Transfer of the “Two Airports in One City” of Beijing

1. Safe, Stable and Orderly Operation

Considering the supporting capabilities of relevant equipment and facilities during the new airport’s initial operation period, numbers of flights will be subject to strict restriction at the beginning to ensure a safe inauguration; restrictions will be gradually lifted after the aeronautic information becomes effective as of October 10. Starting from the 2019/2020 winter season till the 2021/2022 winter season, phased flight plans for operation transfer will be rationally arranged for the five flight seasons at Beijing Capital International Airport and Beijing Daxing International Airport.

2. High-quality and Sustainable Development

Operation capacity and flight slot resources of Beijing Daxing International Airport and Beijing Capital International Airport shall be coordinated in a scientific and reasonable manner, so as to ensure that the two airports achieve high-quality development while maintaining relatively good flight regularity performance and operation support capabilities. For Beijing Daxing International Airport, capacity will be capped at 1510 movements/day during the coordinating hours (06:00-01:59), and 62 movements/hour during peak hours; and for Beijing Capital International Airport, capacity will be capped at 1350 movements/day during the coordinating hours (06:00-01:59), and 70 movements/hour during peak hours. The combined capacity at the two airports will be capped during the coordination hours (06:00-01:59) at 2400 movements/day, and the regularities out of the two airports will both exceed 80%.

Based on the guiding principle of “optimization and growth-driven operation transfer”, a step-by-step approach will be adopted for resource coordination during the phase of operation transfer of the “Two Airports in One City” of Beijing by the order of “transfer first, followed by optimization and incremental growth”.

Note: Capacity cap figures mentioned above are initial results of the operation capacity assessments at the two airports, in the case of inconsistency of which with the final capacity assessment report published officially, the latter shall prevail.

III. Inauguration Plan of Beijing Daxing International Airport

1. Starting from the 2019/2020 winter season, some of domestic airlines including China Eastern Airlines and China Southern Airlines will move, in proportion and as planned, their operations from Beijing Capital International Airport to Beijing Daxing International Airport, and the transfer will be completed by the 2021/2022 winter season; other domestic airlines including Air China and Hainan Airlines will keep operating at Beijing Capital International Airport. (See Annex 1)
2. Starting from the 2019/2020 winter season, airlines from Hong Kong, Macao and Taiwan regions and foreign airlines could choose to either develop their own plan to transfer their operations to Beijing Daxing International Airport, or continue to operate at Beijing Capital International Airport, or operate at both airports.
3. During the 2019/2020 winter season, flight slots will be increased by a small amount at Beijing Daxing International Airport, but not at Beijing Capital International Airport, and the two airports will respectively optimize and adjust as

appropriate their flight slot structure accordingly based on their capacities during peak hours. Starting from the 2020 summer season till the 2021 summer season, flight slots will be gradually increased at Beijing Daxing International Airport, but not at Beijing Capital International Airport, and the two airports will respectively optimize and adjust part of their flight slot structure accordingly based on their capacities during peak hours. Starting from the 2021/2022 winter season, subject to full consideration of the clearance regularities and number of flights as planned, flight slots may be increased respectively at the two airports and the two airports will respectively optimize and adjust in an all-round manner their flight slot structure accordingly based on their capacities during peak hours.

4. From September 30, 2019 to March 26, 2022, during the operation transfer to Beijing Daxing International Airport, Beijing Daxing International Airport and Beijing Capital International Airport will make seasonal adjustments to their planned traffic according to the regularities out of the two airports and operation support capabilities thereof.

Notes:

1. Optimization and adjustment of flight slot structure refers to the process of adjusting historical slots for flights departing or arriving on different directions and hours after scientific assessment and analysis, in an effort to improve flight regularity and operational efficiency.

2. Durations of flight seasons concerned are as follows:

2019/2020 winter season: October 27, 2019 - March 28, 2020;

2020 summer season: March 29, 2020 - October 24, 2020;

2020/2021 winter season: October 25, 2020 - March 27, 2021;

2021 summer season: March 28, 2021 - October 30, 2021; and

2021/2022 winter season: October 31, 2021 - March 26, 2022.

IV. Relevant Measures for Resource Coordination for the “Two Airports in One City” of Beijing

1. Transference of flight slots

For the initial stage of transferred operations to Beijing Daxing International Airport (till October 26, 2019), flight slot arrangement should remain stable after operation transference, and in principle it should be the same as they were at Beijing Capital International Airport.

2. Optimization and adjustment of flight slot structure

(1) During the transferred operations to Beijing Daxing International Airport (October 27, 2019 to March 26, 2022), when the peak hour capacities are below 70 movements per hour (inclusive) and 62 movements per hour (inclusive) at Beijing Capital International Airport and Beijing Daxing International Airport respectively, the two airports may optimize and adjust their flight slot structures step by step within the range allowed for peak hour capacity caps. For Beijing Daxing International Airport, the proportion of flight slots subject to optimization and adjustment to the total flight slots transferred during the same season shall not exceed 40% in principle, and the time period allowed for structural optimization and adjustment is from 00:00 to 23:59; and for Beijing Capital International Airport, that proportion shall not exceed 20% in

principle, and the time period allowed for structural optimization adjustment is from 06:00 to 23:59.

(2) By March 26, 2022, in principle, slot arrangement of scheduled flights on relevant routes that have completed structural optimization and adjustment in the previous season should remain stable, and should not be subject to adjustment and optimization once again during the next equivalent season. The total amount of slots in the same time period subject to structural optimization and adjustment should not exceed 50% of the capacity caps for that time period. Newly added slots in the same period shall take precedence over those which are structurally optimized and adjusted; and newly added slots are not subject to structural optimization and adjustment.

(3) Beijing Daxing International Airport shall have the priority in the optimization and adjustment of flight slots of the two airports, and once-for-all flight transference shall have priority over phased transference. In case of same conditions, the order of priorities is determined based on the results of flight operation quality assessment rank for the last flight season by CAAC North Regional Administration.

(4) Airlines subject to penalty by CAAC or CAAC North Regional Administration due to aviation safety or flight regularity problems during the current season, in principle, will not undergo optimization and adjustment of flight slot structure or will face reduced proportion of relevant optimization and adjustment according to actual conditions for the following two consecutive flight seasons, till their rectifications are completed.

3 Newly Added Flight Slots

(1) Starting from the 2019/2020 winter season till the 2021/2022 winter season, with the full consideration of the clearance regularity and operation support capabilities, flight slots could be increased at the two airports by season and by step in accordance with air service agreements between China and other countries and regions and relevant provisions including Measures for the Administration of Civil Aviation Flight Slots.

(2) In order to improve the efficiency of transferred operation from the Beijing Capital International Airport to the Beijing Daxing International Airport, the amount of newly increased flight slots should be coordinated in tiered proportion to the actual transferred flights in different flight seasons based on the support capabilities of Beijing Daxing International Airport and demand of airlines for transferred operation. In principle, allocation of flight slots newly added by relevant proportion should be completed together with that of transferred flights at the beginning of the current season. The newly added flight slots will become effective as of the effective dates contained in the approval documents till the end of the season, and the usage right for historical slots will automatically expire once the implementation rate of the slots is below 80%.

(3) The rest flight slots left after the Beijing Daxing International Airport and Beijing Capital International Airport respectively finish the administratively proportionate allocation required for transferred operations will be put into the flight slot pool, and over 50% of which will be used for international and regional routes.

(4) The newly added flight slots based on proportionate coordination for transferred operations at Beijing Daxing International Airport shall have priority over other newly added flight slots. In case of same condition, the order of priorities for the incumbent

operating airlines is determined based on the results of flight operation quality assessment rank for the last flight season by CAAC North Regional Administration.

(5) Newly added overnight flight slots at Beijing Daxing International Airport and Beijing Capital Airport shall meet requirements on relevant support capabilities at the two airports such as overnight parking stands. The increase of newly added flight slots during 02:00 to 05:59 shall be subject to strict control.

(6) Airlines subject to penalty by CAAC or CAAC North Regional Administration due to aviation safety or flight regularity problems during the current season, in principle, will not be approved for newly added flight slots at Beijing Daxing international Airport and Beijing Capital International Airport, or will face reduced addition of new flight slots according to actual conditions for the following two consecutive flight seasons, until the rectifications are completed.

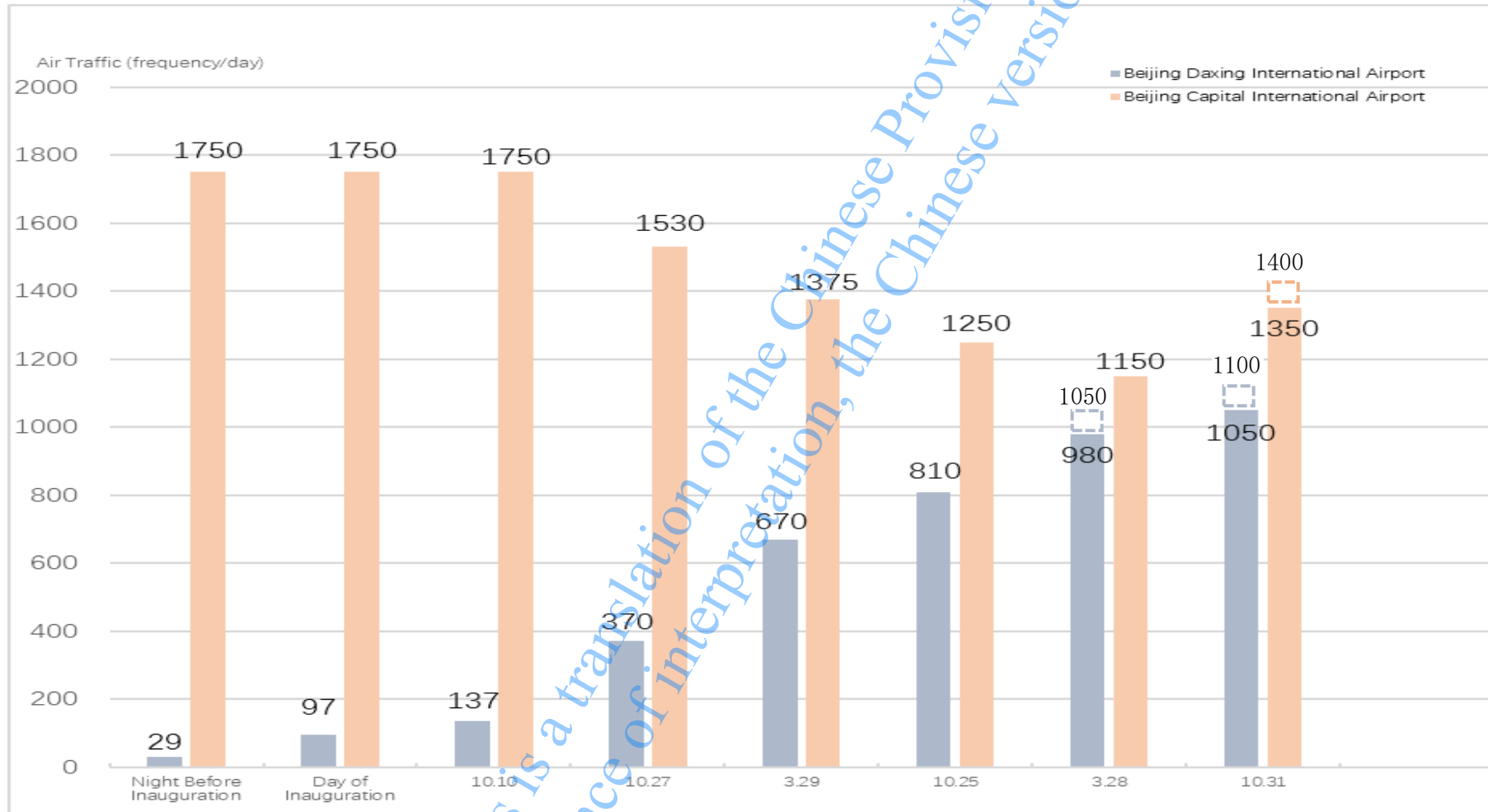
Note: Forecast of the total amount of transferred operations by airlines is temporarily based on the historical flight slots of the 2017/2018 winter season and 2018 summer season. After the operation transference and when Beijing Daxing International Airport is inaugurated, then historical flight slots of the 2018/2019 winter season and 2019 summer season will be referenced for airlines' final amount of transferred operations for the corresponding seasons. For the amount of historical flight slots of airlines for winter and summer seasons, and the coordinating proportion for flight slot addition during the operation transference phase for the "Two Airports in One City" of Beijing, refer to Annex 2 and Annex 3.

Annexes:

1. Fluctuation Range of the Projected Number of Flights During the Operation Transfer Phase of the "Two Airports in One City" of Beijing
2. Number of Historical Flight Slots Assigned to Airlines in Winter and Summer Seasons
3. Coordination-based Proportion of Slots to be Newly Added for Operation Transfer to Beijing Daxing International Airport

Annex 1

Fluctuation Range of the Projected Number of Flights During the Operation Transfer Phase of the “Two Airports in One City” of Beijing



Annex 2

Number of Historical Flight Slots Assigned to Airlines in Winter and Summer Seasons

Airport	Type	Airline	2017/2018 Winter Season (00:00-23:59)	2018 Summer Season (00:00-23:59)
Capital Airport	Airlines from Hong Kong, Macao and Taiwan Regions	Cathay Pacific	42	42
		Air Hong Kong	10	10
		Eva Air	14	14
		China Airlines	16	16
		Hong Kong Airlines	42	56
		Air Macau	42	42
		Dragon Air	98	98
	Subtotal		264	278
	Foreign Airlines	Thai Airways International	42	42
		Swiss International Air Lines	10	14
		Air Koryo	10	10
		Austrian	10	10
		Pakistan International Airlines	12	12
		SAS	14	14
		Qantas Airways	14	14
		Air Bridge Cargo Airlines	14	14
		Ural Airlines	14	26
		Mongolian Airlines	14	20
		KLM	14	14
		Qatar Airways	14	14
		British Airways	14	14
		FinnAir	14	14
		Fedex	14	14
		Ethiopian Airlines	14	14
		Malaysia Airlines	14	14
		Turkish Airlines	14	14
		Air Astana	16	22
		Cebu Pacific Air	16	14
		Garuda Indonesia	18	22
		Ukraine International Airlines	18	14
		Air Mauritius	2	/
		Air Leisure	2	2
JSC Taimyr Airline		2	2	
Tajik Air	2	/		

		Philippine Airlines	20	20
		Air France	20	28
		Vietnam Airlines	24	16
		Emirates	28	28
	Foreign Airlines	Delta Air Lines	28	28
		Aeroflot-Russian Airlines	28	42
		Air Canada	28	28
		Ethihad Airways	28	28
		AirAsia	28	14
		Deutsche Lufthansa AG	32	36
		S7 Airlines	34	46
		Cargolux Airlines International	4	4
		Uzbekistan Airways	4	4
		Air Algerie	4	4
		Turkmenistan Airlines	4	6
		SAT Airlines	4	8
		Azerbaijan Airlines	4	6
		Japan Airlines	42	42
		Singapore Airlines	42	42
		American Airlines	42	42
		All Nippon Airways	56	56
		United Airlines	56	56
		LOT Polish Airlines	6	6
		Israel Airlines	6	6
		Egypt Air	6	6
		Hawaiian Airlines	6	6
		Mahan Air	6	6
		Angkor Airways	6	6
		Cambodia Airways	6	6
		Asiana Airlines	62	78
		Korean Air	70	76
		SriLankan Airlines	8	8
		Alitalia Societa Aerea Italiana	8	/
		Jeju Air	/	6
		Subtotal		1092
Total			1356	1436

Annex 3

Coordination-based Proportion of Slots to be Newly Added for Operation Transfer to Beijing Daxing International Airport

Type of Operation Transference	Coordinated Proportion of Slot Increase				
	2019/2020 Winter Season	2020 Summer Season	2020/2021 Winter Season	2021 Summer Season	2021/2022 Winter Season
Once-for-all	35%	30%	20%	15%	/
Phased	/	/	/	/	/

Note: If the proportion allocation result of newly added flight slots is less than one, it will be considered as one flight slot, otherwise the result will be rounded.

In case of divergence of interpretation, the Chinese version shall prevail.