

## Regulations for Security Money for Airport Fees

Establishment date: April 1, 2021

Final revision date: April 1, 2024

### (Purposes)

Article 1 Based on the Fukuoka Airport Service Regulations (hereinafter referred to as “Service Regulations”), these Regulations for Security Money for Airport Fees (hereinafter, these “Regulations”) stipulate necessary matters regarding Security Money deposited by Flight Operators in connection with the use of FIAC’s airport facilities of Fukuoka Airport.

### (Definitions)

Article 2 The terms used in these Regulations have the meanings set forth in the following.  
Terms not specified in the following have the meanings as defined in the Service Regulations.

- (1) “Existing Flight Operators” refers to Flight Operators that have had Regular Flight Service between April 1, 2019 and March 31, 2020.
- (2) “Provision of Security Money or Bank Guarantee” has the meaning specified in Article 3. 2.
- (3) “Initial Year” means the year that includes the month following the commencement date of flight service.

### (Provision of Security Money or Bank Guarantee by Regular Flight Operators)

Article 3 1. A Flight Operator that operates regular flight service to and from Fukuoka Airport (hereinafter referred to as “Regular Flight Operator”) must, no later than 30 days before the scheduled flight service commencement date, submit an Airport Fees Security Money Application (Form 1) in which the amount of Security Money calculated based on the formula specified in Attached Table 1 is stated. Then, Fukuoka International Airport Co., Ltd. (“FIAC”) confirms and accepts the application.

2. In accordance with the Airport Fees Security Money Application accepted pursuant to the provisions of the preceding Article, the Regular Flight Operator will, at least 10 days before the start of service, at its option, (i) deposit the entire amount of Security Money with FIAC in Japanese currency, or (ii) submit a written guarantee for Security Money issued by a bank (a) which is designated by the Financial Services Agency as “financial institution handling deposits” and listed in the bank license list with (b) a rating of A or higher given by a rating agency (R & I, JCR, Moody’s,

Standard & Poor's, or Fitch), designating a branch office of said bank in Japan as the payor and the processor of the withdrawal of the claimed discount (Such guarantee will be acceptable only if it is prepared in Form 2 or contains items approved by FIAC as equivalent to Form 2, and all the processes related to the guarantee can be performed at such bank's branch office in Japan; such guarantee is hereinafter referred to as "Bank Guarantee"). However, the Regular Flight Operator may have the due date for depositing Security Money or submitting Bank Guarantee stipulated in this Article (hereinafter such deposit or submission is referred to as "provision of Security Money or Bank Guarantee") changed only if it obtains prior written approval from FIAC.

3. In each year following the Initial Year, FIAC adjusts, when deeming it necessary, the difference between Security Money for the current year and Security Money for the previous year calculated in accordance with Appendix 1, by the end of July of each year. In the case of a deposit in Japanese currency, if the amount of Security Money for the current year exceeds that of the previous year, the Regular Flight Operator must deposit the difference as additional Security Money at the request of FIAC. If the amount of Security Money for the current year is less than that of Security Money for the previous year, FIAC must return the difference to the Regular Flight Operator at its request. In the case of Bank Guarantee, the Regular Flight Operator will submit to FIAC a new Bank Guarantee for the modified Security Money amount. FIAC will return the previous Bank Guarantee to the Regular Flight Operator in exchange for the new Bank Guarantee.
4. If the Regular Flight Operator has selected (ii) in paragraph 2, but the bank that issued the Bank Guarantee no longer meets either of the requirements in (a) or (b) of (ii), the Regular Flight Operator will report it to FIAC without delay. Then, in accordance with paragraph 2, the Regular Flight Operator must (i) deposit Security Money with FIAC in cash or (ii) obtain a new Bank Guarantee from another bank and submit it to FIAC.
5. If the Regular Flight Operator that had provided Security Money or Bank Guarantee under paragraph 1 discontinues regular flights to and from Fukuoka International Airport, FIAC will, at the request of the Regular Flight Operator, return Security Money or Bank Guarantee to the Regular Flight Operator. To receive the return of Security Money or Bank Guarantee, the Regular Flight Operator must submit an Airport Fees Security Money Return Application (Form 3) to obtain FIAC's approval. As of the date when such flights are discontinued, if the Regular Flight Operator has any debt owed to FIAC (including debt that has not yet come due), FIAC will collect

such debt by offsetting it with the same amount of Security Money and then return the balance to the Regular Flight Operator, or return Bank Guarantee in exchange for the payment of such debt.

6. The Regular Flight Operator will bear the bank transfer charge, the fee for executing the guarantee, and any other fees charged by the bank in connection with depositing Security Money or issuing a Bank Guarantee, regardless of the name of the charge.

#### (Exemption of Security Money)

Article 4 Notwithstanding the provisions of the preceding Article, FIAC exempts Existing Flight Operators from providing Security Money or Bank Guarantee stipulated in paragraph 1 of the preceding Article. However, such exemption will cease for an Existing Flight Operator as of the time it falls under any of the following conditions. In such case, within 30 days from the notification by FIAC, the Existing Flight Operator whose exemption has ceased must deposit cash or submit Bank Guarantee for Security Money calculated in Appendix 2, in accordance with paragraphs 1 and 2 of the preceding Article. Such Existing Flight Operator that has provided Security Money or Bank Guarantee will be treated in accordance with paragraphs 3, 4, and 5 of the preceding Article:

- (1) It does not resume flight service within twelve (12) months from the month following the last flight service date. If Flight Operators cannot operate their flight service due to an unavoidable reason, such as a pandemic, FIAC and Flight Operators will discuss in good faith to come to a decision on the exemption;
- (2) On and after the coming into force of these Regulations, an Existing Flight Operator providing regular flight service has failed to pay Airport Fees or fulfill any other obligation to FIAC for fifteen (15) days or more from the due date specified by FIAC; or
- (3) An Existing Flight Operator providing regular flight service has fallen under any condition stipulated in Article 6. 1 in the past.

2. If the Existing Flight Operator falls under any of the conditions in the preceding paragraph, but there are particular circumstances to be considered, FIAC may, at its discretion, continue to exempt it from providing Security Money or Bank Guarantee.
3. Notwithstanding the provisions of the preceding Article, FIAC may exempt an Existing Flight Operator from providing Security Money or Bank Guarantee for any

other reason if FIAC deems it appropriate.

(Failure to deposit Security Money by the due date)

Article 5 If a Regular Flight Operator fails to deposit Security Money as stipulated in Article 3, FIAC may suspend it from using takeoff/landing facilities or facilities specified under Article 15. 3 of the Service Regulations and/or take other necessary measures until it receives Security Money.

(Appropriation of Security Money)

Article 6 If a Flight Operator that has provided Security Money falls under any of the following conditions, FIAC may, at its discretion, collect the outstanding Airport Fees or any other payable owed by the Flight Operator by appropriating the same amount from Security Money. If there is a positive balance after such appropriation and the Flight Operator wishes to continue regular flight service, it must make an additional deposit to fill the shortage from Security Money required by FIAC by the date specified by FIAC. If such Flight Operator chooses to discontinue regular flight service, Article 3.5 will apply.

- (1) The Flight Operator has received provisional attachment, provisional injunction, compulsory execution, delinquent disposition, petition for auction, the exercise of security right, or any other preservative measures;
- (2) A petition for bankruptcy, corporate reorganization, civil rehabilitation, or any other similar proceedings has been filed by or against the Flight Operator, a liquidation procedure has commenced, or it has been suspended from bank transactions;
- (3) The Flight Operator has received an order of suspension from the air transportation business or revocation of its air transportation business license;
- (4) The Flight Operator has discontinued all regular flights to Fukuoka Airport without advance notice to FIAC, giving no reasonable grace time;
- (5) The Flight Operator has delayed or failed to fulfill any obligation to FIAC, or otherwise, FIAC determines that there is good reason to raise serious concerns about the solvency of the Flight Operator;
- (6) The Flight Operator has lost the benefit of deferring payment of obligations (not limited to Airport Fees) until their due dates under any other contract concluded between FIAC and the Flight Operator; or

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(7) FIAC determines that the financial status of the Flight Operator has deteriorated significantly or that there is good reason to believe that such deterioration will occur.

2. If a Flight Operator that has provided Security Money falls under any of the conditions in the preceding paragraph, FIAC may, at its discretion, not make the adjustment stipulated in the provisions of Article 3.3 above.

(Treatment of Security Money)

Article 7 The Flight Operator that has provided Security Money must not transfer the right to claim the return of Security Money, pledge Security Money, or make any other similar disposition. No interest will accrue on Security Deposit while it is deposited with FIAC.

## Appendix 1 (for Article 3)

### 1. Security Money for the Initial Year

When a Flight Operator becomes subject to Security Money, Security Money to be deposited in the Initial Year is calculated for each scheduled aircraft type by multiplying the per-flight airport fees security money (Any fraction less than 1,000 yen resulting from the calculation will be rounded down.) stipulated below by the number of scheduled flights during the three months following the commencement of flight service (or, in the case of an Existing Flight Operator, during the three months following the date of notification from FIAC). For the purpose of such calculation, Airport Fees are calculated assuming that the loading rate is 70% for each flight.

#### (1) Airport fees for passenger flights

- The landing charge, parking charge, and security charge stipulated in Article 15. 2 of the Service Regulations;
- Other fees charged by FIAC as stipulated in Article 15.3 of the Service Regulations;

and

- The passenger facility fees stipulated in Article 15. 7 of the Service Regulations

The provisions of Articles 16 and 18 of the Service Regulations apply mutatis mutandis to these fees and charges.

#### (2) Airport fees for cargo flights

- The landing charge, parking charge, and security charge stipulated in Article 15. 2 of the Service Regulations;
- Other fees charged by FIAC as stipulated in Article 15.3 of the Service Regulations;

and

The provisions of Articles 16 and 18 of the Service Regulations apply mutatis mutandis to these fees and charges.

### 2. Security Money for the second year and afterward

- (1) Security Money for the second year and any subsequent year is equal to the sum of the three-month Airport Fees specified in (1) and (2) of paragraph 1 above, determined by averaging the Airport Fees of the months in which flights were operated during the last twelve months. (Any fraction less than 1,000 yen resulting from the calculation will be rounded down.)

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If the Airport Fees fluctuate significantly from month to month, due to the start of flight service in the middle of a month, addition or reduction of flights, seasonal addition of flights, a large-scale disaster, or any other reason, FIAC will, at its discretion, use another appropriate method to calculate the monthly average of Airport Fees and determine Security Deposit as the sum of three-month Airport Fees. (Any fraction less than 1,000 yen resulting from the calculation will be rounded down.)

- (2) Notwithstanding the provisions of (1) above, if the amount calculated in (1) is within 30% above or below the amount already deposited by the Flight Operator or Bank Guarantee, the amount of Security Money will be the same as such amount already deposited or guaranteed.

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#### Appendix 2 (for Article 4)

If an Existing Flight Operator becomes subject to Security Money, the Security Money to be deposited will be equal to the sum of the Airport Fees paid for the three months before the month of notification from FIAC. (Any fraction less than 1,000 yen resulted from the calculation will be rounded down.) If an Existing Flight Operator has operated the flight service for less than three months, or if Airport Fees have fluctuated significantly from month to month, due to addition or reduction of flights, seasonal addition of flights, a large-scale disaster, or any other reason, FIAC will, at its discretion, determine which monthly amount should be used for the calculation and determine Security Deposit as the sum of three-month equivalent of such monthly amount. (Any fraction less than 1,000 yen resulting from the calculation will be rounded down.)



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Form 1 (for Article 3)

Airport Fees Security Money Application Form

Date:

Mr./Ms.

President & CEO, Representative Director, Executive Officer

Fukuoka International Airport Co., Ltd.

Address:

Company name:

seal

Name

We, the Flight Operator above, understand and accept FIAC's Regulations for Security Money for Airport Fees and apply for the provision of Security Money or Bank Guarantee in connection with Airport Fees as follows:

Method of provision (Circle the number for the chosen method)	1. Deposit of Security Money in cash 2. Submission of Bank Guarantee
Amount of Security Money	yen

\* The breakdown is as specified in the attached document.

—————For FIAC Use Only (the applicant must leave this section blank) —————

The application is accepted with the following condition(s):

Approver Seal

Form 2 (for Article 3)

Bank Guarantee (Irrevocable Standby Letter of Credit)

Date

Fukuoka International Airport Co., Ltd.  
782-1 Shimousui, Oaza, Hakata-ku, Fukuoka City, Fukuoka Prefecture

WHEREAS Fukuoka International Airport Co., Ltd. (hereinafter referred to as "FIAC") is a Japanese corporation with its registered address at 782-1 Shimousui, Oaza, Hakata-ku, Fukuoka City, Fukuoka Prefecture;

WHEREAS [Airline name] (hereinafter referred to as "Obligor") in [Airline location] has obligations to FIAC under the provisions of the following regulations and contracts (hereinafter collectively referred to as "Regulations") established by FIAC:

- Fukuoka Airport Service Regulations;
- Regulations concerning the Deadline for the Payment of Usage Charges;
- Special Provisions concerning the Calculation of Usage Fee;
- Special Provisions concerning Takeoffs/Landings;
- Regulations for Security Money for Airport Fees; and
- The contract concluded between FIAC and [Airline name]

With respect to these obligations of Obligor, [Bank name] (hereinafter referred to as "Bank") of [Address of Bank] will irrevocably and unconditionally guarantee payment to FIAC up to a total of \_\_\_\_\_ yen (hereinafter, "Guaranteed Obligations") under this Letter of Guarantee. Bank promises and agrees, upon written request from FIAC, to pay any obligation of Obligor owed to FIAC, regardless of any objection from Obligor, and regardless of the frequency of such request, without claiming any set-off or counterclaim, until such payments made on behalf of Obligor reach the Guaranteed Obligations.

All payments under this Letter of Guarantee must be received in Japanese currency in the bank account designated by FIAC within seven (7) business days from FIAC's request. FIAC must acknowledge the receipt of such payment. Payment must be made without deducting taxes, expenses, fees, or any other costs of any nature.

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All notices or claims to Bank under this Letter of Guarantee shall be delivered in writing in Japanese to the [the branch office of Bank in Japan] (hereinafter referred to as the “Branch in Japan”) located at [Address]. Payments by Bank under this Letter of Guarantee must be made through the Branch in Japan.

Notwithstanding any other provision of this Letter of Guarantee, the maximum total payments by Bank under this Letter of Guarantee will not exceed the Guaranteed Obligations.

This Letter of Guarantee is valid until \_\_\_\_\_ (hereinafter referred to as the “Expiration Date”), and the Expiration Date will be extended for one year unless either Bank or FIAC notifies the other party otherwise in writing at least 30 days prior to the Expiration Date.

This Letter of Guarantee will be construed in accordance with Japanese laws. It is agreed that any dispute arising out of or in connection with this Letter of Guarantee (including doubts about its existence, effect, or cancellation) will be referred to the Fukuoka District Court of Japan as the agreed court of exclusive jurisdiction of the first instance.

Address:

Company name:

seal

Name

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Form 3 (for Article 3)

Request for Returning Airport Fees Security Money Form

Date:

Mr./Ms.

President & CEO, Representative Director, Executive Office

Fukuoka International Airport Co., Ltd.

Address:

Company name:

seal

Name

We, the Flight Operator above, request the return of Security Money or Bank Guarantee provided in accordance with Article 3.5 of the Regulations for Security Money for Airport Fees as follows:

Method of provision (Circle the number for the chosen method)	1. Deposit of Security Money in cash 2. Submission of Bank Guarantee
Amount of Security Money	yen

————— For FIAC Use Only (the applicant must leave this section blank) —————

The application is accepted with the following condition(s):

Approver Seal