

## **Terms and conditions of the Brussels Airport Company 2016-2020 Incentive System (running from 1 April 2016 until 31 March 2021)**

### **Introduction to the incentive system at Brussels Airport applicable from 1 April 2016 until 31 March 2021**

Brussels Airport Company SA/NV ("Brussels Airport" or "BRU") offers a series of incentives to encourage airlines to develop their services at Brussels Airport. The objective of the incentives is to reward the development of new destinations departing from Brussels Airport and to encourage growth together with the airlines.

The incentives scheme consists of three parts:

- a credit entry to the passenger airline that serves a **new destination**.
- a credit entry to the passenger airline that realizes **passenger growth**.
- a credit entry on the landing & take off charges and aircraft parking charges to cargo airlines that serve extra frequencies of **cargo flights**.

The size and extent of the incentives is subject to the terms and conditions as mentioned in this document.

## **Terms and conditions**

### **1 General principles**

- 1.1 The incentives are only granted to the users of Brussels Airport (hereafter the "airline(s)") that serve as operating carrier. Codeshare partners or wet lease operators are not entitled to receive an incentive.
- 1.2 New destinations or passenger growth or additional cargo frequency resulting from developments such as mergers, acquisitions, joint ventures, restructuring, codeshares or route transfers are not entitled to receive an incentive.
- 1.3 The incentive amounts are not subject to the formula for tariff control.
- 1.4 The incentive system starts on 1 April 2016 and ends on 31 March 2021.
- 1.5 Charter operations are not subject to any incentive scheme. Scheduled charter operations are eligible for the incentive scheme if they have a published schedule at the start of the IATA season and for which 'flight only' tickets can be directly purchased by the passenger via distribution channels other than the tour operator alone.
- 1.6 Brussels Airport reserves the right to grant any incentives for excluded operations (like for example charter operations) in case of structural added value for the airport.

- 1.7 An incentive will only be granted when the eligible airline respects Brussels Airports' payment terms of standard invoices and when no overdue exists. If the airline has arrears of payment, Brussels Airport may, at its own discretion, either defer the issuance of the credit note until the outstanding debt is liquidated, either set off against each other mutual claims and debts that exist between Brussels Airport and the airline, even after a situation of composition with creditors has surfaced for any reason whatsoever such as composition following the bankruptcy of the airline. This set-off may be undertaken irrespective of the form and subject of the claims and debts and irrespective of whether or not the mutual claims are due and payable.
- 1.8 The airline must fully comply with the terms and conditions published in the Brussels Airport Charges & Fees terms and conditions.
- 1.9 Brussels Airport shall not be liable for any costs, expenses or damages in relation to or resulting from the above program.
- 1.10 In this document, an "IATA-year" means a year running from 1 April to 31 March. An IATA-year contains two "IATA-seasons", the IATA Northern Summer running from 1 April until 31 October and the IATA Northern Winter running from 1 November until 31 March.

## **2 Incentive schemes related to passenger flights**

### **2.1. General:**

The incentive schemes related to passenger flights are calculated as a fixed amount per departing passenger.

For passenger flights there are two incentive schemes:

- incentives on initiatives for **new destinations**
- incentives on the realized **passenger growth**

The new destination scheme for passenger operations and the passenger growth incentive scheme are not cumulative – for new destinations the passenger growth incentive system takes only effect after the new destination incentive program has been finished. The increase of passengers on existing destinations remains eligible for the passenger growth incentive scheme.

### **2.2. New destination scheme:**

2.2.1. A new destination is a destination served by a passenger airline that, at the time of the start-up of the route, has not been served from Brussels Airport for the last twelve months as a regular operation. The route shall expand the network coverage from Brussels Airport.

2.2.2. The new destination scheme for passenger operations will apply to initiatives for which the operations commence on, or after 1 April 2016.

2.2.3. A new destination incentive shall only be granted if the new initiative results in an increase in total passengers at Brussels Airport (BRU) by the carrier (versus the previous corresponding IATA year containing the IATA Northern Winter and Summer season).

2.2.4. If a new destination is opened, the incentive scheme remains eligible to other passenger airlines commencing services to the same destination within the IATA season during which the services to the new destination from the first airline has started.

2.2.5. In multi-airport systems, each airport of the system will be considered as the same destination.

2.2.7. IATA regions Europe (Western Europe, Eastern/Central Europe) and North Africa, are considered short haul destinations. All other IATA regions are considered long haul destinations.

2.2.8. The new destination incentive scheme shall begin on the first day of the month following the commencement of the initiative.

2.2.9. The new destination incentives shall be credited (or set off according to article 1.7) after the end of each IATA season. Brussels Airport will inform the airline in April and November of each year whether the airline has met the conditions of the new destination incentive scheme and inform it of the amount (related to the previous IATA Season) that will be credited to the airline at that time (or set off the incentive according to article 1.7).

2.2.10. If, during the course of the incentive period, the operating airline changes the characteristics of, or stops, the initiative, Brussels Airport has the right to stop or revise the incentives according to the new situation.

2.2.11. The following incentive system is applicable to new destinations per departing local boarding passenger on flights to the new destination:

New destination	Incentive per departing passenger					
	Originating passengers			Transfer passengers		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Long haul	€15	€10	€5	€7.5	€5	€2.5
Short haul	€10	€10	€10	€5	€5	€5

### 2.3. Passenger growth incentives

2.3.1. For the calculation of the total passenger growth, a departing transfer passenger will be calculated for as 50% of a departing originating passenger (1 transfer pax = 0.5 originating pax)

2.3.2. Passenger growth will be based on the year with the highest departing passenger numbers during the period starting 1 April 2015 until 31 March 2021 (click-mechanism).

Example:

IATA Year	Originating pax	Transfer pax	Calculated Departing pax	Passenger growth	Incentives?
2015	8,000	2,000	9,000	-	-
2016	10,000	4,000	12,000	3,000	Yes
2017	9,000	2,000	10,000	0	No
2018	11,000	2,000	12,000	0	No
2019	7,000	8,000	11,000	0	No
2020	10,000	9,000	14,500	2,500	Yes

2.3.3. The passenger growth scheme is subject to a cap of 100,000 originating departing passenger growth per airline per full IATA year (starting April 1<sup>st</sup> and ending March 31<sup>st</sup>). Transfer departing passenger growth is not subject to a cap.

2.3.4. The passenger growth incentive scheme shall begin on 1 April 2016. Brussels Airport will inform the airlines for the first time in April 2017 and subsequently in April of the following years whether the airline has met the conditions of the incentive scheme and inform them of the amount that will be credited to the airline (or that will be set off according to article 1.7).

2.3.5. The calculation of the passenger growth scheme will be performed by Brussels Airport.

2.3.6 The following incentive system is applicable to realized passenger growth:

Passenger growth	Incentive per departing passenger – year 1	
	Originating passengers	Transfer passengers
Departing passenger growth	€10	€5

### 3. Cargo frequency scheme applicable to cargo flights

3.1. The cargo frequency scheme shall begin on the first day of the beginning of the incentives scheme, being 1 April 2016.

3.2. The cargo frequency scheme will apply to cargo operators that have extra frequencies from Brussels Airport compared to the year before, commencing on or after 1 April 2016. As from the moment the cargo airline has more frequencies compared to the previous year, the cargo frequency incentive incentives shall be credited (or set off according to article 1.7) after the end of each IATA year.

3.3. Ad hoc flights are not granted incentives.

3.4. The incentive is calculated on the landing and take-off charges and to parking charges

3.5. The following incentive system is applicable to extra frequencies of cargo flights:

	Incentive on landing, take-off & aircraft parking		
	Year 1	Year 2	Year 3
Additional cargo frequency	75%	50%	25%

#### **4 Application**

As from the moment the conditions of the new destination scheme are met, Brussels Airport will send an application form to the airline by email or by registered letter. The airline must duly countersign and return the application form to Brussels Airport within 30 (thirty) days after having received the application form. Failure to do so will forfeit the right to an incentive. For the passenger growth incentive scheme airlines do not fill in nor send an application form, these are automatically granted.

Brussels Airport Company SA/NV, January 2016

**Addendum reflecting the extension and amendments to the Terms and conditions of the Brussels Airport Company 2016-2020 Incentive System (running from 1 April 2016 until 31 March 2021)**

**As from 31 March 2021, the following amendments to the terms and conditions of the Incentive System apply:**

**Article 1.4 is replaced by the following article, reflecting the extension of the Incentive System:**

1.4 The incentive system has been extended from 31 March 2021 until 31 December 2021.

**Article 2.2.1 is replaced by the following article, reflecting the impact of Covid-19 to the airport industry:**

2.2.1 A new destination is a destination served by a passenger airline that, at the time of the start-up of the route, has not been served from Brussels Airport for at least **thirty-six months** as a regular operation. The route shall expand the network coverage from Brussels Airport.

**In addition to the Incentive System, the following recovery incentives are offered by Brussels Airport Company, subject to compliance of the airline with article 1.7 and 1.8 of the terms and conditions of the Incentive System:**

**Recovery incentive #1, from 1 July 2020 until 31 March 2021**

Brussels Airport offers an incentive to encourage airline to rebuild their services at Brussels Airport during and after the Covid-19 crisis.

The incentive is a direct credit of €2 for originating passengers and €1 for transfer passengers.

The recovery incentive cannot be accumulated with the incentive for new destinations and growth.

**Recovery incentive #2, from 1 April 2021 until 31 December 2021**

Brussels Airport offers an incentive to encourage airline to rebuild their services at Brussels Airport during and after the Covid-19 crisis.

The incentive is a direct credit of €0.30 for originating passengers and €0.15 for transfer passengers.

The recovery incentive cannot be accumulated with the incentive for new destinations and growth.