LIETUVOS ORO UOSTAI
VNO KUN PLQ

APPROVED BY
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of the Chief Executive Officer
of JSC Lithuanian Airports
dated 22 October 2026

PALANGA AIRPORT INCENTIVE SCHEME

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1. PREAMBLE

The Joint Stock Company Lithuanian Airports (hereinafter referred to as Lithuanian Airports), through this incentive scheme (hereinafter referred to as the incentive scheme), aims to incentivise airlines to operate new routes to and from Palanga Airport (hereinafter referred to as PLQ) operated by Lithuanian Airports, as well as to support the continuous and sustainable expansion of the route network and increase the passenger traffic.

2. DEFINITIONS OF TERMS

IATA season – the period of the year as defined by the International Air Transport Association, divided into the IATA summer season (from the last Sunday in March of the current year to the last Saturday in October of the same year) and the IATA winter season (from the last Sunday in October of the current year to the last Saturday in March of the following year).

Transfer passenger – a passenger who arrives at an airport on one aircraft and departs on another or the same aircraft with a different flight number within 24 hours. In any case, only passengers travelling through an airport on the basis of a single booking are recognised as transfer passengers and the airports of origin and final destination are different.

Long-haul route – a passenger route connecting PLQ and another airport more than 3500 kilometres from PLQ.

Cancelled route – a regularly operated route where the total passenger seat capacity offered by all carriers decreased by 100 %.

New route – a route connecting PLQ and another airport which is not served by another airline during the periods and under the conditions set out in the incentive scheme.

Airline group – affiliated airlines, which are defined as parent and subsidiary companies, as well as companies in which 50% or more of the shares (stakes, interests or other decisive votes in the meeting of members) are held, directly or indirectly, by the same company.

Airport charges – charges collected by the airport for the use of PLQ services, as specified in the incentive scheme, which are payable to the airport by the airline and for which the airport applies discounts.

Approved route – a route that has been granted the route support approval letter from Lithuanian Airports.

Commencement date – the actual date of the airline's first flight on a particular route.

Scheduled flight– one flight in a series of flights (to and from an airport from and to the same destination) operated according to the schedule published at the beginning of the IATA season and for which all tickets on a passenger flight are sold through the standard global distribution system (GDS) or other publicly available booking systems, or, in the case of a cargo flight, bookings are made through the airline's cargo booking system or through logistic service companies.

Seasonal route – a route that only operates during a specific IATA season.

Hub airport – an airport designated by an airline or airlines as a base of operations at which flights are concentrated to facilitate the transfer of passengers between connecting flights under that airline's call sign.

Capital Airport – an airport that is located within a 35 km radius of the city centre and/or is considered to be the main airport in the capital.

Short-haul route – a passenger route connecting PLQ and another airport 3 500 km or less from PLQ.

Charter flight operator – an undertaking operating pre-arranged charter flight programmes to/from PLQ and which has entered into a settlement agreement with airlines in accordance with clause 4.1.1 of the General Terms and Conditions of Use of Lithuanian Airports.

Charter flight programme – charter flights between two destinations that are repeated over a period of time (e.g. weekly flights from PLQ to AYT and vice versa between February and April).

3. INCENTIVE SCHEME

The incentive scheme provides for three incentives: a new route incentive, a flight frequency increase incentive and a route renewal incentive. The incentive scheme applies only to commercial scheduled routes. The incentive scheme applies to airlines and airline groups. The airlines may perform the obligations of airlines provided for in this scheme on behalf of other airlines within the same airline group.

3.1. New route incentive

An airline or charter flight operator establishing a new scheduled route or charter flight programme from PLQ shall be entitled to discounted airport charges for the services provided on that route in accordance with the criteria set out below.

The discount is applicable to the following airport charges:

- Departing passenger charge;
- Aircraft landing charge.

Discounts shall not apply to the following airport charges and fees:

- Aircraft parking charge;
- Follow-me service charge;
- Apron management service charge;
- Centralized infrastructure fees;
- Fee applicable to ensure proper services for persons with disabilities and persons with reduced mobility (PRM);
- Or any other fees and (or charges) that may be introduced during the validity of this incentive scheme.

3.1.1. Amount of support for the route

Under this incentive, discounts on airport charges are granted for scheduled routes operated from PLQ and for routes operated under the charter programme.

3.1.1.1. Approved, year-round and seasonal scheduled routes connecting PLQ with a capital city airport or PLQ with a hub airport are eligible for the following discounts for the first five years of operation:

Validity period	New route discount on the airport charges for routes connecting PLQ with the capital city airport/hub airport	
	Departing passenger charge	Aircraft landing charge
First year	100 %	80 %
Second year	90 %	70 %
Third year	80 %	60 %
Fourth year	50 %	50 %
Fifth year	50 %	50 %

3.1.1.2. Approved long-haul year-round and seasonal scheduled routes operated to/from PLQ are eligible for the following discounts for the first five years of operation:

Validity period	New route discount on the airport charges for long-haul routes	
	Departing passenger charge	Aircraft landing charge
First year	100 %	80%
Second year	90 %	70%
Third year	80 %	60%
Fourth year	50%	0%
Fifth year	50%	0%

3.1.1.3. The following discounts apply for the first three years of operation for approved year-round and seasonal scheduled routes to/from PLQ:

Validity period	New route discount on departing passenger and landing charges for short-haul routes		
	Year-round routes		Seasonal routes
	IATA summer season	IATA winter season	
First year	50%	100 %	50%
Second year	40%	90 %	40%
Third year	30%	80 %	30%

3.1.1.4. Approved routes operated from/to PLQ under the charter programme are eligible for the following discounts for the first three years of operation:

Validity period	New route discount on departing passenger and landing charges for charter routes
First year	50 %
Second year	40 %
Third year	30 %

3.1.1.5. Upon expiry of the respective incentive periods for scheduled flight routes and charter flight routes as specified in this section, the airport charges and their amounts in force at the date of expiry shall apply.

3.1.2. Eligibility

3.1.2.1. The proposed route shall aim to increase the route network and passenger traffic at Lithuanian Airports. This means that the route must provide access to an airport that is not currently operated directly, should increase the total number of passengers served at the airport and must be commercially beneficial to Lithuanian Airports.

3.1.2.2. A route proposed by an airline shall be considered as a new route if there have been no scheduled or charter flights on the proposed route from PLQ in the 12 months preceding the scheduled commencement date.

3.1.2.3. The minimum required frequency for the scheduled route and the capital city airport route is 2 return flights per week, for the hub airport route is 3 return flights per week, for the long-haul route is 1 return flight per week. For charter flights, programmes shall consist of at least 8 return flights, irrespective of the IATA season.

3.1.2.4. The proposed route must be operated from PLQ without connecting flights.

3.1.2.5. Seasonal routes must be operated throughout the IATA season. After assessing the economic benefits of the route in question for Lithuanian Airports and other objective circumstances, Lithuanian Airports shall have the right to approve a route that is operated for less than the full IATA season.

3.1.2.6. If an airline proposes to launch a new year-round route when a seasonal route connecting PLQ to the same airport as the proposed new year-round route is already being incentivised under the incentive scheme, such proposed new year-round route will not be eligible for the incentive.

3.1.2.7. If an airline proposes to launch a new seasonal route when a year-round route connecting PLQ to the same airport as the proposed new seasonal route is already being incentivised under the incentive scheme, such proposed new seasonal route will not be eligible for the incentive.

3.1.2.8. If an airline proposes to launch a new year-round or seasonal route connecting PLQ and another airport by transferring its own route or capacity, or that of another airline in the same airline group, from another airport operated by Lithuanian Airports, the proposed new route will not be incentivised.

3.1.2.9. In the event that an airline extends an approved new seasonal route to operate on a year-round basis, that route shall be subject to the discounted charges applicable to the new year-round route for the remainder of the incentive period.

3.1.2.10. In the event that an airline reduces an approved new year-round route to a seasonal route, such route shall thereafter be subject to the discounted charges applicable to the new seasonal route.

3.1.2.11. In the event that an airline proposes to launch a scheduled flight on a route between PLQ and the capital airport, PLQ and the hub airport or long-haul route, while at the same time this route is already being incentivised by a new route incentive, Lithuanian Airports shall have the right to approve the incentive for this airline as well, but the term of the incentive in such a case would be calculated as of the starting date of the flights of the already operating airline, as well as the amount of the discount applied for the remaining period.

3.1.2.12. In the event that an airline operating a new route discontinues operations on the route and another airline commences operations on the discontinued route, or the airline operating the route resumes operations on the route, then the incentive would be applied, but the term of the incentive would be calculated from the starting date of the airline that operated the flights, with the amount of the discount being calculated for the remainder.

3.1.2.13. In the event that an airline operating on a new route reduces its frequencies during a given period and does not meet the minimum frequencies specified in clause 3.1.2.3, the incentive shall not be applied for the applicable period. Lithuanian Airports reserves the right not to withdraw the approval and to apply the incentive for the remaining period during which the frequency of flights operated meets the minimum frequency requirements.

3.1.2.14. The new route incentive is not combined with the Lithuanian Airports Network Incentive Scheme.

3.2. Flight frequency increase incentive

An airline that increases its frequency on a scheduled route from PLQ shall be entitled to discounted airport charges for services on that route in accordance with the following criteria.

The discount is applicable to the following airport charges:

- Departing passenger charge;
- Aircraft landing charge.

Discounts shall not apply to the following airport charges and fees:

- Aircraft parking charge;
- Follow-me service charge;
- Apron management service charge;
- Centralized infrastructure fees;
- Fee applicable to ensure proper services for persons with disabilities and persons with reduced mobility (PRM);
- Or any other fees and (or charges) that may be introduced during the validity of this incentive scheme.

3.2.1. Amount of support for the route

3.2.1.1. The measure provides for a discount on landing and departing passenger charges:

Monthly frequency increases	Discount on the aircraft landing and departing passenger charges for additional frequencies		
	First year	Second year	Third year
8 to 15 flights per month	40 %	20 %	10 %
16 to 26 flights per month	50 %	30 %	15 %
from 27 flights per month	60 %	40 %	20 %

3.2.1.2. At the end of the validity period of this incentive, the airport charges and levels in force on the date of expiry shall apply.

3.2.2. Eligibility

3.2.2.1. If an airline increases the monthly frequency of flights operated on its scheduled route compared to the frequency of flights operated in the corresponding month of the previous year (Reference Year), such flights shall be deemed to be additional flights.

3.2.2.2. The frequency increase incentive will only apply to those flight frequencies that are in addition to the year-round and seasonal flight frequencies for the Reference Year.

3.2.2.3. This discount applies for three years of the airline's operation at the airport. The frequency of flights in the second and third year of operation is compared with the frequency of flights in the Reference Year.

3.2.2.4. Flight frequency increase incentive does not apply to a route incentivised by a new route incentive during the first year of operation on that route and to a route incentivised by a route renewal incentive. The incentive cannot be combined with the Lithuanian Airports Network Incentive.

3.3. Route renewal incentive

An airline resuming flights on a discontinued scheduled route from PLQ shall be entitled to discounted airport charges for services on that route in accordance with the following criteria.

The discount shall apply to the following airport charges:
- Departing passenger charges;
- Aircraft landing charges.

In order to avoid any doubt, the discount does not apply to the following airport charges and fees:
- Aircraft parking charge;
- Follow-me service charge;
- Apron management service charge;

- Centralized infrastructure fees;
- Fee applicable to ensure proper services for persons with disabilities and persons with reduced mobility (PRM);
- Or any other fees and (or charges) that may be introduced during the validity of this Incentive.

3.3.1. Amount of support for the route

According to this incentive, discounts on airport charges apply to year-round and seasonal routes to/from PLQ.

Validity period	Route renewal discount on departing passenger and landing charges
First year	50%

The incentive is valid for one operational year from the original date of the renewed flight. After this period, the airport charges and levels in force on the date of expiry shall apply.

3.3.2. Eligibility

3.3.2.1. The proposed route renewal shall aim to increase the route network and passenger traffic at Lithuanian airports. This means that the route must provide access to an airport that is not currently served directly, should increase the total number of passengers served at the airport and must be commercially viable for Lithuanian airports.

3.3.2.2. A route shall be deemed to be cancelled if flights on the route are discontinued. A seasonal route shall be deemed to be cancelled when flights operated in a given IATA season are not resumed in the next corresponding IATA season.

3.3.2.3. The route renewal incentive does not apply to an airline that resumes a route it previously cancelled.

3.3.2.4. The route renewal incentive is not combined with the Lithuanian Airports Network Incentive Scheme and the flight frequency increase incentive.

4. DECISIONS ON ROUTE INCENTIVES AND OTHER CONDITIONS FOR GRANTING SUPPORT

4.1. Application

4.1.1. Airlines or charter operators wishing to benefit from the new route incentive must submit a completed application form to the e-mail address avia@ltou.lt (Annexes 1 and 2).

4.1.2. Applications for the new route incentive must be submitted at least one calendar month before the commencement date.

4.1.3 Airlines wishing to benefit from the Route renewal incentive must submit a completed application form to the e-mail address avia@ltou.lt (Annex 3).

4.1.4. Applications for the frequency increase incentive can be made in free form and should be sent to the e-mail address avia@ltou.lt by the last day of the month from which the frequency increase is to take place.

4.1.5. If two or more airlines submit an application for a new route incentive (including a discontinued route) or a route renewal incentive during the same period, the incentive shall be granted to the airline which first announced and launched ticket sales for that route through the standard Global Distribution System (GDS) or other publicly available booking systems (in the case of a cargo flight, through the airlines' freight reservation system or logistics service companies). For long-haul flights, PLQ - hub airport, PLQ - capital airport the incentive applies to all airlines that have applied for and been approved for the new route incentive.

4.1.6. Once the charter operator has submitted an application and received a letter of approval from Lithuanian Airports, the new route incentive is applied to all airlines that are included in the application.

4.2. Approval

4.2.1. An airline or charter operator that has applied for the application of the relevant incentive in accordance with the procedures set out in the scheme, and such application meets the conditions set out in the scheme, shall be sent a letter of approval informing that the conditions for the application of the incentive have been met.

4.2.2. If the airline or charter operator that has received a letter of approval for a new route/route renewal incentive does not commence operations on the route on the commencement date specified in the application, such approval shall automatically expire after the commencement date, unless, prior to the commencement date, Lithuanian Airports agree with the airline or charter operator on a different commencement date.

4.3. Application of discount

4.3.1. The discount for an approved new route, as well as for a renewed route, shall be deducted from the specific airport charges for the services provided during a calendar month.

4.3.2. The frequency increase discount on the landing charge and departing passenger charge shall be applied to the last flights operated in that month (depending on the number of flights increased) and deducted from the amount payable by the airline.

4.3.3. For an approved new route, a renewed route, as well as for an increased frequency, discounted charges shall apply for the period specified in this incentive scheme.

4.3.4. In the case of a frequency increase on a route promoted by a new route incentive or a route renewal incentive, the benefit of the new route incentive or the route renewal incentive, as the case may be, shall be applied first when invoicing for the services provided, followed by the application of the benefit of the frequency increase to the additional flights.

4.3.5. The airline or charter flight operator is obliged to notify Lithuanian Airports of changes to the schedule and dates of flights operated by the airline. Lithuanian Airports may unilaterally

cancel the approval if the airline does not comply with the minimum frequency of flights or other conditions set out in this incentive scheme.

4.3.6. A separate agreement between an airline and Lithuanian Airports may also establish a different billing and submission procedure for airlines belonging to an airline group.

5. VALIDITY, AMENDMENT OR TERMINATION OF THE SCHEME

5.1. This incentive scheme shall be valid until 31 March 2029.

5.2. Routes shall not be eligible for support under the scheme during periods when no flights are operated or when the frequency of flights operated on the route does not comply with the minimum frequency specified in clause 3.1.2.3.

5.3. Only one airline and one charter operator can receive support for each new route. More than one airline may receive support for each long-haul route, PLQ - capital airport, PLQ - hub airport route.

5.4. If an airline or charter operator does not comply with the conditions set out in the approval letter when operating a route, Lithuanian Airports shall have the right to refuse to approve any new applications submitted by such an airline, or by other airlines of the same group of airlines, or by a charter operator, to avail themselves of the scheme.

5.5. With respect to an airline, the incentive scheme measures shall only apply (or continue to apply) as long as the airline and other airlines of the same airline group fully comply with the scheme and with the General Terms and Conditions of Use of Lithuanian Airports, published on the website www.ltou.lt.

5.6. If an airline or other airlines of the same airline group fail to pay on time all airport charges, as well as other charges and/or fees, for the services provided by PLQ, fail to comply with the published General Terms and Conditions of Use of Lithuanian Airports (www.ltou.lt), or, by virtue of belonging to a group of airline companies, otherwise abuse this programme, the incentive measure approved for the airline may, upon the decision of the Lithuanian Airports, be discontinued before the expiry of the term.

5.7. In the event of objective circumstances, Lithuanian Airports shall have the right to modify this incentive scheme or individual parts thereof. Lithuanian Airports shall inform airlines of the change to this programme and shall indicate the circumstances which have led to the need to change the programme or part of it.

5.8. Applications submitted by airlines and charter operators for the application of the incentives provided for in the incentive scheme shall be evaluated and recommendations on the approval or rejection of the applications, as well as on the implementation of other actions provided for in the incentive scheme, shall be submitted to the Chief Executive Officer of Lithuanian Airports by a commission set up by order of the Chief Executive Officer of Lithuanian Airports.

ANNEX 1

NEW ROUTE INCENTIVE APPLICATION FORM
(CAPITAL AIRPORT, HUB AIRPORT, SHORT-HAUL AND LONG-HAUL FLIGHT ROUTES)

The application must be sent to: avia@ltou.lt	
Airline	
Address	
Contact person (name, surname, position)	
E-mail address	
Invoices are sent to	
Route (IATA codes)	
Route to be operated	On a year-round basis
	On a seasonal basis
	from PLQ to Capital Airport
	from PLQ to the hub airport (airline's base of operations)
Flight distance	Less than or equal to 3500 km
	More than 3500 km
Number of departing flights per week	
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

Aircraft details	Aircraft type
	Number of seats on board the aircraft
Date of commencement of ticket sales through the standard Global Distribution System (GDS) or other publicly available booking systems	
Commencement date	
Schedule	Attached
Date	

By submitting this application, I certify that the information provided in this application is correct and that I accept the terms and conditions of this incentive scheme.

Full name
Position

Signature _____

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ANNEX 2

NEW ROUTE INCENTIVE APPLICATION FORM
CHARTER FLIGHT PROGRAMMES

Send to avia@ltou.lt

Charter flight operator:	
Airline	
IATA/ICAO code:	
Contact person details:	
Invoicing address:	
E-mail address:	

Routes and the number of flights planned per route per month:

IATA/ICAO code	**Route**	**Planned number of flights**												
		Jan	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	**IN TOTAL**

Schedule:	Included in this document or attached to this document
Application date:	
Commencement date:	
Name, surname, position, signature	

By submitting this application, I certify that the information provided in this application is correct and that I accept the terms and conditions of this incentive scheme.

Full name
Position

Signature _____

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ANNEX 3

ROUTE RENEWAL INCENTIVE APPLICATION FORM

The application must be sent to: avia@ltou.lt	
Airline	
Address	
Contact person (name, surname, position)	
E-mail address	
Invoices are sent to	
Route (IATA codes)	
Route to be operated	On a year-round basis
	On a seasonal basis
Number of departing flights per week	
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
Aircraft details	Aircraft type
	Number of seats on board the aircraft
Date of commencement of ticket sales through the standard Global Distribution System (GDS) or other publicly available booking systems	
Commencement date	
Schedule	Attached
Date	

By submitting this application, I certify that the information provided in this application is correct and that I accept the terms and conditions of this incentive scheme.

Full name
Position

Signature _____