

Zagreb Franjo Tuđman Airport's Incentive Program ("Incentive Program")

Purpose

This Incentive Program aims to establish rules and conditions for the traffic growth at Zagreb Franjo Tuđman Airport (ZAG) operated by International Zagreb Airport Jsc. (MZLZ) with its capacity as the airport operator ("Airport Operator"), which is subject to the tariff system in effect.

Beneficiaries

The Incentive Program is aimed at all commercial airlines that operates or intends to operate at ZAG and which fulfil all the requirements and criteria set forth in this program.

General Conditions

Airlines that intend to benefit from the Incentive Program should submit an operation plan covering the operational period subject to Incentive Program.

1. The Incentive Program will be in effect starting from June 1st, 2026.
2. The applicants cannot apply corresponding to its operations carried out prior to the submission of the application.
3. The Incentive Program is available for commercial flights only.
4. The incentives to be granted under this Incentive Program shall not be implemented prior to the satisfaction of the conditions set out in section "Special Conditions" of this Program.
5. An airline may qualify for only one incentive model per each route at a time, except the supplementary Long-haul Incentives (Incentive Model VI).
6. The Operation Plan is the document that supports the entire application process, for the purposes of monitoring the airline during the period that the Incentive Program is implemented.

Incentive Models

1. Year-round Scheduled New Destination Incentives (Incentive Model I)

- Airlines applying for the Year-round Scheduled New Destination (Incentive Model I) shall ensure that the proposed route will be operated nonstop at least two (2) times in a week for a period of minimum twelve (12) months uninterrupted on a scheduled basis.
- Long-haul flights (with a flight time of 7 hours or more) are entitled to benefit the Incentive Model I, in case the route is operated with at least thirteen (13) flights in any given six (6) months period on a scheduled basis and at least one leg is operated directly (without a stop).
- The destination in consideration should not have been served nonstop on scheduled basis during the last twelve (12) months immediately prior.
- The applicant airline should maintain at least 95% of its existing flight services and frequencies (within the last 12 months) from/to ZAG (if any).
- The Promotional Period, for the purposes of this Incentive Model I, shall be maximum thirty-six (36) months for the new destination.
- The incentives granted shall be calculated in accordance with the following table:

Year-round Scheduled New Destination Incentive (Incentive Model I)			
Fees	Promotional Period		
	1st year	2nd year	3rd year
Landing Fee	100%	50%	25%
Passenger Service Charge	40%	20%	10%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after every Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

2. Year-round Frequency Increase on Existing Destination Incentives (Incentive Model II)

- Airlines applying for Year-round Frequency Increase on Existing Destination (Incentive Model II) shall ensure that the proposed route will be operated with at least two (2) additional frequencies per week for a period of minimum twelve (12) months uninterrupted on a scheduled basis.
- Long-haul flights (with a flight time of 7 hours or more) are entitled to benefit the Incentive Model II, in case the route is operated with at least thirteen (13) additional flights in any given six (6) months period on a scheduled basis and at least one leg is operated directly (without a stop).
- The Promotional Period, for the purposes of this Incentive Model II, shall be maximum twenty-four (24) months for the incremental flights.
- The incentives granted are related only to the charges associated with the operations of the incremental number of flights.
- The applicant airline should maintain at least 95% of its existing flight services and frequencies (within the last 12 months) from/to ZAG (if any).
- The incentives granted shall be calculated in accordance with the following table:

Year-round Frequency Increase on Existing Destination (Incentive Model II)		
Fees	Promotional Period	
	1st year	2nd year
Landing Fee	50%	25%
Passenger Service Charge	10%	5%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after every Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

3. Seasonal Scheduled New Destination Incentives (Incentive Model III)

- Airlines applying for the Seasonal Scheduled New Destination (Incentive Model III) shall ensure that the proposed route will be operated nonstop at least thirty-six (36) times in any given six (6) months uninterrupted on a scheduled basis.
- The destination in consideration should not have been served nonstop on scheduled basis during the last twelve (12) months immediately prior.
- The applicant airline should maintain at least 95% of its existing flight services and frequencies (within the last 12 months) from/to ZAG (if any).
- The Promotional Period, for the purposes of this Incentive Model III, shall be maximum 12 months.
- The incentives granted shall be calculated in accordance with the following table:

Seasonal Scheduled New Destination (Incentive Model III)	
Fees	Promotional Period
	12 months
Landing Fee	100%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after every Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

4. New Charter Destination Incentives (Incentive Model IV)

- Airlines applying for the New Charter Destination (Incentive Model IV) shall ensure that the proposed route will be operated nonstop at least thirteen (13) times in any given three (3) months period on charter basis.
- The destination in consideration should not have been served nonstop neither on scheduled nor on charter basis regularly during the last twelve (12) months immediately prior.
- The applicant airline should maintain at least 95% of its existing flight services and frequencies (within the last 12 months) from/to ZAG (if any).
- The Promotional Period, for the purposes of this Incentive Model IV, shall be maximum 12 months.
- The incentives granted shall be calculated in accordance with the following table:

New Charter Destination (Incentive Model IV)	
Fees	Promotional Period
	12 months
Landing Fee	50%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after every Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

5. Seasonal to Year-round Incentives (Incentive Model V)

- Airlines applying for the Seasonal to Year-round (Incentive Model V) shall ensure that the proposed route will be operated nonstop at least two (2) times in a week for a period of minimum twelve (12) months uninterrupted on a scheduled basis.
- The applicant airline must be operating seasonal scheduled flights on the route subject to the Incentive Model V at the time of application.
- The applicant airline should maintain at least 95% of its existing flight services and frequencies (within the last 12 months) from/to ZAG (if any).
- The Promotional Period, for the purposes of this Incentive Model V, shall be maximum 12 months for incremental flights.
- The incentives granted are related only to the charges associated with the operations of the incremental number of flights.
- The incentives granted shall be calculated in accordance with the following table:

Seasonal to Year-round Incentives (Incentive Model V)	
Fees	Promotional Period
	12 months
Landing Fee	100%
Passenger Service Charge	10%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after the end of Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

6. Supplementary Long-haul Incentives (Incentive Model VI)

- Any airline to operate long-haul flights (with a flight time of 7 hours or more) to/from ZAG and to apply any of the Incentive Models I-V shall benefit the Supplementary Long-haul Incentives (Incentive Model VI).
- The applicant airline must fulfil the requirements of applied Incentive Model I-V to be entitled for Incentive Model VI.
- The incentives granted are related only to the charges associated with the flights subject to Incentive Model I-V.
- The incentives granted shall be calculated in accordance with the following table:

Supplementary Long-haul Incentives (Incentive Model VI)	
Fees	Promotional Period
	Valid through the applied Incentive Model I-V
Passenger Service Charge	30%

- Airlines shall continue to make regular payments during the incentivized period. If the airline fulfils requirements of the Incentive Model, MZLZ will calculate the incentive amount and issue a credit note within 30 days after every Promotional Period. This credit note can be used to pay for the invoices issued by MZLZ only.

7. Parking Fee Discount For Based Aircraft:

- Airlines can enjoy 25% discounted parking fee in case the aircraft subject to the parking service is based at ZAG (either operates at least 300 scheduled rotations in any given 6 months or 500 scheduled rotations in any given 12 months or 10 scheduled rotations and stays overnight in any given week at ZAG during (or covering, if the parking period is less) the parking period to/from ZAG).
- Parking fee discount is applied directly on the respective invoice, no application is needed to benefit the discount.
- Unlike the incentives mentioned in this incentive program, parking fee discount is a permanent discount without a certain period.

Applications

1. Airlines shall apply to the Airport Operator for the Incentive Program, with a minimum notice period of thirty (30) calendar days prior to the date set for the first operation.
2. Applicant airline shall submit the Operation Plan of which the sample form is attached as Appendix-I hereto, where it shall lay out the proposed operating plan, including a detailed description of service to be introduced, if applicable, such as:
 - a. Number and timetable of respective flights
 - b. Destination
 - c. Days of operation
 - d. Type of aircraft and number of seats
 - e. Start and (if exists) end date of operations

Final Incentive Decision

The Airport Operator shall decide on the eligibility of an applicant airline for this Incentive Program depending on whether an applicant airline fulfils requirements set out in this Schedule 1. However, even in that case the Airport Operator has the right to reject or suspend the applicant airline from the Incentive Program, when the following circumstances occur:

- When the applicant airline is subject of an acquisition, merger or sale, unless the airline can demonstrate that the number of seats offered as part of all operations serving ZAG will not be affected.
- If the airline does not operate at least 90% of the submitted schedule
- If the airline cannot ensure the prompt payment of any outstanding invoices at ZAG.
- If the airport capacity is restricted. Currently there are no capacity limitations, but MZLZ reserves its right to update the peak period times where the capacity is limited by publishing sixty (60) days prior notice in its official web site.

Final Decision

- Applicant airlines will be notified regarding the final decisions of their applications within a period of fifteen (15) working days from the receipt date of their application
- Airport Operator's decision shall be final and cannot be subject to objection.

Special Conditions

1. The applicants for the Incentive Program must be approved by the Airport Operator by entering into a signed aviation incentive agreement that governs the specific conditions for the Incentive Program, which shall include, including but not limited to, the following information:
 - a. Operating Plan;
 - b. Duration of the Incentive Program;
 - c. Method and deadline for awarding the incentives;
2. Changes in the incentive program and/or peak period times will not have effect on flights which already have a signed agreement in effect and benefit the incentives.

Sanctions

Any airline that manipulates its flight program each IATA Season, with or without cooperation with other airlines in order to qualify for the Incentive Program will be disqualified, and the Airport Operator shall have no obligation to conclude aviation incentive agreement and/or any other obligation that could arise from or in connection to the Incentive Program.

APPENDIX I

INCENTIVE PROGRAM APPLICATION FORM

1- NAME OF THE AIRLINE	
2- DESTINATION	
3- SCHEDULED ARRIVAL TIME (UTC)	
4- SCHEDULED DEPARTURE TIME (UTC)	
5- FLIGHT TIME	
6- DAYS OF OPERATION	
7- START DATE OF OPERATIONS	
8- END DATE OF OPERATIONS	
9- TYPE OF AIRCRAFT	
10- AIRCRAFT SEAT CAPACITY	
11- AIRCRAFT MTOW	
12- TYPE OF INCENTIVE APPLIED FOR	