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BASED AIRCRAFT INCENTIVE SCHEME
for additional based New Generation aircraft
at Paris Charles-de-Gaulle Airport (CDG)

Commercial incentive scheme has been published, on the 25th of July, 2022 on Groupe ADP's website, to support sustainable development of short and medium haul capacity at Paris Charles-de-Gaulle Airport (CDG). In line with the long-term strategy of Groupe ADP, it aims to attract additional based capacity operated by New Generation aircraft.

1. ELIGIBILITY CRITERIA

To apply for the incentive, candidate airline must comply with the following criteria, which must be justified by supporting evidence listed in Section 3 and Section 5.

- ◆ **Candidate airline must base new aircraft at Paris Charles-de-Gaulle Airport starting from the aeronautical year covering Summer 2023 and Winter 2023 IATA seasons. The above-mentioned aircraft must:**
 - Be included in the following list of New Generation aircraft : Airbus A32X Neo, Boeing 737X Max, Embraer 195 E-2 and Airbus A220;
 - Deliver at least 800 annual commercial departures from Paris Charles-de-Gaulle Airport per each defined year-term (Summer – Winter 2023, Summer – Winter 2024 and Summer – Winter 2025);
 - Perform at least 75% of its commercial movements at Paris Charles-de-Gaulle Airport per each IATA season (Summer 2023, Winter 2023, Summer 2024, Winter 2024, Summer 2025 and Winter 2025); and
 - Be operated by crew based and taking their duty at Paris Charles-de-Gaulle Airport.

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◆ **Candidate airline must deliver sustainable growth at Paris airports system (Charles-de-Gaulle and Orly Airports) in line with the following terms:**

- For the first aeronautical year of the incentive scheme (Summer – Winter 2023), candidate airline must deliver growth in comparison to the capacity flown during the baseline aeronautical year (Summer – Winter 2022) corresponding to at least the minimum levels defined.

Minimum capacity growth targets (per number of aircraft, per IATA year)

	1 aircraft	2 aircrafts	3 aircrafts
Minimum Departing seats*			
Summer season	+ 80,000	+ 160,000	+ 240,000
Winter season	+ 45,000	+ 90,000	+ 135,000
Annual (Summer + Winter)	+ 150,000	+ 300,000	+ 450,000
Minimum International seats**			
Departing seats	+ 75,000	+ 115,000	+ 175,000

*** Capacity allocated to following destinations will be excluded from the above counting – LGW, LHR, AMS, FRA, MUC, MAD and BCN**

**** International seats – seats to international destinations: all destinations excluding France, Schengen area, European Union (EU), French overseas territories, and United Kingdom**

- Candidate airline must operate at least 20% of total seats delivered per each IATA season (Summer 2023, Winter 2023, Summer 2024, Winter 2024, Summer 2025 and Winter 2025) at Paris airports system (Charles-de-Gaulle and Orly Airports) on New Generation aircraft.
- In case of candidate airline operating at Paris Orly Airport during the baseline aeronautical year (Summer – Winter 2022), per each IATA season (Summer 2023, Winter 2023, Summer 2024, Winter 2024, Summer 2025 and Winter 2025) corresponding to equivalent season during aeronautical year covering Summer 2022 and Winter 2022 the airline must maintain at least the same number of based aircraft, deliver at least 95% of total movements and not de-base New Generation aircraft previously allocated to Paris Orly Airport.
- Candidate airline must maintain the above-mentioned level of growth at Paris airports system (Charles-de-Gaulle and Orly Airports) for each eligible aircraft per every defined year-term (Summer – Winter 2023, Summer – Winter 2024 and Summer – Winter 2025) in comparison to the baseline aeronautical year covering Summer 2022 and Winter 2022.

◆ **Candidate airline cannot have any record of delay in payment or any unpaid invoices.**



2. BASED AIRCRAFT INCENTIVE

Groupe ADP will grant a commercial incentive for each incremental passenger above the baseline aeronautical year (Summer – Winter 2022) traffic level. The incentive will be applicable for three consecutive aeronautical years (Year 1: Summer – Winter 2023, Year 2: Summer – Winter 2024 and Year 3: Summer – Winter 2025) if eligibility criteria is maintained throughout.

Commercial incentive per incremental departing passenger in EUR

	Group I	Group II
Year 1	€ 2.50	€ 12.00
Year 2	€ 1.50	€ 7.00
Year 3	€ 0.50	€ 2.00

Group I – destinations in EU, Schengen Area, French overseas territories and United Kingdom, excluding France, LGW, LHR, AMS, FRA, MUC, MAD and BCN.

Group II – international destinations: all destinations excluding France, Schengen area, EU, French overseas territories, and United Kingdom.

3. PAYMENT TERMS

Within three months after the end of each defined year term (Summer – Winter 2023, Summer – Winter 2024 and Summer – Winter 2025), Groupe ADP will issue a credit note corresponding to the total incentive amount for the individual period. For clarity, example for calculating the total incentive for Year 1 is detailed in Section 6.

To receive the incentives, the awarded airline must provide the following information, within one month after the end of each defined year term (Summer – Winter 2023, Summer – Winter 2024 and Summer – Winter 2025), to justify the achievement of eligibility criteria (set in Section 1):

- Number and type of additional based New Generation aircraft operated in CDG during the relevant year term;
- Number of total departures performed by each eligible aircraft during the relevant year term;
- Number of departing seats by IATA season and destination group during the baseline aeronautical year (Summer – Winter 2022);
- Number of departing seats by IATA season and destination group (Departing seats and International seats as set in Section 2) during the relevant year term;
- Number of departing passengers by destination group (Groups I and II as set in Section 2) during the baseline aeronautical year (Summer – Winter 2022);



- Number of departing passengers by destination group (Groups I and II set in Section 2) during the relevant year term;
- Percentage share of commercial movements performed by each eligible aircraft at Paris Charles-de-Gaulle Airport per each IATA season during the relevant year term;
- Written confirmation that eligible aircraft have been operated by crew based at Paris Charles-de-Gaulle Airport;
- Percentage share of New Generation aircraft seats out of total airline's seats at Paris airports system (Charles-de-Gaulle and Orly Airports) per each IATA season during the relevant year term;
- Details of any reductions in terms of based aircraft, based New Generation aircraft and total commercial movements at Paris Orly Airport per each IATA season during the relevant year term in comparison to the baseline aeronautical year covering Summer 2022 and Winter 2022; and
- Any other information confirming compliance to eligibility criteria requested by the Groupe ADP.

4. INCENTIVE SCHEME LIMITATIONS

Due to the financial impact of the incentive scheme, following rules will limit the selection of eligible airlines.

◆ Overall limitations

- Maximum of two eligible airlines. In the event of two airlines awarded with the incentive, those two airlines cannot perform joint or franchise operations.

◆ Limitations per airline

- Maximum of three eligible aircraft per defined year-term.
- If the awarded airline fails to justify its eligibility at the end of Year 1 or Year 2, it will automatically lose the rights to the incentive scheme and will not be eligible to receive the incentive during the remaining years of the incentive scheme. In this case, the airline will not have to repay the incentive already received for the previous years.
- During the three years of the incentive scheme, the awarded airline can modify the number of eligible aircraft if at least one remains and others eligibility criteria are satisfied. In this case, the yearly incentive will be calculated at the reduced / increased rate according to operational additional aircraft during the relevant year.



◆ Limitations per eligible aircraft

- Maximum yearly incentive available per eligible aircraft capped at € 1,000,000 in Year 1, € 600,000 in Year 2 and € 250,000 in Year 3.

5. APPLICATION PROCESS AND AWARDING CRITERIA

To assure transparency of the incentive scheme, application process and set awarding criteria have been defined by Groupe ADP to identify initial interest from candidate airlines and award selected candidates.

◆ Application process and timeline

- Terms and conditions of the incentive scheme published on Groupe ADP's website and distributed to airlines on the 25th of July, 2022.
- Interested airlines should notify Groupe ADP by email (aviationdevelopment@adp.fr) no later than the 31st of October, 2022. Notification must include statement of interest to apply for the incentive scheme as well as planned number and type of additional aircraft to be based at Paris Charles-de-Gaulle Airport accompanied by proof that respective flight programmes for each additional aircraft are on sale for Summer 2023 IATA season.
- Groupe ADP will notify all applicants regarding the success of respective application and the overall ranking amongst other participants (based on on-sale date) by the 15th of November, 2022.

◆ Awarding Criteria

- In the event of several candidate airlines being eligible for the incentive, the incentive scheme will be allocated on a first come, first served basis with the on-sale date of new based aircraft schedule for Summer 2023 IATA season being the main criteria. Two potential scenarios will be applicable:

Scenario 1. In the event where the first two applicants qualify for the incentive with at least one New Generation aircraft each, remaining airline candidates will be immediately discarded from the application process and the two first airline candidates will be awarded the incentive for the first aeronautical year (Summer – Winter 2023) as well as two consecutive years after.

Scenario 2. In the event where at least one of the two first applicants do not qualify for the incentive with at least one New Generation aircraft, the non-qualifying candidate's application will be immediately discarded from the application process and the next candidate on the applications' list will be evaluated for eligibility.



- Final number of aircraft eligible for the incentive scheme is defined as per the formula below:

$$N_{ac_elig} = \text{minimum} (3 , N_{ac_add} , N_{seat_add} / 150,000 , \text{maximum} (N_{seat_add_int} / 75,000 , 2 * N_{seat_add_int} / 115,000 , 3 * N_{seat_add_int} / 175,000))$$

N_{ac_elig} – number of eligible aircraft to qualify for the incentive scheme, being the lowest closest integer of the minimum calculus above.

N_{ac_add} – number of additional New Generation aircraft based at Paris Charles-de-Gaulle Airport for IATA year 2023.

N_{seat_add} – total number of additional departing seats operated from Paris airports system (Charles-de-Gaulle and Orly Airports) per defined year term compared to allocated capacity in the baseline aeronautical year (Summer – Winter 2022) and excluding seats to LGW, LHR, AMS, FRA, MUC, MAD and BCN.

N_{seat_add_int} – additional departing seats operated from Paris airports system (Charles-de-Gaulle and Orly Airports) per defined year term compared to allocated capacity in the baseline aeronautical year (Summer – Winter 2022) allocated to operating international destinations as defined in Section 1.

- Final number of incremental departing passengers will be calculated per defined year term compared to total passenger number in the baseline aeronautical year (Summer – Winter 2022) for each category:

N_{pax_add_Group II} – number of incremental passengers departing to international destinations (as defined in section 1)

N_{pax_add_Group I} – number of incremental passengers departing to destination in EU, Schengen Area, French overseas territories and United Kingdom, excluding France, LGW, LHR, AMS, FRA, MUC, MAD and BCN.

N_{pax_add_others} – number of incremental passengers departing to all other destination not included in N_{pax_add_Group I} and N_{pax_add_Group II}.

6. YEARLY INCENTIVE CALCULATION EXAMPLE

For clarity, example calculation for Year 1 has been provided following awarding criteria defined in Section 5.

◆ Situation

Airline A applies to the incentive scheme by the 31st of October, 2022 expressing its interest and providing relevant justification for three additional New Generation aircraft to be based at Paris Charles-de-Gaulle Airport in comparison to the number of Airline A's based aircraft during the baseline aeronautical year (Summer – Winter 2022). In this case, the airline operates from both Paris airports: Charles-de-Gaulle and Orly.



◆ **Calculation for the total incentive to be received at the end of Year 1 (Summer – Winter 2023):**

- Number of eligible aircraft is calculated using the formula in Section 5:

$$\mathbf{N_ac_elig} = \text{minimum} (3, \mathbf{N_ac_add=3}, \mathbf{N_seat_add=450,000} / 150,000, \text{max} (\mathbf{N_seat_add_int=90,000} / 75,000, 2 * \mathbf{N_seat_add_int=90,000} / 115,000, 3 * \mathbf{N_seat_add_int=90,000} / 175,000))$$

N_ac_add = 3 additional aircraft versus Summer – Winter 2022

N_seat_add = + 450,000 departing seats versus Summer – Winter 2022

N_seat_add_int = + 90,000 departing seats versus Summer – Winter 2022

N_pax_add_Group I = + 260,000 departing passengers versus Summer – Winter 2022

N_pax_add_Group II = + 80,000 departing passengers versus Summer – Winter 2022

N_pax_add_others = + 100,000 departing passengers versus Summer – Winter 2022

$$\mathbf{N_ac_elig} = \text{minimum} (2, 3, 3, \text{max} (1, 2, 1, 56, 1, 54)) = \mathbf{1,56 \text{ aircraft}}$$

**N_ac_elig being an integer, equals to 1 eligible aircraft*

- Incentive for Year 1 calculated using in Section 2 defined per departing passenger incentive values:

$$\mathbf{Year\ 1\ (Summer\ -\ Winter\ 2023)\ Incentive} = (\mathbf{N_pax_add_Group\ II=80,000}) * \text{€}12 + (\mathbf{N_pax_add_Group\ I=260,000}) * \text{€}2,5 + (\mathbf{N_pax_add_others=100,000}) * \text{€}0 = \text{€}960,000 + \text{€}650,000 + \text{€}0 = \mathbf{\text{€}1,610,000}$$

- The incentive to Airline A is then capped at €1,000,000 for Year 1 due to set limitations in Section 4.

$$\mathbf{Year\ 1\ (Summer\ -\ Winter\ 2023)\ Incentive} = \text{€}1,000,000$$

Questions regarding the published incentive scheme and application process can be submitted directly to Groupe ADP via email: aviationdevelopment@adp.fr

