

## ROUTE INCENTIVE SCHEME

Copenhagen Airports A/S (CPH) offers Route Incentive Discounts to airlines initiating service on routes from CPH to destinations which are not serviced from CPH.

A route is eligible for Route Incentive Discount, if the following criteria are met:

- 1) The destination (determined by IATA City Code) is not serviced from CPH at the time of initiation of service on the route, and the route has not been serviced within the last 24<sup>1</sup> months prior to initiation of the route. Only flights meeting the criteria in 2) and 3) below are taken into consideration when determining, whether a destination is serviced or not. For Strategic Destinations (see list below) not serviced from CPH the criteria of not being serviced within the last 24 months prior to initiation of the route does not apply.
- 2) The service comprises only scheduled passenger flights (IATA flight type "J") made available to the public against payment.
- 3) The service has a minimum of 16 flights within a season; a summer season commencing on the last Sunday in March, or a winter season commencing on the last Sunday in October.

Route Incentive Discounts are

- granted for a three year period (36 months) or five year period (60 months) starting from the beginning of the first period of minimum 12 consecutive weeks of service ("Discount Period");
- provided for the passenger charge and take-off charge ("Charge(s)", cf. clauses 2.2 and 3.1 of the Charges Regulations applying to Copenhagen Airport; and
- provided at the following levels ("Discount Levels")<sup>2</sup>:

Short Haul Destinations:

	Passenger charge	Take-off charge
<b>Year 1</b>	90 %	100 %
<b>Year 2</b>	50 %	80 %
<b>Year 3</b>	25 %	40 %

Long Haul Destinations:

	Passenger charge	Take-off charge
<b>Year 1</b>	90 %	100 %
<b>Year 2</b>	70 %	90 %

<sup>1</sup> If the total number of departing passengers from CPH in Q4 2021 is not minimum at 50% compared to Q4 2019, then the criterion will automatically and without notice be prolonged to 36 months. In case the criterion has been prolonged to 36 months, and if the total number of departing passengers from CPH in Q4 2022 is not minimum at 50% compared to Q4 2019, then the criteria will automatically and without notice be prolonged to 48 months.

<sup>2</sup> A discounted charge cannot fall below the applicable Charge at the beginning of the Discount Period less the listed Discount Levels. If one or both of the Charges during the Discount Period are reduced to an amount lower than the Charge(s) applicable at the beginning of Year 1, the Discount Levels for the remaining Discount Period will be reduced correspondingly to counterbalance the general reduction of the Charge(s).

Example: In Year 3 the take-off charge is reduced to an amount equal to index 90 of the take-off charge at the beginning of Year 1 (index 100). On a Long Haul Destination route enjoying Route Incentive Discount, the discounted take-off charge in Year 3 will remain at index 20, however, due to the reduction of the take-off charge the effective Discount Level for Year 3 will be reduced to 77,8%.

<b>Year 3</b>	50 %	80 %
<b>Year 4</b>	30 %	40 %
<b>Year 5</b>	20 %	20 %

Strategic Destinations:

	Passenger charge	Take-off charge
<b>Year 1</b>	100 %	100 %
<b>Year 2</b>	90 %	90 %
<b>Year 3</b>	80 %	80 %

*Short Haul Destinations* are all destinations inside geographic Europe, with the addition of Turkey.

*Long Haul Destinations* are all destinations outside geographic Europe, with the exception of Turkey.

*Strategic Destinations* are the following destinations: Boston, Delhi, Los Angeles, Miami, Tokyo and Toronto.

Due to severe effects of Covid-19 on the aviation industry and CPH's long haul network, CPH has identified a short list of Strategic Destinations. It is the commercial assessment of CPH that these destinations are strategic and due to competition from other airports require a targeted initiative without the 24-months period of non-service and with a frontloaded but shorter discount period.

If other airlines initiate service on a route to which an airline already receives a Route Incentive Discount or has entered into an agreement on Route Incentive Discount, such other airlines<sup>3</sup> are also entitled to a discount during the term of – and on the same terms and conditions as – the initial discount agreement.

*High Frequency Incentive:* Full year routes with 6 or more departures per week are eligible for a 5% supplement on the Discount Levels for the passenger charge throughout the Discount Period. High Frequency Incentive is applicable for both Short Haul, Long Haul and Strategic Destinations. For Strategic Destinations the High Frequency Incentive is not offered Year 1 as the discount cannot exceed 100%.

*Long Haul Off-peak Incentive:* Long Haul and Strategic Destination routes not occupying aircraft stands in peak periods upon initiation of the route are eligible for a 10% supplement on the Discount Levels for the take-off charge from Year 2 to the end of the Discount Period (Year 5/3). As per June 2017, Long Haul Off-peak Incentive is applicable for Long Haul Destination routes not occupying aircraft stands within the time period from 10:00-14:30 CET. Off-peak periods may change over time and are, accordingly, defined by CPH per season. Changes in off-peak periods are made not less than 2 months prior to initiation of a new season. The eligibility of the Long Haul Off-peak Incentive is dependent on the route only occupying aircraft stands in off-peak periods *during any relevant season*, and, accordingly, the Long Haul Off-peak Incentive will be revoked at the commencement of a new season, if the off-peak status of the route changes.

*Procedure:* An airline wishing to obtain Route Incentive Discount must enter into an agreement with CPH prior to initiation of service on the route.

1) The airline must contact CPH and forward the following information to CPH:

- Name and address of the airline.

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<sup>3</sup> This does not apply to airlines having closed its service on a route to another destination airport at the same city (determined by IATA City Code) (the "Original Route") to which the airline received Route Incentive Discount, within 12 months prior to – or shortly after – initiation of its service on the new route.

- Contact information for the relevant contact person with the airline.
  - IATA City Code for the destination airport.
  - The desired date for initiation of service on the route.
  - The aircraft type to be used in servicing the route, its MTOW, and its seat capacity.
  - Estimated load factor and estimated split by transfer and locally departing passengers.
  - Weekly number of departures and number of departures per season on the route.
  - Desired CPH arrival and departure time – to be finally confirmed upon slot granted from ACD – Airport Coordination Denmark
- 2) If the criteria for granting Route Incentive Discount are met, CPH will as soon as possible – and no later than 10 business days after receiving all relevant information – forward an offer for Route Incentive Discount regarding the relevant route to the airline.
- 3) The airline obtains the Route Incentive Discount on the terms and conditions stated in the offer and these guidelines, if the airline accepts the offer from CPH prior to initiation of service on the route.

*Interim provisions:* This Route Incentive Scheme is applicable as of 1 March 2021 and the previous Route Incentive Scheme is cancelled on the same date. This Route Incentive Scheme expires on 31 December 2023.

If other airlines initiate service on a route at a time where an airline is already granted a route incentive discount in accordance with any previously applicable route incentive, such other airlines shall contact the relevant key account manager to receive an offer on route incentive discount in accordance with the previously applicable route incentive scheme.