



Traffic Development Policy

Preamble

S.A.CAL. S.p.A - Management Company of the airports of Lamezia Terme, Reggio Calabria and Crotona- is a company with prevalently public capital, holder of the forty-year ENAC concession for the management of the airport of Lamezia Terme and the thirty-year concession for the airports "Tito Minniti" of Reggio Calabria and "Sant'Anna" of Crotona.

S.A.CAL. S.p.A., as part of its management and development activities of the Calabrian Airport System, has as its main objective to stimulate the development of scheduled passenger air traffic at the airports of Lamezia Terme, Reggio Calabria and Crotona, consistently with the characteristics of the Calabrian market and airport infrastructures, to increase the number of air connections by improving connectivity and contributing to the economic growth of the territory.

These actions consist mainly in the search for carriers capable of guaranteeing both new direct connections and connections to hubs, so as to expand the range of destinations that can be reached from Calabrian airports.

To this end, S.A.CAL. S.p.A. has adopted an incentive policy, the entity of which will vary depending on the air services that carriers will perform on Calabrian airports and the strategic nature of the same for the airport of reference and for the territory, with particular reference to the current context in continuous evolution following the world economic crisis that requires the adoption of challenging measures for the reconstruction of pre-Covid traffic levels.

Legal basis

This guideline is referred to, in particular, in the following legislation:

- **Community**, on start-up aid for routes (Commission Communication 2014/C 99/03 of 4 April 2014 on State aid to airports and airlines) when using public resources;
- **National**, most recently enshrined in paragraphs 14 and 15 of Article 13 of Decree-Law No. 145 of 23 December 2013, converted with amendments by Law No. 9 of 21 February 2014 as amended by Article 1 paragraph 7 of Decree-Law No. 104 of 10 August 2023, converted with amendments by the Law of 9 October 2023, No. 136, on urgent provisions to protect users, economic and financial activities and strategic investments.

¹ Nella definizione di cui al n. 9 della Misura 1 dell'Allegato A alla delibera n. 38/2023 "Modelli di regolazione dei diritti aeroportuali" di ART, potendo includere le iniziative di marketing, promozione commerciale e/o turistica o altre iniziative ad esse assimilabili.

1. Objectives

Through the Policy S.A.CAL. S.p.A, in addition to the overall objective of increasing passenger traffic volumes at its airports, it sets itself the following objectives:

- Increase in the number of destinations served with point-to-point connections;
- Increase of frequencies on current destinations to improve the offer to customers;
- Deseasonalisation of markets subject to strong seasonality;
- Increase in the level of intercontinental connectivity through both direct flights and new services to major European hubs.

2. Beneficiaries

This traffic development *policy* is addressed to **all interested legal entities** that meet the **requirements** ensuring in a transparent and non-discriminatory manner, **identical opportunities** to operators wishing to assume, towards S.A.CAL. S.p.A, the indicated sustainable development and growth commitments

3. Criteria for granting incentives

3.1 Types of incentives

The incentive may be a:

- contribution paid per individual passenger or per incremental passenger, with a view to reaching a specific target;
- flat-rate contribution linked to the possible opening of a BASE at the airport;
- *marketing* support linked to the operation of flights with a view to reaching a specific target.

3.2 Incentive Target

3.2.1 Parameters for determining the contribution

The amount of the contribution will be determined on the basis of the number of passengers carried (paying departing passengers) and/or the number of flights and/or capacity offered and subject to the achievement of the agreed targets. The amount of the contribution will depend on:

- Traffic volumes generated
- Type of destination (European/extra-European)
- Strategic relevance of the destination;
- Number of frequencies operated;
- Type of aircraft used;
- Period of operation;
- Commercial penetration of the carrier in the market.

3.2.2 Contribution Evaluation Cases

This policy will be applied to carriers that undertake to implement development strategies on Calabrian airports in order to achieve the objectives set out in paragraph 1.

These strategies include:

- Opening of new connections;
- Capacity/frequency increase on existing destinations;
- Multi-year consolidation and/or development plans for large volumes of passenger traffic



a) Opening of new connections

New destinations/connections are defined as the start-up of new scheduled flights on international and domestic routes not served, with at least 2 rotations per week.

Incentives for new connections will be regulated as follows:

Minimum period of operation: two years. In the event that the new route is not profitable, the carrier may propose the replacement of the route with another one.

b) Capacity/frequency increase on existing destinations

This means a destination already operated by a scheduled carrier for which the same carrier plans an increase (in terms of additional frequencies and/or capacity offered) compared to the previous IATA season or the introduction of the same destination by another scheduled carrier;

The amount of the contribution will be determined on the basis of the parameters set out in section 3.1.

c) Multi-year consolidation and/or development plans

These are understood to be agreements with operating carriers capable of sharing multi-year traffic development plans characterised by point-to-point traffic, contributing significantly to the growth of traffic volumes and to the capillarity of the network of each individual airport, for a period of no less than three years.

Weekly frequencies: minimum 3 frequencies per week during the IATA Summer season and 2 during the IATA Winter season.

Should the new routes prove unprofitable, the carrier may propose the replacement with other routes, approved by S.A.CAL. S.p.A.

3.3 Parameters for determining the incentive

The amount of the incentive is, in all cases, determined on a case-by-case basis, at the outcome of the negotiation between the company and the individual beneficiary, depending on the schemes provided for and the agreement signed between the parties. However, S.A.CAL. S.p.A. reserves the right to prepare an ex-ante analysis to confirm the profitability for the airport operator of the investment (MEO TEST).

4. Enforceability

The traffic development *policy*:

- is published on the institutional *website* of S.A.CAL S.p.A.;
- is revocable/upgradable by the company at any time;
- is written in both Italian and English (specifying that in case of discrepancy the prevailing language is Italian);
- requires a written agreement between the company and the beneficiary of the incentive to be implemented.

Agreements signed on the basis of previous *policies* remain in force until the expiry date of the agreements, unless they are meanwhile terminated.

5. Duration

This commercial *policy shall be* valid from 01/04/2024 to 31/03/2027 without prejudice to the possibility for S.A.CAL S.p.A. to extend its validity, specifying, in any case, that the duration shall be established in the individual contract signed with the beneficiary of the incentive.

6. Eligibility

The beneficiary:

- must have a regular air carrier licence, including traffic rights where required;
- must not appear on the *EU safety list* (i.e. the *black list* of carriers banned from operating in the entire territory of the European Community);
- must not have committed serious violations of law or regulation and/or significant breaches of contractual terms with the company in the last five years;
- have no outstanding debts with the Company.

7. How to submit requests for the incentive programme

On the basis of the indications provided in this document, carriers are invited to send the development plan for the airport and the details of the information required by the operator for the evaluation of the proposal (e.g. description of the fleet, network, operating bases, list of routes the carrier intends to operate, frequencies, seats offered, etc.) to the following e-mail addresses: ferragina@sacal.it ; sacalspa@legalmail.it

All the proposals received will be evaluated according to a beneficiary selection criterion that takes into account the economic attractiveness of the development plan presented, the duration of the agreement, the strategic nature of the proposed connections, and seasonal adjustment

The economic/environmental sustainability of the submitted plan, the economic/financial requirements and the capillarity of the proposing party's network constitute possible criteria for prioritising the proposals received.

S.A.CAL. S.p.A. reserves the right, in any event, to conduct parallel negotiations in case of more than one carrier bidding to achieve the same objective, without prejudice to the right of the company to choose one or more carriers to sign the contract, in the light of the criteria indicated in the *policy*

8. Payment conditions

The incentives will be paid on a monthly or quarterly basis and always after verification that all contractual parameters are met, including the regular payment of airport charges and the signing of the contract before the start of operations.