

APPROVED
by the Order No 1R-55
of the Chief Executive Officer of
SE Lithuanian Airports of 23 April
2020
(revisions 21-07-2020 No 1R-83;
01-09-2020 No 1R-109; 01-10-
2020 No 1R-125; 28- 01- 2021 No
1R-27; 15-04-2021 No 1R-69)

EXTENSION OF INCENTIVE SCHEMES

Taking into consideration that due to the spread of coronavirus on 14 March 2020 the Government of the Republic of Lithuania passed Resolution No. 207 “On Announcing the Quarantine within the Territory of the Republic of Lithuania” (hereinafter referred to as the Resolution), under which the quarantine regime was announced within the whole territory of the Republic of Lithuania, restrictions were imposed for the foreigners to enter/leave the Republic of Lithuania as well as for the citizens of the Republic of Lithuania to leave the Republic of Lithuania, furthermore, due to the outcomes of the coronavirus the airlines were forced to terminate the flights, thus, in order to encourage the airlines to restore the routes and the lost passenger traffic at the airports managed by State Enterprise Lithuanian Airports the decision was made by the Order No 1R-55 of the Chief Executive Officer of the State Enterprise Lithuanian Airports on 23 April 2020 (including revisions of 21-07-2020 No 1R-83; 01-09-2020 No 1R-109; 01-10-2020 No 1R-125; 28- 01- 2021 No 1R-27; 15-04-2021 No 1R-69):

1.1. To prolong the validity term of Vilnius Airport Incentive Scheme, approved by the order No. 1R-110 of 27 September 2019 (hereinafter referred to as VNO incentive scheme), Kaunas Airport Incentive Scheme approved by the order No. 1R-50 of 1 April 2019 (hereinafter referred to as KUN incentive scheme), Palanga Airport Incentive Scheme, approved by the order No. 1R-111 of 27 September 2019 (hereinafter referred to as PLQ incentive scheme) and Lithuanian Airports Network Incentive Scheme, approved by the order No. 1R-112 of 27 September 2019 (hereinafter referred to as LOU network incentive scheme) for three months;

1.2. To apply New Route Incentive discount to the routes that are incentivised in accordance with Vilnius Airport Incentive Scheme and Palanga Airport Incentive Scheme ratified by the orders of the Chief Executive Officer of LOU (Order No. 1R-173 of 22 August 2017, Order No. 1R-220 of 27 December 2018, Order No. 1R-221 of 27 December 2018, Order No 1R-110 of 27 September 2019, Order No 1R-111 of 27 September 2019) and that were temporarily suspended due to restrictions related to flight operations and/or movement of persons because of the epidemiological situation pertaining to COVID-19, without counting into the period of application of the incentive those periods during which the flights were temporarily not operated due to the restrictions imposed because of the epidemiological situation pertaining to COVID-19. During the period of extension of the discount validity term, the discount of such size as was valid on the day of the last

flight on the respective route, before suspension of the flights due to the announced quarantine regime or other restrictions pertaining to the epidemiological situation of COVID-19, shall be applied. After resuming the routes incentivised by the New Route Incentive, which have been temporary suspended due to restrictions on the operation of flights and/or the movement of persons pertaining to the epidemiological situation of COVID-19, and after repeated termination thereof, further periods of temporary non-operation of routes shall be included in the discount period.

1.2.¹ To apply the New Route Incentive, as per the Incentive Schemes referred to in item 1.2 herein, to the incentivised routes from the moment they are resumed or from their start until 31 December 2021, even if, due to restrictions on the movement of persons or other objective reasons, airlines operate an incentivised route on a regular basis at a frequency per week which is lower than the frequency specified in the airline's application and provided for in the Incentive Schemes. This provision applies to flights the operation of which has been started not earlier than on 23 April 2020.

1.3. In case the flights on the route benefiting from the New Route Incentive, that are indicated in item 1.2. herein, are not commenced from the day of submission of the application until 31 August 2020, the incentive as approved for the airline shall not be applied and the respective New Route Incentive application submitted by the airline for to the routes that were not commenced by 31 August 2020, shall be considered void.

1.4. To prolong the term, established under VNO incentive scheme, during which the number of passengers carried by the airline is evaluated for the purpose of application of Route Growth Incentive for three months, i.e. for the airlines which submitted the applications in 2020 the number of passengers, carried during the period from 1 January 2020 to 31 March 2021 shall be evaluated. Credit invoices for the airlines, which comply with the requirements of the scheme, shall be issued after 31 March 2020. Route Growth Incentive shall not be applicable during the period of application of the Lithuanian Airports' Route Growth Incentive Scheme (approved by the Order No 1R-19 of the CEO of the SE Lithuanian Airports on 21 January 2021), i.e. from 28 March 2021 to 26 March 2022).

1.5. To prolong the term, established under PLQ incentive scheme, during which the number of passengers carried by the airline is evaluated for the purpose of application of Passenger Traffic Development Incentive for three months, i.e. for the airlines which submitted the applications in 2020 the number of passengers, carried during the period from 1 January 2020 to 31 March 2021 shall be evaluated. Credit invoices for the airlines, which comply with the requirements of the scheme, shall be issued after 31 March 2020. Passenger Traffic Development Incentive shall not be applicable during the period of application of the Lithuanian Airports' Route Growth Incentive Scheme (approved by the Order No 1R-19 of the CEO of the SE Lithuanian Airports on 21 January 2021), i.e. from 28 March 2021 to 26 March 2022).

1.6. To determine the following new periods under the Network Incentive Scheme: Period 1 – from 1 April 2020 to 30 June 2021, Period 2 – from 1 July 2021 to 30 June 2022.

1.7. To consider the periods indicated in the airline applications, submitted in order to benefit from VNO Route Growth Incentive, PLQ Passenger Traffic Development Incentive and LOU network incentive prolonged as per this order.

1.8. In cases where the applications submitted by the airlines under the incentive schemes are approved by the letters of approval of Lithuanian Airports, the terms indicated under the letters of approval shall be considered prolonged as per this order.

1.9. The applications to benefit from KUN incentive scheme during the first period, which shall commence after the end of quarantine regime, shall be submitted not later than within 5 working days before the first flight scheduled by the airline.

1.9.¹ The Incentive schemes may be applicable even though the applications are submitted without meeting the deadlines under the incentive scheme, but the airlines shall have presented all relevant information.

1.9.² When the operation of routes incentivised by the New Route Incentive starts during the period of restrictions on flight operations and/or movement of persons as result of the epidemiological situation pertaining to COVID-19, but, due to the restrictions, the routes cannot be continued or operated as provided for in the application, the airline shall have the right to submit, not later than within 12 months from the date of termination of such routes, a revised application, and the New Route Incentive shall apply from the moment the airline commences the operation of flights on the basis of the revised application.

1.9.³ Amend item 3.1.2.2. of the Vilnius Airport Incentive Scheme (approved by the Order No-110 of 27 September 2019) and formulate it as following: “Starting from summer 2021 flight schedule (28 March 2021) a route proposed by an airline will qualify as a new route if scheduled flights on the proposed route have not been operated from VNO directly over the past 24 months before the planned commencement date”.

1.9.⁴ Amend item 3.1.2.2. of the Palanga Airport Incentive Scheme (approved by the Order No-111 of 27 September 2019) and formulate it as following:”Starting from summer 2021 flight schedule (28 March 2021) a route proposed by an airline will qualify as a new route if scheduled flights on the proposed route have not been operated from PLQ directly over the past 24 months before the planned commencement date”.