

**Aeroporto Internacional de Guarulhos – GRU AIRPORT
Incentives for Air Service Development – 2023/2025
Version 3.0 – last update 05/03/2024**

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 regular international and/or domestic flights to/from GRU AIRPORT that meet the following requirements, in addition to those described in item 04 of this program:

- **Slots:** airlines need to have approved slots (and HOTRAN permission) for the operation;
- **Beginning of the Operation:** the program is valid until December/2025 (Winter 2025 IATA season), meaning flights under the program need to start their operation from January/2023 (during Winter 22 IATA season);
- **Recovery of Seat Capacity of Airlines in Operation before W22:** to be eligible, the seat capacity in W22 must exceed the capacity in W19, for the destination analyzed. 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;
- **Operational performance:** flights need to be operated, at least, 90% of the scheduled days to receive and maintain the incentive;
- **OTP Performance:** flights need to have, at least, an 80% OTP performance to receive and maintain the incentive;
- **Operation Effectiveness:** flights need to be operated, at least, during the whole period when incentive is active, without any decrease in seats and/or number of weekly frequencies. In addition, it is not permitted to change recurrently the landing and take-off times or flight numbers;
- **Regularization with Finance:** 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 Regularity, Punctuality, Maintenance of the Operation and Regularization with Finance will result in automatic cancellation of the incentive and airline shall immediately pay the difference amount of landing fees to GRU AIRPORT, inflated-adjusted, as described in item 5.2. of this Document.

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 eligibility of the flight, which are available on <https://www.gru.com.br/pt/Negocios/Paginas/incentivos-tarifarios.aspx>

- Slot allocation made by GRU AIRPORT Coordinator (at the moment, ANAC) for

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the operation- flight, route, aircraft type, weekly frequencies, departure and arrival times at GRU;

- Declaration Term signed by the Airline’s legal representatives in Brazil, declaring their knowledge and acceptance of the Incentive Program;
- 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. Airline incentive requests are valid and answered by GRU AIRPORT within 10 working days after receiving all the documentation stated on section 2.1.

2.3. Any question about the program should be posed exclusively by the e-mail incentivos@gru.com.br.

3. Incentives

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

Airlines can solely collect the highest value between Incentives A and B, therefore, these values are not cumulative.

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. Incentive A: The Incentive Program has three criteria, not cumulative:

- (i) New Airlines to/from GRU AIRPORT;
- (ii) New International Routes to/from GRU AIRPORT;
- (iii) 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 2 – 50% landing fee	Year 1 – 100% landing fee Year 2 – 50% landing fee
New International Routes	Year 1 – 100% landing fee Year 2 – 50% landing fee	Year 1 – 100% landing fee Year 2 – 50% landing fee
New Off-Peak	Year 1 – 100% landing fee Year 2 – 75% landing fee Year 3 – 50% landing fee	Year 1 – 100% landing fee Year 2 – 75% landing fee Year 3 – 50% landing fee
Long-Haul Bonus	50% of the landing fee amount can be used as 1+1 Marketing support, exclusively, for year 1 of the operation.	N/G

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

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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.

3.2. GRU AIRPORT Incentive Program is valid for operations that start on January/2023 (Winter 2022 IATA season) until December 2025 (Winter 2025 IATA season).

3.3. 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.

3.4. All requirements in item 04 are mandatory for the corresponding incentive application, cumulatively to those indicated in item 01.

4. Criteria and Incentives

INCENTIVE A

4.1. 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.

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%

4.2. 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

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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. To be eligible, the seat capacity of the airline for the destination analyzed must be at least what was seen in the previous season. 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;

4.2.4. In order for the incentive to be maintained, eligible flights must remain on a consistent schedule throughout the season, without reducing frequencies or changing flight numbers;

4.2.5. A new route is defined: (i) a new route with regular operations in South America (a route is defined as a city 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 airport (e.g. London Gatwick is a new route); (iii) in the case of adding flights to Lima, Bogota, Buenos Aires and Santiago.

4.2.6. 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.

4.2.7. 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.

4.2.8. For seasonal operations, secondary destinations in South America will be eligible for the program, such as flights to Bariloche, Salta, Ushuaia, El Calafate, Cartagena, Medellín, Cusco, Calama, Antofagasta, Concepcion, Punta Arenas, Puerto Montt, among others.

4.2.9. For flights that qualify as Long-Haul (see Chapter 3), 50% of the landing fee amount can be used as 1+1 Marketing support, exclusively, for year 1 of the operation.

4.2.10. 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. If the tie persists, GRU AIRPORT will keep the airline according to its air service development strategy.

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4.2.11. Incentive: 2-year rebate on landing fees according to the following table:

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

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 **off-peak times** 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 and 15:55, respectively, in case there is an Official Brazilian Daylight Saving Time).

4.3.2. To be eligible, the seat capacity of the airline for the destination analyzed must be at least what was seen in the previous season. 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;

4.3.3. In order for the incentive to be maintained, eligible flights must remain on a consistent schedule throughout the season, without reducing frequencies or changing flight numbers;

4.3.4. 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.

4.3.5. 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.

4.3.6. Incentive: 3-year rebate on landing fees according to the following table:

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

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. Incentives can only be granted by GRU AIRPORT after the airline signs the Declaration Term and the Form and Incentive Form (obtained through the email incentivos@gru.com.br). No retroactive incentives will be given.

5.2. The incentives will be applied once approved, and all signed documentation is in the possession of the finance department.

5.3. Return of Incentives: on the hypothesis that one or more of the criteria is not met by the airlines during the period of incentives, the airlines need to return (pay-back) the incentive already granted by GRU AIRPORT.

Guarulhos, 21 December 2023.

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.

Read and agree with the Incentive Program

Airline

Denominatio

n:N.º CNPJ:

(local) _____

(date) _____

Legal Representative 1

N.º CPF:

Legal Representative 2

N.º CPF:
