

Airline Incentive Policy (1 January 2016)

Aiming to achieve a sustainable development of its passenger and cargo traffic, Tirana International Airport (TIA) herewith amends its successful TIA Incentive Policy. This Airline Incentive Policy (Policy) is valid from 1 January 2016 (or as otherwise stated in the respective incentive) and replaces the previous one.

By offering discounts on turnover calculated based on its regular charges, TIA invites Airlines to introduce additional services to Tirana International Airport by taking advantage of reduced operating costs. Furthermore, with a competitive "risk sharing" policy for the first two years of operations, TIA encourages airlines to start up their business, introduce new routes and further develop the operations out of TIA. Consequently, TIA's incentive policy is to benefit of the total of TIA's aviation market, as it results in amplified passenger and cargo traffic.

More specifically, for Airlines currently operating or planning to operate to TIA the following incentives are available:

- A New Route Incentives for Scheduled Traffic
- B Additional Frequency Incentives for Scheduled Traffic
- C New Airline Entrants
- D New Route for Charter Traffic
- E Reduced Scope of Ground Handling Services
- F Off-Peak Discounts
- G Non-satisfactory Load Factors
- H Larger Aircraft Incentive
- I Airport Growth Financial Support
- J Support for Transit Traffic

The above cited incentives must fulfil the Terms and Conditions as described in the following paragraphs.

Terms and Conditions (TaC)

This Policy is only eligible for airlines fulfilling the following conditions precedent:

- The Airline has signed and returned the TIA Standard Ground Handling Agreement, and its Annexes and the Tirana International Airport Conditions of Use and Airport Charges;
- The airline is at all times paying the charges to TIA within due time; and
- The airline will perform quarterly reconciliations with TIA confirming the passenger numbers and the balances outstanding.

Incentives A, B, C and D are granted first if applicable hereunder. In case they do not apply for a certain route, the incentive E to J may be granted if the respective conditions are fulfilled.

A. New Route Incentive for Scheduled Traffic

TIA in order to support any Airline operating a new route for a scheduled passenger flight or dedicated scheduled international new cargo route is offering the following two-year supportive scheme (New Route Incentive):

First 12 months: 100% reduction of the published Landing, Parking and Lighting turnover; and
10% reduction of Ground handling turnover.

Second 12 months: 50% reduction of the published Landing, Parking and Lighting turnover.

Thereafter, the Airline will pay the regular TIA charges. The following conditions apply in addition to TaC:

- Routes eligible for this New Route Incentive are routes where no scheduled flights operated to/ from TIA during the preceding 12 months, and to which no flight were operated by the airline starting the New Route, during the preceding 36 months.
- The New Route should be operated on a scheduled basis on an average of at least one weekly frequency throughout a period of 12 months.
- The total number of frequencies of the airline flown from TIA during the first (1st) 12 months of the new service operations, when compared against the preceding corresponding year, results in a net increase in the total frequencies operated at TIA by that Airline.

The incentives shall be calculated and granted annually after the period of each 12 months for which it applies.

B. Additional Frequency Incentive for Scheduled Traffic

TIA in order to support any Airline introducing additional scheduled frequencies on existing routes flown by the same Airline is offering the following one year/one IATA flight period supportive scheme:

50% reduction of the published Landing, Parking and Lighting turnover.

Thereafter, the Airline will pay the regular TIA charges. The following conditions apply in addition to TaC:

- The Additional Frequency should be operated by the airline on a scheduled basis on an average of at least one additional weekly frequency throughout the year/IATA flight period.
- The total number of frequencies of the Airline flown from TIA during the 12 months/IATA flight period of the additional service, when compared against the previous corresponding year/IATA flight period, results in a net increase in the total average weekly operated at TIA by that Airline.

Such incentive will be applicable for IATA flight period starting IATA summer. For the sake of calculation, the additional frequencies will be accounted as the difference between the

number of flights performed in the current year/IATA flight period with the number of flights performed in the previous year/IATA flight period. The incentive will be calculated taking into account the last flights performed. The incentives shall be granted annually or after the IATA flight period for which it applies. The annual calculation will take into account the previous incentives granted for the IATA flight period included in the same year (if applicable).

C. New Airline Entrants

TIA in order to support any Airline wishing to start annual scheduled operations is offering the following six months' supportive scheme:

First 6 months: 100% reduction of the published Landing, Parking and Lighting turnover
10% reduction of the published Ground Handling turnover.

After the first six months of operation, the Airline will pay the regular TIA charges. The following conditions apply in addition to TaC:

- Airlines eligible for this New Airline Entrant Incentive must be airlines for which no commercial operation has previously been carried out for the preceding 24 months.

The New Airline Entrant should operate a minimum of one weekly frequency

The incentives shall be calculated and granted after the period of six months.

D. New Route Incentive for Charter Traffic

TIA in order to support charter airlines introducing a new route is offering the following six months supporting scheme:

First six months: 100% reduction of published Landing, Parking and Lighting turnover.
Thereafter, the Charter Airline will pay the regular TIA charges. The following conditions apply in addition to TaC:

- Routes eligible for this New Route Incentive for Charter Traffic where no scheduled or charter flights were operated to/from TIA during the preceding 12 months.
- The New Charter Route should be operated during a scheduled period of at least three months with a minimum of one weekly frequency on average.

The incentives shall be calculated and granted after the period for which it applies.

E. Reduced Scope of Ground Handling Services

Airlines that wish to operate at TIA using a much reduced scope of services for point to point traffic will be eligible of 10% discount on Ground Handling turnover, as per the signed contract between the parties.

This incentive will be calculated and granted annually, and is inclusive of any other incentive.

