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I. INTRODUCTION

As from 2007, Malta International Airport plc has been supporting growth in its passenger traffic, by proposing attractive reductions on the Passenger Service Charge.

The Incentive Schemes were directed to airlines from new destinations and from strategic routes, which are specific markets, outlined in Chapter 2 that were identified as being such, by MLA. The airport also offered rebates to airlines that promote transfer traffic via Malta, thus supporting its hub function. Additionally, airlines can now benefit from rebates on landing charges in the winter.

II. APPLICATION

Airlines which would like to confirm whether they are eligible for any of the offered incentive schemes should inform Malta International Airport and will then be provided with the specific terms and conditions and the relative agreement, depending on the relative incentive(s) applied for.

Accordingly, eligibility for any incentive shall be subject to the relevant air carrier executing a binding agreement with Malta International Airport plc, which agreement shall include all terms and conditions for eligibility.

This document, and the incentive schemes described herein, may be withdrawn, cancelled, altered, or changed in any manner, at the sole discretion of Malta International Airport plc.

III. INCENTIVE SCHEMES

The Incentive Schemes on offer in 2019 are the following:

- | | |
|----------------------------|----------------------------|
| 1. New Routes | 4. Transfer Traffic |
| 2. Strategic Routes | 5. Free Landings in Winter |
| 3. Intercontinental Routes | 6. Free Parking |

1. NEW ROUTES

1.1 Objective of the Incentive Scheme

The objective of this incentive scheme is to encourage growth in MLA traffic, by offering reductions on the Passenger Service Charge (PSC) which airlines can benefit from for 3 years.

1.2 Eligibility

- ➔ A new destination shall be considered as a city or airport, which has not been served from Malta in the last 12 months by direct flights.
- ➔ The incentive scheme applies to launching routes to new destinations, which shall be published in such a manner that they may, insofar as possible, be booked either via computer reservation system (CRS) or from a web-based reservation system, based on the city pair.
- ➔ If the service to a destination has been terminated by an airline, this airline shall become eligible for the incentive scheme for resuming service to this destination only after 24 months from having terminated such service.
- ➔ Airports within the range of 150km of a served airport are not eligible, unless such airports feature in the list of Strategic airports/cities

1.3 Conditions

- ➔ 90% of the scheduled frequencies (as defined in the contract) have to be actually operated.
- ➔ During the **summer** flight period at least **two** frequencies per week and during the **winter** flight period at least **two** frequencies per week shall be operated.
- ➔ If an airline is already benefiting from an incentive agreement with the Malta Tourism Authority (MTA) the applicable incentive shall be paid to the MTA and not to the carrier.
- ➔ An airline can benefit from only one of; New, Strategic or Intercontinental Route Incentives.
- ➔ All dues to MLA by the Operator must be paid.

1.4 Rebates Offered

The incentive shall consist of rebates on the Passenger Service Charge charged by Malta International Airport according to the current tariff regulations. The rebates shall be applied as follows:

→ Summer flight period:

- 30% (currently € 4.75 per departing passenger) for the 1st year of operation
- 20% (currently € 3.17 per departing passenger) for the 2nd year of operation
- 10% (currently € 1.58 per departing passenger) for the 3rd year of operation

→ Winter flight period:

- 40% (currently € 6.34 per departing passenger) for the 1st year of operation
- 30% (currently € 4.75 per departing passenger) for the 2nd year of operation
- 20% (currently € 3.17 per departing passenger) for the 3rd year of operation

2. STRATEGIC ROUTES

2.1 Objective of the Incentive Scheme for the Strategic Markets

The objective of this Incentive Scheme is to promote growth in strategic markets, which have been identified by MLA. The rebates on the Passenger Service Charge for these destinations are higher than those offered for “New Destinations”.

2.2 Eligibility/ Strategic Markets

- ➔ Finland
- ➔ Iceland
- ➔ Scandinavia (Denmark, Norway and Sweden)
- ➔ Baltic States: Lithuania, Estonia, Latvia
- ➔ Russia (excl. Moscow)
- ➔ Eastern Europe: Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia (excl. Bratislava) and Ukraine
- ➔ France: Nantes, Nice
- ➔ Switzerland (excl. Zurich)
- ➔ Portugal
- ➔ Germany: Leipzig, Dresden



2.3 Conditions

- ➔ 90% of the scheduled frequencies (as defined in the contract) have to be actually operated.
- ➔ During the **summer** flight period at least **two** frequencies per week and during the **winter** flight period at least **two** frequencies per week shall be operated.
- ➔ If an airline is already benefiting from an incentive agreement with the Malta Tourism Authority (MTA) the applicable incentive shall be paid to the MTA and not to the carrier.
- ➔ An airline can benefit from only one of; New, Strategic or Intercontinental Route Incentives.
- ➔ All dues to MLA by the Operator must be paid.
- ➔ The incentive is applicable to unserved routes.

2.4 Rebates Offered

The rebates on Passenger Service Charge offered to airlines operating these routes shall be as follows:

➔ Summer flight period:

- 40% (currently € 6.34 per departing passenger) for the 1st year of operation
- 30% (currently € 4.75 per departing passenger) for the 2nd year of operation
- 20% (currently € 3.17 per departing passenger) for the 3rd year of operation

➔ Winter flight period:

- 60% (currently € 9.50 per departing passenger) for the 1st year of operation
- 50% (currently € 7.92 per departing passenger) for the 2nd year of operation
- 40% (currently € 6.34 per departing passenger) for the 3rd year of operation

3. INTERCONTINENTAL ROUTES

3.1 OBJECTIVE OF THE INCENTIVE SCHEME

The objective of this incentive scheme is to encourage growth in MLA Intercontinental Traffic by offering reductions on the Passenger Service Charge (PSC) which airlines can benefit from for 3 years.

3.2 ELIGIBILITY

- ➔ An Intercontinental Route is defined as all destinations outside of the European continent, exceeding a flight range of 3,500 KM from Malta International Airport.
- ➔ The incentive scheme applies to destinations, which shall be published in such a manner that they may, insofar as possible, be booked either via computer reservation system (CRS) or from a web-based reservation system, based on the city pair.

3.3 CONDITIONS

- ➔ 90% of the scheduled frequencies (as defined in the contract) have to be actually operated.
- ➔ During the summer flight period at least two frequencies per week and during the winter flight period at least two frequencies per week shall be operated.
- ➔ If an airline is already benefiting from an incentive agreement with the Malta Tourism Authority (MTA) the applicable incentive shall be paid to the MTA and not to the carrier.
- ➔ An airline can benefit from only one of; New, Strategic or Intercontinental Route Incentives.
- ➔ All dues to MLA by the Operator must be paid.

3.4 REBATES OFFERED

The rebates on Passenger Service Charge offered to airlines operating these routes shall be as follows:

➔ SUMMER FLIGHT PERIOD:

- 70% (currently €11.09 per departing passenger) for the 1st year of operation
- 60% (currently €9.50 per departing passenger) for the 2nd year of operation
- 50% (currently €7.92 per departing passenger) for the 3rd year of operation

➔ WINTER FLIGHT PERIOD:

- 80% (currently €12.67 per departing passenger) for the 1st year of operation
- 70% (currently €11.09 per departing passenger) for the 2nd year of operation
- 60% (currently €9.50 per departing passenger) for the 3rd year of operation

4. TRANSFER TRAFFIC

4.1 Objective of the Transfer Incentive Scheme

The purpose of this incentive is to promote Malta as a hub, by offering rebates on the Passenger Service Charge to airlines using MLA as a transfer airport, hence increasing transfer traffic.

4.2 Eligibility

- ➔ A transfer passenger is a traveller who travels in a logical direction and changes at Malta International Airport:
 - From one aircraft to another aircraft of the same airline with a different flight number
 - Or from one aircraft of an airline to another aircraft of a different airline
- ➔ The transfer must take place within a maximum of 6 hours after the arrival of the inbound flight
- ➔ The basis of calculation is the number of transfer passengers of the corresponding airline reported electronically by the passenger handling agent (self-handler or handling agent). Return–Check-Ins are excluded from the Incentive.
- ➔ This incentive is valid until December 2019.

4.3 Conditions

- ➔ The airline must present adequate proof to Malta International Airport that it is eligible for the incentive as well as the number of transfer passengers that meet the conditions.
- ➔ All dues to MLA by the Operator must be paid.

4.4 Rebates Offered

Malta International Airport will refund € 8 per departing transfer passenger.

5. FREE LANDINGS IN WINTER

5.1 Objective of this Incentive

The objective of this incentive is to stimulate traffic during the shoulder and winter months¹, by offering a full rebate on the landing fees.

5.2 Eligibility

This incentive is only applicable for scheduled passenger flights that are operated during the IATA winter season 2018/19.

5.3 Conditions

- ➔ All dues to MLA by the Operator must be paid.
- ➔ If an airline is already benefiting from an incentive agreement with the Malta Tourism Authority (MTA) the applicable incentive shall be paid to the MTA and not to the carrier.

5.4 Rebate Offered

Malta International Airport will refund 100% of the landing fees that are eligible for this scheme.

¹ Winter Season: November - March

6 FREE PARKING

6.2 Objective of the Incentive

This incentive is intended to encourage airlines to consider night-stops in Malta, thus offering improved connectivity through better timings.

6.3 Eligibility

The following incentive is only valid for scheduled passenger flights night-stopping in Malta. This incentive is valid until March 2019.

6.4 Conditions

- ➔ All dues to MLA by the Operator must be paid.
- ➔ If an airline is already benefiting from an incentive agreement with the Malta Tourism Authority (MTA) the applicable incentive shall be paid to the MTA and not to the carrier.

6.5 Rebate Offered

The rebate offered on parking for both winter and summer shall be as follows:

- 100% of parking charges for both summer and winter

IV. FURTHER INFORMATION

For further information about the terms and conditions of any of the above incentives, or if you wish to apply for one or several of the incentives, you are kindly requested to contact:

Traffic Development Department

Phone: +356 2369 6708

E-Mail: marketing@maltaairport.com

V. LEGAL NOTICE

This document is provided for information purposes only, and to highlight the incentive schemes which Malta International Airport plc is offering. This document may therefore not include all the terms and conditions applicable to the relevant incentive schemes, nor an exhaustive list of the applicable eligibility criteria.

This document does not create any legal relationship between Malta International Airport plc and any person, nor does this document grant any rights to any person enforceable against Malta International Airport plc.