

SUSTAINABLE TRAFFIC INCENTIVE

Isavia Ltd. Keflavik International Airport / Valid from April 1st 2020





Introduction

The aim of the incentive is to reward airlines contributing to sustainable passenger growth at Keflavik International Airport.

Sustainable Traffic Incentive

The incentive is for all incremental traffic growth above the previous IATA season, subject to the criteria below. Point to point and transfer passengers are incentivised (both arriving and departing passengers are eligible). Growth is calculated on the entire network operated by each individual airline rather than at route level.

The Sustainable Traffic Incentive applies at the following amounts per passenger for incremental traffic:

- Long Haul Destinations
 - €6.0 for IATA Summer Season (Apr-Oct)
 - €8.0 for IATA Winter Season (Nov-Mar)
- Short Haul Destinations
 - €4.0 for IATA Summer Season (Apr-Oct)
 - €6.0 for IATA Winter Season (Nov-Mar)

Current Airport Charges for Keflavik International Airport are available on the airport's website: <http://b2b.kefairport.is/English/Airlines/Airport-Facts/Charges/>

Short Haul Destinations are all destinations inside geographic Europe with the addition of Greenland

Long Haul Destinations are all destinations outside geographic Europe with the exception of Greenland

Criteria

To qualify for the Sustainable Traffic Incentive an airline must meet the following criteria:

- Airlines operating to Short Haul Destinations need to have a minimum of 50,000 passengers per year before qualifying for the incentive.
 - If an airline operating to Short Haul Destinations exceeds the 50,000-passenger cap on current year it will receive the Sustainable Traffic Incentive after that
 - For the years 2021 and 2022 the cap has been lowered to 17,000 passengers per year.
- The Sustainable Traffic Incentive applies to scheduled traffic only
- Routes eligible for the New Route Incentive scheme are excluded from the Sustainable Traffic incentive.



Covid-19 measures

- The incentive is calculated in the subsequent year after each IATA Season with the corresponding previous season (winter season compared with the previous winter season and summer season with the previous summer season). Due to the Covid-19 pandemic and reflecting the disruption to volumes which it caused, a new base will be established for the calculation of incentivisation of passenger traffic. From September 2022 and subsequent months, incentive amounts will now be calculated compared to passenger numbers in September and October 2021.
 - For clarity, this means therefore that Summer season 2022 will only be incentivised in September and October 2022. This sequence will continue for following seasons (from winter 2022-2023).

Required information

- The airline must provide Keflavik International Airport with the following information:
 - Name and address of the airline
 - Contact information for the relevant contact person with the airline
 - IATA code for the destination airport
 - The aircraft type to be used on the route, MTOW and seat capacity
 - Estimated load factor
 - Weekly number of departures, total number of departures and length of the season

Crediting terms

- Calculations and payments will be made after each IATA season (Winter/Summer).
- The Sustainable Traffic Incentive continues to apply provided an operator is fully compliant with the criteria determined by Isavia.

Disclaimer

If the airline fails to meet its obligations to Isavia regarding the payment of invoices or other matters the airline will be disqualified from receiving the discounts. Isavia reserves the right to cancel any incentives or to modify eligibility criteria, cost levels or time periods applicable for the Sustainable Traffic Incentive. Any dispute arising from this agreement to be settled in an Icelandic Court by Icelandic law.

Isavia reserves the right not to pay the incentive to companies towards which Isavia has overdue claims.

If Isavia makes any amendment to the incentive, it shall publish the amended incentives on the airport's website located at www.kefairport.com