

Incentive Programme for Niche Markets

In 2018, in order to provide short-term support to niche market destinations with weak volume, FHG is establishing an incentive programme outside of the LuftVG Art. 19b regulated charges. Flughafen Hamburg GmbH is voluntarily making support available for the launch of new flight connections to such destinations. During this period, the programme is to be incorporated into one of the LuftVG Art. 19b fees and/or a Fees & Charges Framework Agreement. Should this not eventuate, the programme shall cease on 31 December 2018.

1. Definition of niche market

A niche route is identified by the IATA 3-letter code of the airport in question. There must have been less than 4 million boarding passengers in total for the destination in the year before commencement of the connection, and the route must not already be operated from HAM.

2. Requirements

Support is based on a new scheduled nice connection to and from Hamburg. A minimum of one turnaround per week must be offered on the service over a period of at least five consecutive months.

3. Restrictions

Flughafen Hamburg GmbH specifies the following conditions:

- a. Incentive support may be applied for on a maximum of four new niche market destinations per timetable period per airline. Support for niche markets approved in previous timetable periods remains unaffected.
- b. A maximum of 4 flights per week per destination airport will be supported..
- c. At the time of the application for support being lodged, the route must not be served by either the applicant airline or by any other airline. In the event that multiple airlines operate a new route, support shall be provided to the first airline to sell seats on the route online.
- d. Niche support cannot be granted in addition to the Route Growth Incentive Programme (SWP) (Schedule of Fees & Charges, Part 1, Point 7) or the Rebate for New Routes (Schedule of Fees & Charges, Part 1, Point 6) on the same route.

4. Incentive support

- a. For flights in the IATA summer timetable, an incentive of EUR 5 per boarding passenger shall be paid.
- b. For flights in the IATA winter timetable, an incentive of EUR 7 per boarding passenger shall be paid.
- c. The incentive period for the niche route shall continue for each destination applied for and granted over a maximum of 3 years from the date of the first flight.

5. Further provisions

- a. The incentive support of niche routes is taking place exclusively outside of the LuftVG Art. 19b regulated fees and charges and represents a voluntary act of support on the part of Flughafen Hamburg GmbH for the launching of new flight connections to these

destinations.

- b. Individual flight connections on niche routes cannot be supported when, due to delays, aircraft movements within these connections take place after 11:00 p.m. (local time).
- c. The following steps must be taken in order to receive support:
 - i. The airline informs Flughafen Hamburg GmbH in writing of its participation in the programme and provides proof of the date for which online bookings are possible.
 - ii. Flughafen Hamburg GmbH provides written confirmation that support will be granted. Unless confirmation of support has been received, the airline shall not be entitled to support.
 - iii. Flight operations on the new route shall commence within six months.
- d. Flughafen Hamburg GmbH shall issue a credit note for the premium from the niche incentive to the participating airline one month after the conclusion of the respective summer or winter timetable.
- e. A route will not receive support if the airline making application, or an airline which through an alliance or according to Article 15 of the Stock Act ("Aktengesetz" or "AktG") is associated with the airline making application, served the route, or another covered by the same IATA 3-letter airport code, within a period of one year before the date of application for support. Furthermore, support will not be received for a route where the time period between the application for support and commencement of service exceeds six months or where the requirements for support are not met.
- f. In the event that a supported route is cancelled within the support period and not replaced with another eligible route, neither the supported airline nor any associated airlines, whether associated through an alliance or according to §15 of the Stock Act ("Aktengesetz" or "AktG"), shall receive any further support from this programme for the route in question.
- g. If service on a supported route does not commence within six months of the application for support, without notifying significant material cause, neither the airline nor any associated airlines, whether associated through an alliance or according to §15 of the Stock Act ("Aktengesetz" or "AktG"), shall receive
 - i. any further niche incentive support for this route,
 - ii. or niche support for any new niche routes for a period of 18 months after the date of application for support on a route for which service did not commence.
- h. A service shall not be considered to have been cancelled when it is only taken out of the timetable for a defined period of time, after which scheduled flights on the route are resumed. The route must be proven to be bookable. The support period, beginning on the date of the maiden flight, continues during the period of interruption and is not extended.