

Fraport Twin Star Airport Management AD

Terms and conditions for the application of the traffic development incentives at Burgas and Varna Airports

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Part 1: Burgas Airport

1. Definitions and clarifications:

- 1.1. Routes are defined by the city and not by the airport, i.e., upon year-round operation of London LTN, London STN would not qualify for a new route, since it is assumed that London is an already served destination.
- 1.2. New year-round route is a route operated with a minimum 1 frequency per week, and not served for 12 consecutive months within the last 1 year, either as scheduled or charter flights, by any airline.
- 1.3. New seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan is any new route from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia or the United Arab Emirates (UAE), as well as from Azerbaijan, Uzbekistan and Kazakhstan, operated for at least 3 consecutive months and with at least 1 frequency per week.
- 1.4. For Burgas Airport the volume incentive for reached number of departing passengers on international routes outside of the active summer season shall not be combined with other incentives. In case the given route qualifies for two incentives, the one with the higher calculated amount shall be applied.
- 1.5. "Outside the active summer season" means the period from 01 January to 31 May incl. and from 01 October to 31 December incl. of the respective calendar year and „Active summer season“ means the period from 01 June to 30 September incl. of the respective calendar year.
- 1.6. An international route from/to Burgas airport is a route operated by one and the same airline, whose flights land and take off at an international airport, without an intermediate landing on the territory of the Republic of Bulgaria.
- 1.7. The landing charge discount is calculated on the basis of the invoiced standard landing charge (before the increase for landing on Saturdays, Sundays and on official holidays and/or for landing between 22:00-06:00 local time).
- 1.8. The passenger service charge discount applies to categories of charged passengers (adults) within the following incentives:
 - (1) For new international year-round route from/to Burgas Airport.
 - (2) For new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, operated for minimum 3 consecutive months.
 - (3) For reached certain volume of departing passengers on international routes outside the active summer season. To determine the tier of the discount, all departing passengers outside the active summer season (adults and children) are calculated, and the discount is applied to charged passengers (adults).
- 1.9. The security charge discount is applied to the security charge collected for a departing passenger.
- 1.10. To qualify for an incentive discount new seasonal route from/to Burgas to/from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan should be operated as an international route for minimum 3 consecutive months within a 12-month period.
- 1.11. „Airline“ means aviation operator under whose code/flight number are operated flights to/from Burgas Airport and/or group of aviation operators performing flights under one and the same trade name.

2. Validity of the incentive scheme:

2.1. **For reached certain volume of departing passengers on international routes outside the active summer season:** 3 years from the start date of validity of the incentive scheme, i.e. 3 years from 15.04.2024. The incentive is applied based on the reached volume of departing passengers on international routes outside the active summer season. Airlines whose operation meets the qualification criteria shall apply for each year of validity of this program until May 31 of the respective year. For the purposes of this program, for each "Year" of its validity, outside the active summer season, the periods are as follows:

- The first year under this program includes the periods from 15.04.2024 until 31.05.2024 and from 01.10.2024 until 14.04.2025.
- The second year under this program includes the periods from 15.04.2025 until 31.05.2025 and from 01.10.2025 until 14.04.2026.
- The third year under this program includes the periods from 15.04.2026 until 31.05.2026 and from 01.10.2026 until 14.04.2027.

2.2. **Incentive for new year-round international routes to Burgas Airport:** 3 years from the start date of operation of the new year-round international route, and the incentive is applicable to the periods, which are outside the active summer season. The start date of the new year-round international route should be no later than 31.12.2026. For the purposes of this program, for each "Year" of its validity, outside the active summer season, the periods are as follows:

- The first year covers the period of 12 consecutive months from the date of the first flight on the respective route.
- The second and the third year cover the periods after the expiry of the respective previous periods of 12 months.

For example, upon the start of operation of the new year-round international route on 01.07.2024, the incentive will be applicable as follows:

- First year of the program covers the period from 01.07.2024 to 30.06.2025, incentive is applicable to the period from 01.10.2024 to 31.05.2025;
- Second year of the program covers the period from 01.07.2025 to 30.06.2026, incentive is applicable to the period from 01.10.2025 to 31.05.2026;
- Third year of the program covers the period from 01.07.2026 to 30.06.2027, incentive is applicable to the period from 01.10.2026 to 31.05.2027.

2.3. **Incentive for new international seasonal routes to Burgas Airport from/to the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, operated for minimum 3 consecutive months:** 3 years from the start date of operation of the new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, but no later than 31.12.2026. For the purposes of this program, for each "Year" of its validity, the periods are as follows:

- The first year covers the period of 12 consecutive months from the date of the first flight on the respective route.
- The second and the third year cover the periods after the expiry of the respective previous periods of 12 months.

For example, upon start of operation of the new route on 01.05.2024, the incentive will be applicable as follows:

- The first year of the program covers the period from 01.05.2024 to 30.04.2025, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.
- The second year of the program covers the period from 01.05.2025 to 30.04.2026, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.
- The third year of the program covers the period from 01.05.2026 to 30.04.2027, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.

3. Payments Terms:

3.1 No later than 30 calendar days following the end of each "Year", as described in section 2 above, Fraport Twin Star Airport Management AD (FTSAM) shall submit to the airline official traffic data for such "Year". To be able to benefit from the incentive programs, airlines should meet the above mentioned criteria. The data shall include:

- For volume incentive for international traffic outside the active summer season – the number of international departing passengers (incl. adults) outside the active summer season;
- For incentive for new international year-round routes from/to Burgas Airport - the number of arriving flights and the aircraft's MTOW of each arriving flight, as well as the number of departing passengers (incl. adults), outside the active summer season, for each qualifying route;
- For new seasonal international routes from/to the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan operated for minimum 3 consecutive months - the number of arriving flights and the aircraft's MTOW of each arriving flight as well as the number of departing passengers (incl. adults), within the period of operation of the route (which should not be less than 3 consecutive months), for each qualifying route.

3.2 The airline checks the data and, within 14 (fourteen) days of receiving it, expresses its agreement or objection in writing. In the event that the airline has no objections to the provided data, FTSAM issues a credit note for the amount of the calculated incentive discount. In case of disagreement with the traffic data provided by FTSAM, the airline submits a reasoned objection accompanied by supporting documentation. FTSAM responds within 14 (fourteen) days from the date of receipt of the objection and issues a credit note for the amount of the incentive discount, calculated on the basis of the finally agreed traffic data.

3.3 FTSAM pays the airline the amount of the incentive discount within 30 (thirty) days from the date of the issued credit note.

In the event, that an airline which qualifies for an incentive discount, has overdue debts to FTSAM, the latter has the right to postpone the payment of the amount under an issued credit note until the overdue debts together with the interest due for late payment are repaid or settled with a set-off agreement.

4. Miscellaneous:

4.1 To be able to benefit from the incentive programs, airlines must apply in writing by completing and submitting an application form to FTSAM at e-mail: aviation@fraport-bulgaria.com, as follows:

4.1.1 For an incentive for a new international year-round route and for an incentive for a new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan - up to 30 days from the start date of operation of the route.

4.1.2 For volume incentive for international traffic outside the active summer season - until May 31 of the respective year.

4.2 Airlines shall apply for each incentive scheme separately, on an annual basis.

4.3.1 Applicable law in the interpretation of these general conditions is the current Bulgarian legislation. All disputes will be resolved through negotiations, and in case of disagreement between the parties, the dispute will be referred for resolution by the competent Bulgarian court - on the basis of Art. 117, para. 2 of the Code of Criminal Procedure, the generically competent court is in the city of Varna

4.3.2 These general terms and conditions are prepared in Bulgarian and English. In case of contradiction in the texts, the Bulgarian text prevails.

Part 2: Varna Airport

1. Definitions and clarifications:

- 1.1 Routes are defined by the city and not by the airport, i.e., upon year-round operation of Varna - London LTN, London STN would not qualify for a new route, since it is assumed that London is an already served destination.
- 1.2 New year-round route is a route operated with a minimum 1 frequency per week, and not served for 12 consecutive months within the last 1 year, either as a scheduled or a charter flight, by any airline.
- 1.3 New seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan is any new route from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia or the United Arab Emirates (UAE), as well as from Azerbaijan, Uzbekistan and Kazakhstan, operated for at least 3 consecutive months and with at least 1 frequency per week.
- 1.4 Volume incentive for international traffic outside the active summer season, within the period of its validity, is combinable with the incentive for new international year-round route to Varna Airport.
- 1.5 “Outside the active summer season” means the period from 01 January to 31 May incl. and from 01 October to 31 December incl. of the respective calendar year and „Active summer season“ means the period from 01 June to 30 September incl. of the respective calendar year.
- 1.6 An international route from/to Varna airport is a route operated by one and the same airline, whose flights land and take off at an international airport, without an intermediate landing on the territory of the Republic of Bulgaria.
- 1.7 The landing charge discount is calculated on the basis of the invoiced standard landing charge (before the increase for landing on Saturdays, Sundays and on official holidays and/or for landing between 22:00-06:00 local time).
- 1.8 The passenger service charge discount applies to categories of charged passengers (adults) within the following incentives:
 - (1) For new international year-round route from/to Varna Airport.
 - (2) For new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, operated for minimum 3 consecutive months.
 - (3) For reached certain volume of departing passengers on international routes outside the active summer season. To determine the tier of the discount, all departing passengers outside the active summer season (adults and children) are calculated, and the discount is applied to charged passengers (adults).
- 1.9 The security charge discount is applied to the security charge collected for a departing passenger.
- 1.10 To qualify for an incentive discount new seasonal route from/to Varna to/from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan should be operated as an international route for minimum 3 consecutive months within a 12-month period.

- 1.11 „Airline“ means aviation operator under whose code/flight number are operated flights to/from Varna Airport and/or group of aviation operators performing flights under one and the same trade name.

2. Validity of the incentive scheme:

2.1. For reached certain volume of departing passengers on international routes outside the active summer season: 3 years from the start date of validity of the incentive scheme, i.e. 3 years from 15.04.2024. The incentive is applied based on the reached volume of departing passengers on international routes outside the active summer season. Airlines whose operation meets the qualification criteria shall apply for each year of validity of this program until May 31 of the respective year. For the purposes of this program, for each "Year" of its validity, outside the active summer season, the periods are as follows:

- The first year under this program includes the periods from 15.04.2024 until 31.05.2024 and from 01.10.2024 until 14.04.2025.
- The second year under this program includes the periods from 15.04.2025 until 31.05.2025 and from 01.10.2025 until 14.04.2026.
- The third year under this program includes the periods from 15.04.2026 until 31.05.2026 and from 01.10.2026 until 14.04.2027.

2.2. Incentive for new year-round international routes to Varna Airport: 3 years from the start date of operation of the new year-round international route, and the incentive is applicable to the periods, which are outside the active summer season. The start date of the new year-round international route should be no later than 31.12.2026. For the purposes of this program, for each "Year" of its validity, outside the active summer season, the periods are as follows:

- The first year covers the period of 12 consecutive months from the date of the first flight on the respective route.
- The second and the third year cover the periods after the expiry of the respective previous periods of 12 months.

For example, upon the start of operation of the new year-round international route on 01.07.2024, the incentive will be applicable as follows:

- First year of the program covers the period from 01.07.2024 to 30.06.2025, incentive is applicable to the period from 01.10.2024 to 31.05.2025;
- Second year of the program covers the period from 01.07.2025 to 30.06.2026, incentive is applicable to the period from 01.10.2025 to 31.05.2026;
- Third year of the program covers the period from 01.07.2026 to 30.06.2027, incentive is applicable to the period from 01.10.2026 to 31.05.2027.

2.3 Incentive for new international seasonal routes to Varna Airport from/to the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, operated for minimum 3 consecutive months: 3 years from the start date of operation of the new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan, but no later than 31.12.2026. For the purposes of this program, for each "Year" of its validity, the periods are as follows:

- The first year covers the period of 12 consecutive months from the date of the first flight on the respective route.
- The second and the third year cover the periods after the expiry of the respective previous periods of 12 months.

For example, upon start of operation of the new route on 01.05.2024, the incentive will be applicable as follows:

- The first year of the program covers the period from 01.05.2024 to 30.04.2025, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.
- The second year of the program covers the period from 01.05.2025 to 30.04.2026, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.
- The third year of the program covers the period from 01.05.2026 to 30.04.2027, and incentive is applicable to the period of operation of the route, at the end of the period and upon fulfillment of the incentive conditions.

3. Payments Terms:

3.1 No later than 30 calendar days following the end of each "Year", as described in section 2 above, Fraport Twin Star Airport Management AD (FTSAM) shall submit to the airline official traffic data for such "Year". To be able to benefit from the incentive programs, airlines should meet the above mention criteria. The data shall include:

- For volume incentive for international traffic outside the active summer season – the number of international departing passengers (incl. adults) outside the active summer season.
- For incentive for new international year-round routes from/to Varna Airport - the number of arriving flights and the aircraft's MTOW of each arriving flight, outside the active summer season, for each qualifying route.
- For new seasonal international routes from/to the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan operated for minimum 3 consecutive months - the number of arriving flights and the aircraft's MTOW of each arriving flight as well as the number of departing passengers (incl. adults), within the period of operation of the route (which should not be less than 3 consecutive months), for each qualifying route.

3.2 The airline checks the data and, within 14 (fourteen) days of receiving it, expresses its agreement or objection in writing. In the event that the airline has no objections to the provided data, FTSAM issues a credit note for the amount of the calculated incentive discount. In case of disagreement with the traffic data provided by FTSAM, the airline submits a reasoned objection accompanied by supporting documentation. FTSAM responds within 14 (fourteen) days from the date of receipt of the objection and issues a credit note for the amount of the incentive discount, calculated on the basis of the finally agreed traffic data.

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4.1.1 For an incentive for a new international year-round route and for an incentive for a new seasonal route from the Persian Gulf countries, Azerbaijan, Uzbekistan and Kazakhstan - up to 30 days from the start date of operation of the route.

4.1.2 For volume incentive for international traffic outside the active summer season - until May 31 of the respective year.

4.2 Airlines shall apply for each incentive scheme separately, on an annual basis.

4.3.1 Applicable law in the interpretation of these general conditions is the current Bulgarian legislation. All disputes will be resolved through negotiations, and in case of disagreement between the parties, the dispute will be referred for resolution by the competent Bulgarian court - on the basis of Art. 117, para. 2 of the Code of Criminal Procedure, the generically competent court is in the city of Varna

4.3.2 These general terms and conditions are prepared in Bulgarian and English. In case of contradiction in the texts, the Bulgarian text prevails.

5. List of amendmends

Revision №	Amendments made in	Date of Revision	Amendment made by		Approved by Management Board (Date)
			Name	Date	
1.0		15.04.2024	D. Molosavljevic	15.04.2024	15.04.2024
1.1	Part I - 1.1.11; Part II – 1.1.11	15.10.2024	D. Milosavljec	15.10.2024	15.10.2024