

Annex 4

Incentive Programme

Tariff Regulations Graz Airport 2024

1. General

The economic location "Graz Airport", which currently has around 950 employees, is in ever fiercer competition both internationally and nationally with other airports (which are increasingly endeavouring to expand their own offerings), and to some extent overlaps with them in its own catchment area.

This Incentive Programme has been developed to safeguard the competitiveness of Graz Airport and better utilise the existing airport capacities. It will subsequently serve to increase passenger numbers at Graz Airport, win new customers and make the market entry for them attractive and economically successful.

For this reason, the Incentive Programme of Flughafen Graz Betriebs GmbH is intended to create an incentive to induce airlines to connect new destinations to Graz and strengthen their existing routes. This will be of benefit to the highly export-oriented and dynamic Styrian economy and industry, as well as the flourishing tourism industry in Styria; it will also strengthen Styria as an economic location and enable it to offer expanded international connectivity to and from Graz.

The goals of this Incentive Programme include the following among others:

1. More efficient use of existing infrastructure and airport capacities
2. Increased value creation for the Styrian economy, industry and tourism
3. Increased revenue in the aviation and non-aviation areas
4. Increased sales for the companies and retail partners present at the Graz Airport site
5. Stable safeguarding of jobs for committed employees

The application to be granted an incentive from this programme must be made in advance in writing to Flughafen Graz Betriebs GmbH by the airline or an authorised representative of an airline group.

The entitlement in principle of an airport user (airline or aircraft operator) to be granted an incentive from this programme shall only come into existence after the conclusion of a written agreement and submission of proof that the requirements connected with the respective incentive have been fulfilled. On conclusion of an agreement, the calculation of the compensation claimed must be shown in detail as well as stating the frequencies, flight days and times, aircraft type, load factor, expected passenger numbers in and out, and route for the contractual period.

If fewer than 80% of the planned and contractually agreed flights take place, the entitlement to this compensation shall expire.

The granting of this incentive can be suspended at any time if invoices from Flughafen Graz Betriebs GmbH have not been paid when due.

Flughafen Graz Betriebs GmbH reserves the right to request or revoke changes to the Incentive Programme or parts thereof at any time.

The support shall take place in accordance with the EU state aid and competition rules with the application of European law, and shall safeguard fair and well-functioning competition in line with the requirement for equal treatment.

1. “Start-up Incentive | Promotion of new routes”

Requirements for the granting of this funding for new routes are:

- Interest on both sides in developing sustainable traffic to/from Graz. This interest on both sides and sustainable traffic shall not exist in particular if a continuation of the route after the funding period is assessed as unrealistic, or if the development of the route directly jeopardises the continuation of links that already exist.
- That there have been no direct flights to the destination from Graz Airport in at least two previous IATA flight schedule periods before the start of the new route.
- That the destination will be served by direct flights from/to Graz of at least 2 weekly frequencies for at least 45 weeks in the calendar year, or a seasonal operation which must comprise at least 60 rotations per IATA summer flight schedule period or 40 rotations per IATA winter flight schedule period.

This Incentive Programme does not apply if existing transports are shifted within an airport system of a respective destination/city, within a catchment area, or from an airline to its affiliated companies. If the airline or one of its affiliated companies has already flown to the destination from Graz and then stopped these flights again, this Incentive Programme can only be granted to the same airline group if the destination has not been served by direct flights from Graz for 24 months.

If an airline ceases its flights on a route that is already funded by this Incentive Programme during the term of the programme, the programme can be continued by another airline for the remainder of this term.

No further rebates from the Tariff Regulations can be claimed for flights on a route funded by this Incentive Programme. This incentive cannot be combined with any other incentive.

For the development of a scheduled connection, the following tariff reductions can be granted over a period of 4 years maximum:

Landing fee/Passenger service fee

Year from commencement of route	Reduction
1	80%
2	60%
3	40%
4	20%

Security charge (only for year-round scheduled connections)

Year from commencement of route	Reduction
1	20%
2	15%
3	10%
4	5%

If a new destination is only served seasonally, but is flown to at least 60 times per IATA flight schedule period, 50% of the reductions shall apply. In this case no reduction of the security charge can be granted.

2. Incentive Programme “Volume”

The aim of this Incentive Programme is to support airlines or airline groups which have year-round scheduled connections to/from Graz and a corresponding traffic volume.

A year-round scheduled connection requires a destination to be served by direct flights from/to Graz with at least 2 weekly frequencies for at least 45 weeks in the calendar year.

The starting basis for the amount of the incentive is the passenger and MTOW volume in one calendar month.

If in one calendar month, the volume limit of one level of the scale shown below is exceeded, a percentage reduction shall be applied to the respective fee for this calendar month. All flights of an airline group (airline and affiliated companies) will be added together.

If the threshold value for departing passengers is exceeded, a reduction in the passenger service fee and the security charge will be granted.

If a threshold value for MTOW landed is exceeded, a reduction in the landing fee will be granted.

This incentive cannot be combined with “1. Start-up incentive | Promotion of new routes”.

Landing fee

MTOW landed Volume p.m.	Reduction
Over 1,000 to	7.5%
Over 5,000 to	10%
Over 12,000 to	15%
Over 18,000 to	18%

Passenger service fee/Security charge

Departing passengers Volume p.m.	Reduction in passenger fee	Reduction in security charge
Over 2,000	7.5%	2.5%
Over 10,000	10%	4%
Over 20,000	15%	7%
Over 30,000	18%	9%

3. Incentive Programme “Frequency of scheduled flights”

This incentive is intended to promote an increase in the flight frequencies to year-round scheduled destinations, and can only be combined to a limited extent with the Volume Incentive. Routes which come under the Start-Up Incentive cannot be taken into account.

All additional flights in one season compared to the previous summer or winter period to destinations that are served year-round by scheduled flights count as increases in frequency. The months April to October count as the summer period, and the winter period comprises the months November to March.

If in individual months the increase in frequencies results in a higher level of the scale being achieved for either the passenger or MTOW quantity under the Volume Incentive, the number of these flights in this month will not be taken into account when calculating the Frequency Incentive.

The entire flight volume of an airline or airline group (airline and affiliated companies) will be taken into account.

When considered as an airline group, the resulting incentive amount will be apportioned pro rata by means of the additional frequencies implemented.

The amount of the incentive depends on the number of seats on the aircraft used, and per rotation amounts to:

Seat capacity (Y)	Support
<= 100	€ 150
> 100	€ 250

4. Incentive Programme “Hub”

This incentive serves to support the year-round connection of hub airports to Graz Airport, and to improve/increase connectivity in the catchment area.

A transit airport (hub) means any airport at which at least 20% of the passengers who boarded in Graz transfer to a further destination. The data for determining this will be derived from the corresponding SITA messages and evaluated monthly.

This incentive cannot be combined with the “Start-up Incentive | Promotion of new routes”.

The amount of this incentive depends on the proportion of passengers transferring, and is as shown below per transfer passenger departing from Graz:

Proportion transferring	Support
<= 50%	€ 4
<= 80%	€ 5
> 80%	€ 6

5. “Start-up Incentive | For new airlines at the Graz site”

A mix of airlines can make a significant contribution to the promotion of tourism and the economic development of the Styria region. More visitors will arrive per aircraft, and business opportunities for local and international companies will expand. With a broader spectrum of airlines at Graz Airport, passengers will benefit from a greater variety of destinations, a wider choice and improved international connections.

“New” airlines operating at Graz in scheduled or holiday flight traffic which are unable to benefit from other incentives (e.g. due to the lack of scheduled flights all year round) have the possibility of applying for the “Start-up Incentive | For new airlines”. This incentive can therefore not be combined with other incentives.

An airline counts as “new” if it has not operated to/from Graz within the past 12 months, or has not implemented more than 10 flights in this period.

The requirement is the implementation of at least 60 direct flight rotations to/from Graz within one IATA summer flight schedule period or 40 rotations within one IATA winter flight schedule period that are bookable in GDS systems.

To increase awareness and develop acceptance in the region, it is essential for a new airline to make increased investments in advertising. Therefore with this “Start-up Incentive Programme” Graz Airport will support every full rotation with:

Year	Support <= 100 per year	Support > 100 per year
1	€ 150	€ 250
2	€ 75	€ 125