



INCENTIVE PROGRAMME FOR THE TRAFFIC DEVELOPMENT OF FORLÌ AIRPORT

1. Foreword

F.A. S.r.l. is the wholly privately owned company awarded the 30-year concession for the total management of the "Luigi Ridolfi" airport of Forlì.

F.A. S.r.l. has the urgent need to guarantee and support the re-launch by the end of the year 2020 of the commercial aviation activity - interrupted since 2013 - at Forlì airport and, to this end, intends to implement actions aimed at stimulating the start-up of air routes and attracting air traffic (both on domestic and international connections), consistently with the characteristics of the reference market and the efficient exploitation of airport infrastructure.

In compliance with the provisions of the Ministry of Infrastructure and Transport's Guidelines regarding incentives for the start-up and development of air routes by carriers pursuant to Article 13, paragraphs 14 and 15, of Law Decree no. 145 of 23 December 2013, as amended by Conversion Law no. 9 of 21 February 2014, by the Operational Guidelines issued by the Italian Civil Aviation Authority (ENAC) on 30 December 2014 and by the opinion of the Italian Transport Regulatory Authority (ART) of 8 September 2016, as well as, where applicable, the EU Guidelines on State aid to airports and airlines pursuant to EC Communication 2014/C 99/03, F.A. S.r.l. intends to pursue the above objectives using an incentive programme addressed to air carriers willing to invest in Forlì airport with the opening of new routes and connections.

The purpose of this policy is to disclose in a transparent, non-discriminatory manner and in such a way as to ensure equal opportunities for the interested air carriers, the incentive programme that F.A. S.r.l. intends to activate, on the basis of which incentive agreements will be stipulated with the carriers that will strategically contribute to the growth of Forlì airport according to the parameters defined below.

F.A. S.r.l. reserves the right to modify, update or suspend this policy at its own discretion and at any time, giving timely public notice, in relation to the market trend and the development of the company's planning and strategies.

This policy is not binding for F.A. S.r.l. which, following receipt of the development plans submitted by the interested air carriers, reserves the right to transmit to the selected carriers a specific contractual proposal.

2. Strategic objectives

With the implementation of this incentive programme, F.A. S.r.l. intends to support the launch of new air routes, both national and international, by the end of the year 2020, in order to promote the constant and long-term sustainable development of the airport connectivity, of the passengers' and cargos' traffic, guaranteeing equal opportunities to interested carriers.

In particular, this policy has the following objectives:



- development of new domestic, European and non-European point-to-point connections;
- development of the airport's overall connectivity level;
- de-seasonalisation of some markets subject to strong seasonality;
- development of passenger and freight traffic volumes.

3. General terms of application and evaluation parameters

In the exercise of its free entrepreneurial initiative for the granting of incentives and the selection of the respective beneficiaries, in order to achieve the strategic objectives set forth in paragraph 2 above, F.A. S.r.l. is willing to support the air carrier in the launch of new routes through the execution of multi-year partnership and incentive agreements that provide for mechanisms to share costs and revenues, giving carriers the opportunity to reduce start-up costs for the opening of new routes.

At the time the agreements are executed, the amount of the incentive and the actual terms of its application will depend on:

- the number of routes covered by the agreement proposed by the air carrier in the development plan submitted to F.A. S.r.l. (hereinafter referred to as the "**Development Plan**");
- the promptness activation of the proposed new routes;
- the number of frequencies operated by the carrier;
- the strategic importance of the routes proposed in the Development Plan;
- the period of operation (annual or seasonal) of the routes proposed in the Development Plan;
- the type of aircraft proposed by the carrier for the execution of the Development Plan;
- the commercial effectiveness of the carrier on the market;
- the duration of the contractual relationship.

The duration of the partnership and incentive agreements may vary from a minimum of 2 years to a maximum of 6 years, based on the strategic evaluation of the operation, which may be extended for a defined period of time for destinations considered particularly strategic by F.A. S.r.l.

Any contribution covered by this programme will be activated and disbursed subject to the execution by the parties of an agreement before the start of the flights covered by the incentive.



F.A. S.r.l., in compliance with the transparency and non-discrimination parameters, also reserves the right to evaluate and provide further forms of incentives and/or co-marketing in favour of carriers committed to invest in Forlì airport with connections considered particularly strategic for the growth and economic sustainability of the airport.

4. Programme access requirements

F.A. S.r.l. intends to admit to this incentive programme air carriers meeting the moral, technical/organisational and economic/financial requirements necessary to carry out the activity. The economic operators interested in the selection must meet the following requirements:

- possess, with a regular certificate issued by the competent Authorities, of all the requirements necessary to carry out air operations, including traffic rights where necessary;
- compliance with anti-mafia regulations;
- regularity of contributions and taxes;
- non-inclusion in the so-called black list;
- absence of any kind of contractual infringement (in progress or in the past) with F.A. S.r.l.;
- having a sales and marketing network for ticket sales and route promotion, either directly or with third parties.

4. Submission of the application and access to the incentive programme

The procedure for the selection of carriers is characterised by reasons of urgency related to the prompt reactivation of Forlì airport in the terms specified in paragraph 1 above. Therefore, interested air carriers must submit their expression of interest to the following e-mail address commerciale@forli-airport.com within 15 days from the date of publication on the F.A. S.r.l. website of this programme, attaching a proposal of Development Plan, containing the indication, by way of example, of:

- the starting date;
- the period of operation;
- the scheduled weekly frequencies of the routes;
- the aircraft to be used;
- any other indication deemed appropriate by the air carrier for the assessment of the proposed Development Plan.

In any case, F.A. S.r.l. reserves the right to request further information and/or to conduct its own investigations in order to verify the reliability and financial soundness of the requesting carrier.



In order to ensure compliance with the competition rules, the commercial proposals concerning the same route will be compared to determine the best offer. In addition, in the event that more than one carrier is interested in the same route and such route is considered of strategic interest, F.A. S.r.l. reserves the right to make several carriers eligible for this policy and the amount of the incentives will vary according to the extent of the air services proposed in the Development Plan.

In case no expression of interest is received or such expression of interest is not deemed to correspond to the objectives defined in this policy, F.A. S.r.l. will consider itself free to negotiate directly with each carrier.

Please note that the air carriers, for the sole fact of the interest expressed in this survey, will not be able to claim any title, demand or preference with regard to obtaining the incentives.

Any incentive agreements executed with air carriers that provide for the disbursement of incentives under the conditions described above will be confidential, save for the compliance with the transparency requirements imposed by the sector's legislation and regulations.

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F.A. S.r.l. reserves the right to modify and/or update this incentive programme according to market trends.

For information, please contact the Sales Department (*Direzione Commerciale*) of F.A. S.r.l. at commerciale@forli-airport.com.

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Managing Director

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F.A. S.r.l.

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