

**STATE AID SCHEME
TO SUPPORT THE ACTIVITY OF AIRLINES IN THE CONTEXT OF THE ECONOMIC CRISIS
CAUSED BY THE COVID-19 EPIDEMIC**

CHAPTER I: General provisions

Art. 1

(1) The objective of this State aid scheme is to support the activity of airlines whose activity has been disrupted by the COVID 19 pandemic .

(2) State aid granted under this scheme is compatible with the common market in accordance with the Communication from the European Commission - *Temporary framework for State aid measures to support the economy in the context of the current COVID-19 epidemic* (2020/C911/01), published in the Official Journal of the EU of 20.03.2020 (hereinafter referred to as the Communication), as subsequently amended and supplemented, will be granted after obtaining the authorization decision from the European Commission.

(3) State aid will be granted on the basis of the Communication, subchapter 3.1. - "Limited amounts of aid".

Art. 2 For the purposes of this scheme, the following terms are defined as follows:

- a) State aid provider - Maramureş County Council;
- b) administrator of the scheme - Maramureş International Airport Autonomous Authority;
- c) State aid - any measure that meets the criteria provided in art. 107 (1) of the EC Treaty;
- d) enterprises in difficulty - in accordance with *Regulation (EU) no. 452/2021 correcting the Romanian language version of Regulation (EU) no. Commission Regulation (EC) No. 651/2014 of June 17, 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as subsequently amended and supplemented*, an undertaking is considered to be in difficulty in the following situations:

(i) In the case of a limited liability company (other than an SME that has existed for less than three years), when more than half of its subscribed share capital has disappeared due to accumulated losses. This situation occurs when the deduction of accumulated losses from reserves (and from all other items generally considered to be part of the company's own funds) leads to a negative result that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the two types of companies listed in Annex I to Directive 2013/34/EU (4) and 'share capital' includes, where appropriate, any additional capital.

(ii) In the case of a company in which at least some of the partners have unlimited liability for the company's receivables (other than an SME that has existed for less than three years), when more than half of the equity as shown in the company's accounts has

disappeared due to accumulated losses. For the purposes of this provision, "a company in which at least some of the partners have unlimited liability for the company's receivables" refers in particular to those types of companies listed in Annex II to Directive 2013/34/EU.

(iii) Where the enterprise is the subject of collective insolvency proceedings or meets the criteria laid down in national law for collective insolvency proceedings to be opened at the request of its creditors.

(iv) When the enterprise has received rescue aid and has not yet repaid the loan or has not terminated the guarantee or received restructuring aid and is still subject to a restructuring plan.

(v) In the case of an enterprise that is not an SME, when in the last two years:

1. the debt/equity ratio of the enterprise is higher than 7.5; and

2. the interest coverage capacity calculated on the basis of EBITDA is below 1.0;

e) airline - any air carrier with a valid operating license issued by a Member State or a member of the European Common Aviation Area, pursuant to Regulation (EC) No. 1008/2008 of the European Parliament and of the Council.

CHAPTER II: The form of aid

Art. 3

(1) The beneficiaries mentioned in art. 4 (1) whose activity has been disrupted by the COVID-19 pandemic and who face a sudden liquidity shortage or even the unavailability of liquidity, benefit from a direct grant that cannot exceed the RON equivalent of **800,000 EUR** if they meet the conditions laid down in this State aid scheme.

(2) The euro/leu exchange rate for calculating the maximum levels is the exchange rate of the National Bank of Romania valid at the date of issuing the invoice or other similar document representing the value of the direct grant, corresponding to each installment.

CHAPTER III: Beneficiaries

Art. 4

(1) The beneficiaries of this scheme are the air carriers that undertake to operate regular external flights at Maramures International Airport, whose activity has been disrupted by the COVID-19 pandemic and which are facing a sudden liquidity shortage or even unavailability of liquidity.

(2) Beneficiaries who meet the following eligibility criteria can benefit from State aid based on the scheme:

a) Must have an air operating license issued in accordance with EC Regulation No. 1008/2008 on common rules for the operation of air services in the EU;

b) Must have compulsory accident insurance covering passengers, cargo, mail, and civil liability in accordance with the conditions of EC Regulation No. 785/2004; (EC Regulation No. 785/2004 of the European Parliament and of the Council of April 21, 2004 on insurance requirements for air carriers and aircraft operators, as amended and supplemented by EC Regulation No. 1137/2008 and EC Regulation No. 285/2010);

- c) Should not be on the European Commission's blacklist of airlines that fail to meet safety standards, published at: https://ec.europa.eu/transport/modes/air/safety/air-ban/search_en;
- d) Must have a European Airlines Certificate (AOC) or other similar document issued by a competent authority in their country of origin;
- e) They have not received any other aid according to section 3.1 of the Communication, or if they have received, the aid received on the territory of Romania added to the one received under this scheme does not exceed 2,300,000 Euros;
- f) Decisions of the European Commission for the recovery of State aid have not been issued against them or if such decisions have been issued they have been executed, according to the legal provisions in force;
- g) They were not in difficulty, as this notion is defined in art. 2 point d) of this scheme, on December 31, 2019, but they faced difficulties or got into difficulty later, due to the COVID-19 pandemic;
- h) They submit a business plan by which they undertake to operate at least two regular external flights from Maramureş International Airport. The business plan must contain the way in which the airline estimates that the aid received will help to open and operate the proposed routes.

CHAPTER IV: Duration, scheme budget and estimated number of beneficiaries

Art. 5

- (1) The State aid scheme to support the activity of airlines in the context of the economic crisis generated by the COVID-19 pandemic enters into force after the publication of the Maramureş County Council Decision approving it, after obtaining the authorization of the European Commission and will be valid until 30.06.2022.
- (2) The selection period of the beneficiaries is 45 days from the date of publication of the Maramureş County Council Decision. The period in which the State aid will be paid is between the date of entry into force of the Contract granting State aid and 30.06.2023.
- (3) The total budget of the State aid scheme to support the activities of airlines in the context of the economic crisis generated by the COVID-19 pandemic is a maximum of 1,600,000 Euros. The financing of the State aid scheme will be made from the local budget of the Maramureş County Council.
- (4) The total aid granted to a beneficiary is a maximum of 800,000 Euros, if it meets the conditions provided by this State aid scheme.
- (5) The beneficiaries of the State aid scheme to *support the activity of airlines in the context of the economic crisis generated by the COVID-19 pandemic* are the airlines that meet the eligibility criteria.
- (6) Maramureş County Council estimates that a number of 4 (four) airlines will submit applications for State aid under this scheme.

CHAPTER V: How the scheme is applied

Art. 6

1. The State aid measures regulated by this scheme will be made public on the Maramureş International Airport Autonomous Authority's website. - www.aimm.eu and of the Maramureş County Council - www.maramures.ro, as well as in a financial newspaper with national coverage together with the eligibility conditions to be met by the airlines concerned. The terms and conditions to be met shall be stated in a clear and non-discriminatory manner.
2. The interested airlines must send in electronic format to the email address: office@aimm.eu and physically to the Maramureş International Airport, a request for State aid to which they shall attach all the documents proving the fulfilment of the eligibility criteria provided in art. 4.
4. Interested airlines will have to submit services proposals to the scheme administrator, based on a business plan, specifying the external routes proposed to be operated and the operating frequencies, the aircraft to be used and their capacity, expected levels of traffic, the period of operation of the route and the way in which the State aid received under the scheme influences the resumption of air traffic at Maramureş International Airport.
3. Maramureş International Airport Autonomous Authority, as administrator of the State aid scheme, organizes the selection procedure according to the provisions of the Contract for the implementation of the "State aid scheme to support the activity of airlines in the context of the economic crisis generated by the COVID-19 epidemic" , concluded with the Maramureş County Council - verifies whether the beneficiaries meet all the eligibility conditions provided in art. 4 of this scheme.

In order to separate the beneficiaries for the allocation of the State aid, the following will be used as evaluation factors: number of destinations to be operated, number of flights/week (flights/week x proposed operating frequencies), number of passengers estimated to be generated in a period of 1 year from the receipt of the State aid.

The score for each evaluation factor will be as follows:

Evaluation factor	Maximum score
Number of destinations proposed to be operated	50
Number of flights/week (<i>flights/week x proposed operating frequencies</i>)	30
Number of passengers (<i>estimated to be generated in a period of 1 year from the receipt of the State aid</i>)	20

Calculation algorithm:

- a) for each of the evaluation factors the best offer will receive the maximum score. For example: for the largest number of routes proposed to be operated, the maximum score allocated to the evaluation factor will be awarded, respectively 50 points.
- b) for the other offers below the maximum score, the score will be calculated proportionally, as follows: $P(\text{score}) = (\text{offer} \times \text{maximum score}) / \text{best offer}$

The method of distributing the amounts/beneficiary shall be proportionate, depending on the scores obtained.

The minimum requirement to be met for the submission of the tender is that the business plan includes a minimum number of 2 (two) external destinations proposed to be operated.

If the offer of the air operators located under position 1 in the ranking includes the same external destinations proposed to be operated by the air carrier located in the first position, they will have the possibility to change the destinations.

4. Following the analysis of the Application for State aid, accompanied by the documents proving the fulfillment of the eligibility criteria listed in art. 4, as well as the business plans proposed by the State aid applicants, the scheme administrator has the possibility to propose the refusal to grant aid for tenders that do not meet the expectations set by the objectives and purpose of this scheme, respectively at least 2 (two) external destinations operated.

5. If a State aid applicant does not comply with the granting conditions provided in the scheme and within the State aid contract, Maramureş County Council may proceed with the cessation/termination and recovery of the State aid, as appropriate, according to the administrator's report scheme and in accordance with the provisions of Government Emergency Ordinance no. 77/2014 on national procedures in the field of State aid as well as for amending and supplementing the Competition Law no. 21/1996, with subsequent amendments and completions.

6. Except for the provisions regarding the cessation/recovery of State aid, in the event that there will be flight restrictions, caused for reasons not attributable to the airline (e.g. flight restrictions issued by the states in which/from which they operate flights, unfavorable weather conditions etc.) the airline cannot be obliged to reimburse the amounts received as a result of non-fulfillment of the conditions contained in the contract for granting State aid during the period when the airline is unable to operate the flights.

7. After the completion of the selection procedure of the airlines, beneficiaries of the State aid scheme, Maramureş International Airport Autonomous Authority - the administrator of the scheme, will submit to the Maramureş County Council, all the documents attesting the fulfilment of the eligibility provided in art. 4, in order to conclude the State aid granting contracts and to pay the amounts related to the State aid granted on the basis of this scheme.

8. Maramureş County Council will conclude with the beneficiaries, by 30.06.2022 at the latest, the contracts for granting State aid, until the complete exhaustion of the budget of the State aid scheme.

9. Maramureş County Council will pay the State aid to the airlines in three installments, until 30.06.2023 at the latest, according to the Contract for granting the State aid and the Confirmation of the service provision by the administrator of the State aid scheme, as follows:

- the first installment in the amount of 30% of the total amount of the State aid, at the signing of the contract;
- the second installment of 30% of the total amount of the State aid in the 6th month of operation;

- the third installment in the amount of 40% of the total amount of the State aid in the 10th month of operation.

CHAPTER VI: Amount

Art. 7

(1) The temporary aid measures covered by this scheme may be combined with other State aid granted in accordance with the provisions of the specific sections of the various sections of the Communication.

2. The temporary aid measures provided for in this scheme may be combined with other aid granted in accordance with Section 3.1 of the Communication, provided that the total support granted to a beneficiary does not exceed 2,300,000 EUR on the territory of Romania.

3. The temporary aid measures provided for in this scheme may be cumulated with aid falling within the scope of the de minimis regulations or with aid falling within the scope of Regulation 651/2014, provided that the provisions and cumulation rules laid down in those regulations are complied with.

(4) In order to verify the cumulation rules, the companies requesting State aid under this scheme will have to submit a statement on their own responsibility regarding other state/de minimis aids received, mentioned in par. (1) - (3).

(5) The Maramureş County Council will also check all potential beneficiaries of State aid on the national online RegAS platform (The State Aid Register).

CHAPTER VII: Provisions on transparency, monitoring and reporting

Art. 8

(1) Maramureş County Council and Maramureş International Airport Autonomous Authority have the obligation to publish on the websites (www.cjmaramures.ro and www.aimm.eu) the full text of the State aid scheme, the period in which applications can be registered, the total budget of the scheme, the date on which the total budget of the scheme is used up.

(2) The Maramureş County Council must keep detailed records regarding all aid granted under the scheme. These records shall contain all the information necessary to determine whether the criteria of the relevant European regulations are met and must be kept for 10 years from the date on which the last aid under the scheme was granted.

(3) The beneficiaries of the State aid granted under this scheme must keep all the documents related to it for 10 years and are obliged to make them available to the administrator/provider or the Competition Council whenever they are requested.

(4) The Maramureş County Council has the obligation to transmit to the Competition Council all the data and information necessary for the monitoring of State aids at national level, in the format and within the term provided by the Regulation on State aid monitoring procedures, implemented by the Order of the President of the Competition Council no. 175/2007, as well as the data and information necessary for the elaboration of the inventory of State aids and of

the reports and information necessary for the fulfilment of Romania's obligations as a member state of the European Union.

(5) Maramureş County Council has the obligation to upload this scheme, any financing agreements, payments made and possible recoveries in the General Register of State Aid Granted in Romania (RegAS), in accordance with the provisions of the Order of the President of the Competition Council no. 437/2016 for the implementation of the Regulation on the State aid register.

6. For State aid granted under this scheme, the provider shall comply with the monitoring and reporting obligations set out in the Communication throughout the duration of the scheme.

CHAPTER VIII: Control of the beneficiaries of the scheme and recovery of State aid

Art. 9

(1) The monitoring and control of the beneficiary enterprises within the present State aid scheme will be done by the administrator of the scheme, namely Maramureş International Airport Autonomous Authority, which, at the intervals established in order to pay the installments related to the state aid, shall draw up a report containing a comparison between those provisions undertaken by the airline through the State aid contract and the number of destinations operated, number of flights/week, respectively the number of seats actually allocated by the airline at/from Maramureş International Airport. The report, together with the supporting documents, will be submitted to the Maramureş County Council as a provider of State aid, in order to make payments according to the installments established in this scheme.

(2) If it is found that the beneficiary did not comply with the granting conditions provided by this scheme in art. 4, in the business plan, as well as the operating capacity at/from Maramureş International Airport, undertaken through the State aid contract, the provider will proceed to the cessation/termination and recovery, as the case may be, of the State aid in accordance with the provisions of the Government Emergency Ordinance no. 77/2014 on national procedures in the field of State aid, as well as for amending and supplementing the Competition Law no. 21/1996, with subsequent amendments and completions.

(3) 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 Regulation (EU) no. 1589/2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union.