

TRAFFIC DEVELOPMENT POLICY

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FOREWORD

Aeroporto G. Marconi di Bologna S.p.A. (also named **AdB**) is the company that manages *Bologna Airport*, ranking seventh in Italy for number of passengers. Classified as a “strategic airport” in Italy’s National Airport Plan and located in the heart of Emilia Romagna’s “Food Valley”, automotive and packaging districts, *Bologna Airport* has a catchment area of approximately 11 million residents and around 47,000 companies with a strong focus on export and commercial expansion policies.


Inspired by values such as customer-centricity, the value of individuals, environmental sustainability and forward thinking, the company **AdB** aims at making *Bologna Airport* stand among the most modern and efficient airport in Italy, capable of offering its passengers a comfortable, well-connected facility that improves their travelling experience while also creating value for Italy’s economy.


The commercial aviation market is experiencing new and important changes and challenges today: ever - changing traffic demand, strong competition not only in the airport industry but also among different means of transport (high - speed rail, intermodality, bus), new technologies, new and different players, more attention to environmental issues, changing customers and society, variations in tourism policies, etc..


AdB, in order to continue to play a primary role and to face this constantly evolving market, has to update its aviation business strategy and its traffic development policy. The incentive system hereafter exposed is conceived to be a guideline for traffic development, a guide for our daily commitment to sustainable development and environmental protection. The incentive scheme is in line with the corporate strategy and the strategic planning decisions, in order to meet the increasing demand for mobility resulting both from the catchment area population and the industrial context as well as from incoming passengers.

AdB bears in mind that each single case needs to be previously assessed as regards its economic sustainability and profitability in the interest of the company and of its shareholders.


GENERAL PRINCIPLES

 The company's core business is developing, designing, building, adapting, managing, maintaining and operating installations and infrastructure for airport operations, together with associated and related activities. Bologna Airport has taken an ambitious view of this institutional role, seeking to modernize its infrastructure, constantly improve quality of service, develop its route network and traffic volumes, minimize the environmental impact and the use of natural resources, enhance the area's tourism potential to attract travelers and stimulate the growth of the airport business and the local economy.


 The Policy takes into consideration the EU legislation on the aid to the start – up of routes (Communication of Commission 2014 / C 99 / 03 4th April 2014, Guidelines on State aid to airports and airlines), moreover considering that Bologna Airport currently invests its own financial resources and has no specific public contributions to develop air traffic. The Policy aims at promoting the growth of business aviation, and extra – aviation business as a consequence, searching and meeting the economic requirement as a private investor.

 The incentives schemes are inspired to transparency, fairness, and equity criteria, based on non-discriminatory principles.

 The incentive plans aim at better using the airport infrastructures, making the best possible use of them, increasing the efficiency of its infrastructure resources.

 Sustainable development and environmental protection is a key element of our development policy. Safeguarding the environment and energy resources is an integral part of our sustainable development policy: continuing to pursue the challenge of reconciliation the goals of meeting transport demand, protecting the environment and energy resources. Bologna Airport has always been committed to ensuring that our development plans meet the demands of social and environmental protection policies regarding the surrounding area. Regarding the noise issue Bologna Airport promotes initiatives aimed at reducing annoyance for the surrounding community, in cooperation with local authorities (Regulatory Acts ENAC n. 11/2016 e 5/2017), Italian CCA and air navigation provider. Our environmental management system, compliant with UNI ISO14001 standards, includes continuous monitoring of the environmental impacts resulting from airport operations (including air, water and noise pollution) and support for new infrastructural development plans in order to minimize such impacts (Energy Management System ISO50001, Airport Carbon Accreditation, Sustainable Energy Action Plan promoted by the Municipality of Bologna, Airport Carbon Decarbonisation Action Plan signed pursuant to LR 20/2000, European Greenlight Programme, promoted by the European Commission). Moreover, at the 29th ACI EUROPE Annual Congress (the trade association for the European airport industry) Aeroporto G. Marconi di Bologna signed a landmark commitment to become NET ZERO for their carbon emissions by 2050.

 The Policy replaces any previous incentive program starting from **IATA WINTER 22/23**. Previously signed agreements remain valid until their expiring terms.

 The Policy represents a guideline in order to grant a fair, equal and transparent approach to the market. AdB receives a development plan from airlines and after a comprehensive assessment, will send the airlines an ad – hoc proposal.

 AdB has the right to amend/update this Policy at any time and its own discretion, according to the market development, traffic trend changes, evolution and performance, infrastructural and operational reasons, as well as legislation change.

OBJECTIVES

- ✓ Increase the intercontinental / long haul connectivity, both through direct flights and intercontinental hubs.
- ✓ Network improvement, namely new routes and increasing frequencies and capacity on existing routes, reducing the traffic seasonality and promoting flights operating during IATA Winter seasons.
- ✓ Promote environmental sustainability activities, reducing aircraft environmental impacts, proactively supporting initiatives in cooperation with local stakeholders and authorities.

ACCESS TO THE INCENTIVE PROGRAM

Any subject interested in the present incentive program can contact our Aviation Business Department (Mr. Antonello Bonolis; e-mail: aviationbusiness@bologna-airport.it).

PARAMETERS

The typical structure of our incentive programs and agreements is based on a pre-fixed amount of Euro per departing passenger or incremental departing passenger and responding to the standards required in that case.

The incentive amount is calculated, communicated and granted to carriers:

- “ex post”, i.e. at the end of each IATA season referred to as in the contract
- after it has been verified that all the requirements and contractual targets and obligations have been fulfilled by the carrier

GENERAL TERMS OF APPLICATION

- The potential beneficiary of the incentive program is an air carrier (with a regular certification issued by Aviation Authorities, not included in any black list) or, in very limited cases, a tour operator.
- The incentive program is applied to scheduled flights; the slot requests have to be made with “J” code.
- The incentive program cannot concern the domestic air routes for which public service obligations are laid (PSO routes), pursuant to Article 4 of Council Regulation (EEC) No 2408/92 of 23 July 1992 on access for Community air carriers to intra-Community air routes.
- The incentive program will be applied on the basis of a written contract signed by both parties.
- The incentive program is not conceived for groups/alliances of airlines, but only with reference to single carriers (ICAO code).
- Incentives per each departing child passenger will be 50% of the departing adult passenger incentive.
- A minimum of 80% of planned flights must be operated for each IATA Season.
- Regular payments, as stated in the signed contract, are essential conditions, including the payment of those invoices issued by AdB Group companies.
- A carrier which has incurred into relevant irregularities in the operation of scheduled and planned flights, or into contractual breaches regarding the payment of the official airport charges and fees, besides any charge and fee which – under the Law or regulation – are due to Bologna Airport or which has committed contractual violations or, in any case, a carrier which has caused damage to Bologna Airport, may not be admitted to the incentive program.
- A carrier trying to apply the incentive program in a way contrary to the good faith or trying to misuse the incentive program or to make an illegal use of it, will not be accorded the incentive program.
- The incentive program considers “turnaround” one movement on arrival *plus* one movement on departure.
- The incentive program will not be applied if the new route or the frequencies increase is the result of a restructuring of the airline's schedule of the airport and /or of an operative exchange between partners through codeshare or alliances with other airlines.

APPLICATION CASES

(SEPARATE – DIFFERENT PROGRAMS AND NOT TO BE COMBINED)

- 1. LONG – HAUL ROUTES**
- 2. PRIMARY DESTINATIONS**
- 3. SECONDARY DESTINATIONS**
- 4. MULTIPLE ROUTE DEVELOPING PLANS**
- 5. ENVIRONMENTAL SUSTAINABILITY**



1. LONG – HAUL ROUTES

LONG-HAUL ROUTES incentive program aims to grant an incentive opportunity in order to develop destinations/connections operated by scheduled or charter flights reaching destinations in no less than approximately 4 hours (see Annex 1 map).

For its peculiar commercial and operative features, a comprehensive assessment has to be done in order to verify the compliance with the principles reported below

- ✓ the incentive program is intended to be sustainable;
- ✓ the Airport should reach the break-even point by the end of the incentive program.



	ANNUAL ROUTES	SEASONAL ROUTES
DURATION OF THE SUPPORTING PLAN	Up to 3 years (6 IATA seasons)	Up to 2 IATA seasons
MINIMUM NUMBER OF FLIGHTS (turnarounds)	IATA Summer season = 30. IATA Winter season = 15	8 in each IATA season

2.

PRIMARY DESTINATIONS

This application case focusses on destinations which are especially strategic and attractive for Bologna Airport ⁽¹⁾.

PRIMARY DESTINATIONS incentive program aims to grant an incentive opportunity in order to develop destinations/connections that are not included in the list reported in the Annex 2.

The Carrier is granted incentives per revenue departing passenger (DEPAX).

	DOMESTIC ROUTES	UE INTERNATIONAL ROUTES	EXTRA - UE INTERNATIONAL ROUTES
DURATION OF THE SUPPORTING PLAN	Up to 2 years (4 IATA seasons)	Up to 2 years (4 IATA seasons)	Up to 2 years (4 IATA seasons)
MINIMUM NUMBER OF FLIGHTS (turnarounds)	IATA Summer season = 8. IATA Winter season = 6	IATA Summer season = 18. IATA Winter season = 12	IATA Summer season = 8. IATA Winter season = 6

Flights must be operated and confirmed for the entire duration of the agreement and for the following IATA season. In case of non-confirmed route, both the previous IATA season's incentive and the current one will not be granted ⁽²⁾⁽³⁾.

(1) Special attention is given to extra-UE flights .

(2) To better specify: if a route is cancelled at the end of the IATA summer season (i. e. no confirmation is given for the following IATA winter season) no incentive will be granted for this summer period. If a cancellation takes place in the middle of a season, no incentive is granted for this season

(3) The improved capacity may not be reconfirmed only in case of:

- o high seasonal routes,
- o high - density routes (already operated by the same Carrier with a minimum of 21 weekly flights),
- o domestic routes

In this case the Carrier may be asked to commit to operating flights for a minimum period of time (e.g.12 months, a IATA season, etc.).

3.

SECONDARY DESTINATIONS

This application case focusses on specific destinations included in the list reported in the Annex 2.

SECONDARY DESTINATIONS incentive program aims to grant an incentive opportunity in order to develop destinations/connections that are included in Annex 2.

DURATION OF THE SUPPORTING PLAN: 1 IATA season

The Carrier is granted incentives per incremental departing passenger (DEPAX). The incentive is only accorded to the incremental traffic of a single airline, on the same route, compared to the corresponding season of the previous year.

NEW ENTRANT	
MINIMUM NUMBER OF FLIGHTS (turnarounds):	<ul style="list-style-type: none">• 30 IATA Summer season• 18 IATA Winter season
OPERATING ROUTES	+ 1/3 seats offered

Flights must be operated and confirmed for the entire duration of the agreement and for the following IATA season. ⁽⁴⁾.

(4) The improved capacity may not be reconfirmed only in case of:

- o high seasonal routes,
- o high - density routes (already operated by the same Carrier with a minimum of 21 weekly flights),
- o domestic routes

In this case the Carrier may be asked to commit to operating flights for a minimum period of time (e.g.12 months, a IATA season, etc.).

4.

MULTIPLE ROUTE DEVELOPING PLANS

For its peculiar commercial and operative features, a different AD HOC incentive scheme is conceived for passengers' volumes on multiple routes network, considering their primary strategic importance.

By passengers' volumes we mean passengers volumes transported by a single carrier ⁽⁶⁾, the plan is not conceived for groups of airlines. This plan may be granted to scheduled deploying multiyear traffic development plans in a wide range of routes.

The incentive plan may be accorded for this particular case, on the basis of the strategic importance of the airline, of its connection and its total traffic volumes. It is intended to be sustainable during the period covered by the agreement.

DURATION OF THE SUPPORTING PLAN: up to 10 years

BENEFICIARIES: airlines operating a minimum of 8 routes

INCENTIVE: The Carrier is granted incentives per revenue departing passenger (DEPAX)

(6) The Plan in this case may be conceived for groups of airlines, and not only with reference to single carrier.

5. ENVIRONMENTAL SUSTAINABILITY

This additional incentive is only applicable in combination with one of the other application cases (7). AdB commits itself to promote environmental sustainability activities, reducing aircraft environmental impacts, proactively supporting initiatives in cooperation with local stakeholders and authorities”.

The Carrier is granted incentives per revenue departing passenger (DEPAX) of flights operated through these aircrafts.

DURATION OF THE SUPPORTING PLAN: up to 2 IATA seasons

BENEFICIARIES: airlines which already benefit from an incentive scheme and adopting concrete and effective solutions to preserve the environment and to promote environmental sustainability (for example flying with the youngest, most efficient fleet and the most modern engines possible, to consume less fuel) .

The optimization has to be operated and confirmed for the entire duration of the agreement and for the following IATA season. If this is not the case, the previous IATA season’s incentive and the current one, will not be granted (8).

In line with environmental sustainability targets, Bologna Airport reserves the right to reduce the incentive amount of the incentive program agreed with a carrier in case of flights operated by aircrafts belonging to a category lower than Chapter 4.

(7) To better specify: an airline which benefits by the “Primary destinations” may be granted an increased depax incentive in case it meets the requirements set out in this category.

(8) To better specify: if the optimization is cancelled at the end of the IATA summer season (no confirmation for the following IATA winter season) no incentive will be granted for this summer period. If a cancellation of an optimization takes place in the middle of a season, no incentive is granted for this season.

ANNEX 2

SECONDARY DESTINATIONS

ACE LANZAROTE
AGA AGADIR
AGP MALAGA
AHO ALGHERO
ALC ALICANTE
AMM AMMAN
AMS AMSTERDAM
AOK KARPATOS
BCM BACAU
BCN BARCELONA
BDS BRINDISI
BER BERLIN
BLL BILLUND
BOD BORDEAUX
BRI BARI
BRS BRISTOL
BRUBRUSSELS
BTS BRATISLAVA
BUD BUDAPEST
BVA PARIS BVA
CAG CAGLIARI
CFU CORFU
CHQ CHANIA
CLJ CLUJ
CMN CASABLANCA
CPH COPENHAGEN
CRL BRUSSELS CRL
CRV CROTONE
CTA CATANIA
DUB DUBLIN
DUS DUSSELDORF
DXB DUBAI
EBA ELBA
EFL KEFALONIA
EIN EINDHOVEN
FEZ FEZ
FRA FRANKFURT
FUE FUERTEVENTURA
HER HERAKLION
IAS IASI
IBZ IBIZA
IEV KIEV ZHULHANY
IST ISTANBUL
JSI SKIATHOS
JTR THIRA
KBP KIEV BORYSPIL
KGS KOS
KRK KRAKOW
KTW KATOWICE
LHR LONDON LHR
LIS LISBON
LMP LAMPEDUSA
LPA LAS PALMAS
LTN LONDON LTN
LUX LUXEMBOURG
LYS LYON
NUE NORIMBERGA
ODS ODESSA
OLB OLBIA
OMR ORADEA
OPO PORTO
OTP BUCHAREST OTP
PFO PAPHOS
PMI PALMA
PMO PALERMO
PNL PANTELLERIA
PRG PRAGUE
PVK PREVEZA
RAK MARRAKECH
RHO RHODES
SBZ SIBIU
SCQ SANTIAGO
SCV SUCEAVA
SDR SANTANDER
SKG SALONICCO
SKP SKOPJE
SMI SAMOS
STN LONDON STN
SUF LAMEZIA
SVO MOSCOW SVO
SVQ SEVILLA
TFS TENERIFE
TIA TIRANA
TSR TIMISOARA
WAW WARSAW
WMI WARSAW WMI
WRO WROCLAW
ZAD ZADAR
ZAG ZAGABRIA
ZTH ZAKINTHOS