

Aeroporto Internacional de Guarulhos - GRU AIRPORT Incentives for Air Service Development - 2023/2025

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This document describes the GRU AIRPORT Incentive Program for Airlines that fulfilled the following criteria. This document is a translation of the Incentive Program, presented to ANAC, written in Portuguese, which for all meanings prevails above this translation.

1. Eligibility

- **1.1.** All Airlines that operate international and/or domestic flights to/from GRU AIRPORT that meet the following requirements, in addition to those described in Chapter 4 of this program:
 - **Slots**: Airlines need to have approved slots (and HOTRAN permission) for the operation;
 - **Start of Operation / Program Duration:** Flights must start from the IATA Winter 2022 season until Winter 2025;
 - Recovery of Seat Capacity of Airlines in Operation before W22: to be eligible at the application, the seat capacity in W22 must exceed the capacity in W19, for the destination analyzed. If the application is held during S23, the comparison will be made with S22, in W23, with W22, and so on. It is important to highlight that, regardless of the year of the season under analysis, the capacity of seats for the specific destination must exceed the value recorded in the same season in 2019;
 - **Historical Allocation Maintenance:** Flights included in the program must meet the punctuality and regularity criteria established by the National Civil Aviation Agency (ANAC). This will be evaluated through the "Slot Historical List (SHL)" document each season, verifying if the airline maintained its historical slots for the requested flight. This criterion assesses the regularity and punctuality of the airline. Therefore, slot history must be maintained between seasons for the requested enjoyment period.
 - **Operation Maintenance:** Flights included in the incentive program must be operated regularly during the requested benefit period, without reducing seat capacity or weekly flight frequency from the initial capacity. Frequent changes to landing and departure times, operating days, or flight numbers are not allowed. In the event of occasional changes, a new form must be submitted to continue benefiting from the incentive;
 - **Financial Compliance:** it is an unequivocal condition for the application of incentives that the airline is in compliance with the financial obligations with GRU AIRPORT.
- **1.2.** Failure to comply with the previous clauses regarding the Maintenance of Historical Allocation and Operation, and Financial Compliance will result in the automatic cancellation of the incentive. In this case, the airline shall immediately pay the adjusted inflation difference in landing fees to GRU AIRPORT, as described in Chapter 5.3 of this Document. If the operation is classified as "seasonal," no refund will be requested, and a new form must be signed for the route to be re-incentivized when operations resume.



2. **Application**

- **2.1.** Airlines willing to apply for an incentive under this program should send an email to incentivos@gru.com.br as well as submit the following documents to prove the which eligibility of the flight, https://www.gru.com.br/pt/Negocios/Paginas/incentivos-tarifarios.aspx
 - Slot allocation made by GRU AIRPORT Coordinator (at the moment, ANAC) for the operation- flight, route, aircraft type, weekly frequencies, departure and arrival times at GRU;
 - Corporate documents giving the authorization for the legal representatives to sign on behalf of the airlines;
 - Form obtained through the e-mail incentivos@gru.com.br and signed by the Airline's legal representatives in Brazil.
- **2.2.** Confirmation of adherence to the Incentive Program and consequently the start of the incentive will be issued by GRU AIRPORT within 10 working days of receipt of the complete documents listed in the paragraph above. The airline begins to enjoy the benefit at the time of confirmation of adherence to the Program, without the possibility of receiving the discount from previous operations retroactively.
- **2.3.** The airline participating in the Program may choose to receive the incentive in the launch year, either as a discount on landing fees or for marketing/promotion actions for the route (1+1 commitment). GRU Marketing actions must: (i) be previously validated by GRU, (ii) contain the GRU Airport brand in the materials, following the Brand Manual Guidelines; and (iii) be limited to up to 50% of the value in the airline's proprietary media. If the airline chooses to receive the amount in advance, GRU will account for the amount advanced until the total is reached.
- **2.4.** Any questions or clarifications about the Incentive Program should be requested by incentivos@gru.com.br visiting https://www.gru.com.br/pt/Negocios/Paginas/incentivos-tarifarios.aspx.

3. **Incentives**

The proposed 2023-2025 Incentive Program is composed of two parts: (i) <u>Incentive A</u>: New International Airlines, increase in International Routes and Frequencies; (ii) <u>Incentive B</u>: increase in the number of international passengers.

Regional destinations are those located within South America, the Caribbean and Central America. Taking in consideration, Mexico is considered part of North America and flights to Mexican cities are classified as "long-haul".

3.1. Description

<u>Incentive A:</u> The Incentive Program has three criteria, not cumulative:

- New Airlines to/from GRU AIRPORT; (i)
- New International Routes to/from GRU AIRPORT; (ii)
- New off-peak international flights or frequencies to/from GRU AIRPORT;



Table 1 points the above criteria written:

Table 1: Incentive A - Increase in International Routes and Frequencies

Criteria	Long-Haul	Regional	
New Airlines	Year 1 – 100% landing fee	Year 1 – 100% landing fee	
New All lines	Year 2 – 50% landing fee	Year 2 – 50% landing fee	
New International Routes	Year 1 – 100% landing fee	Year 1 – 100% landing fee	
New International Routes	Year 2 – 50% landing fee	Year 2 – 50% landing fee	
	Year 1 – 100% landing fee	Year 1 – 100% landing fee	
New Off-Peak	Year 2 – 75% landing fee	Year 2 – 75% landing fee	
	Year 3 – 50% landing fee	Year 3 – 50% landing fee	
	50% of the landing fee amount can be		
Long-Haul Bonus	used as 1+1 Marketing support,	N/G	
	exclusively, for year 1 of the		
	operation.		

<u>Incentive B</u> has an objective to grant incentive per incremental passenger, as established in Table 2.

Table 2: Incentive B - Increase in the Number of International Passengers

Year	Growth related to	Value per incremental passenger (R\$) Long Haul		
		10,0	12,5	15,0
2023	2019	0%	5%	10%
2024	2023 (>2019)	7,5%	10%	15%
2025	2024 (>2019)	7,5%	10%	15%

^{*} Regional passengers receive 50% of the value defined for a long-haul passenger.

Airlines are only eligible to benefit from the higher value between Incentives A and B; therefore, these incentives are not cumulative. For companies qualifying for both incentives, an evaluation will be conducted in the relevant year to determine whether the amount associated with Incentive B exceeds the amount already granted through Incentive A during that year. If this is the case, only the excess amount will be offered as a discount to the airline. Conversely, if the value of Incentive A is greater than that of Incentive B, Incentive A will take precedence, and the airline will not qualify for the Incentive B discount for that year.

- **3.2.** GRU AIRPORT reserves the right to modify and/or exclude the conditions of this Program at any time, without justification, through its communication channels within 30 (thirty) days prior to the modification and/or exclusion date.
- **3.3.** All requirements in Chapter 4 are mandatory for the corresponding incentive application, cumulatively to those indicated in Chapter 1.

4. Criteria and Incentives

INCENTIVE A

4.1. INCENTIVE FOR NEW AIRLINES

4.1.1. Under this Program, a new airline is one that has not yet carried out any scheduled operations at GRU AIRPORT since W22.

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- **4.1.2.** The new airline is eligible for the Program for 2 years, which means that it will be exempt from the landing fee on all operations during this period, according to the percentage described in the table below. In other words, increases in frequency to the same destination and/or the addition of flights to other destinations will also be covered, up to a limit of 2 years from the start of the first operation, and with no restriction on the number of new frequencies.
- **4.1.3. Incentive:** 2-year rebate on landing fees according to the following table:

New International Airline	Rebate
Year 1	100%
Year 2	50%

4.1.4. For routes classified as Long-Haul (see Chapter 3), in addition to the amount corresponding to the Program, there will be an additional 50% of the amount for the first year to be used to promote the route. This amount must be used in the form of Marketing (1+1), i.e. conditional on the promotion carried out by the airline itself and in an equivalent amount and must be used in the first year of operation of the route in question.

4.2. NEW INTERNATIONAL ROUTES TO/FROM GRU AIRPORT

- **4.2.1.** Operate regularly, scheduled international flights on the following routes yet non served from GRU AIRPORT since W22: (i) South America: any new secondary destination, such as Bariloche, Calama, Antofagasta, Cartagena, Cusco, El Calafate, Medellín, Salta, Ushuaia, among others; (ii) any new destination on Caribbean Islands and Central America; (iii) North America: Charlotte, Calgary, Denver, Las Vegas, Los Angeles, San Francisco, Seattle, Vancouver; (iv) Europe: Dublin, Brussels, Geneva, Oslo, Warsaw, Munich, Berlin, Vienna, Stockholm, Copenhagen; (v) any destination on Africa, Asia, Australia and New Zealand.
- **4.2.2.** The Program also includes new flights to Lima, Bogota, Buenos Aires and Santiago. There are no frequency restrictions for these destinations, which means that any airline that starts operating on these routes can benefit from the Program.
- **4.2.3.** For seasonal operations, the Program will be eligible for secondary destinations in (i) South America, such as flights to Bariloche, Salta, Ushuaia, El Calafate, Cartagena, Medellín, Cusco, Calama, Antofagasta, Concepcion, Punta Arenas, Puerto Montt; (ii) Europe, such as flights to Dublin, Munich, Brussels, Geneva, Oslo, Warsaw, Berlin, Vienna, Stockholm, Copenhagen; (iii) North America, such as flights to Charlotte, Calgary, Denver, Las Vegas, Los Angeles, San Francisco, Seattle, Vancouver, Cancun; (iv) Central America and the Caribbean, Africa, the Middle East, and the Asia-Pacific, flights to any new destination.
- **4.2.4.** To be eligible at the application, the seat capacity of the airline for the destination analyzed must be at least what was seen in the previous season, as described in Chapter 1. Therefore, for W22, the seat capacity must exceed the figures in W19. In S23, the comparison will be made with S22, in W23, with W22, and so on. It is important to highlight that, regardless of the year of the season under analysis, the capacity of seats for the specific destination must exceed the value recorded in the same season in 2019;



- **4.2.5.** In order for the incentive to be maintained, eligible flights must remain on a consistent schedule throughout the period of usufruct requested, without reducing frequencies or changing flight numbers. In the event of one-off changes, a new form will have to be filled in to continue enjoying the incentive;
- **4.2.6.** A new route is defined: (i) a new route with regular operations in South America (a route is defined as a <u>city</u> in accordance with the IATA code for example: within South America, the Buenos Aires route includes the airports of Ezeiza and Aeroparque, due to the migration of airlines between the airports); (ii) regular operations outside South America as an <u>airport</u> (e.g. London Gatwick is a new route); (iii) in the case of adding flights to Lima, Bogota, Buenos Aires and Santiago.
- **4.2.7.** A new destination can exempt up to 7 weekly frequencies, regardless of the airline. This means that two or more airlines operating flights to that new destination can request an exemption, as long as the total number of frequencies requested does not exceed 7 per week.
- **4.2.8.** Each frequency is exempted individually for 2 years, from the date the form is signed or the start of operations, whichever is the later. Ex: If an airline starts frequencies 2, 3, 4 and 6 on 01/01/2024, it will be entitled to a 2-year incentive for these frequencies. If it adds frequencies 1, 5 and 7 on 01/01/2025, it will be entitled to 2 years of incentive for these new frequencies, and this period is not correlated with the incentive for the frequencies started previously.
- **4.2.9.** Incentive should be given to the first airline requesting the service (slot request). If 2 or more Airlines request slots for the same Route at the same initial submission, the incentive will be granted to the Airline that: (i) requests the biggest number of seats; (ii) requests the biggest number of flights in the season.
- **4.2.10 Incentive:** 2-year rebate on landing fees according to the following table:

New International Routes	Rebate
Year 1	100%
Year 2	50%

4.2.11. For routes classified as Long-Haul (see Chapter 3), in addition to the amount corresponding to the Program, there will be an additional 50% of the amount for the first year to be used to promote the route. This amount must be made in the form of Marketing 1+1, that is, subject to the promotion carried out by the airline itself and in an equivalent amount, and must be used in the first year of operation of the route in question.

4.3 NEW OFF-PEAK INTERNATIONAL FLIGHTS OR FREQUENCIES TO/FROM GRU AIRPORT

4.3.1. Operate new international flights or new international frequencies at <u>off-peak</u> <u>times</u> since W22. The off-peak time is defined for the flight departure for each flight season. For seasons from Winter 2022 until Winter 2025, the defined off-peak departure times are (São Paulo time): 00:30 – 04:55 and 10:00 – 14:55 (or until 05:55

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and 15:55, respectively, in case there is an Official Brazilian Daylight Saving Time).

- **4.3.2.** For seasonal operations, the Program will be eligible for secondary destinations in (i) South America, such as flights to Bariloche, Salta, Ushuaia, El Calafate, Cartagena, Medellín, Cusco, Calama, Antofagasta, Concepcion, Punta Arenas, Puerto Montt; (ii) Europe, such as flights to Dublin, Munich, Brussels, Geneva, Oslo, Warsaw, Berlin, Vienna, Stockholm, Copenhagen; (iii) North America, such as flights to Charlotte, Calgary, Denver, Las Vegas, Los Angeles, San Francisco, Seattle, Vancouver, Cancun; (iv) Central America and the Caribbean, Africa, the Middle East, and the Asia-Pacific, flights to any new destination.
- **4.3.3.** To be eligible at application, the seat capacity of the airline for the destination analyzed must be at least what was seen in the previous season, as described in Chapter 1. Therefore, for W22, the seat capacity must exceed the figures in W19. In S23, the comparison will be made with S22, in W23, with W22, and so on. It is important to highlight that, regardless of the year of the season under analysis, the capacity of seats for the specific destination must exceed the value recorded in the same season in 2019;
- **4.3.4.** In order for the incentive to be maintained, eligible flights must remain on a consistent schedule throughout the period of usufruct requested, without reducing frequencies or changing flight numbers. In situations of specific changes, it will be necessary to fill out a new form to continue benefiting from the incentive
- **4.3.5.** A new destination can exempt up to 7 weekly frequencies, regardless of the airline. This means that two or more airlines operating flights to that new destination can request an exemption, as long as the total number of frequencies requested does not exceed 7 per week.
- **4.3.6.** Each frequency is exempted individually for 2 years, from the date the form is signed or the start of operations, whichever is the later. Ex: If an airline starts frequencies 2, 3, 4 and 6 on 01/01/2024, it will be entitled to a 2-year incentive for these frequencies. If it adds frequencies 1, 5 and 7 on 01/01/2025, it will be entitled to 2 years of incentive for these new frequencies, and this period is not correlated with the incentive for the frequencies started previously.
- **4.3.7. Incentive:** 3-year rebate on landing fees according to the following table:

International flights at Off-Peak	Rebate
Times	
Year 1	100%
Year 2	75%
Year 3	50%

4.3.8. For routes classified as Long-Haul (see Chapter 3), in addition to the amount corresponding to the Program, there will be an additional 50% of the amount for the first year to be used to promote the route. This amount must be made in the form of Marketing 1+1, that is, subject to the promotion carried out by the airline itself and in an equivalent amount, and must be used in the first year of operation of the route in question.



INCENTIVE B

4.4 INCENTIVE TO INCREASE THE NUMBER OF INTERNATIONAL PASSENGERS

4.4.1 For airlines operating in GRU AIRPORT, there will be an amount per additional "long-haul" passenger: amount in Brazilian Reais based on a minimum percentage growth, as provided below:

Year	Growth related to	BRL 10,0	BRL 12,5	BRL 15,0
2023	2019	0%	5%	10%
2024	2023	7,5%	10%	15%
2025	2024	7,5%	10%	15%

- **4.4.2** Value per additional regional passenger: 50% of the "long-haul" value per passenger;
- **4.4.3** For 2024 and 2025, airlines must be above 2019 levels;

5. Effectiveness

- **5.1.** The identified incentives are recorded from the signing of the GRU Incentive Program Acceptance Term and Registration Form and become effective when applied to the eligible flights. Under no circumstances shall retroactive execution be allowed.
- **5.2.** Incentives will be applied as soon as they are approved and all signed documentation is in the possession of the GRU AIRPORT billing team.
- **5.3.** If one or more requirements set forth in this regulation are not faithfully met, the incentive shall be automatically cancelled, and the airline company benefiting from this incentive shall immediately pay the Concessionaire the amount already subsidized, duly adjusted by the IPCA. If the operation is established as "seasonal", reimbursement of the amount shall not be requested, and a new form shall be signed so that the route can once again be incentivized upon resumption of operations.

Guarulhos, February 17, 2025.



Incentive Program Declaration Term

The Airline declares for all meanings that is a company legally authorized to operate in Brazil, and expressly agrees with the eligibility, application, incentives, criteria, and efficiency of GRU AIPORT Incentive Program, which is officially written in Portuguese.

Airline
Denominatio
n.º CNPJ:

(local)
(date)

Legal Representative 1
N.º CPF:

Legal Representative 2
N.º CPF:

Read and agree with the Incentive Program.