

Attendants:

Air Lingus:	V. Nifhaolain
BARIN:	M. Fruitema
China Southern:	A. Huang
easyJet:	T. Marty, W. Vet
Emirates:	T. Spierings
EVA Air:	J. Chang
IAG:	A. Sanecka
IATA:	N. Rafalimanana, C. Raffo
KLM:	P. Cornelisse, I. Mattijssen, R. Nieuwhof, J. van Opstall
Lufthansa:	P. Luijpers
Pegasus Airlines:	O. Baktas, I. Dundar
Ryanair:	R. Tilson
SAOC:	F. van Balveren
Singapore Airlines:	K. Lim
Transavia:	A. Kieskamp, J. Kuijper
TUI:	M. Cooreman, R. Nikkels
United Airlines:	C. Horvath, S. Kale
Vueling:	L. Tadeo
Schiphol:	M. Brink, R. Carsouw, H. Hofstede, P. Luske, J. van der Meijs, B. Otto, M. van Overbeek (minutes), P. Vitalis

*N.B. The text in brackets [ and ] is added by Schiphol after the meeting.*

Ms. Otto welcomes all airlines at the online kick-off meeting for the consultation of charges 2022-2024. She specifically welcomes Mr. Robert Carsouw who formally starts as new CFO at Schiphol on April 1<sup>st</sup>, replacing Ms. Jabine van der Meijs who will leave Schiphol on April 1<sup>st</sup>.

Ms. Otto shows the agenda of the meeting and explains that the goal of today's meeting is to present the different steps Schiphol wants to take together towards the formal consultation meeting in September. Mr. Otto starts elaborating on the state of the aviation industry and shows the impact of the crisis on both airlines and airports. She explains that Schiphol does its utmost to restore the trust of the passengers to fly safely again from Schiphol. Therefore Schiphol is in continuous dialogue with the Dutch government to influence cross border alignment at EU level providing clear and predictable test/quarantine protocols for passengers.

Schiphol reported a net loss of €563 million over 2020. During 2020, Schiphol took various steps to ensure sufficient access to liquidity for an extended period increasing its leverage from 38,9% (end of 2019) to 56,3% at the end of 2020. In response to the crisis Schiphol managed to lower its operational cost in 2020 with approx. 20%. Also Schiphol lowered its CAPEX with 25% for the 2020-2021 period by restructuring its current investment portfolio which is a continuous process. Schiphol also offered financial relief to its customers. Schiphol will continue offering relief depending on the developments in the future.

Ms. Otto explains Schiphol's ambition for the coming years, which Mr. Benschop has introduced in his new year's manifesto: Build Back Better. Schiphol has set four strategic goals for the coming years linked to:

- Quality of network: recovering Schiphol's network is key. Schiphol's first priority is to protect travellers and employees and to ensure safe and responsible travel. Schiphol Group's airports implemented the measures prescribed by the government and the RIVM, including social distancing and the use of face masks. The development of testing capabilities and vaccination capacity are crucial in both the short and long term to ensure safe and responsible travel. Schiphol is actively participating in a number of initiatives together with partners, both public and private. This crisis will increase the demand from travellers for greater focus on health and safety. Schiphol will adjust and improve our operations to cater to this need.
- Quality of life: Despite these difficult times, Schiphol also believe it's absolutely key not to lose sight of our longer term ambitions. Therefore, Schiphol wants to use the coming years of recovery to improve the quality of life by reducing noise disturbance and emissions (CO<sub>2</sub>, nitrogen, ultra-fine particles). Of course, the current situation requires a careful reassessment on the timing of certain investments in this area.

- Quality of service: Prior to the COVID crisis, Schiphol's ambition was to improve the service levels at our airports, to remain on par with our main competitors. This is still Schiphol's ambition. However, given the current situation Schiphol believes it's key to focus on the services that are most essential to you and our passengers and that offer the highest value for money
- Schiphol's organisation: When it became evident that Schiphol needed to reduce in size, Project Reset was set up to adapt and improve our organisation. The rationale for change is driven by the business and financial crisis caused by COVID-19 on the one hand, but it also supports the necessary improvements in our structure, way of working and culture. It is carried out in close consultation with the Works Council and in accordance with agreements made with the unions regarding the social plan and a new collective labour agreement. We deeply regret that several hundred dedicated colleagues have to leave Schiphol. In the coming years, we will continue to focus on the efficiency of our own organization and make sure we are flexible enough to adapt to changing circumstances.

#### Bulding blocks of airport charges

Mr. Luske elaborates on the slide showing the building blocks of charges at Schiphol. He explains that a number of building blocks will be discussed in depth with the airlines during several deep dive and pre-consultation sessions. Some building blocks will be sent by email for consultation purposes.

Mr. Luske shows the slide on the consultation process in 2021 and explains that feedback and lessons learned in 2018 were taken into account setting up this process. He also explains that out of efficiency reasons, Schiphol has decided to provide part of the consultation information by email instead of organising meetings on these topics. Mr. Luske acknowledges that a number of building blocks are discussed relatively late in the process due to the high levels of uncertainty. Also the charge intention end of August depends on the possible adjustments on the Bels (Besluit exploitatie luchthaven Schiphol). Although this legal process is not part of the formal charges consultation, the final outcome of this process may impact the final charges proposal. Mr. Luske shows the proposed deadlines for the consultation of the benchmarks (quality, charges and cost benchmark) and the peer group used for the charges benchmark and the quality benchmark.

Mr. Luske ends his presentation emphasizing that it's strongly preferred for airlines to be represented in the pre-consultation process by the airline organisations BARIN, IATA or an alliance representative that will attend all meetings. A compact group will enhance an open and constructive dialogue.

Ms. Otto asks whether there are any questions.

Mr. Nieuwhof asks how Schiphol will deal with the consultation of the cost model and quality benchmark. He says that pre-consultation meetings are informal sessions and wonders how Schiphol will facilitate discussions on the topics. According to Mr. Nieuwhof only written views are not enough.

Mr. Luske explains that the model used for the cost benchmark, the quality indicators used for the quality benchmark and the peer group have to be consulted and set before the formal consultation. During the former consultation (charges 2019-2021) meetings on these topics were organised. This year Schiphol decided to send the proposals by email.

Mr. Hofstede and Ms. Van der Meijs say they understand Mr. Nieuwhof's position and promise to check the possibilities to have a discussion on these topics.

Mr. Raffo says to agree with Mr. Nieuwhof. He emphasizes the need for discussion. According to Mr. Raffo just sending proposals per email does not do justice to the importance of the topics.

Mr. Raffo is also of the opinion that the pre-consultation process was set up to avoid surprises in the process. In the proposed process presented by Schiphol, some topics are planned to be discussed at the end of the pre-consultation process. During the previous pre-consultation deep dive sessions on cost drivers and cost development took place earlier in the process (March resp. May). Mr. Raffo says he understands the uncertainties, but according to him that doesn't mean that discussions have to take place at the end of the process and perhaps Schiphol can use scenarios.

Mr. Hofstede explains that in 2018 the first deep dive session in March only the cost drivers were discussed. So no in depth discussion on the cost development took place back then.

Ms. Otto says that if topics can be discussed earlier, and the content is worthwhile discussing, Schiphol will arrange for this.

Ms. Tilson asks whether the submissions and written views of airlines will be shared with users, for transparency purposes.

Mr. Hofstede answers that besides the individual replies on written views to airlines, Schiphol makes a general outline of all written views.

Ms. Tilson states she would request that all of the written will be shared. She assumes that all airline colleagues would agree.

Mr. Hofstede says to come back on this matter. *[As mentioned in these minutes, Schiphol makes an outline/summary of all airline views, without disclosing the airlines' name. Airlines are always free to share their views with each other. Schiphol will not disclose the content of written views sent by individual airlines.]*

Mr. Scriva states to agree with Mr. Raffo and asks which topics are shared by mail.

Mr. Luske answers that these topics are mentioned on the last slide: the model used for the cost benchmark, the quality indicators used for the quality benchmark and the peer group used for both the quality benchmark and the charges benchmark. The models and peer group have to be consulted.

The other topic shared by mail, is the WACC. Airlines have the opportunity to ask questions on the WACC during the pre-consultation meeting at the beginning of June.

Mr. Fruitema thanks Schiphol for the elucidation on the process and says to fully understand the financial challenges. Mr. Fruitema pleads for open communication and transparency. According to Mr. Fruitema these are times for unique measures and in-depth discussions. More than ever before airlines and airport depend on each other. Airlines are under severe pressure in order to survive and it will be very important how every penny will be spent. The past is not measurement for the future.

Ms. Tilson asks which relief measures Schiphol plans to offer in 2021.

Mr. Hofstede answers that during the first quarter, Schiphol has extended the discount of 12,5% on the landing and take-off charges, the payment discounts of 30 days -/-2% and 45 days -/-1% and the discount of 50% on the parking charges. Besides this the standard payment terms remain extended to 60 days.

As from April 1<sup>st</sup>, the foreseen average increase in charges of 5% will be postponed until October 1<sup>st</sup> 2021. On top of this, during the second quarter, Schiphol offers a discount of 5% on the landing and take-off charges, 50% on the parking charges and continues the payment terms and early payment discounts.

Ms. Horvath states to agree with Ms. Tilson on transparency when it comes to the airline views. She states that airline organisation should be able to help the airlines with that.

Mr. Raffo asks Schiphol to extend the deadlines for consultation of the benchmark models with some weeks.

Mr. Hofstede promises to come back with a proposal.

*[Schiphol proposes to organise an extra online meeting in order for airlines to express their views and to ask questions. As this meeting is planned a week before the deadline for airlines to send in their views, Schiphol has decided to keep the deadline. Please find herewith the schedule:]*

<i>To be consulted</i>	<i>To be published</i>	<i>Online meeting</i>	<i>Deadline written views</i>	<i>Final setting</i>
<i>Model for cost benchmark</i>	<i>April 12, 2021</i>	<i>April 23, 2021 (9.30 a.m.)</i>	<i>April 30, 2021</i>	<i>May 14, 2021</i>
<i>Quality indicators used the quality benchmark</i>	<i>April 12, 2021</i>	<i>April 23, 2021 (9.30 a.m.)</i>	<i>April 30, 2021</i>	<i>May 14, 2021</i>
<i>Peer group for the quality benchmark and charges benchmark</i>	<i>April 12, 2021</i>	<i>April 23, 2021 (9.30 a.m.)</i>	<i>April 30, 2021</i>	<i>May 14, 2021</i>

*Besides the above-mentioned consultation documentation, Schiphol will also publish information on the WACC on April 12, 2021. During the online meeting on April 23, 2021, airlines have also the opportunity to ask questions on this topic.]*

Ms. Otto thanks the participants for their questions. She summarises that if separate meetings are required, Schiphol will try to arrange this. She states to agree with Mr. Fruitema and confirms the challenging times the sector is in. Also the need for open communication and the confidence in each other.

Mr. Raffo pleads for a postponement of one week for the submission of the written views on the benchmark models and peer group. *[see above for new proposal]*

Ms. Van der Meijs thanks every one for the collaboration and support in the past four years. She expresses her confidence in Mr. Carsouw.

Ms. Otto closes the meeting at 11.20 a.m.