

Terms and conditions of the Brussels Airport Company Incentive System running from 1 January 2022 until 31 December 2022

Introduction

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, especially after the Covid-19 crisis.

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 for passenger flights are not subject to the formula for tariff control.
- 1.4 The incentive system starts on 1 January 2022 and ends on 31 December 2022.
- 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, a "calendar year" means a year running from 1 January to 31 December.
- 1.11 The Terms and Conditions of the Incentive System 2022 substitute and prevail over the Incentive System 2016-2020 that was in place until 31 December 2021. Existing incentive programs under the previous Incentive System will remain in place, provided that it is not allowed to accumulate incentives under both Incentive Systems.

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 effect after the new destination incentive program has been terminated. 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 thirty-six months prior to the start-up of the new destination 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 January 2022 and will last for three years, under the conditions as set out below.

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 calendar year).

2.2.4. If a new destination is opened and operated, the incentive scheme remains eligible to other passenger airlines commencing services to the same destination within the calendar year 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 calendar year. Brussels Airport will inform the airline in January of each year whether the airline has met the conditions of the new destination incentive scheme and inform it of the amount 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	€20	€15	€15	€10	€7.5	€7.5
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 a baseline of 75% of departing passenger numbers during the period starting 1 January 2019 until 31 December 2019. The passenger growth incentive baseline has been created to support the recovery of airlines after the Covid-19 crisis.

Example:

Calendar year	Originating pax	Transfer pax	Calculated departing pax	Passenger growth	Incentives ?
2019	8,000	2,000	9,000		
Baseline 75%	6,000	1,500	6,750		
2022 scenario 1	8,000	2,000	9,000	2,250	Yes
2022 scenario 2	7,000	1,500	7,750	1,000	Yes
2022 scenario 3	5,000	1,000	5,500	0	No
2022 scenario 4	6,000	1,000	6,500	0	No

2.3.4. The passenger growth incentive scheme shall begin on 1 January 2022. Brussels Airport will inform the airlines in January 2023 whether the airline has met the conditions of the passenger growth 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 – 2022	
	Originating passengers	Transfer passengers
Long haul	€15	€7.5
Short haul	€10	€5

3. Cargo frequency scheme applicable to cargo flights

3.1. The cargo frequency scheme has begun on the first day of the beginning of the incentives scheme 1 April 2016 – 31 March 2021. The incentive system and scheme is extended until 31 December 2022.

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 the calendar year 2022. For 2021 and 2021, the cargo frequency scheme will be calculated on the base of the calendar year compared to the previous calendar 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 have to fill in nor send an application form, these are automatically granted if the conditions are met.

5 Divisibility and conversion

If any provision of these General Terms and Conditions or of the Contract or any part thereof is held to be invalid, illegal or unenforceable:

- i. the validity, legality and enforceability of the remainder of these Terms and Conditions or remainder of the provision, shall not in any way be affected or impaired thereby; and
- ii. Brussels Airport undertakes to negotiate in good faith to find a clause which comes as close as possible to the purpose and the intention of the invalid, illegal or unenforceable provision or part thereof.

6 Transferability of the incentives

The airline is prohibited from transferring the rights under these Terms and Conditions (in whole or in part) to a third party, unless this is done in the general course of business. Brussels Airport can under no circumstances be forced to accept the transfer of the rights under these Terms and Conditions.

7 Applicable law and competent jurisdiction

These Terms and Conditions are governed by Belgian law, although excluding the Vienna Sales Convention (CISG).

Any dispute which may arise from these Terms and Conditions belongs to the exclusive competence of the courts and tribunals of the legal district of Brussels.

Brussels Airport Company SA/NV, September 2021