EVA AIRWAYS CORPORATION
ANTITRUST POLICY AND GUIDELINES

It is the policy of EVA Airways Corporation (the "Company") to comply with the laws of the countries in which it operates. The following Guidelines summarize the types of business activities that are generally prohibited, and those that are generally permitted, under antitrust and competition laws throughout the world. The Company's employees and officers are expected to comply strictly with these Guidelines. Failure to do so is a cause for discipline up to and including termination. However, these Guidelines are not a substitute for legal guidance about specific situations you may be confront. If you have any doubt about the legality of a particular activity, you should consult with the Legal Department before proceeding with it.

OVERVIEW OF ANTITRUST AND COMPETITION LAWS

A. The basic objective of antitrust and competition laws is to preserve and promote competition and the free enterprise system. These [antitrust] laws are based on the belief that competition in a free and open market is the most efficient way to allocate resources, produce the necessary goods and services at the lowest possible price, and assure that high quality goods and services are produced. In general, these laws require that business people make independent business decisions without consultation or agreement with their competitors.

B. Violations of antitrust and competition laws are very serious. Corporations and individuals found guilty of violating the antitrust laws may be fined very substantial amounts. In some countries, individuals who violate antitrust and competition laws may also be sentenced to jail. In addition, many countries allow private civil actions by injured companies and individuals, which can result in very substantial damages in addition to any fine paid to government authorities.

II. PROHIBITED AGREEMENTS AND COMMUNICATIONS

A. It is unlawful to agree with one or more competing airlines about:

1. The fare or rate levels to be charged by the Company or the other airline(s), regardless of whether the purpose of the agreement is to raise, lower, or maintain prices, and even if the amount or percentage of any increase or decrease is unspecified;

2. The level of any component of a fare or rate (for example, a fuel surcharge or security surcharge);

3. The terms or conditions for the sale of tickets or cargo space;

4. The division or allocation of customers between or among the airlines (for example, "You can have Customer A if we handle Customer B");

5. The division or allocation of territories or city pairs between or among the airlines;

6. Capacity levels (in one or more city pairs, or in general);

7. Frequencies and flight schedules in one or more city pairs;

8. Routes that will or will not be served by the Company or any other airline;

9. Major cost elements for airlines (such as commissions paid to travel agents or freight forwarders); and

10. The marketing plans of the Company or any other airline.

B. An agreement for antitrust purposes does not have to be in writing. It can be an oral understanding, or it can be inferred from communications about a subject with another airline, followed by a common course of action (for example, communications with another airline about fares, followed by an increase in fare levels by both carriers). You should therefore avoid any communications with other airlines about the subjects listed above.

C. Be very careful about your written communications with other airlines and within the Company. Do not correspond with another airline in an e-mail or letter about the subjects listed in above. E-mail is now the primary target for governmental antitrust and competition authorities and for antitrust class action attorneys. Assume that government authorities and plaintiffs' attorneys will read anything you write—because they might.

D. Never attempt to make publicly a statement or announcement that could be interpreted to invite or encourage other airlines to coordinate price and/or fares.

III. PERMISSIBLE ACTIVITIES

A. It is permissible for the Company to take into account any publicly available information about other airlines in making its own business decisions. For

example, you may take into account competing airlines' fare or rate levels in a particular city-pair in deciding what the Company's fare should be.

B. It is permissible to take the same action as another airline as long as you do not communicate with or signal the other airline about it. For example, the Company can lawfully charge the same fare or rate as another airline in a particular city-pair as long as that decision is made independently and is not based on any communication or exchange of signals with the other airline about those prices.

IV. COOPERATIVE ARRANGEMENTS WITH COMPETING AIRLINES

A. Code Share and Cargo Capacity Arrangements

1. The operating carrier and the marketing carrier should unilaterally set their own fares or rates without consultation or agreement with the other carrier.

2. It is permissible for code share and cargo capacity partners to discuss and agree upon shifting flight schedules at a particular airport to achieve better connections for through passengers or cargo. This is an exception to the general rule that you should not discuss or agree upon schedules with other airlines.

3. Code share and cargo capacity arrangements on hub-to-hub routes are generally prohibited; provided, however, whether these arrangements are approved or prohibited by government authorities is contingent upon various factors including if such arrangement is likely to have an adverse effect on competition in the relevant market.

4. Code share and cargo capacity arrangements on nonstop overlapping routes are sometimes prohibited. The Company may be required to obtain approval and/or antitrust immunity from administrative agencies before implementing such arrangements. You should consult with the Legal Department and/or [office] before committing the Company to that type of arrangement.

5. Code share and cargo capacity arrangements should not contractually limit the right of either partner to compete against one another in whatever market it wishes.

6. Each code share and cargo capacity partner should retain a financial incentive to sell as many of its seats or as much of its cargo space as possible on code share flights. Revenue pooling (which completely eliminates that incentive) is prohibited.

B. Frequent Flyer Programs

1. Two or more airlines' reciprocal participation in the other's Frequent Flyer program is permissible.

2. Each carrier should, however, retain the right to unilaterally decide the terms and conditions of its own program.

C. Joint Marketing Arrangements

1. Joint marketing is generally permissible for city pairs where the airlines do not compete on a nonstop basis.

2. Joint marketing is sometimes not permissible for city pairs where the airlines compete on a nonstop basis (especially city pairs involving the airlines' hubs).

D. Joint Purchasing Arrangements

1. Joint purchasing arrangements (for example, an arrangement with another airline to jointly purchase fuel, meal service, etc.) are generally permissible.

2. But they may violate the antitrust laws when:

   a. The purchases account for such a large percentage of total sales of the product or service in the relevant market (for example, the total sale of jet fuel at a particular airport) that the joint airlines buyers can artificially depress the selling price; or

   b. The purchases represent such a large cost element that an agreement on purchase price inevitably stabilizes the airlines' selling prices; or

   c. The arrangement unreasonably excludes competitors or boycotts particular suppliers.

V. MEETING WITH COMPETING AIRLINES

In the event Company personnel and competing airlines attend the same meetings, such Company personnel should conduct themselves in accordance with the following guidelines:

A. Consult with Legal if you have any concerns relating to the meeting and/or subjects discussed therein, whether before or after the meeting.

B. Request a written agenda being prepared and distributed in advance of the meeting. Company Personnel should review this agenda prior to attending to ensure that the subjects are proper and lawful, and should limit discussion to topics set forth on the written agenda.

C. Minutes of the meeting should indicate the subjects discussed and the persons in attendance. The minutes should be distributed promptly to all participants and reviewed for accuracy.

D. If an inappropriate subject is raised during the meeting, object immediately. If the discussion continues, Company personnel should leave the room and ask that your departure be noted in the minutes.

VI. WHEN IN DOUBT

A. Talk to your supervisor before proceeding with the activity.

B. Do not hesitate to ask the Legal Department for advice.