

## MARKETING INCENTIVE AGREEMENT

**THIS AGREEMENT** is entered into as of the date indicated on the City signature page between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado on behalf of its Department of Aviation (the "City"), and **AIR CANADA**, a certified air carrier with its principal place of business in Dorval, Canada (the "Airline").

### WITNESSETH:

**WHEREAS**, the City owns and operates Denver International Airport ("DEN"); and

**WHEREAS**, Airline intends to commence additional regular passenger service between Montreal, Canada and Denver, Colorado on or about June 4, 2016; and

**WHEREAS**, the City's Air Service Incentive Program is intended to support new air service to DEN, in part through marketing new passenger service; and

**WHEREAS**, the City wishes to obtain professional services to specifically promote public and industry awareness and use of DEN facilities and Airline's new regular passenger services between Montreal and Denver; and

**WHEREAS**, the Airline is ready, willing and able to provide the professional services required by the City, and to perform the services called for hereunder subject to the conditions hereinafter set out;

**NOW, THEREFORE**, for and in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. **LINE OF AUTHORITY:** The Chief Executive Officer of the Airport (the "CEO"), or her designee or successor in function authorizes and directs all work performed under this Agreement. Until otherwise notified by the CEO, the Airport's CEO of Air Service Development ("Director") is designated as the authorized representative of the CEO through whom services performed under this Agreement shall be directed and coordinated. The Director may designate a Project CEO, if applicable, under this Agreement. Administrative reports, memoranda, correspondence and other submittals required of the Airline shall be processed in accordance with the Director's directions.

2. **SCOPE OF SERVICES:** All work performed under this Agreement shall be done in a manner consistent with the spirit and intent of the Air Service Incentive Program, attached hereto as *Exhibit A*. The Airline agrees that it will provide to the City a comprehensive marketing strategy in writing (attached hereto as *Exhibit B* "Scope of Services"), and that upon approval of the strategy by the City, and approval by the City of the amount or amounts to be paid by the City for the publications, events, materials, advertising campaigns, marketing programs, and

advertisements, the Airline will promptly undertake, perform and furnish the services hereinafter described in this Agreement including the following tasks:

- A. Initiation and implementation of promotional events, advertising campaigns and marketing programs directed toward promoting public and industry awareness of the new services offered by Airline at DEN, in a manner consistent with advertising norms and customs in the United States.
- B. Development of support materials promoting the benefits of DEN to targeted travelers in specific markets selected by Airline, highlighting Denver and DEN as the international gateway to the Rocky Mountain region; and, highlighting the characteristics making DEN the gateway of choice for the region for an increasing number of passengers.

Nothing in this Agreement shall preclude the Airline from undertaking any advertising, marketing, or promotional program that it, in its sole discretion, deems appropriate. It is agreed, however, that if the particular advertising, marketing or promotional activity is not approved by the City pursuant to this Agreement, it will not be included in the Airline's invoices to the City.

3. **NATURE OF SERVICES TO BE PERFORMED:** The Airline shall consult with and receive the approval of the City in the development of the campaign, promotional events, advertising, and marketing program (collectively the “Marketing Services”) consistent with the requirements of this Agreement, and agrees to diligently and professionally perform all the work described herein, and provide services consistent with the following:

A. Publications: The Airline agrees that when printed materials are used, the name “Denver International Airport” or “DEN,” with or without its logo, shall appear prominently on the material.

(1) Collateral. The Airline may produce and distribute brochures promoting the benefits of DEN to targeted travelers in specific markets selected by the Airline, highlighting Denver and DEN as the international gateway to the Rocky Mountain region; and, highlighting the characteristics making DEN the gateway of choice for the region for an increasing number of passengers.

(2) Direct Mail. The Airline may produce and distribute a direct mail piece for distribution in Denver to announce the Airline's new non-stop service at DEN.

(3) Press Kits. The Airline may create a press kit to be distributed to the media featuring the Airline's new service at DEN.

B. Promotional Events: The Airline agrees that when special events, promotions or receptions are selected as the promotional vehicle, the CEO shall be involved in approving targeted audiences.

C. Advertising Campaign: The Airline agrees that for any advertising created for this purpose, the name “Denver International Airport” or “DEN” shall appear prominently in any such advertising. The Airline will produce and implement an advertising campaign related to the new service planned at DEN. This campaign should include, but is not limited to, print and media costs associated with advertising projects which promote DEN and the Airline’s new service both to the traveling public and to trade members of the airline industry.

D. Placement of Advertising: The Airline shall place no advertisement created pursuant to this Agreement in any media without the prior written approval by the CEO of the content and placement of the advertisement. Nothing in this Agreement shall preclude the Airline from undertaking any advertising, marketing, or promotional program that it, in its sole discretion, deems appropriate. It is agreed, however, that if the particular advertising, marketing or promotional activity is not approved by the City pursuant to this Agreement, it will not be included in the Airline’s invoices to the City.

E. Use of Funds: Funds provided under this Agreement may be used for other advertising, special events, promotional items, or marketing activities only with the prior written approval of the CEO.

#### 4. **COMPENSATION AND FEES:**

A. Compensation for Services: The City agrees to pay to the Airline, and the Airline agrees to accept as its sole compensation for its complete costs incurred and services rendered hereunder, amounts approved in advance pursuant to this Agreement, to reimburse the Airline for certain costs incurred in undertaking the development of the campaign or promotional event, placing and publishing advertising, and developing a marketing program, consistent with the requirements of this Agreement. All such sums shall be paid subject to these provisions and to the refund and surety provisions of Section 8 of this Agreement.

B. Prorata Compensation: In the event the frequency of service is adjusted by Airline during the Term of the Agreement, the compensation stated herein will be adjusted accordingly, provided the service is not discontinued or reduced to less than fifty percent (50%) of the amount of scheduled service provided in Paragraph 6A of this Agreement.

C. Invoices: The Airline shall submit monthly invoices for payment, which shall be stated in U.S. dollars, and which shall include the following items:

- (1) The date and nature of the services rendered.
- (2) Adequate documentation to support the invoice, including documentation of the content of any advertisements placed and published pursuant to this Agreement, and currency exchange rate calculation for any services paid in foreign currency, which

calculation shall be based on USD/the relevant foreign currency mid-rate for the date of the transaction, and

- (3) The signature of an authorized officer of the Airline, certifying that the invoice has been examined and has been found to be correct.

The Airline shall promptly provide on request from the City additional supporting documentation in connection with any invoice submitted by the Airline for payment under this Agreement.

5. **PAYMENT FOR PARTIAL SERVICES:** If the Agreement is terminated without cause pursuant to paragraph 8A, the Airline's total compensation shall be limited to the sum of invoices which have already been submitted, audited and approved at the time of termination, plus the reasonable value of those costs and services which have been incurred and rendered prior to termination, but have not been approved for payment at the time of termination. The reasonable value of any such subsequent billed cost or service shall be determined in the sole discretion of the CEO of Aviation. If upon termination any amounts are due and owing to Airline under this Agreement, Airline agrees that the City shall be entitled to offset amounts due and owing to Airline under this Agreement against any amounts due and owing from Airline for landing fees under the Landing Fees Incentive Agreement.

6. **MAXIMUM CONTRACT LIABILITY:**

A. Any other provisions of this Agreement notwithstanding, in no event shall the City be liable for payment under this Agreement for any amount in excess of Five Hundred Thousand Dollars and No Cents (\$500,000.00), based upon the number of flights operated per week, which amounts are prorated amounts of the total marketing incentive available for daily service (seven days per week) for a full 24 months:

The current published schedule is one departure per day, seven days per week. If the service is adjusted during the Term of this Agreement, the Maximum Amount shall be adjusted accordingly, provided the service is not discontinued or reduced to less than fifty percent (50%) of the amount of scheduled service set forth in the preceding sentence.

B. Payment under this Agreement shall be paid from the City's Airport System Capital Improvement and Replacement Fund. The City has no obligation to make payments from any other source, nor to issue additional revenue bonds to satisfy such costs. The City is not under any obligation to make any future encumbrances or appropriations for this Agreement nor is the City under any obligation to amend this Agreement to increase the Maximum Contract Liability above.

7. **TERM:** The term of this Agreement shall commence on April 1, 2016, and shall terminate on March 31, 2018, unless sooner terminated as provided for herein.

**8. TERMINATION; REFUND OF PAYMENTS:**

A. Termination: Either party may cancel and terminate this Agreement without cause by giving not less than thirty (30) days prior written notice to the other party, and may cancel and terminate this Agreement with cause by giving not less than ten (10) days prior written notice to the other party. Any such notice shall state the effective date of such cancellation and termination. If the CEO elects to cancel or terminate the Agreement, immediately upon receipt of the notice, the Airline shall cease all further work, take all reasonable and necessary steps or procedures to curtail and hold additional cost occurrence to a minimum, and commence an orderly termination of the Agreement.

B. Refund of Payments: If the City or the Airline terminates this Agreement for cause, including but not limited to if the Airline does not provide non-stop service between Montreal and Denver at a minimum of fifty percent (50%) of the frequency set forth in Paragraph 6A, above, for a period of twenty-four (24) consecutive months immediately following the commencement of service, then all amounts paid to the Airline by the City under this Agreement shall be refunded to the City within 30 days of the date of the notice of termination. This provision shall survive the termination of this Agreement or expiration of the Term.

9. **OWNERSHIP OF WORK PRODUCT**: Each party agrees that it has no ownership interest in and will not infringe or interfere with any trademark, servicemark, symbol, logo, trade dress or intellectual property of the other party, but may use such upon the express written permission of the party owning the protected property. It is understood and agreed that all drawings, promotion media and other documents which are created by the Airline shall remain the property of the Airline, and the City may use such drawings, promotion media or other documents with the express written permission of the Airline; however, the Airline shall not be held liable for damage resulting from any use of said documents other than the original intended use.

10. **ADVERTISING AND PUBLIC DISCLOSURES**: The Airline shall not include any reference to this Agreement or to work performed hereunder in any of its advertising or public relations materials without first obtaining the written approval of the CEO of Aviation. Any oral presentation or written materials related to Denver International Airport shall include only presentation materials, work product, designs, renderings and technical data that have been accepted by the City. The CEO shall be notified at least seven (7) days in advance of the date and time of any such presentations. Nothing herein, however, shall preclude the transmittal of any information to officials of the City, including without limitation, the Mayor, the CEO of Aviation, any member or members of City Council, and the Auditor.

11. **COORDINATION AND LIAISON**: The Airline agrees that during the term of this Agreement it shall fully coordinate the Marketing Services with the Director.

12. **INDEMNIFICATION**: The Airline hereby agrees to release, indemnify, and save harmless the City, its officers, agents and employees from any and all claims, damages, suits, costs, expenses, liability, actions or procedures of any kind or nature whatsoever, including Worker's Compensation claims, of or by anyone whomsoever in any way resulting from or arising out of,

directly or indirectly, its work hereunder, its operations in connection herewith, or its use or occupancy of any portion of the City's Airport System, including acts and omissions of the Airline's officers, employees, representatives, suppliers, invitees, contractors and agents; provided however, that the Airline need not release, indemnify or save harmless the City, its officers, agents and employees from damages resulting from the sole negligence of the City's officers, agents, and employees.

13. **STATUS OF AIRLINE:** The Airline acknowledges and agrees that it has executed an Airport Use and Facilities Lease Agreement (the "Existing Agreement") at least 60 days prior to the commencement of the service and that the Airline has become a Signatory Airline as defined in DEN's Rules and Regulations. This Agreement is expressly subject to all of the terms and conditions set forth in the Existing Agreement. It is further understood and agreed by and between the parties hereto that the status of the Airline shall be that of an independent contractor retained on a contractual basis to perform professional or technical services for limited periods of time as described in Section 2.11.3(C) of the Charter of the City, and it is not intended nor shall it be construed that the Airline, its employees or subcontractors are employees or officers of the City under Chapter 18 of the Revised Municipal Code or for any purpose whatsoever.

14. **AIRLINE'S INSURANCE:** The Airline agrees to insure its operations in accordance with the terms of the Existing Agreement.

15. **NO THIRD PARTY BENEFICIARIES:** The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the City and Airline, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreement. It is the express intention of the City and the Airline that subconsultants and any other person other than the City or the Airline receiving any benefits from this Agreement shall be deemed to be incidental beneficiaries only.

16. **ASSIGNMENT:** The Parties covenant and agree that they will not assign or transfer its rights hereunder. Any attempt by the Airline to assign or transfer its rights hereunder shall automatically terminate this Agreement and all rights of such party hereunder.

17. **EXAMINATION OF RECORDS:** The Airline agrees that, until the expiration of three (3) years after the final payment under this Agreement, the CEO and City Auditor or any of their duly authorized representatives shall have access to and the right to examine any directly pertinent books, documents, papers and records of the Airline involving transactions related to work performed under this Agreement. The Airline, upon request by either, shall make such books and records available for examination and copying.

18. **FEDERAL PROVISIONS:** This Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the City and the United States, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City for airport purposes, and the

expenditure of federal funds for the extension, expansion or development of Denver International Airport. The provisions of the attached Appendix No. 1 are incorporated herein by reference.

19. **NOTICES:** Notices concerning termination of this Agreement, notices of alleged or actual violations of the terms or provisions of this Agreement, and other notices shall be made as follows:

By Airline to: Chief Executive Officer  
Airport Office Building, 9<sup>th</sup> Floor  
Denver International Airport  
8500 Peña Boulevard  
Denver, Colorado 80249

By City to: Air Canada  
Attn: Chantal Longchamp  
YUL 1243  
7373 Boulevard de la Cote-Vertu Ouest  
Saint-Laurent, Quebec H4S 1A3 Canada

Such notices shall be delivered personally during normal business hours to the appropriate office, above, or by prepaid U.S. Certified Mail, Return Receipt Requested. Mailed notices shall be deemed effective upon deposit with the U.S. Postal Service. The parties may from time to time designate substitute addresses or persons where and to whom such notices are to be mailed or delivered but such substitutions shall not be effective until actual receipt of written notification.

20. **NON-DISCRIMINATION:** In connection with the performance of work under this Agreement, Airline agrees not to refuse to hire, nor to discharge, promote or demote, nor to otherwise discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and Airline further agrees to insert the foregoing provision in all subcontracts hereunder.

21. **DISPUTES:** It is agreed and understood by the parties hereto that disputes arising under or related to this Agreement shall be resolved by administrative hearing which shall be conducted in accordance with the procedures set forth in Section 5-17, Revised Municipal Code of the City and County of Denver. The parties hereto agree that the CEO's determination resulting from said administrative hearing shall be final, subject only to the right of the parties to appeal the determination under Colorado Rule of Civil Procedure 106.

22. **AGREEMENT MADE IN COLORADO; VENUE:** This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Colorado. Venue for any action arising hereunder shall be in Denver, Colorado.

23. **PROMPT PAYMENT:** Payments under this Agreement will be made to the Airline in accordance with the City's Prompt Payment Ordinance, D.R.M.C., Section 20-107, et

seq., Denver Revised Municipal Code, subject to the Maximum Contract Liability set forth herein. Payments shall be based upon monthly invoices and receipts submitted by Airline in accordance with the provision of this Agreement and that have been audited and approved by the City. The Airline agrees that interest and late fees shall be payable by the City hereunder only to the extent authorized and provided for in the City's Prompt Payment Ordinance. For any subcontractor or subconsultant engaged by Airline under this Agreement, the Airline is subject to Section 20-112, D.R.M.C., requiring the Airline to pay its subconsultants in a timely fashion. A payment is timely if it is mailed to the subconsultant no later than seven days after receipt of any payment from City.

24. **ENTIRE AGREEMENT:** The parties acknowledge and agree that the provisions contained herein constitute the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect. No alterations, amendments, changes or modifications, unless expressly reserved herein, shall be valid unless executed by an instrument in writing by all the parties with the same formality as this agreement.

25. **CITY EXECUTION OF AGREEMENT:** This Agreement is expressly subject to and shall not be or become effective or binding on the City until it has been approved by City Council, if so required by law, and fully executed by all signatories of the City and County of Denver. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same, and it may be signed electronically by either party in the manner specified by the City.

**END OF DOCUMENT  
APPENDIX, SIGNATURE PAGES, AND EXHIBITS FOLLOW**



## APPENDIX NO. 1

### STANDARD FEDERAL ASSURANCES AND NONDISCRIMINATION

NOTE: As used below the term "contractor" shall mean and include the Airline, and the term "sponsor" shall mean the "City".

During the term of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations. The contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex, national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the sponsor of the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the contractor under the contract until the contractor complies, and/or
- b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

7. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

8. The Airline for itself, representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land: (1) that no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to

discrimination, (3) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

**9. NONDISCRIMINATION IN AIRPORT EMPLOYMENT OPPORTUNITIES**

The Airline assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

**It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or handicap in public services and employment opportunities.**

Contract Control Number: PLANE-201525900-00

Contractor Name: AIR CANADA

By:  \_\_\_\_\_



Name: Andrew Shibata  
(please print)

Title: Managing Director, Brand  
(please print)

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)



**Contract Control Number:**

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

**CITY AND COUNTY OF DENVER**

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_



# EXHIBIT A

## **Air Service Incentive Program**

**Goal: To increase nonstop air service and passenger traffic at Denver International Airport, and to sustain this service over the long-term.**

- Promotional benefits offered to any air carrier initiating qualifying scheduled passenger service between Sept. 1, 2015, and Aug. 31, 2016 (one year period)
- A carrier is eligible for a maximum of two incentivized markets during the aforementioned period

### Promotional Period

- The Promotional Period is defined as the first consecutive 24 months immediately following the initiation of eligible new service

### Qualifying Criteria

- Carriers must offer daily nonstop scheduled passenger service from Denver International Airport to the eligible market; if service is less than five times weekly, the marketing incentive benefit will be prorated accordingly
- The carrier must provide the service for 24 consecutive months; seasonal service is also eligible; if service is seasonal the marketing incentive benefit will be prorated accordingly
- Charter operations, including operators under Parts 121, 135 and 380, are not eligible
- All conditions for receiving the benefits will be documented in a contract between the City and County of Denver and the qualifying carrier which will be subject to approval by the appropriate officials at the City and County of Denver
- If the carrier does not operate the scheduled passenger service at Denver International Airport for a period of 24 consecutive months immediately following the initiation of the route then all amounts paid by the City and County of Denver for marketing activities shall be refunded to the City and County of Denver, and all refunds credited to the carrier shall be refunded to the City and County of Denver

### Promotional Incentive

The Promotional Incentive includes an operational incentive and a marketing incentive.

#### *Operational Incentive:*

- Operational incentives are administered through fee waivers
- Operational incentive available to carriers:
  - o Refund per enplaned passenger (see attached table)

#### *Marketing Incentive:*

- The marketing incentive is administered by the City & County of Denver, Department of Aviation

- The Department of Aviation Project Manager will develop a marketing plan that is approved by the carrier
- The marketing plan will promote public and industry awareness of the new services offered by the carrier at Denver International Airport
- The Department of Aviation Project Manager is responsible for executing the marketing plan in cooperation with the carrier

### Eligible Markets

#### *Domestic*

- Unserved domestic markets are eligible (unserved as of Sept. 1, 2015)
- Domestic markets that are unserved but had nonstop service within the one year prior to a carrier announcing new service are not eligible
- A new domestic carrier (new entrant) can receive a marketing incentive even if the service they are providing is to a domestic market that is currently served nonstop from Denver; note that the new carrier incentive, if it is to a market that is currently served, is only eligible for an incentive for a period of one year
- A new domestic carrier is not eligible for an incentive if the market(s) served are not deemed eligible markets, as described above

#### *International*

- All international markets are eligible including currently served markets; note that currently served international markets are only eligible for an incentive for a period of one year
- The carrier adding new service must not have operated service to the market (or a market within 100 miles) over the preceding 12-month period

### Minimum Service Level

- The carrier may adjust its frequency of service during the term of the agreement; however, the carrier shall not decrease the frequency of service to less than fifty percent (50%) of the initial amount of published service, the calculation of which will be averaged over the course of a year

# 2016 New Routes Campaign: Denver Recommendation REV1



April 19, 2016



# Agenda

- **Purpose of Today**
- **Campaign Approach**
- **Outdoor Recommendation**
- **Digital Recommendation**
- **Summary Flowchart**
- **Budget Review**
- **Next Steps**



# Purpose of Today

- Align on full media recommendation based upon:
  - Media Tactics
  - Partner Allocation
  - Timing
- What's to come:
  - Client Feedback (4/11)
  - Client Approval (4/27)
  - Live – Digital (5/16)
  - Live – OOH (5/23)



—  
**Campaign  
Approach**

# Planning Parameters

## AUDIENCE



*New Routes Target: A25-54; HHI \$100K+;  
Plan to travel to abroad in next 12 months*

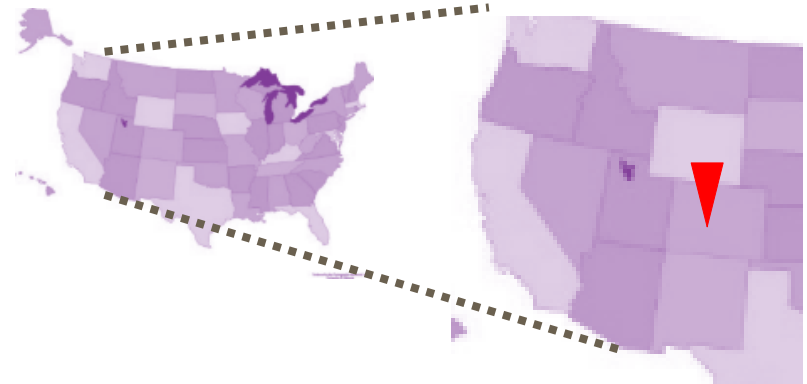
## TIMING

*Digital: 5/16-6/16  
\*OOH: 5/23-6/05*

2016

January	February	March	April
S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
May	June	July	August
S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
September	October	November	December
S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W Th F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

## GEOGRAPHY



## BUDGET

**\$250,000 USD**

# Media Objectives & Strategies

## Objective

Drive awareness of new routes to Canada with the ability to influence consideration of 6<sup>th</sup> Freedom

## Strategy

- Utilize mix of media/partners that are part of the targets' everyday routine to drive awareness of the new routes

## Tactics

- Use multi-channel mix (affordable method) to align with target's daily interactions with channels
- Select channels that provide broad and immediate reach to engage target and drive awareness
- Seek to use geo-targeted/place-based media to engage target at highly relevant touch-points





**Outdoor  
Approach  
&  
Recommendation**

# Out-Of-Home Execution

OOH presents a simple and concise message to cut through media clutter & offer consumers vital information about AC's New Routes. OOH will connect and interact with consumers as they are on the go.

Digital boards across a variety of formats will create high impact/visual dominance driving awareness by reaching a broad consumer within specific locations across the city.

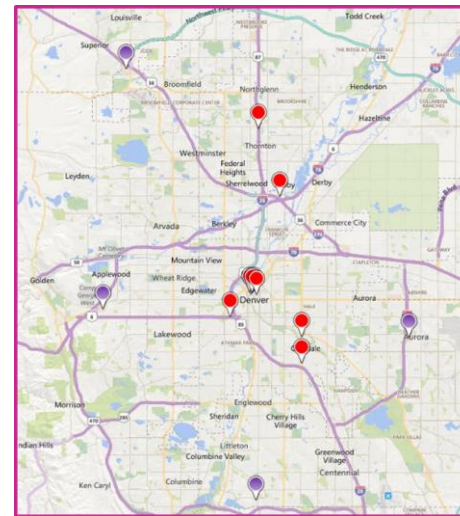
**Flighting:** 2 Weeks (5/23-6/05)

**Locations:** In Mall Networks, Office Elevators/Lobbies, Street Level Boards, Kiosks

**Spot Lengths:** :15, :10, :08, or other (dependent on network)

## 366 Total Units Across Denver

- 46 – In Mall Network
  - 15x/hour per screen
- 280 – Office Elevators/Lobbies
  - 24x/6 minute per screen
- 16 – Street Level Boards
  - Varies on Network
- 24 – Kiosks
  - 45x/hour per screen



Impressions	
Digital OOH	14,358,824

NOTE: Pending availabilities once receiving approval; Additional info/screenshots by tactic located in Appendix



An aerial night view of a modern, angular building with a blue and white facade. The building is illuminated with blue and white lights. A large red semi-transparent box is overlaid on the center of the image, containing the text "Digital Approach & Recommendation". The building has a large Canadian flag on the left side. The surrounding area includes trees, a plaza with people, and a road with light trails from cars. The sky is dark blue.

—  
**Digital  
Approach  
&  
Recommendation**

**Site Rationale:**

- Opera is a leading mobile network with the scale and high impact placement capabilities across our new route markets.
- Proposal ties into KPIs, offering engineered content/creative around messaging
- Contextual, geo targeting and demo targeting capabilities offering a true audience solution

**Program Details:**

- Rich Media Expandable Display
- Standard Mobile Banners
- Latitude/Longitude geo targeting in Denver
- Timing: 5/16 – 6/16



Impressions	
Mobile	4,500,000

**Placement Details**

Mobile

- Contextual Smartphone Rich Media Expandable
  - 320X50, 300X250-->320X460
- Contextual Smartphone Standard Banners
  - 320x50, 300x250



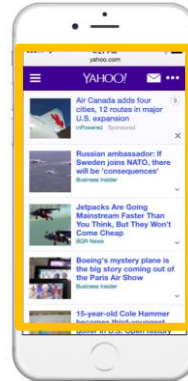
### Site Rationale:

- InPowered turns your content (owned, earned, sponsored, article, video) into native ads and guarantees engagement
- No charge unless audiences spend at least :15 seconds with your content
- Offering ties into KPIs with curated content contextually aligned for each of our New Route Markets ensuring awareness generation
- In addition, geo and demo targeting capabilities support our awareness goal
- Dynamic native content solution

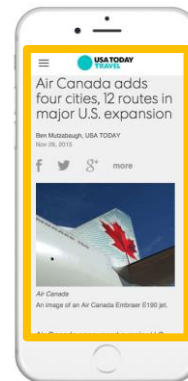
### Program Details:

- Native Content distribution across travel enthusiast segments
- Content Distribution Package within Denver
- Timing: 5/16 – 6/16

	Engagements
Desktop	22,000
Mobile/Tablet	44,667
<b>TOTAL</b>	<b>66,667</b>



**Headline Unit**  
Content is distributed through native partners



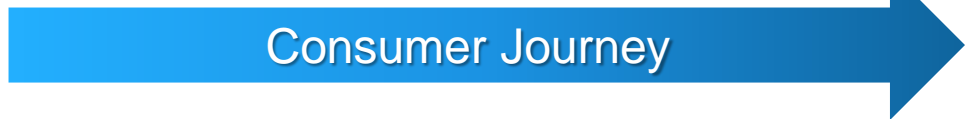
**Content Page**  
User clicks on native ad to read content where it was published



**Next Action**  
Appears after audiences read ~50% of the content (customizable)



**Landing Page**  
A click on the Next Action CTA button takes consumer to the intended URL



### Placement Details

#### Desktop/Mobile

- Content Distribution Package – Custom
  - Custom Headline, Content Page and Next Action

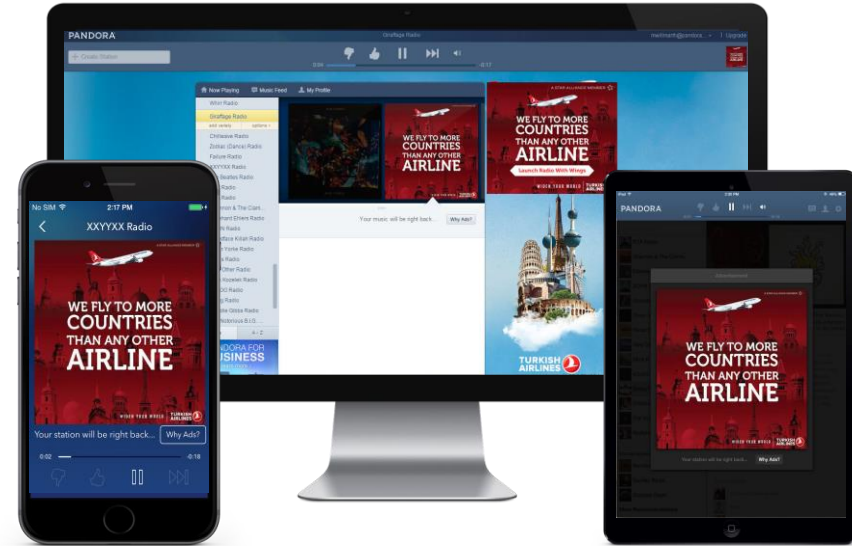
# PANDORA®

## Site Rationale:

- A leader in personalized listening experiences with large scale capabilities reaching across our new route markets.
- Pandora's listening data updates targeting capabilities ensuring that the audiences engaging with the content are of high value
- Proposal ties to localized awareness KPI
- Contextual, geo targeting and demo targeting capabilities offering a true audience solution

## Program Details:

- Mobile, Web, and Tablet Audio, Banner and Skin
  - :15 or :30 audio ad; Pandora will create at no additional cost
- Added Value Mobile Display Approx. 400K IMPs
- Geo targeting in Denver
- Demo Targeting: Travel Enthusiasts, HHI 100K+
- Timing: 5/16 – 6/13



## Placement Details

### Desktop/Mobile/Tablet

- Mobile - Audio\_:15/:30, Tile, Banner
  - 1x1, 500x500, 300x250
- Web - Audio\_:15/:30, Tile, Banner, Skin
  - 1x1, 500x500, 300x600, 1500x1000
- Tablet - Audio\_:15/:30, Tile Banner
  - 1x1, 500x500, 300x250

Impressions	
Desktop	337,553
Mobile/Tablet	928,962
<b>TOTAL</b>	<b>1,266,515</b>

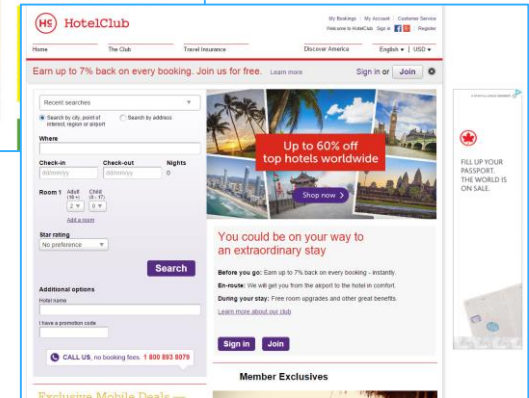
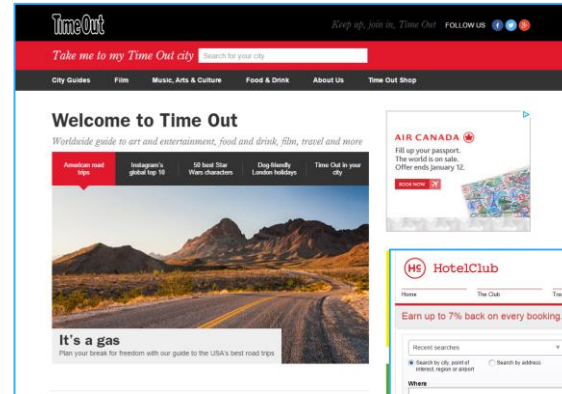
### Site Rationale:

- Exponential is a proven past performer on Air Canada. They will be working to create awareness for the New Routes program.
- Using Exponential's Custom Audience Blend and AERO Technology, they will serve optimal users with an Air Canada ad.

### Program Details:

- Five Standard Display units
- Each unit specifically geo targeted to Denver
- Demo, channel, behavioral and contextual targeting
- Timing: 5/16 – 6/16

Impressions	
Desktop	6,025,066



### Placement Details

Desktop/Mobile/Tablet

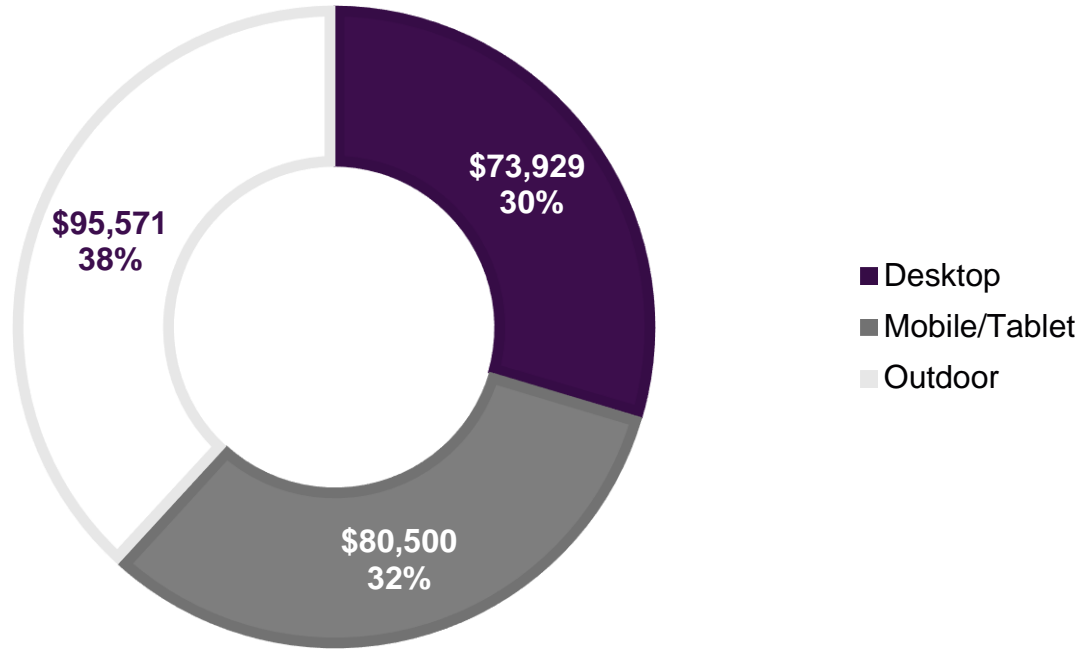
- IAB Units Mapped To Air Canada New Routes Custom Audience Blend
  - 300x250, 320x50, 160x600, 728x90, 768x90

# Summary Flowchart

			Q2											
Denver			April				May				June			
Partner	Unit	Estimated Impressions/Engagements												
			28	4	11	18	25	2	9	16	23	30	6	13
<b>OOH</b>		<b>14,358,824</b>												
Digital OOH	Various	14,358,824									23	5		
<b>Desktop</b>		<b>6,384,619</b>												
InPowered	Custom	22,000								16				16
Pandora	1x1, 500x500, 300x600, 1500x1000	337,553								16				13
Xaxis	300x250, 320x50, 160x600, 728x90, 768x90	6,025,066								16				16
<b>Mobile/Tablet</b>		<b>5,473,629</b>												
InPowered	Custom	44,667								16				16
Pandora	1x1, 500x500, 300x250	928,962								16				13
Opera	320x50, 300x250, 320x460	4,500,000								16				16
<b>Impressions Total</b>		<b>26,217,073</b>												
<b>Net Media Total</b>														
<b>Ad Serving / Viewability Fees (Integral)</b>														
<b>Grand Total</b>		<b>26,217,073</b>												

**NOTE:** Plan/budget allocations and weeks of activity are subject to change based on final plan negotiations and market availabilities

# Budget Review



- TOTAL US Budget = \$250,000
- Opera is Mobile only partner; InPowered, Pandora, Xaxis reflect mix of Desktop and Mobile/Tablet
  - For purposes within this diagram, Xaxis budget is reflected 100% as Desktop, but there are mobile placements within the buy that may be optimized due to performance
  - Digital inclusive of ad serving and viewability

# Next Steps

Action	Date	Ownership
Strat Pres	Thursday, March 10	Mindshare
Client Feedback	Tuesday, March 15	Air Canada
RFPs Go Out	Thursday, March 17	Mindshare
RFPs Returnable	Wednesday, March 23	Mindshare
Present Reco to Client	Monday, April 4	Mindshare
Client Feedback	Monday, April 11	Air Canada
Client Approval	Wednesday, April 27	Air Canada
IOs to Partners	Thursday, April 28	Mindshare
Creative Delivery (Digital/OOH)	Apr 29 / May 6	JWT
Digital Trafficking / Ops QA	May 02 / May 6	Mindshare
<b>LIVE (Digital / OOH)</b>	<b>May 16 / May 23</b>	<b>Mindshare</b>



**NOTE:** Assuming there are no issues with creative or QA process



# Appendix

# US Target Summary: The New Routes

A25-54; HHI \$100K+; Very likely intent to purchase next 12 months: Vacation in Europe or Abroad Other (Asia)

### WHO THEY ARE

**Gender**

46%  54% 

**Average Age**

**42**

**Average Household Income**

**\$167,786**

**Currently Married**

**70%**

**Education**






High school	11.9
Voc/Tech	10.5
College	36.7
Post grad	27.9

**Employment**

**87%** Employed (Full or Part)

### MEDIA USAGE

**Average Per Week**

				
21 hrs	14.5 hrs	10 issues/month	4 newspapers	170 miles

**Upper/Lower Half Media Types**

Internet	33
Outdoor	30
TV	-25
Radio	13
Newspaper	-11
Magazines	21

### MOBILE HABITS

**Index**

**Agree Completely**

I am interested in watching video clips on my cell phone	119
I like to receive coupons on my cell phone that are based on my location	111
I understand how to use most of the features on my cell phone	121

### TRAVEL ATTITUDES

**Index**

**Agree Completely**

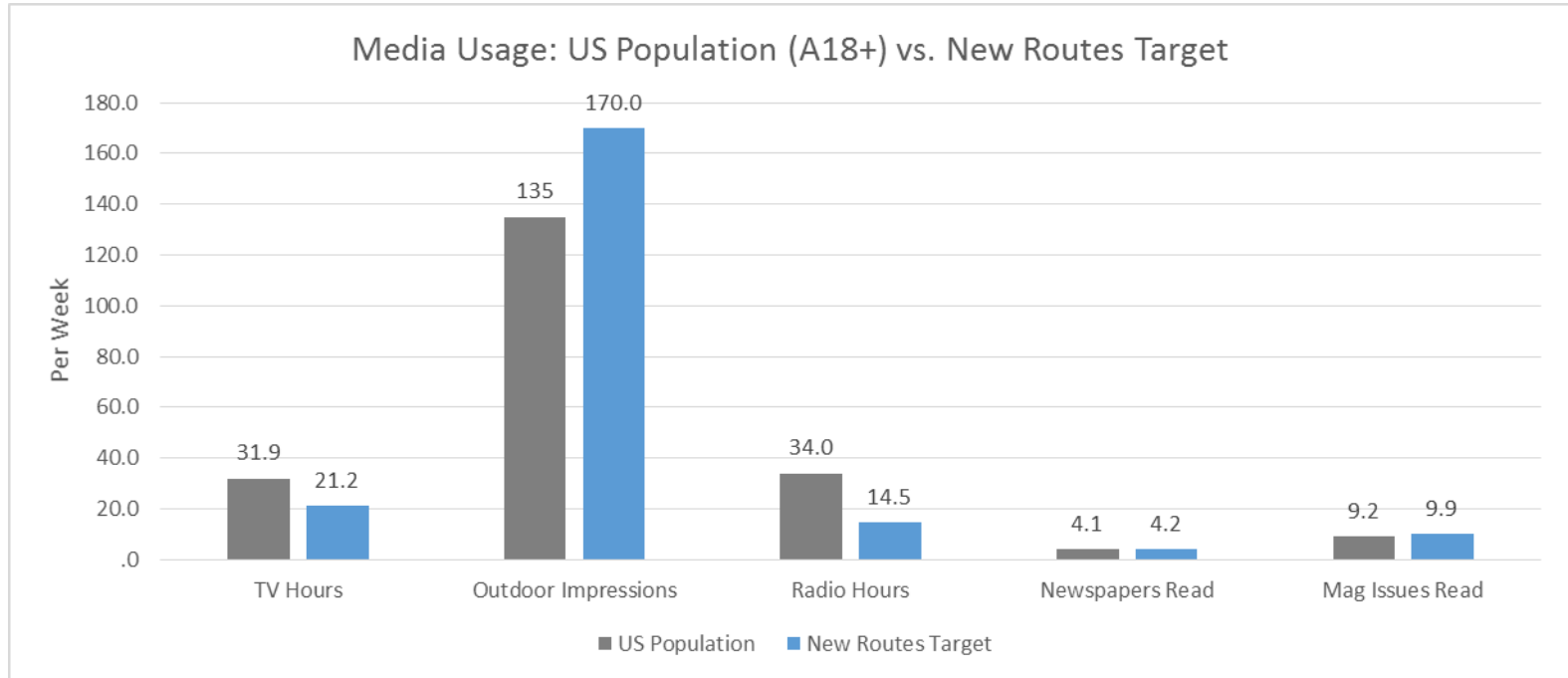
I frequently choose active vacations with lots to do	151
I'd rather book a trip over the Internet than meet with a travel agent	150
Planning a vacation is just as much fun as the trip itself.	138
<b>How long before traveling do you typically book your trip?</b>	
More than 6 months before traveling	229
3-6 months before traveling	163
Less than 3 months, but more than 1 week before traveling	174

**OTA's Visited Past 30 days (index)**

					
282	297	327	275	297	286



# US Target: The New Routes Target – Offline Media

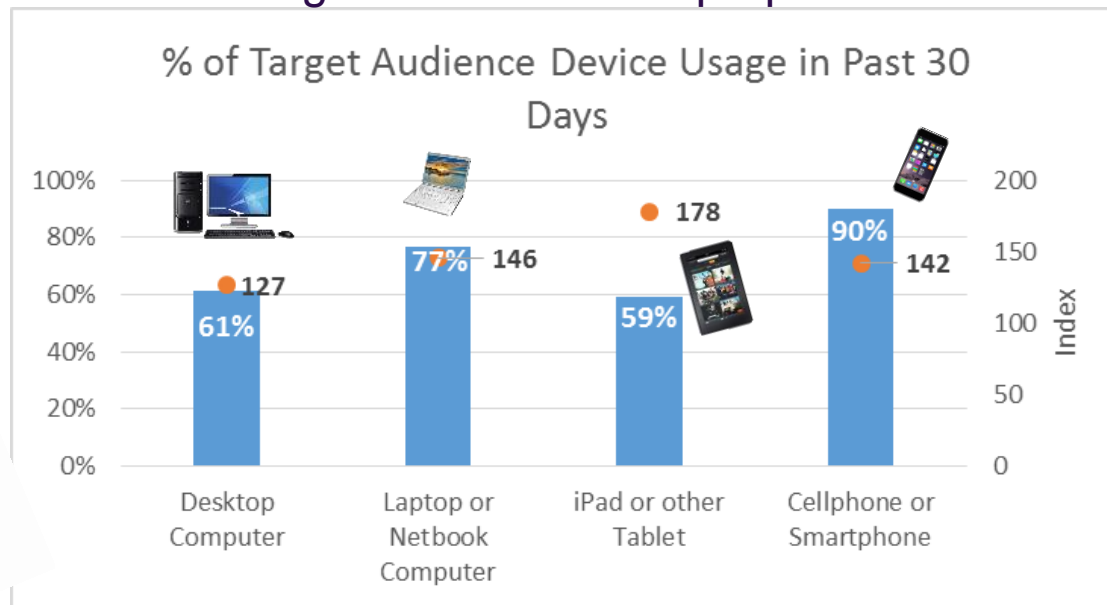


## View Magazines positively, but have skepticism on other Traditional Media Sources

TV	Radio	Newspapers	Magazines
“Puts me in a good mood” (54%, 99)	“A good escape” (36%, 98)	“A good escape” (9%, 89)	“Makes me think” (69%, 121)
“Keeps me informed/up to date” (61%, 95)	“Pure entertainment” (48%, 110)	“Keeps me up to date with latest styles/trends” (13%, 82)	“Put me in a good mood” (40%, 120)
“Most trusted media” (17%, 59)	“A good source of learning” (34%, 114)	“Most trusted media” (21%, 97)	“A good source of learning” (49%, 114)

# New Routes Target Digital Behaviors...

Accesses the internet using multiple devices and is using it for informative purposes



## Uses the internet to learn, research, and book travel plans

“The internet is a great way to gather information on products/services I’m considering purchasing” (54%, 134)

“Internet is the most trusted media” (46%, 134)

“I’d rather book a trip over the Internet than meet with a travel agent” (38%, 150)

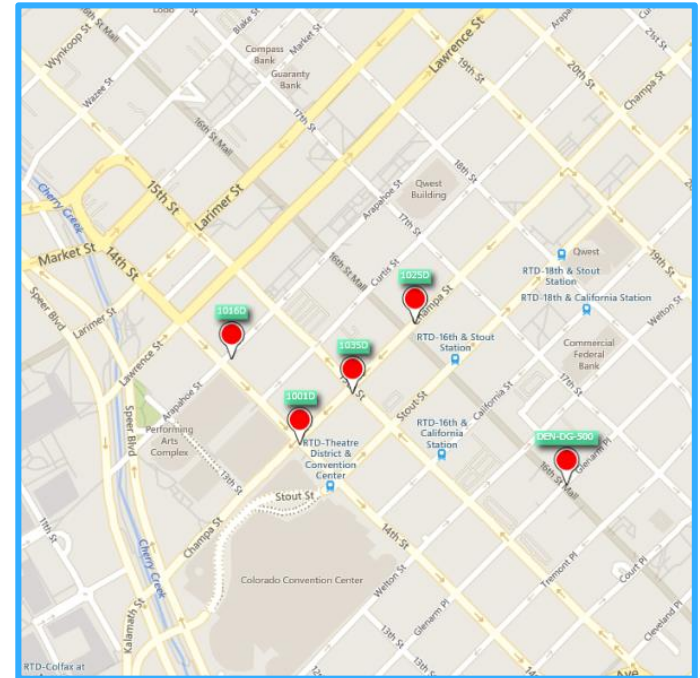
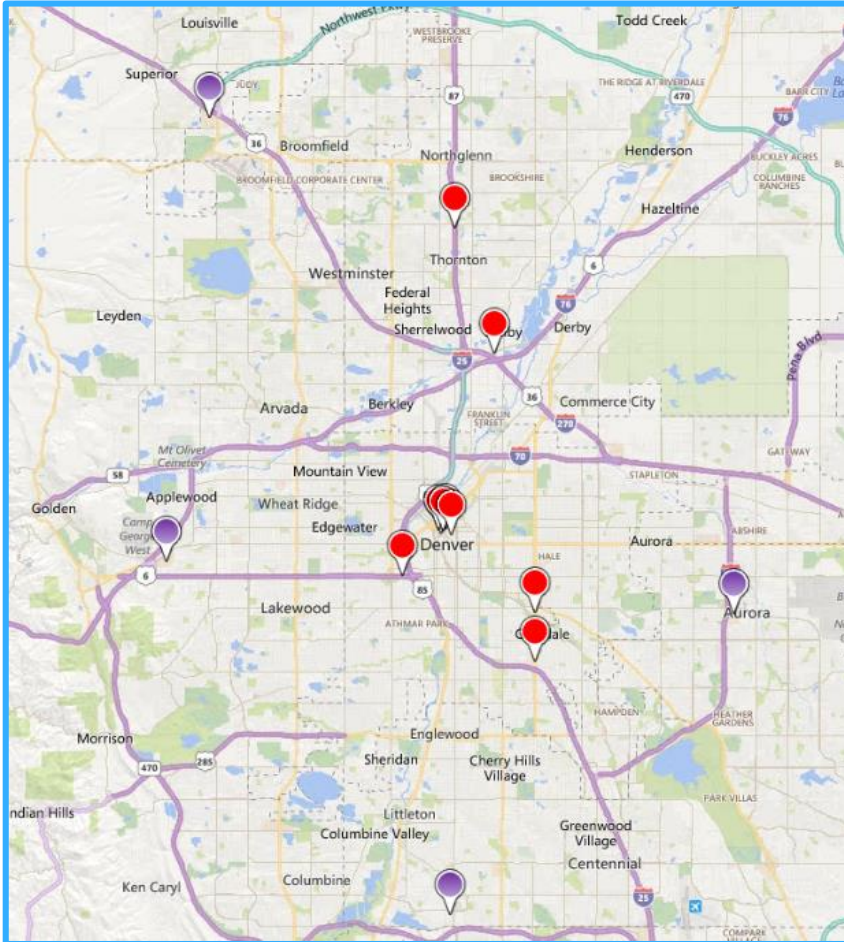
“I love doing research on a location before I go on vacation” (39%, 151)

“Internet is a good source of learning” (89%, 119)

# Overview of the Brief

- Business Challenge:
  - Get Americans to fly on Air Canada's new routes Denver
    - Increase consideration of these routes as 6<sup>th</sup> freedom route
- Communication Objectives:
  - Build awareness of new routes to/through Canada
  - Educate travelers on; New routes from US to Europe/Asia being offered by Air Canada from Denver through either Toronto or Vancouver
- Mandatories:
  - Request for a recommendation beyond standard digital banners
- KPIs:
  - Awareness: Impressions / CTR

# OOH Locations/Screenshots





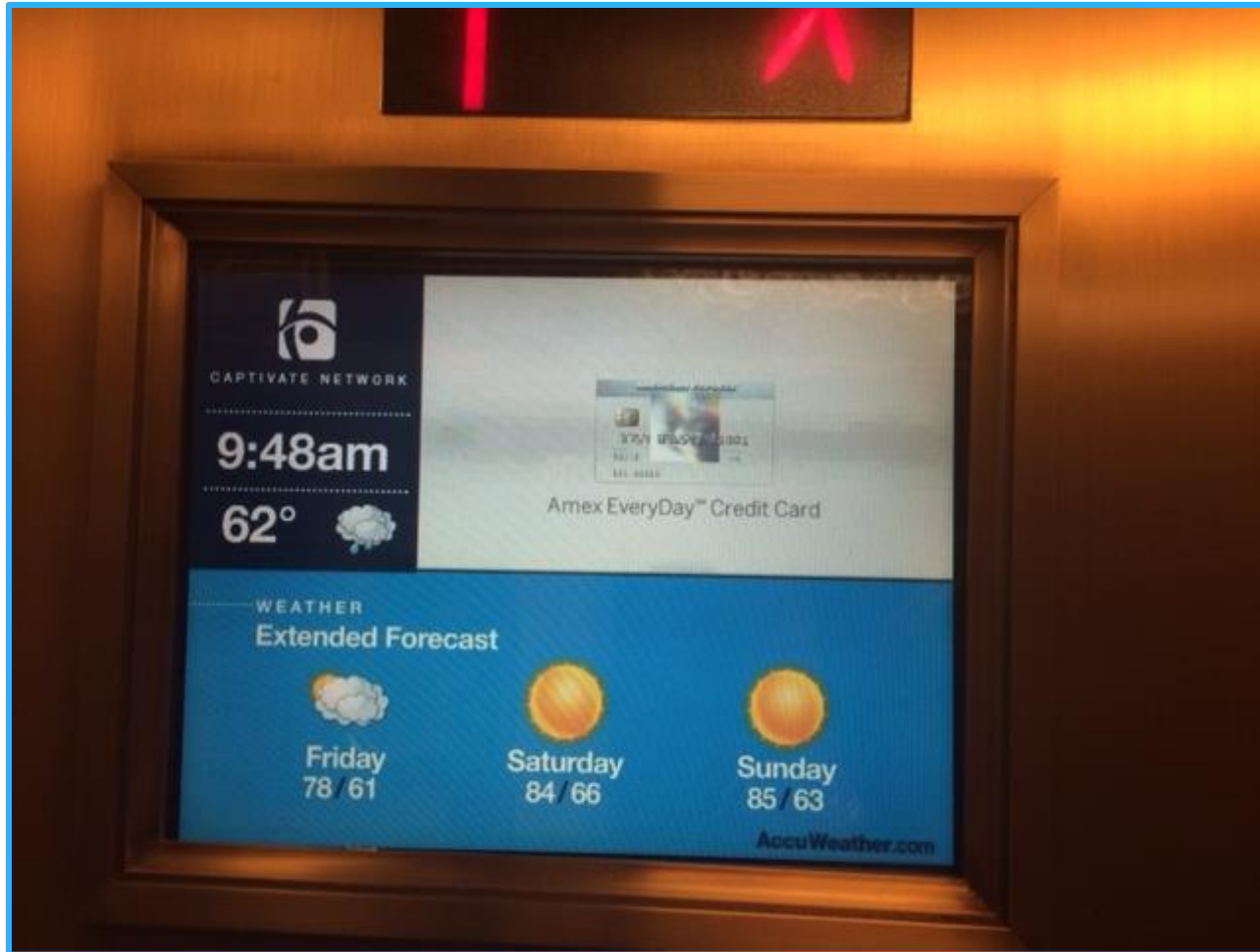
# OOH Locations/Screenshots

## Adspace – In Mall Digital Display



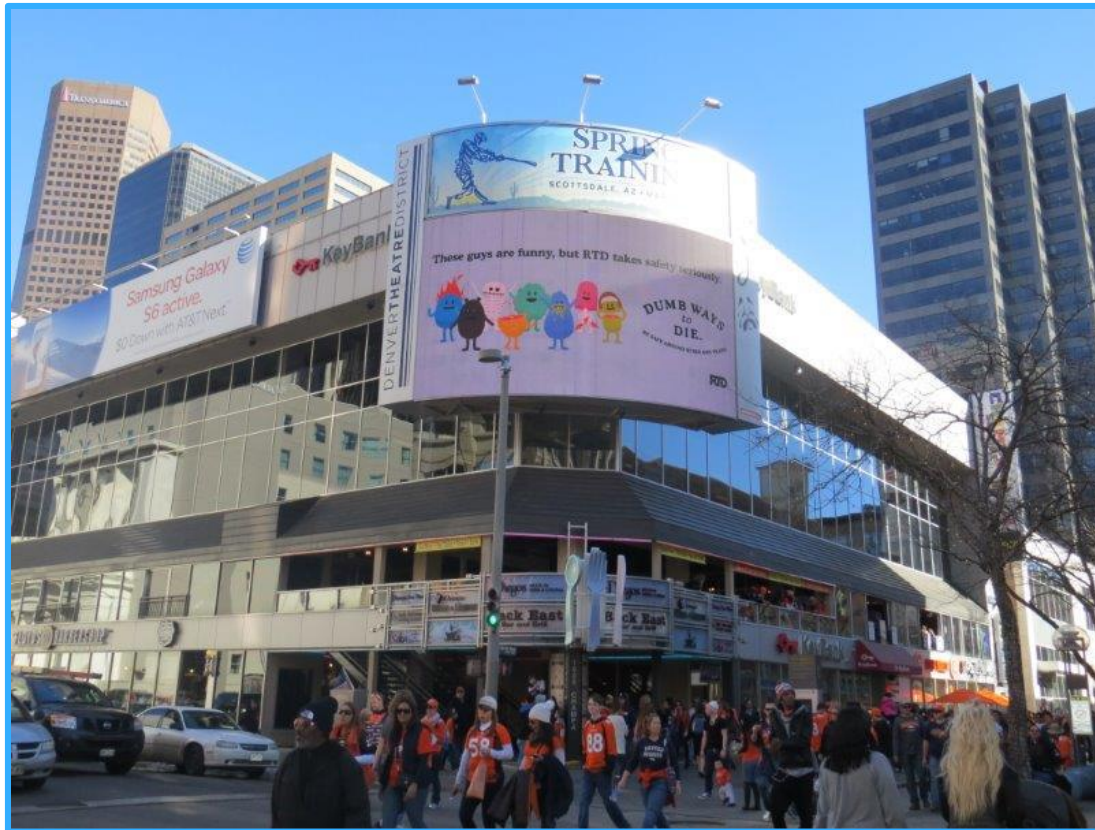
# OOH Locations/Screenshots

Captivate – Office Elevator/Lobby Digital Screens



# OOH Locations/Screenshots

Branded Cities - 1025D - Champa St & 16th St Mall - 16th St Mall





# OOH Locations/Screenshots

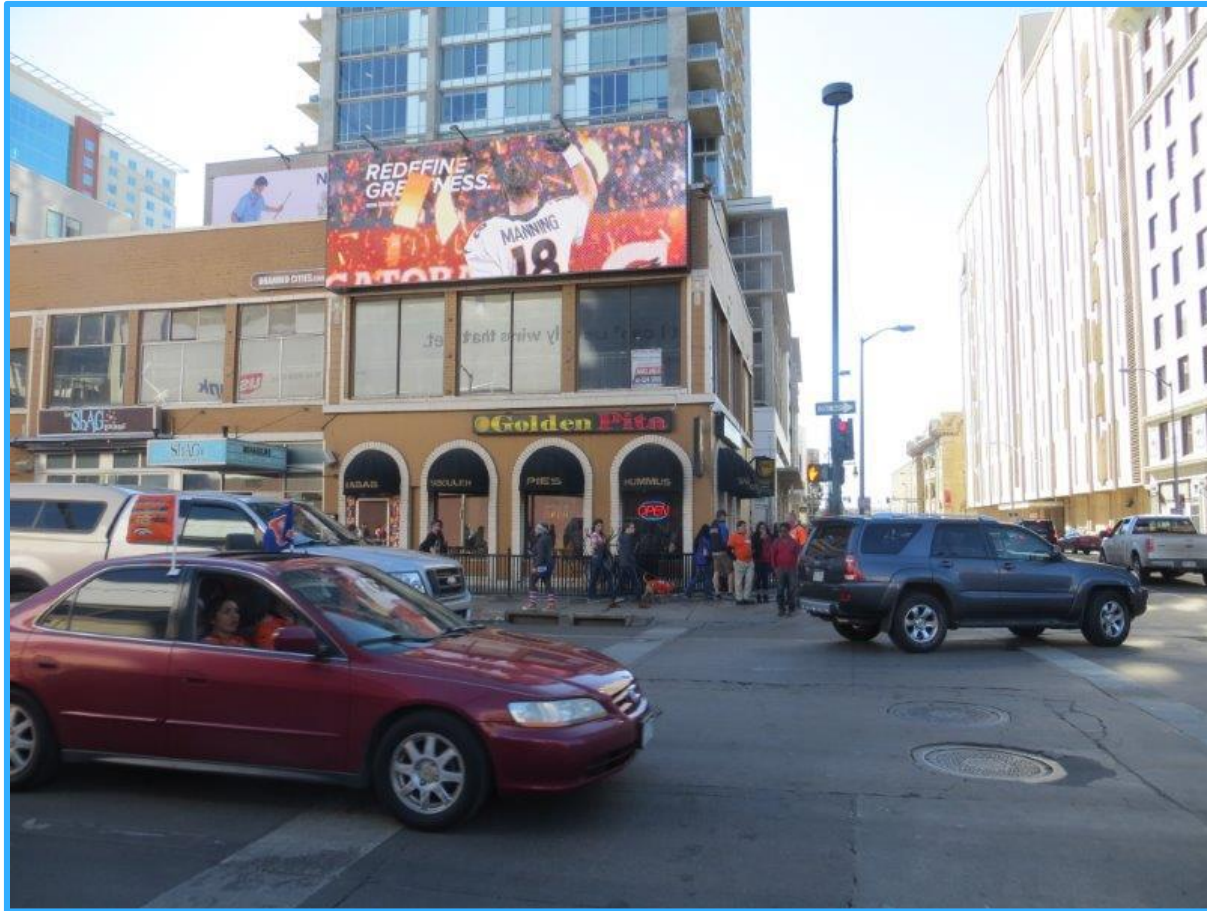
Branded Cities - 1016D- 14th & Araphahoe





# OOH Locations/Screenshots

Branded Cities - 1035D - 15th & Champa



# OOH Locations/Screenshots

Lamar - 30001 -1680 SOUTH COLORADO BLVD N/O I-25 ES SF



# OOH Locations/Screenshots

Lamar - 30002 - S/S OF 6TH AVENUE W/O I-25 WF



# OOH Locations/Screenshots

MHO – 02-2168.1 - N/L I-270 & I-76 W/F



# OOH Locations/Screenshots

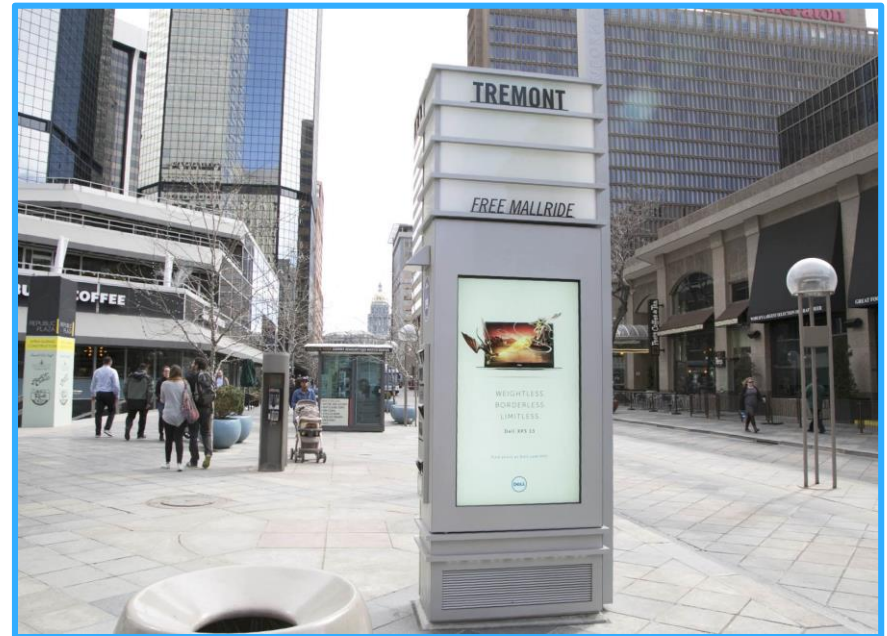
MHO – 02-2183.1 - W/L I-25 s/o 104th N/F





# OOH Locations/Screenshots

Orange Barrel – Digital Kiosk Domination - Downtown Denver, 16th Street Mall / from LoDo to Capitol Hill



# OOH Locations/Screenshots

Orange Barrel – HD Digital Screen Network- Downtown Denver



**Thank You**