

Incentive programme Linz Airport (Scheduled Air Services)

valid from 01.01.2021

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General:

As one of Austria's most up-to-date regional airports, Linz Airport (hereinafter referred to as LA) is on the one hand the home airport of the region's approximately 3.6 million inhabitants, and on the other hand an important part of the Upper Austrian economy.

Upper Austria's economy produces approximately 27% of all Austrian export goods and is therefore one of the most powerful export regions in the EU.

Against this background, the development of scheduled flights from LA has a high priority. The present incentive schemes are designed to support scheduled airlines that are planning to implement additional frequencies to existing destinations, new routes to and from LA, or to increase the number of seats on existing routes.

The schemes also serve to demonstrate to all interested scheduled airlines the possibilities for support from LA using a fair, transparent and non-discriminatory approach.

Frequency Density Incentive:

1. Objectives

LA offers support in form of a Frequency Density Incentive to scheduled airlines which are planning a sustainable frequency increase on any of the routes they already serve.

The Frequency Density Incentive applies equally to the development of existing HUB connections as well as to existing Point to Point connections.

The Frequency Density Incentive should be regarded as a fair, transparent and non-discriminatory proposal which is addressed to all scheduled airlines which fulfil the requirements of the Frequency Density Incentive.

2. Requirements:

- The Frequency Density Incentive encourages the inclusion of additional frequencies on existing routes.
- The Frequency Density Incentive may only be claimed by scheduled airlines, and only applies to frequencies which are operated as scheduled air services.
- Frequencies are supported which exceed the number of existing frequencies.
- In case, the airline increases a frequency on a single route, but simultaneously reduces the frequency on another route, the Frequency Density Incentive shall only apply when the sum of the actually flown frequencies is higher over the same period.
- The Frequency Density Incentive shall also only apply when the additional frequencies are flown continuously for at least one flight scheduling period.
- Where an airline establishes a destination, which is already served by another airline, this shall not apply as an additional frequency in terms of the Frequency Density Incentive.
- Additional frequencies must be published and be bookable on the Global Computer Reservation System (GDS) or on the Internet.

3. Incentives:

- The Frequency Density Incentive is a limited reduction of the fees charged by LA. This shall only apply to flights actually operated. The percentage discounts granted as part of the Frequency Density Incentive apply to the respectively applicable LA Charges Regulation.

- The discounts granted as part of the Frequency Density Incentive shall comprise in the first year:
 - 55% of the landing charge
 - 55% of the infrastructure charge (land-side)
 - 55% of the infrastructure charge (air-side)
 - 55% of the ramp handling charge
 - 55% of the passenger service charge

- The discounts granted as part of the Frequency Density Incentive shall comprise in the second year:
 - 45% of the landing charge
 - 45% of the infrastructure charge (land-side)
 - 45% of the infrastructure charge (air-side)
 - 45% of the ramp handling charge
 - 45% of the passenger service charge

- The discounts granted as part of the Frequency Density Incentive shall comprise in the third year:
 - 35% of the landing charge
 - 35% of the infrastructure charge (land-side)
 - 35% of the infrastructure charge (air-side)
 - 35% of the ramp handling charge
 - 35% of the passenger service charge

4. Billing options:

The Frequency Density Incentive is calculated at the end of each flight scheduling period. The above-mentioned reductions will be deducted as a discount from the due charges.

As part of such settlement, the airline must provide evidence of the number of actually flown frequencies compared to the actually flown frequencies for the relevant flight scheduling period of the preceding year.

5. Agreement regarding the use of the incentive:

The use of the Frequency Density Incentive requires a written agreement of the respective airline and LA.

Destination Incentive:*1 Objectives:*

LA offers support in the form of a Destination Incentive to scheduled airlines which are planning a new scheduled air service destination to and from Linz.

With this incentive, LA supports the sustainable development of its scheduled air services.

The Destination Incentive applies equally to HUB connections as well as to Point to Point connections.

The Destination Incentive should be regarded as a fair, transparent and non-discriminatory proposal which is addressed to all scheduled airlines which fulfil the requirements of the Destination Incentive.

2. Requirements:

- The Destination Incentive promotes the new connection of scheduled air services to and from LA.
- The Destination Incentive may only be claimed by scheduled airlines, and only applies to new destinations which are operated as scheduled air services.
- A destination shall be deemed to be new if it has not been operated from Linz within the preceding two flight scheduling periods.
- The extension of an existing connection via an existing destination shall not apply as a new destination in the sense of the Destination Incentive.
- The newly established route must be published and be bookable on the Global Computer Reservation System (GDS) or on the Internet.

3. Incentives:

- The Destination Incentive is a limited reduction of the fees charged by LA. This shall only apply to flights actually operated. The percentage discounts granted as part of the Destination Incentive apply to the respectively applicable LA Charges Regulation.

- The discounts granted as part of the Destination Incentive shall comprise in the first year:
 - 55% of the landing charge
 - 55% of the infrastructure charge (land-side)
 - 55% of the infrastructure charge (air-side)
 - 55% of the ramp handling charge
 - 55% of the passenger service charge

- The discounts granted as part of the Destination Incentive shall comprise in the second year:
 - 45% of the landing charge
 - 45% of the infrastructure charge (land-side)
 - 45% of the infrastructure charge (air-side)
 - 45% of the ramp handling charge
 - 45% of the passenger service charge

- The discounts granted as part of the Destination Incentive shall comprise in the third year:
 - 35% of the landing charge
 - 35% of the infrastructure charge (land-side)
 - 35% of the infrastructure charge (air-side)
 - 35% of the ramp handling charge
 - 35% of the passenger service charge

4. Billing options:

The Destination Incentive shall be calculated at the end of each flight scheduling period. The before-mentioned reductions will be deducted as a discount from the due charges.

As part of such settlement, the airline must provide evidence of the number of actually flown frequencies and passengers flown.

5. Agreement regarding the use of the incentive:

The use of the Destination Incentive requires a written agreement of the respective airline and LA.

Up Grade Incentive:

1 Objectives:

LA offers support in the form of an Up Grade Incentive to scheduled airlines that already operate scheduled air services to a destination and plan to increase their seat capacity by using a larger aircraft type.

With this incentive, LA supports the sustainable development of its scheduled air services.

The Up Grade Incentive applies equally to HUB connections as well as to Point to Point connections.

The Up Grade Incentive should be seen as a fair, transparent and non-discriminatory proposal which is addressed to all scheduled airlines which fulfil the requirements of the Up Grade Incentive.

2. Requirements:

- The Up Grade Incentive promotes the expansion of seat capacity on existing scheduled air services to and from LA.
- The Up Grade Incentive does not apply to flights with larger aircraft types which divert to LA or are operated on ad hoc base due to operational reasons.
- The Up Grade Incentive does not apply to aircraft types with less than 95 seats.
- The Up Grade Incentive is only available to scheduled airlines and applies only to destinations served by scheduled air services.
- The Up Grade Incentive only applies to flights operated with the larger aircraft type.
- The route must be published and be bookable on the Global Computer Reservation System (GDS) or on the Internet.

3. Incentive

- The Up Grade Incentive is a temporary reduction of the fees charged by LA.
- These shall only apply to flights actually operated on the larger aircraft type.
- The percentage discounts granted as part of the Up Grade Incentive apply to the respectively applicable LA Charges Regulation.

a)

Up grade from a type of aircraft with at least 95 seats to a type of aircraft with up to 120 seats.

- The discounts granted as part of the Up Grade Incentive shall comprise in the first year:

27% of the landing charge
27% of the infrastructure charge (air-side)
27% of the ramp handling charge
27% of the traffic handling charge

- The discounts granted as part of the Up Grade incentive shall comprise in the second year:

22% of the landing charge
22% of the infrastructure charge (air-side)
22% of the ramp handling charge
22% of the traffic handling charge

- The discounts granted as part of the Up Grade Incentive shall comprise in the third year:

17% of the landing charge
17% of the infrastructure charge (air-side)
17% of the ramp handling charge
17% of the traffic handling charge

b)

Up grade from a type of aircraft with at least 121 seats to a type of aircraft with more than 121 seats.

- The discounts granted as part of the Up Grade Incentive shall comprise in the first year:

42% of the landing charge
42% of the infrastructure charge (air-side)
42% of the ramp handling charge
42% of the traffic handling charge

- The discounts granted as part of the Up Grade Incentive shall comprise in the second year:

37% of the landing charge
37% of the infrastructure charge (air-side)
37% of the ramp handling charge
37% of the traffic handling charge

- The discounts granted as part of the Up Grade Incentive shall comprise in the third year:

32% of the landing charge
32% of the infrastructure charge (air-side)
32% of the ramp handling charge
32% of the traffic handling charge

4. Billing options:

The Up Grade Incentive shall be calculated at the end of each flight scheduling period. The before-mentioned reductions will be deducted as a discount from the due charges.

As part of such settlement, the airline must provide evidence of the number of actually flown frequencies and passengers flown.

5. Agreement regarding the use of the incentive:

The use of the destination incentive requires a written agreement of the respective airline and LA

Basic principles:

The offer of these incentives can be withdrawn by LA in compliance with statutory provisions.

A cumulation of several incentives is not possible.

The settlement of an agreed incentive may only take place when all of the invoices issued by LA have been paid in full.