

RECOVERY INCENTIVE POLICY



Commercial Policy for the development of Cagliari Airport's Network

Recovery Incentive Policy valid in the IATA 2025 summer season

Criteria for applying the Recovery Incentive Policy for air carriers designed to support traffic recovery and development at Cagliari airport during the IATA 2025 summer season.

Introduction

Sogaer S.p.A.'s main objective is to promote the development of air traffic, by encouraging carriers to operate new routes and strengthen existing ones, in order to use its infrastructure efficiently, raise the level of service provided to its catchment area and stimulate the development of new business opportunities.

Problems in the international socio-economic context are causing additional uncertainties to all air transport operators in planning their operational programmes for the 2025 summer season.

To facilitate the planning of Cagliari Airport's operations during the upcoming IATA 2025 summer season, Sogaer S.p.A. believes that ad hoc tools should be put in place to support traffic growth and increased connectivity at Cagliari Airport.

The purpose of this Summer 2025 Recovery Incentive Policy is to publicise, transparently and ensuring equal opportunities for all the carriers concerned, the traffic development commercial policy that Sogaer S.p.A. will implement for the IATA 2025 summer season and use as the basis for future agreements, in line with the MIT (Ministry of Infrastructure and Transport) Guidelines of 11.08.2016 (paragraph 3.4 of Commission Communication 2014/C99/03).

By implementing its Recovery Incentive Policy, Sogaer S.p.A. aims to grow its aviation and non-aviation business, in accordance with the market-economy investor principle (paragraph 3.4 Communication from the Commission 2014/C99/03).

Sogaer fully funds this policy, without any public contributions.

This Recovery Incentive Policy was approved by the Board of Directors on 06.09.2024.

1. Objectives

By implementing its Recovery Incentive Policy, Sogaer S.p.A. aims to achieve the following objectives and benefits:

- ✓ foster the maintenance and growth of a network of domestic and international flights during the IATA 2025 summer season.
- ✓ avoid the cancellation of some routes by minimising as far as possible reductions in operating frequencies on maintained routes;
- ✓ identify further instruments to encourage investment and growth of carriers at Cagliari airport in a highly competitive regional, national and international scenario.

2. Beneficiaries

This Recovery Incentive Policy is addressed to all potentially interested airlines meeting the requirements, giving, in a transparent and non-discriminatory manner, identical opportunities to all the airlines intending to commit to the airport managing company to achieve development and growth targets set for the various incentive categories, without any distinction or discrimination between airline categories (e.g.: scheduled, charter, legacy, low-cost, etc.).

3. Criteria for awarding incentives

3.1 Types of incentives and incentive targets:

The Recovery Incentive Policy Summer 2025 will be implemented during the IATA 2025 summer season and is divided into 2 categories:

Category 1. Introduction of additional domestic/international flights in the IATA 2025 summer season compared to the routes operated in the IATA 2024 summer season. Each route must be operated with a minimum of 8 rotations during the IATA 2025 summer season.

Category 2. Maintaining existing domestic/international routes in the IATA 2025 summer season. In this category, the incentive is applied against a minimum 20% increase in movements in the IATA 2025 summer season compared to the IATA 2024 summer season, on all flights on a given route net of the additional flights. The route must be operated with a minimum of 8 rotations during the IATA 2025 Summer season.

The incentive scheme for both categories 1 and 2 will apply to all international routes. With regard to domestic routes, airlines are eligible for this Policy on routes they already operated in the IATA 2024 summer season or on routes not present in the network of Cagliari airport. If

an airline intends to operate on a domestic route already served by another carrier, Sogaer must approve in advance the applicability of this Policy to the route.

Below is the incentive scheme for the 2 categories:

SUMMER RECOVERY INCENTIVE SCHEME		
	Type of traffic	IATA Summer 2025 Rebate
Category 1	Additional flights of a route compared to the IATA 2024 summer season (domestic or international routes)	€ 150 for each additional movement (arriving and/or departing)
Category 2	Upon reaching or exceeding a 20% growth in flights of Category 1 compared to the IATA 2024 Summer season, the category 2 incentive shall apply to all flights (excluding the incremental flights to which the Category 1 incentive shall apply.)	€ 100 per movement (arriving and/or departing, excluding additional flights)

The incentive will be applied on every arriving and/or departing movement, excluding ferry or positioning flights. Therefore, in the case of a complete turnaround of an additional flight, the incentive will amount to € 300 (€ 150 for the inbound flight and € 150 for the outbound flight).

The incentive will be granted regardless of the number of passengers on the flight.

Sogaer reserves the right to grant the incentives to more than one airline if the route is of strategic interest to our company.

The routes must always be operated with direct flights. Destinations and frequencies will be agreed with our company.

In any case, the amount of the incentive will be determined at the end of the negotiation between the company and the individual beneficiary, depending on the planned schedules and the agreement signed between the parties.

Please also note that:

If the airline increases its flights on a given route by at least 20% in S25 compared to S24, the airline will receive the incentive under Category 1 for the additional flights and the incentive under Category 2 for all other flights.

If the Airline increases its flights by less than 20%, the airline will only receive the incentive under Category 1 for the additional flights.

If the airline fails to increase flights on a given route compared to the IATA 2024 summer season, it will receive no incentive.

3.2 Marketing

Sogaer reserves the right to invest in a marketing campaign proportionate to the importance of an airline's activities, if the route development programme is of particular interest and commercial benefit to the airport and compatibly with the marketing budget available. The marketing investment may not be combined with the incentives in Categories 1 and 2 of this Policy.

The possible value of the marketing investment will be calculated on the basis of the following parameters:

- Expected traffic volumes
- Strategic importance of the destination for Sogaer
- The number of flights operated
- Type of aircraft used
- The period of operation
- The airline's commercial effectiveness on the market

4. Effectiveness

This Recovery Incentive Policy for traffic development:

- is published on the airport managing company's institutional website;
- can be revoked/updated by the company at any time;
- will also be published in English;
- needs a written agreement between the company and the incentive beneficiary to be implemented.

Agreements signed under previous policies will remain in force until their agreed expiry date, unless they are terminated prior to expiry.

5. Duration of the agreements

The duration of the agreements implementing this Recovery Incentive Policy is limited to the IATA 2025 summer season.

6. Requirements to access incentive schemes and general conditions

The airline must hold a regular air carrier operating licence, including traffic rights where necessary.

The airline must not be on the EU safety list, i.e. the black list of airlines subject to an operating ban throughout the European Community.

If, over the past five years, the airline has encountered significant irregularities in operating scheduled and planned flights and/or paying airport charges, the airport managing company reserves the right to demand a bank or insurance deposit to guarantee the correct fulfilment of contractual obligations.

Any airline that has committed significant infringements of the law or regulations will not be eligible for the incentive scheme.

No airline shall be deemed to qualify for incentives under this Policy before receiving official written confirmation from the airport managing company.

The incentive agreements for award of incentives under the conditions set out above shall be strictly confidential and in any case may not be combined with any existing agreements between the selected airline and Sogaer.

This policy is valid until Sogaer's budget for this activity has been exhausted.

The following routes are excluded from this Recovery Incentive Policy: LIN, FCO, CIA, MXP, VCE and BGY. Public Service Obligation routes are excluded from this Policy. If a route currently operated on the free market subsequently falls under public service obligations or receives public funding/contributions that cannot be combined with this Recovery Incentive Policy, the incentives for such route will automatically be terminated.

This Policy is intended for airlines only.

This Recovery Incentive Policy may not be combined with other Sogaer Incentive Policies and may not be applied to airlines already having specific incentive agreements for the IATA 2025 summer season.

7. How to apply for the Recovery Incentive Policy

Interested airlines should apply for this Recovery Incentive Policy, which will apply to flights operated exclusively during the IATA 2025 summer season. Applications for this Incentive

Policy must be received in writing by 31.03.2025. Applications received after this deadline may be evaluated if the route(s) constitute(s) for SOGAER a market of particular interest for Cagliari Airport and if there is residual budget for this policy.

To gain access to these policy conditions, airlines must send their application to access the Recovery Incentive Policy to the following e-mail address: info@sogaer.it. In particular, the airline must indicate:

1. routes, weekly frequencies and total planned movements for each route;
2. period of operation, with indication of the start and end date of the routes;
3. type of aircraft used with seats capacity;
4. MTOW of the aircraft used.
5. a statement that the company meets the requirements set out in paragraph 6 of this Recovery Incentive Policy.

Any changes to this Recovery Incentive Policy will be published by Sogaer in accordance with the MIT Guidelines. For further information please contact: info@sogaer.it.

8. Incentive awarding procedures

The incentives under this Recovery Incentive Policy may never take the form of direct discounts on the amounts invoiced by Sogaer. Airlines qualifying for this Policy must pay all airport charges and may not offset them against the incentives.

The incentives will be paid after the routes have been launched/developed, at the end of the IATA 2025 summer season and in any case after achievement of the contractual target has been verified.

The incentives shall be paid after the airline has paid all invoices for airport charges and has fulfilled all its contractual obligations.