

CALL FOR PROPOSALS

on the possibility of obtaining, through a call for proposals, **the resources provided by the competitiveness aid** (ÁHT number: 385517) **as a result of the coronavirus epidemic** to alleviate the economic crisis in air traffic operators as a result of COVID-19.

DEBRECEN INTERNATIONAL AIRPORT Korlátolt Felelősségű Társaság (as the *Tenderer*), as the Beneficiary of the competitiveness aid necessitated by the outbreak of the coronavirus outbreak {pursuant to Hungarian Government Decree no. 1843/2020 (IX.24.)}, hereby declares that it provides a HUF 365.000.000 non-refundable budget support (tender support) to support the activities of airlines **within the framework of its flight departure aid scheme** (hereinafter: project).

1. Purpose of the aid

The purpose of the aid is to support airlines operating from Debrecen Airport as a result of the economic crisis caused by the outbreak of COVID-19. State aid can be granted to airlines that resume or start operating regular international return flights from Debrecen Airport, thus, reducing the negative impact of the epidemic on aviation industry participants. The restoration of air traffic is essential for the recovery of the entire economy of the region and the city of Debrecen and for maintaining its structural viability.

2. Eligible applicants

Airlines which undertake to operate flights at Debrecen Airport may receive state aid on the basis of an application to be submitted, provided that they meet the following eligibility conditions:

- (a) they shall have an air operating license issued in accordance with Council Regulation (EC) No. 1008/2008 on common rules for the operation of air services in the EU;
- (b) they shall have compulsory accident insurance covering passengers, cargo, mail, and civil liability in accordance with the conditions of EC Regulation 785/20041;
- (c) they shall not be on the European Commission's blacklist of airlines that fail to meet safety standards, published at: <http://ec.europa.eu/transport/air-ban/>;
- (d) they shall have a European Air Operators Certificate (AOC) or other similar document issued by a competent authority in their country of origin;
- (e) as air carriers, they have not received any other aid from their country of origin or the total amount of other aid received under this scheme has not exceeded EUR 800.000.
- (f) decisions to recover state aid have not been issued against them or if such decisions have been issued, they have been enforced, in accordance with the legal provisions in force;

(g) flight operators were not in a difficult/critical economic situation; however, they encountered difficulties in their operation or subsequently encountered difficulties due to the outbreak of COVID-19;

h) they shall submit a written business plan committing to operate regular flights from Debrecen Airport. The business plan shall contain the way in which the companies estimate that the aid received will compensate the need for liquidity, so that their activity is carried out in acceptable/good conditions at Debrecen Airport.

3. Amount of aid

The amount of the aid is **HUF 365.000.000, i.e., three hundred and sixty-five million forints** of non-refundable budget support. The amount will be provided to the winning applicant(s) by Debrecen International Airport Kft. with the support of the Ministry of Foreign Affairs and Trade of Hungary, as the party responsible for the development, implementation and related support of flight departure aid scheme of Debrecen.

4. Selection criteria for beneficiaries

The applicant shall submit an aid application and provide documentary evidence that it undertakes to operate regular flights from Debrecen Airport and to take all necessary measures to ensure their viability, thus helping to alleviate the difficulties as soon as possible.

The airline shall submit its application to Debrecen International Airport Kft. in a way that it contains a detailed service proposal, supplemented by a business plan, specifying the proposed routes to be operated, operating frequencies, aircraft types to be used, expected traffic level, the time of operation of the route and a description thereof, and how the amount of aid will affect the resumption of air traffic.

In order to separate the beneficiaries, the following elements of the tender shall be taken into account when allocating the state aid:

<i>Eligible elements</i>	<i>Maximum budget available per tender element</i>
Reopening/opening of a destination west of Debrecen	250 000 EUR
Reopening/opening of a destination east of Debrecen	200 000 EUR
Reopening/opening of a summer holiday destination in 2021, operating until October at least	50 000 EUR
Opening of 2 completely new destinations in 2021	350 000 EUR
Reopening/opening of 1 more destination on winter schedule	150 000 EUR

Once the tenderer has carried out the eligibility check, it signs the financing contract with the winner of the tender, after which the state aid is paid.

The aid is paid in two instalment(s). The first instalment will be paid within 30 days after the signing of the contract and the second instalment will be paid by 30 September 2021.

5. Date, place and method of submitting applications

Start of submission/acceptance of applications:	19. 06. 2021. 00.00 hours
Deadline for submission of applications:	09. 07. 2021. 00.00 hours
Opening of the application dossiers:	12. 07. 2021. 12.00 hours
Announcement of the winner tenderer(s):	26. 07. 2021. 12.00 hours

The aid applicant shall send an aid application to the Tenderer (Annex 1), signed by an authorized person, accompanied by the following documents:

a. Commitment to operate scheduled services from Debreceen International Airport, including measures to ensure operation, promoting the alleviation of the difficulties caused by COVID-19. (Annex 2)

b. The Business Plan, which sets out the routes and operating frequencies to be operated, the types of aircraft to be used and their capacity, the expected level of traffic, the duration of the route and how the aid is expected to affect the resumption of air traffic. (Annex 3)

c. Evidence that the criteria set out in points 2 (a), (b), (c), (d) and (e) have been met shall be provided by the applicant, and companies applying for state aid under this scheme shall submit a declaration in order to verify the cumulation rules, at its own risk, for other state aid already received under a similar title. (Annex 4)

d. The applicant prepares a Communication Plan in connection with the implementation of the flight launch, which is also attached to the application material.

e. It declares that it acknowledges and accepts as binding the obligations set out in Annex 5 - which are also set out in the aid contract between the parties and to be fulfilled by the beneficiary - and which it fully fulfils during the term of the contract.

f. It declares that it accepts as binding that the priority requirements for the financial clearance of the aid contract shall be met in accordance with Annex 6, and notes that failure to comply with the requirements set out therein will result in the rejection of the clearance.

The applicant shall submit the application dossier in English.

The tender dossier listed in point 5 shall be sent to the following postal address in a closed envelope, or can be submitted personally at the headquarters of Debreceen International Airport (4030. Debreceen, Repülőtéri u. 12.) with the following notification:

“Tender for airline operators to obtain the state aid to mitigate the effects of the coronavirus and increase their competitiveness.”

The Tenderer will notify the applicant by e-mail of the receipt of the tender.

6. Contact details of the Tenderer

In case of any questions about the application, please contact us at the following e-mail address: eva.szucs@debreceenairport.com

Debreceen, 18. 06. 2021.

Annex no. 1

LETTER OF INTENT

Dear Debreceen International Airport Kft.,

Hereby, the..... indicate that it will submit a tender for the support of a non-refundable state aid for supporting aircraft operators' activity in the context of the economic crisis generated by the COVID-19 outbreak.

Date,

Authorized signature and stamp of the applicant:

Annex no. 2

COMMITMENT

Company name:	
Address (domicile or registered office):	
Postal code:	
Phone:	Fax:
E-mail:	
Company registration date:	
Registration number with the trade register office:	
Fiscal identification code:	
AOC No.:	

The undersigned,, identified with the identity document series no., issued by on the date of, domiciled in the locality. street. no., building., entrance., ap., sector / county., position., as the legal representative of the company.

through this commitment, the company undertakes to comply with the proposed Business Plan in order to access the state aid provided by the DEBRECEN INTERNATIONAL AIRPORT KFT., in accordance with the STATE AID SCHEME FOR SUPPORTING THE ACTIVITY OF AIR OPERATORS IN THE CONTEXT OF THE ECONOMIC CRISIS GENERATED BY THE COVID-19 OUTBREAK.

Otherwise, I understand that, if it is found that the company has not complied with the conditions of granting provided by the scheme and the proposed business plan, the supplier will proceed to the cessation / recovery, as appropriate, of state aid in accordance with the provisions of the Hungarian Act CXCV of 2011 on Public Finances and Government decree 368/2011 (XII. 31.) on the Implementation of the Act on Public Finances.

I also understand that the State aid to be reimbursed or recovered also includes the related interest, due from the date of its payment, until the date of full recovery or reimbursement. The applicable interest rate is that established according to the provisions of Hungarian Act CXCV of 2011 on Public Finances and Government decree 368/2011 (XII. 31.) on the Implementation of the Act on Public Finances.

Name:

Position:

Signing date:

Authorized signature and stamp of the applicant:

STRUCTURE OF THE BUSINESS PLAN

1. Details about the company

It will contain: company name, address, contact details and any other relevant information such as number of employees, fleet, vision, mission, values, company history, legal issues.

It must provide clear information about the company, the services provided, concrete data on the market potential, the volume of expected sales, the level of profitability, the qualification of the staff, etc.

The following will be attached:

- The financial situation of the company audited on 31.12.2020.
- History of the situation of the flights operated in the last 5 years.

2. Market and industry analysis:

The clearest analysis of the relevant industry and market by indicating the current state of the market, as well as the most important trends, direct competitors, major players, market segments, etc.;

The analysis will be made specifically at Debrecen Airport so as to reveal the relevance of the proposed flights.

3. Business description

This chapter must include the proposal of the routes to be operated from Debrecen Airport, the operating frequencies, operating hours, the aircrafts to be used and their capacity, the expected traffic levels and the estimated number of passengers to be generated in a period of 1 year from the receipt of the state aid and the way in which the aid influences the resumption of air traffic.

It should also present how the company estimates that the aid received will compensate for the need for liquidity so that its activity is carried out in good conditions at Debrecen Airport;

4. Operation plan:

It will include a description of how the operation of the flights will actually start.

Information are needed such as existing logistics, strategic partnerships (contracts with airports, for example), legal issues, facilities, necessary insurance, deadlines.

This part must be as accurate as possible, and it must include concrete data.

The necessary resources used must be mentioned, and proof of their existence must be provided:

- number of aircrafts available for the proposed flights;
- own reservation and payment system;
- transport license;

5. Marketing plan:

It must contain a clear strategy, with concrete objectives, with an action plan, given that the beneficiary has the obligation, according to the scheme, to take all necessary measures to ensure the viability of the flights, by promoting them in order to remedy the difficulties as soon as possible.

Annex no. 4

STATEMENT

Company name:	
Address (domicile or registered office):	
Postal code:	
Phone:	Fax:
E-mail:	
Company registration date:	
Registration number with the trade register office:	
Fiscal identification code:	
AOC No.:	

The undersigned,, identified with the identity document series no., issued by on the date of., domiciled in the locality. street. no., building., entrance., ap., sector / county., position., as the legal representative of the company., declare:

We have not benefited from other State aid.

We have benefited from other State aid, but the total support received does not exceed EUR 800,000.

I declare under my own responsibility that all the information provided and recorded in this application is correct and complete.

I understand that any omission or incorrectness in the presentation of information in order to obtain pecuniary benefits is punishable by law.

Name:

Position:

Signing date:

Authorized signature and stamp of the applicant:

Annex No 5.

CONDITIONS TO BE SATISFIED BY THE BENEFICIARY AIRLINE AND TO BE INCLUDED IN THE CONTRACT BETWEEN THE PARTIES

- it shall declare at the latest at the time of concluding the aid contract the right to deduct VAT and its enforcement,
- it allows on-site inspections for DIA Kft.,
- it prepares and sends to DIA Kft. its final report related to the tender,
- it can use the amount of the tender aid only for the purposes specified by DIA Kft., or for the costs itemized in the concluded contract.

Eligible costs are the following: eligible costs incurred during the duration of the supported activity, financially fulfilled for the project, specifically mentioned in the call for proposals, directly named in the application during the implementation of the winning projects, and approved by the professional control provider.

- it is obliged to declare, at the latest at the same time as submitting the final report or the final beneficiary report, that no costs have been incurred during the settlement, which are covered by other support from a sub-system of the Hungarian public finances or by any other external source (due to the prohibition of double financing),
- it declares in the contract that, during its term, it undertakes the following: it has no outstanding and unpaid public debts, is not subject to bankruptcy, liquidation, winding-up or other liquidation proceedings, is not subject to debt settlement proceedings, nor does it have an overdue, unpaid public debt or a debt under the EU's traditional own resources.
- during the audit of the accounts, it is obliged to certify the following to DIA Kft. : the costs included in the submitted report and paid shall be duly supported by invoices or other documents authentically documenting the economic event; the invoices submitted or other documents authentically documenting the economic event are based on real costs and are incurred as itemized and eligible costs for the implementation of the project approved under the given call for proposals; the name on the invoice submitted or on another document authentically documenting the economic event (name of the product / service) is in accordance with the contract; the costs shall be eligible as specified in the call for proposals; the supporting documents for the costs are complete, appropriate in terms of form and content; there should be no double funding; the physical and financial progress of the project is in accordance with the contract and proof of completion is available.
- it undertakes to repay the (partial) amount and interest of the tender aid unduly used by it.

- it reports to DIA Kft. on the use of the tender aid by submitting a report to DIA Kft., in accordance with the model annexed to the contract *
- it prepares the final report by the deadline specified in the contract, signed by a person authorized to represent it.
- it is obliged to settle the unused application aid amount with DIA Kft., and after the acceptance of the report by DIA Kft., to return it with its interest, send a bank statement confirming the transfer to DIA Kft. according to the deadline prescribed in the contract,
- it is noted that the use of the aid could be used in accordance with the purpose, in a coordinated manner, ensuring the greatest possible transparency, by making the aid public in accordance with the provisions of the Act CXII of 2011 on Informational Self-Determination and Freedom of Information (hereinafter: Privacy Act).
- it is obliged to notify DIA Kft. immediately in writing if the implementation of its activities fails in part or in full, encounters a permanent obstacle, or suffers a delay compared to the deadline prescribed in the contract, or threatens to occur; if liquidation, winding-up, bankruptcy or other proceedings specified in the legislation for its termination have been initiated against it; if any material information or circumstance affecting the contract or its performance changes; if there is a change in other material circumstances of the aid, as set out in the contract or its annexes.
- it is obliged to communicate with DIA Kft. in writing within 8 (i.e., eight) working days after any changes in its data, in the person of its representative, in other material circumstances, or other information relevant to the final beneficiary aid contract.
- it undertakes to notify DIA Kft. immediately in writing, if a prosecution review procedure is initiated or an action is brought against it, or if its supreme body sets an agenda for the hearing which may result in the termination of the legal personality of the organization.
- it shall provide a guarantee up to the amount of the aid received, in accordance with the Annex to the contract. The guarantee shall be available until the end of the obligations under the aid relationship, including the maintenance period of the project.
- it shall bear the exchange rate loss related to the amount of the non-refundable aid. The generated exchange rate gain and interest gain belong to DIA Kft., the amount of which it is obliged to account with DIA Kft., and after the acceptance of the final report, and it is obliged to transfer it and certify the transaction in accordance with the provisions of the contract.
- In the event of unauthorized use of the tender aid or, in the event of a serious breach of contract, the tender aid shall be reimbursed in part or in full, with interest. In particular, it provided false information that materially affected the granting of the aid; the performance of the subject of the contract, in whole or in part, is jeopardized, impedes or fails for a reason attributable to him; if the tender grant is not used for the purpose specified in the contract; if, for reasons attributable to it, the fulfilment of its fixed obligations has not been achieved or has not been achieved to the extent or in the quality corresponding to the purpose of the aid; if it

fails to comply with its obligation of control and cooperation with regard to the proper use of the aid; otherwise, it is guilty of breaching its obligations under the contract; if any of the cases specified in Section 96 of the Hungarian Government decree no. 368/2011 (XII. 31.) on the Implementation of the Act on Public Finances are realized - which were not previously mentioned - (reasons for withdrawal, termination); if it fails to fulfil its obligation to report.

Annex No 6.

REQUIREMENTS FOR PRIORITY FINANCIAL ACCOUNTING - TO BE COMPLETED BY THE BENEFICIARY

The successful applicant shall take the following aspects into account when financially accounting for the aid:

(a) The summary of the invoices shall be drawn up in respect of the total cost plan in relation to the costs set out in the cost plan in Annex of the contract. (completed by the contract)

b) At the time of settlement, the invoices or accounting documents submitted shall comply with Section 166; Section 167 (1) a), b), d), (g) and (j) and (2)-(7) of the Hungarian Act C of 2000 on Accounting. The Beneficiary declares compliance with this requirement by signing the invoice summary.

c) The budgets eligible for the budget aid and the amount of the budget aid shall be established in HUF, regardless of whether the cost was incurred in HUF or in another currency, or in which currency the Beneficiary or the supplier requests the payment of the budget aid. In the case of an invoice or accounting document issued in a currency other than HUF, the final amount and the amount of the eligible costs shall be valid at the exchange rate published by the European Central Bank and it should be converted into euros. The exchange gain shall be reimbursed by the Beneficiary to the Supporter.

d) In the case of procurement of assets, if it does not directly serve the purpose of the project, it is not possible to account for budget aid.

e) Assets purchased from the aid may be alienated, leased or encumbered by the Beneficiary only with the prior permission of the Supporter within 5 years of the acceptance of the financial statement and final professional report by the Supporter. The Beneficiary shall certify the activation of the assets by attaching a certified copy of the Register of Tangible Assets.

(f) The amount of budget aid shall be used to pay VAT on each cost only if the Beneficiary is not entitled to deduct VAT in connection with the project covered by the aid. If, after the conclusion of the contract, there is a change in the Beneficiary's right to deduct tax, it is obliged to repay the amount of VAT used until the change is announced.

g) Budget aid shall not be used to repay public debts to be recovered in the form of taxes, to pay other public charges, fees, other types of other taxes, tax-like obligations, excise duties, customs duties.

h) The Beneficiary acknowledges that the settlement obligation is imposed, even if the amount of public debts owed to it is withheld from the aid.

i) The invoice summary shall include a breakdown by cost item:

- the serial number of the invoice;
- the date of issue of the invoice,
- the name of the issuer of the invoice,
- the content of the invoice (payment title),
- the time of performance of the product/service,
- the date of financial execution (payment),
- the VAT base (net amount),
- the VAT content (amount of VAT),
- the gross amount,
- the amount to be accounted for from the amount of the receipt,
- an indication of the source from which the expenditure was charged (budget aid/own resources/other resources).

j) The summary of the invoices shall be drawn up in such a way that, in the case of itemized checks, payments can be clearly identified in a manner comparable to the cost plan. The invoice summary shall be duly signed and handed over to the Supporter upon settlement. In case the legal signature is different from the one used in the aid contract, the original copy of the signature address shall be attached to the settlement.

k) In addition to the invoice summary, the financial settlement of the use of the budget aid amount provided by the Supporter shall be accompanied by the same accounting documents supporting the settlement of the economic event as the original {invoice, contract, agreement, statement, credit institution certificate, legal provision, order document (over HUF 200 000), a document classified as such, a bank statement certifying financial performance, a cash receipt document}, arranged in accordance with the serial numbering in the invoice summary. An invoice, an accounting document or a document subject to an invoice issued in the name and address of the Beneficiary shall be accepted in parts of the financial settlement.

(l) The original accounting documents certifying the expenditure of their economic events shall be marked with an accounting clause and certified copies of them shall be submitted as part of the financial accounts. The endorsement and authentication are as follows:

- on the original accounting document, the tender identifier of the given tender shall be indicated in text form, as well as the amount to be settled by settling the *HUF settled at the expense of the aid contract number KKM/...../20..../Adm.*, completed as appropriate;
- the original accounting document with the clearance clause shall then be photocopied and the following text shall be affixed to the copy: *"The copy is identical in all respects*

with the original.”, the copy shall then be duly signed, stamped and dated by the person authorized to represent the organization or its authorized representative.

m) If the full amount of the accounting document cannot be cleared, or the Beneficiary does not wish to clear the full amount from the aid, the settlement clause shall include the amount set in the settlement.

n) **The accounts shall further be accompanied by:**

- a certified copy of the certificates and documents of its own and other sources according to point k) (agreement, decision);
- a statement of the use of own and other resources;
- in the case of payments for personal allowances, a certified copy of the accounting, tax and contribution receipts;
- in the case of wage cost accounting, the determination of the amount to be accounted for and a description of the method on which the calculation is based (with an auxiliary table if necessary);
- in the case of payment by bank transfer, a certified copy of the bank account statement debiting the bank account (indicating the relevant item). If an item of a bank account debit statement contains an item other than the amount to be settled (i.e., the item and the amount to be settled do not match, typically in the case of payroll and contribution payments), for the sake of identity and conformity, the item concerned shall also be included in the clause. In the case of payment by cash, a certified copy of the proof of expenditure certifying the cash withdrawal.

o) A foreign document can be considered lawful, if it has been issued both formally and substantively in accordance with the relevant (if applicable foreign) legislation. The Hungarian translation of the financial document or contract issued in a foreign language prepared and certified by the Beneficiary's representative (or its representative) shall further be attached.

p) The Beneficiary - as long as it does not jeopardize the achievement of the aid objective - may make a transfer of up to 10% of the total amount of the aid between each of the aggregate lines of the aid amount specified in the cost plan, of which the Supporter shall be informed. Transfers in excess of 10% require the prior written consent of the Supporter.

The accounting shall also take into account all the **registration and documentation obligations** required by all tax and other legal regulations, which shall be an integral part of the accounting. The records shall be capable of proving the existence of legal conditions.

Particular care should be taken during the settlements to:

1. On foreign language invoices issued and received on the basis of Section 166 of the Hungarian Act C of 2000 on Accounting, at least the data and markings necessary for the authenticity of the document, reliable data recording and accounting in accordance

with reality - in the accounting records prior to recording - shall also be indicated in Hungarian in a specific manner in the internal regulations.

2. The registration obligations arising from all legal requirements shall also be taken into account.

3. An invoice with a data content with the following data content in the column "*Product (service) name and classification number*" shall not be accepted without the supporting documents:

- a) according to the contract
- b) marketing activity
- c) business management consultancy
- d) advertising
- e) etc.

In such cases, it is always necessary to attach to the invoice the sent and confirmed order, contract, performance certificate, which clearly shows what the performances belonging to these "collective concepts" specifically cover. With special regard to advertising services and advertisements, it is necessary to attach, for example: an advertisement cut from a newspaper, in the case of a TV advertisement, a certificate from the TV company, or the advertisement itself, etc.

4. Food, catering, hotel and restaurant bills which do not indicate who consumed, when and why were they accommodated are also not accepted without supporting documents.

5. The receipts shall be in accordance with the obligation to register and to provide proof arising from Section 69 of the Hungarian Act CXVII of 1995 on Personal Income Tax (hereinafter: Personal Income Tax Act).

6. In the case of multi-day events, a program indicating the dates, with a full list of participants (attendance sheet), shall be attached to account for the event.

7. Travel on duty, travel and hotel invoices shall also be accompanied by exactly completed travel on duty orders, in accordance with Section 3 Point 83. of the Personal Income Tax Act.

8. The accounting of the official use of one's own motor vehicle can only be accounted for on a domestic posting order, based on the guidelines of the Hungarian National Tax and Customs Office, in accordance with Section 3 Point 83. of the Personal Income Tax Act.

9. In the case of telephone costs, only an invoice in the name of the beneficiary can be accepted, at a value of 80%, assuming 20% private use.