

№	Question	Answer
1.	<p>The responses uploaded on 29 October 2018 (QA_29.10.18_1_en - Questions 9 &amp; 10) seem to be in contradiction with the previous responses provided with respect to the economic regulation principle, I.E. responses from 9 August 2018 (QA_09.08.18_1_EN - Question 8), 20 August 2018 (QA_20.08.18_4_EN - Question 5) and 28 September 2018 (QA_28.09.18_1_EN Question 5).            Could you please confirm that, from your responses on questions 9 and 10 of (QA_29.10.18_1_en), we can understand henceforth that the amortization of the upfront concession payment asset and related cost of capital should now only be allocated to the regulated airport revenues part, based on the percentage of regulated revenues / (regulated revenues + non regulated revenues)?</p>	<p>The method of allocation of these elements is part of the Financial Model which should meet the requirements laid out in the Tender Documents.</p>
2.	<p>In the responses uploaded 29 October 2018 (QA_29.10.18_1_en - Questions 9 &amp; 10) with respect to the economic regulation principles, if the allocation principle for the upfront concession payment seemed to be clear (as per our question 1), it was not explicitly the case for the annual concession payment. Could you please indicate whether the annual concession payment should also be included based on percentage of regulated revenues / (regulated revenues + non regulated revenues) or should it be included as 100%?</p>	<p>The method of allocation of these elements is part of the Financial Model which should meet the requirements laid out in the Tender Documents.</p>
3.	<p>Clause 13.1 of Concession Agreement            We understand that -            a) during the Transition Period of 1 year:                i) Initial shareholders can transfer shares between themselves, to the extent the airport operator maintains the required shareholding                ii) Initial shareholders may divest up to 40% of shareholding to Financial Institutions                iii) No single Financial Investor can acquire shares more than 20% of shareholding            b) after the Concession Commencement Date, up to 5 years:                i) Initial Shareholders, in aggregate should hold at least 60% of total shares, while the</p>	<p>We refer to the provisions set forth in the draft Concession Agreement.            The intent of this response is neither to paraphrase the draft Concession Agreement, nor by paraphrasing such draft to change the meaning set forth therein.            Accordingly, as concerns your questions let us just confirm that:            a) (iii) the 20% limit applies to any new investor in the Transition Period;            b) (i) yes; (ii) yes; (iii) there is no restriction on either number or type of investors;            c) After the five years period, Clause 13.2.3 applies. We refer in this respect to the</p>

	<p>transfer between themselves is acceptable</p> <p>ii) Airport Operator is required to maintain 20% of shareholding</p> <p>iii) Initial Shareholders can divest up to 40% of shareholding in the Concessionaire.</p> <p>There is no restriction on either number or type of investor(s) taking this 40% stake</p> <p>c) after 5 years from the Concession Commencement Date:</p> <p>Initial Shareholders can divest their entire shareholding subject to Airport operator holding 10% of shareholding till 10 year post Concession Commencement Date or till 2 years post opening of Terminal 3 whichever is later</p> <p>d) after 10 years from Concession Commencement Date, the Airport Operator can divest its balance shareholding in the Concessionaire.</p> <p>We request you to confirm the above understanding</p>	<p>definition of Control set forth under Affiliate and which is referring back to Bulgarian law.</p> <p>d) Yes, in accordance with the provisions of Clause 13.2.4.</p>
4.	<p>Schedule 4 - Part 2 &amp; 3- Financial Proposal and Evaluation</p> <p>Current structure of a single Annual Concession Fee percentage (ACF) throughout the concession term restricts bidders from sharing upside towards later years in the concession. This is due to the fact that the cashflow and debt servicing requirements in initial years, pose a limitation on the ACF percentage being offered.</p> <p>We suggest that the Annual Concession Fee may be allowed to be quoted in blocks of 5 years each. Thus, bidders will be able to quote a lower ACF in the initial years and scale it up to a higher number in the future years, leading to a better acceptance from a lenders' perspective. we would also suggest that the minimum ACF amount for first year block be limited to BGN 7.5Mn and increased in subsequent blocks.</p>	<p>The financial and economic model of the Concession is based on estimates of the amount and the terms of payment of the minimum Annual Concession Fees as specified. The proposed minimum Annual Concession Fees and terms of payment constitute an element of the Justification of the Concession whereby the lawfulness and advisability of the Concession is justified. The amount and terms of payment of the Annual Concession Fees will not be amended.</p>
5.	<p>Schedule 3, Part 1 - 4 (a) (ii) (D) of the Tender Documents</p> <p>Due to the requirements of translation and compilation of documents for the Application and Offer, It is not practical for foreign bidders to obtain an affidavit from the Chief Financial Officer confirming financial</p>	<p>We will assess and review your request.</p>

	position and Total Net Worth of the company as on the Application and Offer Submission Deadline date. We request that the affidavit from CFO be accepted confirming the financial position on a date one month prior to the Application and Offer Submission Deadline.	
6.	Clause 3.8.3 of Concession Agreement: The threshold level above which Grantor Approval is required for contracts with respect to Airport Services to Affiliates and Third Parties, at € 100,000 is very low and will impact the day-to-day operations and the speed of decision making. We request that the threshold may be increased from € 100,000 to € 1,000,000 (Euro 1Mn).	We understand your approach, but the present draft Concession Agreement is the conclusion reached from various considerations.
7.	We refer to your response to query dated 21-09-2018 Q - Could you please clarify whether the answers of the Grantor under the Q&A procedure are binding on the Grantor? A - The answers in the tender process are non-binding for the Grantor. This creates a high degree of uncertainty as all bidders are making assumptions based on the clarifications and responses which are being issued by the Grantor. We request that these responses be made binding on the Grantor	Under the Concessions Act, within the Q&A process as part of the Tender Procedure, the Tender Commission provides clarifications and additional information. Where, as result of this, there is an identified need of changes to the Concession Notice and/or the Tender Documents, the Commission proposes relevant changes, which are to be approved by the Grantor by virtue of a Notice of Amendment.
8.	We believe that there are a lot of areas where the Grantor has provided clarifications and also where Grantor's view is currently under consideration. We request that the above may be incorporated in the Tender Documents & Concession Agreement and an revised draft / amendment be issued to the same	The Grantor reserves the right and discretion to update or refrain from a modification of the Tender Documents and the Concession Agreement.
9.	We request you to clarify whether Trade deposits be considered for calculation of Aggregate concession revenues.	Please refer to the answer to Question No.15 published on 01.11.2018 (file Q&A_01.11.18_2).
10.	Many of the airport charges includes monetary allowance for Maintenance Supervisory Authority. Can you please confirm that such revenue/receipts will not be included in calculation of Aggregate Concession Revenues for calculation of annual concession fees.	The term Aggregate Concession Revenues is a contractual term and is mainly for the purposes of calculating the Concession Fees. It is also used in relation to defining the Value of Concession – see Clause 30.2 of the Concession Agreement. In this respect, the provisions of articles 27 – 29 of the Concessions Act have to be observed. According to art. 27 CA, the value of the

		<p>concession includes <b>the total turnover</b> of the concessionaire for the entire concession period, excluding VAT, <b>received as revenues</b> from the exploitation of the works or services. Further on, art.28(1) CA lists several possible categories of revenues to be included in the estimated value of the concession. The list includes “<i>revenues from charges and fines paid by the users of the works or the services, except those, which are envisaged to be collected for the grantor</i>”.</p> <p>According to <b>article 16e</b> [BG: 16Д], paragraph (5) of the <b>Civil Aviation Act</b>, the airport operator shall deliver to DG CAA (in its capacity as independent supervisory authority) the funds collected as part of the airport charges, which are designated to cover the functions of DG CAA.</p>
11.	<p>We ask for your clarification on the following question: If a participant or a third person has more than one legal representatives who, according to the manner of representation, are required to sign out Forms E.1 and E.2, can all legal representatives whose signatures are required sign one single declaration Form E.1, respectively, one single declaration Form E.2 or each legal representative has to sign a separate declaration Form E.1 and a separate declaration Form E.2?</p>	<p>If any entity (Bidder, Consortium member, Third Party or Subcontractor) is represented jointly by two or more representatives, they may sign one single declaration of each respective Form, rather than separate declarations (i.e. one declaration Form E.1 signed by the respective representatives and one declaration Form E.2 signed by the respective representatives).</p>
12.	<p>Please confirm the following understanding of the draft Concession Agreement regarding the restrictions on the transfer of shares in the Concessionaire:  <u><b>Both during the Transition Period and after the Concession Commencement Date (i.e. for the entire duration of the Concession Agreement)</b></u> Art. 13.1 requires that the Grantor is <u>notified</u> 60 days in advance of any proposed transfer of shares of the Concessionaire and entitles the Grantor to <u>object</u> to any such proposed transfer on the basis of objective reasons based on national interest or public order considerations.  The draft Concession Agreement does not clarify what is the effect of an objection by the Grantor under Art. 13.1.2. <u>Is the transfer not possible if the Grantor objects?</u></p>	<p>We refer to the provisions set forth in the draft Concession Agreement.  The intent of this response is neither to paraphrase the draft Concession Agreement, nor by paraphrasing such draft to change the meaning set forth therein.  Accordingly, as concerns your questions let us just confirm that:  (i) Yes, no transfer shall be possible if the Grantor objects.  (ii) Clause 13.3.1 refers to own Affiliates of Initial Shareholders;  (iii) Within the Transition Period, all restrictions apply in either case, see wording, "provided that in either case";  As concerns transfers at a later stage, both Clauses 13.2.3 and 13.2.4 have to be observed.</p>

How does Art. 13.1 correlate with Art. 13.3.1, which permits free transfers “*between the Initial Shareholders to Affiliates of the Initial Shareholders*” and what does this actually mean: does it mean (a) transfers from one Initial Shareholder to another Initial Shareholder or an Affiliate thereof and/or (b) from an Initial Shareholder to its own Affiliates?

**Within the Transition Period** Art. 13.2.1 allows transfers of shares (a) freely among the Initial Shareholders, provided that any shareholder - airport operator retains at least 20% and/or (b) with the Grantor’s consent – to Financial Institutions, provided that the Initial Shareholders retain at least 60%; any shareholder airport operator retains at least 20% and no new investor acquires more than 20%.

**In the period between the Concession Commencement Date and 5 years thereafter (plus any delay in the completion of the Imminent Works)** as per Art. 13.2.2 transfers are possible freely, provided that (a) the Grantor is notified 60 days in advance, (b) the Initial Shareholders retain at least 60% and (c) any shareholder - airport operator retains at least 20% (Art. 13.2.4).

**After the above lock-up period** as per Art. 13.2.3 shares in the Concessionaire may be transferred (a) freely, provided that (i) the transfer does not result in the Initial Shareholders losing Control over the Concessionaire and (ii) any shareholder - airport operator retains at least 10% until the later of (1) the tenth year or (2) two years after the opening of Terminal 3 (Art. 13.2.4) or (b) with the Grantor’s consent, if the transfer will result in the Initial Shareholders losing Control over the Concessionaire, provided that such consent may be withheld only on the specific (but still quite broad) grounds listed in Art. 13.2.3 (national interest, public order, contradiction with the purpose of the Concession Agreement or new controlling

	shareholder does not have the required technical expertise or financial standing).  <b><u>At any time</u></b> with the Grantor’s consent – Art. 13.3.3.	
13.	File Index No. 2.12, Sheet No. 2, states that Tobacco revenues for Duty Paid were 34.215.000 BGN in 2017. Please advise whether this amount is pre- tax or after tax.	The amount of BGN 34,215 thousand, revenue from tobacco products sale for 2017, is pre-tax.
14.	Please confirm if the agreement with El Al Israel Airlines is in full force and when it will expire. In the table summarizing the ground handling agreements (Folder 3 of the physical data room) it is stated simultaneously that the agreement is valid as of June 2018 and that its term expired in February 2018. If the agreement has been partially terminated in respect to some of the services, please clarify for which of the services it is still in force.	The Agreement with El-Al is valid in its full range of services. It is an open-term Agreement and so far no prior notice has been received from the company for its termination.
15.	In the answer to question 2501 of 26.10.018 it is stated that the “agreement for auxiliary services” with Wizz Air will remain in force. The data room contains only one ground handling agreement with Wizz Air which term is to expire on 31 October 2018. Could you clarify what is meant in the answer?	The Agreement with Wizz Air for auxiliary services is open-term.