

JV Core Principle

CORE PRINCIPLES FOR BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED

- The following sets out the Core Principles adopted for *Bangkok Aviation Fuel Services Public Company Limited* (“BAFS”).
- In the event of any conflict between these Core Principles and any translations, the provisions of the Core Principles in the English language version shall prevail.

1. ROLE OF BAFS¹

- (a) BAFS may from time to time have access to all information that is strictly necessary to ensure its safe and efficient operation / management. Such information will, in particular, include the individual volume of fuel supplied (or planned to be supplied) by each of the user of BAFS’ aviation fueling facilities (“User(s)”). In addition, the identity of all airline customers to be fuelled may be accessible by BAFS.
- (b) On account of its access to potentially Sensitive Information (see definition in Appendix 1 attached hereto) BAFS need to pay particular attention to situations where there is a risk of exchange of such information between actual or potential competing fuel supplier(s) (“Competitor(s)”) and restrict such flow to that which is strictly necessary. In particular, BAFS shall ensure that Sensitive Information of a Competitor(s) is not passed to (i) any Fuel Operation Committee member(s); or (ii) User representative, who is a representative of a competing fuel supplier (“Representative(s)”) beyond the legitimate scope set out in Section 2 below. Should BAFS believe it necessary to share Sensitive Information beyond the legitimate scope set out in Section 2, BAFS should seek prior consultation from a legal advisor and the relevant/affected User(s).
- (c) If an airline has split its business at an airport between suppliers who are participants in different into-plane operations (JVs or otherwise) at that airport, BAFS must take particular care to ensure that information provided to or received from the operator / manager of the other into-plane operations that is / are supplying the shared customer(s) in question is limited to the: (i) identity of the shared customer(s); (ii) aggregate volumes supplied by each of the operations to the shared customer(s); (iii) aggregate number of refuellings of the shared customer(s); and (iv) overall breakdown as to the number of long and short-haul flights of the shared customer(s).
- (d) Where BAFS is administering a split contract, caution shall be exercised to ensure that Sensitive Information about the business of competing fuel suppliers is not passed to the Representatives / throughputters beyond the legitimate scope set out in Section 2 below. For example, each affected Representative of a supplier / throughputter that is a party to a split contract only needs to know: (i) that its percentage volume is being supplied (or if the split is out of balance, to what extent and what needs to be done to remedy the situation); and (ii) that it is receiving an appropriate allocation of long and /

¹ The wording “BAFS” means BAFS itself as the participant operator which shall include a third party operator /contractor(s) that may be appointed or hired by BAFS. The BAFS manager means an individual retained by BAFS to manage BAFS’s operations on its behalf.

or short haul flights. Save and except as set out herein, any Representative / User shall not be provided with information about other suppliers' volumes or flights supplied.

- (e) In view of the fact that BAFS has access to potentially Sensitive Information, care must be taken to ensure that BAFS does not act as a conduit for the transmission of potentially Sensitive Information between Competitors / User(s).
- (f) It is expressly acknowledged and recognised that BAFS does not engage in the marketing, sale and/or supply of aviation fuels. BAFS is the operator and/or provider of storage, hydrant and into-plane services at Bangkok airport. BAFS undertakes to procure that its operations manager as defined in Footnote 1 maintains the principles of these Core Principles. BAFS will procure that its operations manager shall, so far as he / she is able, procure that BAFS key supervisory staff involved in aviation operations receive regular competition law compliance training addressing issues relevant to aviation operations.
- (g) In circumstances where employees / contractors of any aviation fuel supplier conduct activities pursuant to which there may be access to Sensitive Information (e.g. JIG inspections) of BAFS, BAFS shall ensure that appropriate confidentiality agreements are signed².

2. ROLE OF THE REPRESENTATIVES

- (a) It is appropriate to establish procedures to ensure that only the minimum level of potentially Sensitive Information that is strictly necessary to ensure safe and efficient operation and shareholder stewardship is communicated by BAFS to the Representatives / Users.
- (b) The following are examples of items that Representatives / Users may steward and the information that may be accessed in connection with such tasks. However, Representatives / Users shall not have access to information that discloses the identity of particular Users' customers³ or that includes the individual volume of fuel supplied by other Users to their individual or shared customers (e.g., User X has a contract to supply (or has supplied) Y litres to Airline Z).
 - (i) **Budgets/Tax.** To ensure that operating and capital budgets are properly managed and to comply with fiscal and/or tax regulations, Representatives / Users may need to provide to BAFS their forecast, for the planning period, of the fuel that the company they represent expects to supply through BAFS together with the anticipated types of business / aircraft. BAFS may then aggregate the information received from all Users and report back the total volume to be delivered by BAFS, split by the type of business / aircraft to be serviced (e.g., X% is on long haul and the balance of Y% is on short haul) to only the Representatives. However, this information does not need to identify the airlines involved or the actual or forecast volumes of fuel to be supplied by individual Users. As a consequence, Representatives will have information on the total volume that will be handled by BAFS, divided by

² If BAFS considers that, in the relevant circumstances, confidentiality agreements are not required, appropriate legal advice should be obtained before any such decision is taken.

³ There is an exception where it is strictly necessary, for HSE and / or trade sanctions reasons, in the circumstances and subject to the process set out in the subsection below entitled, respectively, "Safety" and "Trade sanctions".

the type of business in sufficient detail to enable the calculation of expenses in line with activity based and any other type of costing (equipment, storage, manpower, etc.).

- (ii) **Operational efficiency.** To ensure the efficiency of operations, Representatives may be required to carry out frequent reviews of BAFS operations. This implies receiving information on the services being provided at any given time in a day by BAFS. This information does not need to identify the Users involved or the identity of the airlines in question⁴. For instance, a Representative may need to know that at 8 am BAFS has 4 planes to refuel, belonging to two different airlines, of which two are short haul and two are long haul flights; however, he / she will not need to know which Users are the suppliers or the identity of the airlines in question.
- (iii) **Safety.** To conduct operations safely and with due regard to Safety, Health and Environmental (HSE) regulations, Representatives need to be assured of the quality and integrity of the fuel that will be supplied using BAFS facilities. While the primary responsibility for ensuring product quality / integrity rests with BAFS, periodically technical staff of the User may review compliance with industry safety standards⁵ and issue a report to Representatives as to BAFS's compliance with procedures regarding quality, testing and ensuring traceability of the product. While such reports necessarily contain extensive information about BAFS' operations that pertain to safety, they do not need to identify the individual volume of fuel supplied by the Users. In addition, Representatives may need to be informed about a participant's or throughputter's customer that has a poor safety record or may otherwise pose a risk from an HSE perspective. For this reason reference may be made to JIG Guidelines or another set of criteria, recognised in the industry for the purpose of defining the HSE compliance record of an airline. It should be agreed that, in any case in which a participant or throughputter wants to supply, via BAFS's facilities, an airline that is below such HSE standards, BAFS may disclose the identity of the customer to Representatives⁶. This assessment does not require volume information, but information on the frequency with which the customer is or will be serviced may need to be exchanged.
- (iv) **Trade sanctions.** To comply with US or other trade regulations, Representatives may need to know if a User intends to or has contracted to supply, via BAFS' facilities, an airline customer that is affected by applicable US or other trade regulations. In such circumstances it may be necessary (at BAFS discretion) for the identity of the relevant airline customer (but not the identity of the supplier) to be disclosed by BAFS to the Representative of any User that is subject to such legislation.
- (v) **Special requirements.** In order to minimise costs and ensure that the operations are conducted in adherence to the approved budget,

⁴ While the identity of the airlines may, in fact, be known from public sources (i.e. airline timetables) this information need not be communicated within BAFS.

⁵ JIG Checklist and Guidelines are typically used.

⁶ It should be noted that the identity of the supplier of the relevant customer should only be disclosed where that information is considered necessary to resolve the identified safety concern.

Representatives may need to be informed about airlines with special requirements that impact the cost of service (e.g., a requirement that a crew of X men is always available for an airline Y between 6 am and 8 am and whether the flight is long or short haul). Reference should be made to a standard cost of service by BAFS, and it should be agreed that each time a participant or throughputter wishes to engage a higher-cost-to-serve airline customer, the participant or throughputter should be obliged to inform the Representatives about the service that results in the incremental cost, but no information on volume or the identity of the airline is required. Wherever possible, when this situation arises BAFS should in the first instance attempt to address this without reference to Representatives so as to preserve the anonymity of the supplier although it is recognised that this may not always be possible⁷.

- (vi) **Shared customers.** Many airlines split their business between several suppliers at an airport. Usually the airline asks its suppliers to determine how to implement the split and, if so, BAFS needs rules to achieve this, normally by allocating aircraft flight numbers by supplier. Affected Representatives may need to verify that the company they represent is meeting its contractual obligations to deliver a certain volume of fuel or percentage share of an airline's business. However, BAFS should provide to the individual suppliers of that airline only: (i) the aggregate volume supplied to the shared customer (including volume, if any, supplied to a shared customer by another into-plane service provider); (ii) the volume supplied by that individual supplier which is receiving the information; and (iii) the overall breakdown of long and short haul flights of that shared customer (including the fuellings, if any, carried out by another into-plane service provider at the airport). From this information, the relevant Representative should be able to ascertain that his / her company's percentage supply obligations are being fulfilled and it is receiving an appropriate allocation of long and short haul flights.
- (d) It is acknowledged that, as a principle for User's nomination of their Representatives, such user Representatives of BAFS shall not have any responsibilities for commercial airline sales / marketing activities⁸. If a User Representative appointed by any of the Users has any commercial airline sales / marketing responsibilities within his / her employer's organisation BAFS should be informed promptly. BAFS will then inform the other User Representatives who may either collectively or individually seek appropriate legal advice to determine what (if any) steps should be undertaken to manage information flows.

⁷ For example, in circumstances where BAFS does not have standard costs of service or the cost of the additional service to be provided, it may be difficult to quantify and will require agreement between the affected supplier and the Representatives to ensure it is allocated appropriately.

⁸ As such, User Representatives shall have no involvement in commercial decisions relating to prices charged, volumes supplied or other terms negotiated with commercial airline customers. Furthermore, User Representatives will have no account management relationship with commercial airline customers. This footnote does not apply to JV partners that are airlines or subsidiaries of airlines that self supply all or a portion of their fuel requirements.

APPENDIX 1

(A) Sensitive Information is information pertaining to actual or potential competitors that may have an impact on competitive conduct. This may include (but is not limited to):

- (i) the identity of customers;
- (ii) current / future prices discounts, allowances, credit terms;
- (iii) current/future sales volumes;
- (iv) pricing policies, price levels, price projections, price changes, differentials;
- (v) supply costs;
- (vi) supply and infrastructure availability outlooks;
- (vii) industry production changes;
- (viii) transportation rates or rate policies for individual shipments;
- (ix) contract bids for particular products or particular airports;
- (x) procedures for responding to airline bid invitations;
- (xi) customers' fees;
- (xii) plans for expansion of business/marketing customers;

It should be understood that not all of the items mentioned will be found within the framework of BAFS.

(B) Conversely, examples of information that is not normally considered sensitive under antitrust/ competition laws include: (i) safety, health security and environmental information; (ii) legislative change and compliance data; (iii) BAFS operating and technical information (e.g. product quality; availability of resources (other than stock); equipment specifications; equipment operation / failures and disruption resulting from such events) provided that such information does not result in the disclosure of the volume of fuel supplied to or the identity of Users' customers

(C) Information that is aggregated and / or historic may or may not be sensitive depending upon the circumstances including: how aged the data is; the level of aggregation; the object for which it is being gathered and disseminated; and / or the effect of such exercise on competition. Save where it is expressly stated to the contrary in these Core Principles (e.g. in Sections 1 and 2) Sensitive Information should not be shared (even when it is historic or aggregated) by BAFS without prior approval by all the Representatives.