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SARAJEVO AIRPORT INCENTIVE PROGRAMME

Page:
1 of 13

Effective from September 25, 2024

PC Sarajevo International Airport LLC

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Bosnia and Herzegovina

SITA code: SJJAPXH

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1. NEW SCHEDULED ROUTE

A new route implies a destination towards which there were no scheduled flight operations from the Airport Sarajevo by the air carriers regularly on that particular destination in a period of twelve (12) months before the date of the first flight.

The air carrier which applies for the incentive programme based on the new scheduled route must ensure that the route proposed operates regularly at least two times per week in a period of three (3) months without a suspension during the summer season, i.e. at least one flight operation per week during the winter season.

The incentive to introduce the new scheduled route may not be combined with the incentive for the increase of flight frequencies.

If the air carrier within the incentive validity period cancels the flights scheduled in advance for a period longer than 6 (six) months, the same forfeits a right to the below mentioned incentives as of the moment the new route is suspended. If after the suspension of the flight operations, and in a period not longer than 6 (six) months as of the moment of the suspension, the same resumes the flight operations, the air carrier is entitled to use the incentive previously approved, provided that it submits a request for continuation of using previously approved discount.

In order to be eligible to the below mentioned incentive, the air carrier needs to send a request in writing for the incentive approval.

Type of charges		New scheduled route incentive ¹	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
I year	Landing and Take-off	100%	100%
	Passenger Service	20%	25%
II year	Landing and Take-off	75%	75%
	Passenger Service	15%	20%
III year	Landing and Take-off	50%	50%
	Passenger Service	10%	15%

Note: A refund in the amount of 2% on the monthly basis shall be approved for long-haul traffic, on the basis of the amount paid for aviation fuel refuelled at the Airport Sarajevo, and in accordance with the official records of the company that carries out aviation fuel supply.

2. NEW SCHEDULED CHARTER ROUTE

A new scheduled charter route implies a destination towards which there were neither scheduled flight routes nor charter flight routes from the Airport Sarajevo by the air carrier in question during the previous twelve (12) months before the first flight.

The air carrier which applies for the incentive programme based on the scheduled charter route must ensure that the route proposed operates as a charter at least once per week in a period of three (3) months without a suspension.

The incentive to introduce the new scheduled charter route may not be combined with the incentive for the increase of flight frequencies.

If the air carrier within the incentive validity period cancels the flights scheduled in advance, the same forfeits a right to the below mentioned incentives, from the moment the new charter route is suspended. If after the suspension of the flight operations, and in a period not longer than 6 (six) months as of the moment of the suspension, the same resumes the scheduled charter flight operations, the air carrier is entitled to use already approved incentive, provided that it submits a request for continuation of using previously approved discount.

¹ For the winter flight schedule, the air carriers that apply for the incentive based on the new scheduled route are eligible for additional 5% discount on the passenger service charge.



In order to be entitled to the above mentioned incentive, the air carrier needs to send a request in writing for the incentive approval.

Type of charges		Incentive for new scheduled charter route ²	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
I year	Landing and Take-off	50%	75%
	Passenger Service	15%	20%
II year	Landing and Take-off	25%	70%
	Passenger Service	10%	15%
III year	Landing and Take-off	10%	25%
	Passenger Service	5%	10%

Note: A refund in the amount of 2% on the monthly basis shall be approved for long-haul traffic, on the basis of the amount paid for aviation fuel refuelled at the Airport Sarajevo, and in accordance with the official records of the company that carries out aviation fuel supply.

3. NEW AIRLINE COMPANY AT THE AIRPORT SARAJEVO

New airline company implies an air carrier which introduces flight operations at the Airport Sarajevo for the first time, on a regular basis.

3A. NEW AIRLINE COMPANY AND NEW SCHEDULED ROUTE

New airline company implies an air carrier which introduces the flight operations at the Airport Sarajevo for the first time, on a regular basis and which introduces the route that does not operate at the moment.

The air carrier that applies for the incentive programme based on this model must ensure that the route(s) proposed operate(s) at least two times per week, i.e. once a week for long-haul traffic within a period of three (3) months without a suspension, on a regular basis, noting that the discounts are approved and calculated only on the basis of the number of the new routes, as defined in the table below.

The incentives defined according to this model cannot be combined with any other model. In order to be entitled to the incentive in question, the air carrier needs to send a request in writing for the incentive approval as well as information in writing for every new route it introduces, with the exact dates the flight operations start operating for every destination. The incentive shall be calculated as of the moment the flight operations are introduced in relation to the number of the routes introduced, and according to the table below. If the air carrier, whilst using the afore mentioned incentive (accounting period of 12 months as of the first flight), submits a request for introducing new additional routes or if it decides to suspend the flights on a particular route, the discount approved shall be modified in a way that as of the moment of introducing/suspending the flight operations on a particular route, there is going to be an increase/reduction of the discounts approved for the services of landing and take-off, the handling services and the passenger service charge, whilst the accounting period remains unchanged (12 months as of the date of the first flight).

If the air carrier within the incentive validity period cancels the flights scheduled in advance for a period longer than 6 (six) months, the same forfeits a right to the below mentioned incentives, as of the moment the new route is suspended. If after the suspension of the flight operations, and in a period not longer than 6 (six) months as of the moment of the suspension, the same resumes the scheduled flight operations, the air carrier is entitled to use already approved incentive, provided that it submits a request for continuation of using previously approved discount.

² For the winter flight schedule, the air carriers which apply for the incentive based on the new scheduled charter route are eligible for additional 5% discount on the passenger service charge.



Type of charges		Incentive for new airline company and new scheduled route(s) ³ for the first year	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
I year one new route	Landing and Take-off	100%	100%
	Handling	40%	45%
	Passenger Service	30%	35%
I year 2-3 new routes	Landing and Take-off	100%	100%
	Handling	45%	50%
	Passenger Service	35%	40%
I year 4 and more routes	Landing and Take-off	100%	100%
	Handling	50%	55%
	Passenger Service	40%	45%

Type of charges		Incentive for new airline company and new scheduled route(s) ⁴ for the second year	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
II year one new route	Landing and Take-off	75%	75%
	Handling	30%	35%
	Passenger Service	25%	30%
II year 2-3 new routes	Landing and Take-off	75%	75%
	Handling	35%	40%
	Passenger Service	30%	35%
II year 4 and more routes	Landing and Take-off	75%	75%
	Handling	45%	50%
	Passenger Service	35%	40%

Note: A refund in the amount of 2% on the monthly basis shall be approved for long-haul traffic, on the basis of the amount paid for aviation fuel refuelled at the Airport Sarajevo, and in accordance with the official records of the company that carries out aviation fuel supply.

3B. NEW AIRLINE COMPANY AND EXISTING SCHEDULED/CHARTER ROUTE(S)

New airline company implies an air carrier which introduces the flight operations at the Airport Sarajevo for the first time, on a scheduled/charter basis and which introduces the flight operations as the scheduled/charter routes and on which some other air carrier already operates.

The air carrier that applies for the incentive programme based on this model must ensure that the route(s) proposed operate(s) at least two times per week as the scheduled route(s), i.e. once a week as the charter route and for long-haul traffic within a period of three (3) months without a suspension, as the scheduled/charter route, noting that the discounts are approved and calculated only on the basis of the number of the new routes, as defined in the table below.

The incentives defined according to this model cannot be combined with any other model.

If the air carrier within the incentive validity period cancels all the flights scheduled in advance for a period longer than 6 (six) months, the same forfeits a right to the below mentioned incentives, as of the moment the new route(s) is/are suspended. If after the suspension of the flight operations, and in a period not longer than 6 (six) months as of the

³ For the winter flight schedule, the air carriers which apply for the incentive based on the frequency increase of air operations are eligible for additional 5% on the passenger service charge.

⁴ For the winter flight schedule, the air carriers which apply for the incentive based on the frequency increase of air operations are eligible for additional 5% on the passenger service charge.



SARAJEVO AIRPORT INCENTIVE PROGRAMME	Page: 5 of 13
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moment of the suspension, the same resumes the flight operations, the air carrier is entitled to use the incentive previously approved, provided that it submits a request for continuation of using previously approved discounts.

In order to be entitled to the incentive in question, the air carrier needs to send a request in writing for the incentive approval as well as information in writing for every route it introduces, with the exact dates the flight operations start operating for every destination. The incentive shall be calculated as of the moment the flight operations are introduced in relation to the number of the routes introduced, and according to the table below. If the air carrier, whilst using the afore mentioned incentive (accounting period of 12 months as of the first flight), submits a request for introducing a route or it decides to suspend the flights on a particular route, the discount approved shall be modified in a way that as of the moment of introducing/suspending the flight operations on a particular route, there is going to be an increase/reduction of the discounts approved for landing and take-off services, whilst the accounting period remains unchanged (12 months as of the date of the first flight).

Type of charges		Incentive for new airline company and existing scheduled/charter route(s) for the first year	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
I year one additional/existing route	Landing and Take-off	30%	50%
I year 2-3 additional/existing routes	Landing and Take-off	40%	55%
I year 4 and more additional/existing routes	Landing and Take-off	50%	60%

Type of charges		Incentive for new airline company and existing scheduled/charter route(s) for the second year	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
II year One additional/existing route	Landing and Take-off	20%	40%
II year 2-3 additional/existing routes	Landing and Take-off	30%	45%
II year 4 and more additional/existing routes	Landing and Take-off	40%	50%

Note: A refund in the amount of 2% on the monthly basis shall be approved for long-haul traffic, on the basis of the amount paid for aviation fuel refuelled at the Airport Sarajevo, and in accordance with the official records of the company that carries out aviation fuel supply.

4. INCREASE OF FLIGHT FREQUENCIES

A separate discount shall be approved to the air carrier that introduces additional scheduled flights for the route it already operates. In order to be entitled to the above mentioned incentive, the air carrier needs to send a request in writing for the approval of the incentive. In case that the scheduled air carrier in the first year does not perform the number of air operations as planned, it shall forfeit the right to the incentives for the second year.

The incentive for the increase of air operations frequencies may not be combined with the incentives from the items 1 and 2 and 3.

A right to the incentive regarding the frequency increase of air operations can be exercised only if the number of additional flights operated is equal or larger than 40 additional flights in a period of twelve (12) months (only departures) in comparison with the reference period of twelve months preceding the date of the incentive implementation which was defined in the request form for the incentive scheme approval submitted by the air carrier concerned. The discounts



SARAJEVO AIRPORT INCENTIVE PROGRAMME

Page:
6 of 13

specified shall be calculated for all additional flight operations and shall be approved at the end of the accounting period, with the issuance of the credit note and after it is established that the air carrier that applied for the incentive based on the frequency of air operations met the necessary requirement (40 additional flight operations minimum in comparison with the previous twelve months period). If the airline operates more routes, the incentive defined shall be calculated for each route separately.

Type of charges		Incentive for frequency increase of air operations ⁵
I year	Landing and Take-off	50%
	Passenger Service	10%
II year	Landing and Take-off	25%
	Passenger Service	5%

5. NUMBER OF TRANSPORTED PASSENGERS PER YEAR

An incentive based on the number of transported passengers⁶ shall be approved to the air carriers on the basis of statistical data for the previous year, with an option of adding the passenger figures.⁷ for groups/affiliated companies provided that the air carrier that is part of the group/affiliated company does not use the discounts based on the Model 1⁹. The air carrier which introduces the flight routes for the first time at the Airport Sarajevo shall be eligible for the above mentioned incentive after the end of the calendar year. The incentive shall be effective from January 1 to December 31, and the air carriers are required to submit a request in December for the discount specified in order to be entitled to the same for the next year.

In order to be entitled to the above mentioned incentive, the air carriers are required to send a request in writing for the incentive approval in December of the current year, and not later than December 29, pursuant to the table below.

Number of passengers (arriving and departing)	Number of transported passengers per year							
	≤ 10.000	10.001-25.000	25.001-50.000	50.001-65.000	65.001-80.000	80.001-100.000	100.001-150.000	> 150.001
Landing and Take-off	0	15%	20%	20%	25%	30%	30%	35%
Passenger Handling	0	5%	5%	10%	10%	20%	20%	25%
Passenger Service	0	0	0	0	0	1,0 EUR	1,5 EUR	1,5 EUR

⁵ For the winter flight schedule, the air carriers which apply for the incentive based on the frequency increase of air operations are eligible for additional 5% on the passenger service charge.

⁶ Model 5 is not approved for airline operations in strategic routes.

⁷ The passenger figures of the companies that are part of a group/affiliated company, and with respect to passenger traffic accomplished in a previous year.

⁸ The number of passengers transported by the airline in strategic routes, who use discounts based on Model 9 is not added to the number of passengers transported in non-strategic routes.

⁹ The passengers of the air carrier that uses the discounts based on Model 1 are not being added within the group that applied for Model 5.

¹⁰ The incentive on the basis of transported passengers for the current year shall be approved to the air carriers based on statistical data accomplished in a previous year.



6. INCENTIVE FOR RESUMPTION OF AIR OPERATIONS

The air carrier which applies for the incentives based on a resumption of flights at the Airport Sarajevo is entitled to the same on these grounds only once, provided that the same did not operate any flights to/from Sarajevo in the year for which the incentive is approved.

Also, the air carrier which applies for these incentives based on the resumption of air operations may not be the air carrier that has scheduled flight routes or scheduled charter flight routes to/from Sarajevo at the moment this document is issued.

If the air carrier cancels the scheduled flight routes within the incentive validity period, the same forfeits the right to the below mentioned incentives, from the moment of the suspension of the air operations.

In order to be entitled to the above mentioned incentive, the air carrier needs to send information in writing on the resumption of the flight operations, as well as a request in writing for the incentive approval.

Type of charges	Incentive for resumption of air operations
Landing and Take-off	20%
Passenger Handling	10%

The incentive validity period for the resumption of air operations shall last twelve months the most, with a requirement that the flights must operate regularly, at least two times per week, within a period of three (3) months from the first flight.

7. INCENTIVE FOR AIR CARRIERS WITH A BASE AT SARAJEVO AIRPORT AND AIRLINES OPERATING TO A MINIMUM OF 10 DESTINATIONS AND MORE

7A.) INCENTIVE FOR AIRLINES BASED AT THE SARAJEVO AIRPORT

Type of charges	Incentive for carrier based aircraft
Landing and Take-off	100%
Handling	50%
Passenger Service	80%

In order to exercise the right to the incentive in question, interested airline should send a written request for approval of the incentive based on this model, as well as a five-year plan that will contain information related to the planned traffic (number of weekly frequencies and number of transported passengers), as well as planned destinations.

Airlines that have a base at the Sarajevo Airport will not be charged for aircraft parking services.

The criterion for the base airline is the number of transported passengers on an annual basis, according to the table below:

Year	I	II	III	IV	V
The number of transported passengers on an annual basis.	150.000	250.000	350.000	450.000	550.000

In regard to the mentioned criterion, the Sarajevo Airport Company will, on an annual basis, and starting from the moment of the introduction of flights, carry out control in terms of fulfilling the criteria, and in case of non-fulfillment of the criteria related to the volume of passenger traffic defined above, invoice corrections will be made (invoicing the difference in price compared to full prices).

For the airlines based at the Sarajevo Airport, a refund of funds in the amount of 2% will be approved on a monthly basis based on the paid amount of aviation fuel filled at the Sarajevo Airport, according to the official records of the company that supplies the aircrafts with fuel.



SARAJEVO AIRPORT INCENTIVE PROGRAMME	Page: 8 of 13
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For air carriers using Model 7A incentives, GPU usage for 50 minutes for standard acceptance and dispatch and 90 minutes for overnight stays, per day per aircraft, is included in the handling fee. After the expiration of this time interval, the GPU is calculated in accordance with item 10.1. of the Price List.

7B.) INCENTIVE FOR AIRLINES THAT OPERATE TO A MINIMUM OF TEN DESTINATIONS, OF WHICH AT LEAST FIVE ARE STRATEGIC, WITH YEAR-ROUND OPERATIONS AT LEAST 2 X WEEK TO EACH DESTINATION

In order to exercise the right to the said incentive, interested airline should submit a written request for the approval of incentives based on this model with information regarding the routes on which it plans to operate and the date of establishment of flights and the period for which they are established. Discounts start to be calculated from the moment of establishment of flights to a minimum of ten destinations, according to the table below.

Type of charges	Incentive for airlines operating year-round to a minimum of ten destinations on a regular basis of which at least five are strategic, on a regular basis.
Landing and Take-off	100%
Handling	50%
Passenger Service	80%

During the period of operation stated in the incentive request, the airline undertakes to have permanently established flights to a minimum of ten destinations, of which at least five are strategic, with year-round operation and a minimum number of frequencies of 2 times per week to each of those destinations.

Deviation from the basic criterion of the model is allowed in such a way that the airline may operate at a minimum of 8 destinations in a period of no longer than five months, and is obliged to reciprocate the number of frequencies on the remaining routes, in order to maintain the number of frequencies on the same level in accordance with the submitted request.

The airline is obliged to return the number of destinations to ten within 5 months, as originally planned by this Incentive Program model,

In relation to the mentioned criterion, the Sarajevo Airport Company will control the planned number of frequencies on an annual basis, starting from the moment of the introduction of flights, while on a monthly basis it will control the number of destinations where the company operates, and in case of non-fulfillment of the criteria, invoice corrections will be made (invoicing the difference in price compared to full prices).

The airline to which the use of incentives according to model 7B has been approved, must implement the specified flights and frequencies from the requirements within 12 months, with the margin of deviation +/-10%, with the obligation that a minimum of 10 destinations are represented during the entire period of using the incentives, i.e. a minimum of 8 destinations, with the obligation to fulfill the criteria on the number of frequencies. Reasons for possible deviations that will be taken into account: political or war conflicts, prohibitions by governments or military authorities, fires, floods, pandemics, epidemics, riots, terrorism, embargoes, military occupation of airports, weather conditions that make flying impossible, seismic or volcanic activity.

For carriers using Model 7B incentives, GPU usage for 45 minutes for standard acceptance and dispatch and 90 minutes for overnight stays, per day per aircraft, is included in the handling fee. After the expiration of this time interval, the GPU is calculated in accordance with item 10.1. of the Price List.

Note:

- Discounts in accordance with Model 7 are approved for a period of up to 5 years, starting from the period of application of this model, which should be clearly specified in the request.
- Airline ticketing service (TSC), for airlines using Model 7 incentives, will be provided as part of the acceptance and dispatch service.
- In order to provide additional incentive measures in the winter season, for airlines that use Model 7 incentives, a 35% discount on the price of fluids (type I and type IV) will be calculated, and the truck departure service, as part of this Model, will be provided as part of the acceptance and shipping service for a specific period of up to five years.
- Model 7 may be combined exclusively with Model 8 – Marketing activities.



8. MARKETING ACTIVITIES

The Airport Sarajevo provides the incentives in a form of money transfer to the air carriers that introduce the flight operations for the first time to Sarajevo, to the air carriers that introduce new routes, to the air carriers that introduce strategic routes, to the air carriers that have a base at the Airport Sarajevo, to the air carriers that operate simultaneously on a minimum of ten destinations, as well as to the air carriers which carry out promotional activities for the purpose of promoting the flights from/to Sarajevo, with promotional air fares, according to criteria defined below:

Model	Description	Maximum amount of the incentive per year (EUR) by models
8A	Marketing support to the air carriers that carry out promotional activities for the purpose of promoting the flights to/from Sarajevo, with promotional air fares during the period of the marketing campaign (promotional campaign in duration of one month minimum) *	10.000,00
8B	Marketing support to the scheduled air carriers that introduce new routes	20.000,00
8C	Marketing support to the scheduled air carriers that introduce strategic routes	30.000,00
8D	Marketing support for airlines operating on a minimum of ten destinations	40.000,00
8E	Marketing support to the air carriers that have a base	50.000,00

The funds for the marketing campaign are approved in accordance with the planned budget in the Business Plan. Sarajevo Airport will evaluate the submitted requests and retains the authority to approve or deny them, in accordance with the established budget and strategic objectives.

The Sarajevo Airport can, in accordance with the available capacities, additionally through its own communication channels, for the purpose of promoting routes and air operations to the specified categories of air carriers, enable advertising on the official website by placing available banners, as well as placing marketing content on advertising positions inside/outside the terminal building for up to maximum 15 days, free of charge.

* - Within Model 8, it is possible to combine the incentive amount of Model 8A with the incentives defined in Models 8B, 8C, 8D and 8E.

9. INCENTIVE FOR STRATEGIC DESTINATIONS

In reference to strategic aims of the Company related to significant expansion of the destination network from/to Sarajevo, the Airport Sarajevo defined strategic routes in 2023 decision of the Company Management and based on the following criteria:

- European and world metropolises that have airports with air bases of leading traditional and low-budget airline companies;
- the destinations/markets that are insufficiently covered (according to which at the time of approving the incentive there is no 5 flights or less weekly established from Sarajevo Airport) by airlines that have already been operating in Sarajevo Airport, or that receive no flights established from Sarajevo Airport at the time of publishing the Incentives;
- destinations that are of priority significance for further significant growth of tourism in our country;
- cities/regions that are places of residence for a significant number of Bosnian-Herzegovinian diaspora citizens.

Company Management retains the right to question the strategic routes, and make the decisions on potential supplements and amendments.

Incentives defined in this model may not be combined with any other model in this program, except for incentives stated under Marketing Activity.

If the airline in the period of using the incentive pursuant to Model 9 terminates the operation in the strategic destination, he will lose his right to discounts and the possibility to reapply to the same strategic route defined in this model.



SARAJEVO AIRPORT INCENTIVE PROGRAMME	Page: 10 of 13
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The airlines that operate on a charter basis will not be approved discounts if the same strategic destination previously had an approved incentive for an airline operating on a regular basis.

A.) INCENTIVE FOR AIRLINE COMPANIES THAT OPERATE REGULAR FLIGHTS TO THE STRATEGIC DESTINATION(S) IN THE TIME PERIOD OF AT LEAST THREE MONTHS FOR AT LEAST 2 X/WEEK

The airlines that establish flights in a strategic destination(s) on a regular basis in the period of at least three months, with a minimum two flights per week will be approved discounts pursuant to the below mentioned table, under the condition that the same route does not have more than five regular flights established by the airline operating at the Sarajevo Airport.

The airline may apply to the incentive only once for the same strategic route, and unless he fulfils the minimum operating conditions, he loses the right to previously approved discounts, and is obliged to perform a return of approved funds for the operating period via a debit note issued by the Sarajevo Airport. In order to realize the right to the stated incentive, the airline should address a written request for approval of incentive based on this model with information related to opening the strategic route, the date of establishing flights and period during which the flights are established. Discounts will be accounted from the moment of establishing the flight in the strategic destination, and pursuant to the below stated table.

Type of charges		Incentive for airline companies operating flights in strategic routes on a regular basis in the time period of at least three months		
		Short-haul and medium-haul traffic - one strategic route	Short-haul and medium-haul traffic – two or more strategic routes	Long-haul traffic (over 6 hours flights)
I year ¹¹	Landing and Take-off	100%	100%	100%
	Handling	50%	50%	60%
	Passenger Service	70%	75%	80%
II year ¹²	Landing and Take-off	90%	90%	95%
	Handling	45%	45%	55%
	Passenger Service	65%	70%	75%
III year ¹³	Landing and Take-off	80%	80%	90%
	Handling	40%	40%	50%
	Passenger Service	60%	65%	70%

Note: For long-distance flights, there is a reimbursement approved on monthly level in amount of 2% on the basis of the amount paid for airplane fuel pumped at the Airport Sarajevo, pursuant to the official records of the company that supplies the airplane with fuel.

If the airline in the time period of validity of incentive withdraws from all planned flights for a time period of over 6 (six) months, he will, from the moment of cancelling the destination, lose the right to the below stated incentives, and if he operates in the time period that is shorter than the defined minimum period (three continuous months), the Company will perform corrections (invoicing the price difference if the airline fails to fulfil the criteria from this model related to the minimum period of operating on a strategic route). If, after cancelling the flights, in the time period of over 6 (six) months from the moment of termination, he reestablishes the flights, the airline is entitled to continue using the previously approved incentive with the obligation to resend the request to continue using the previously approved discounts.

¹¹ In order to realize the right to discounts during the first year, the airline is obliged to operate at a minimum of 3 months during the first year.

¹² In order to realize the right to discounts during the second year, the airline is obliged to continuously operate during the first year, and will be approved discounts for the second year, discounts will be approved for all months of operation.

¹³ In order to realize the right to discounts for the third year, the airline is obliged to operate continuously during the second year and will be approved discounts for the third year, discounts will be approved for all months of operation.



B.) INCENTIVE FOR AIRLINE COMPANIES THAT CONDUCT TRAFFIC ON STRATEGIC ROUTES ON SCHEDULED AND CHARTER BASIS FOR THE TIME PERIOD IN A MINIMUM OF TWO MONTHS CONTINUOUSLY, AT LEAST 1 X/WEEK

Airlines that establish flights on strategic routes on a scheduled and charter basis, with at least one flight a week will be approved discounts pursuant to the table stated below.

In order to realize the right to the stated incentive, the airline should address a written request for approval of incentive based on this model with information related to opening a strategic route, with the date of establishing the flights and the reference time period. The discounts will be accounted from the moment of establishing flights on the strategic route, pursuant to the table stated below.

If the airline in the time period of the incentive withdraws from planned flights, it will, from the moment of terminating the strategic destination(s) on the charter basis, lose the right to the below stated incentives. If the flights are reestablished in the time period of up to 6 (six) months after terminating the flights, the airline is entitled to continue using the previously approved incentive and is obliged to resend the request to continue using the previously approved discounts.

Type of charges		Incentive for airline companies that conduct traffic on strategic routes on a scheduled and charter basis, in the time period of at least two continuous months, at least 1 x/week	
		Short-haul and medium-haul traffic	Long-haul traffic (over 6 hours flights)
I year ¹⁴	Landing and Take-off	70%	80%
	Handling	40%	50%
	Passenger Service	45%	50%
II year ¹⁵	Landing and Take-off	50%	60%
	Handling	30%	40%
	Passenger Service	20%	25%
III year ¹⁶	Landing and Take-off	40%	50%
	Handling	20%	30%
	Passenger Service	10%	20%

Note: A refund in the amount of 2% on the monthly basis shall be approved for long-haul traffic, on the basis of the amount paid for aviation fuel refuelled at the Airport Sarajevo, and in accordance with the official records of the company that carries out aviation fuel supply.

C.) INCENTIVE FOR AIRLINES PERFORMING REGULAR FLIGHTS TO AT LEAST FIVE DESTINATIONS OF WHICH A MINIMUM OF THREE ARE STRATEGIC IN THE TIME PERIOD OF AT LEAST THREE YEARS, AT A MINIMUM 2X/WEEK PER STRATEGIC DESTINATION

The airline that establish regular flights to at least five destinations, of which a minimum of three are strategic destinations in a continuous time period of at least three years, with a minimum two flights per week to every strategic destination, are approved discounts pursuant to the below stated table.

The airline that uses incentives according to this Model is obliged to insure continuous increase in airline operations and passengers, which will amount to a minimum of 30% during the second year in reference to the first year from the date of establishing the airline operations to strategic destinations, i.e. a minimum 40% increase during the third year in reference to the second year of operation to strategic destinations.

¹⁴ In order to realize the right to discounts during the first year, the airline is obliged to operate at a minimum of 2 months during the first year.

¹⁵ In order to realize the right to discounts during the second year, the airline is obliged to continuously operate during the first year, and will be approved discounts for the second year, discounts will be approved for all months of operation.

¹⁶ In order to realize the right to discounts for the third year, the airline is obliged to operate continuously during the second year and will be approved discounts for the third year, discounts will be approved for all months of operation.



SARAJEVO AIRPORT INCENTIVE PROGRAMME	Page: 12 of 13
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In order to exercise the right to the stated incentive, the airline should address a written request for incentive approval based on this model with the information related to opening the strategic routes, flight establishment date and period during which they are established. Discount will be accounted from the date of establishing flights to at least three strategic destinations, pursuant to the below stated table.

The airline is obliged to realize a minimum of 90% planned and scheduled airline operations. Also, considering the fact that these are discounts provided in advance, the Company will annually and starting from the moment of introducing the flights, perform supervision in the context of fulfilling the criteria defined in this model, and in the instance of not fulfilling the criteria, the invoices will be corrected (invoicing the difference in price in reference to the full price).

Type of charges		Incentive for airline companies operating flights in strategic routes on a regular basis in the time period of at least three years
I - III year	Landing and Take-off	100%
	Passenger Handling	50%
	Passenger Service	80%

For airlines that have an approved incentive based on the Model 9C, using GPU in duration of 45 minutes, for the standard process of ground handling per flight is included in the price of ground handling services. After the expiry of this time period, the GPU will be accounted pursuant to point 10.1. of the Price List.

The ticket service charge (TSC), for airlines that have an approved incentive based on the Model 9C, will be provided under the ground handling services for a definite period of time of up to three years.

For the purpose of insuring additional stimulation measures in the winter season, for airlines that open a minimum of 5 destinations, 3 of which are strategic, a discount will be accounted to the price of fluids (type I and type IV) of 35% and the towing service, under this model, will be provided under ground handling service for a definite period of time of three years.

GENERAL TERMS

The Airport Sarajevo retains the right to modify and amend the Incentive Programme issued or to adopt a new Programme at any moment during the validity period of the Incentive Programme issued, pursuant to the change of the Airport Sarajevo's business policy and the market opportunities.

In case when the Airport Sarajevo modifies and adopts the new Incentive Programme, it shall promptly inform the air carriers on the same by means of sending the notice in writing.

When the modified Incentive Programme is adopted, the requirements specified in the modified Incentive Programme shall apply to all previously submitted requests and the incentive users and from the date when the modified Incentive Programme started to apply until the expiry of the same.

The calculation of the discount pursuant to this Incentive Programme shall be done separately for each air carrier.

PC Sarajevo International Airport LLC Sarajevo retains the right to reject the air carrier that submits a request for the incentives or to suspend the same from the Incentive Programme, under the following conditions:

- if the air carrier is in a process of absorption, merger or sale (after evaluation of newly arisen formal and legal conditions, the right to extend the rights of using the incentives to the air carrier that is absorbed, merged or sold is retained;
- if the air carrier does not promptly settle liabilities due against Sarajevo International Airport.

One air carrier may apply only for one incentive model. The exception to the above mentioned is a possibility of combining the incentives defined by model 5 with the incentives 1, 2, or 4, where the air carrier which uses the incentives defined under the model 5 may combine the same with one of the above mentioned incentives and provided that the same does not exercise the right to the incentives based on the passenger service, being defined by the model 5 and that it does not use the incentives based on the model 1 for the first year. Thus, if the air carrier uses the incentives



Type of doc.	Issued by	No.	Rev.
CN	03-3	01A	5

SARAJEVO AIRPORT INCENTIVE PROGRAMME	Page: 13 of 13
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based on the passenger service defined under the model 5, the same may not use the incentives defined by the models 1 or 2 or 4 at the same time. Also, it is not possible that the air carrier uses the incentives defined under the items 1, 2 and 4 at the same time. Additionally, when it comes to Model 8. Marketing Activities, regarding the fact that it is a one-time cash transfer, it is possible to combine it with other models of the Incentive Program.

Aggregation of strategic destinations within the group/affiliated companies is possible in Models 7 and 9, while the use of incentives according to the mentioned models is possible exclusively for companies within the group that operate on strategic routes.

Companies within groups/affiliated companies can apply for different models of the Incentive Program, but it is not possible to add discounts based on them.

The company is obliged to electronically, by sending an email, provide information about the change in the operation date if it is different from the one on the official incentive request.

PC Sarajevo International Airport LLC Sarajevo retains the right to approve the incentives based on one model to the air carriers that apply for two models of the incentives in accordance with the requirements set, and based on the criteria specified and the opinion of the competent department.

The Incentive Programme of PC Sarajevo International Airport LLC Sarajevo shall enter into force and shall apply as of September 25, 2024.

PC Sarajevo International Airport LLC Sarajevo

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Managing Director

Alan Bajić


