№	Question	Answer
1.	We note that limb c) of Clause 40.6.2 in the updated draft Concession Agreement posted by the Grantor on 26 December 2018 continues to contain the inconsistency between limb c) of Clause 40.6.1 and limb c) of Clause 40.6.2 of the Concession Agreement regarding the amount of the NPV of the Distributions subject to deduction (in case of termination due to Concessionaire's Event of Default) or addition (in case of termination due to Grantor's Event of Default). This inconsistency results in an unfair treatment to the Concessionaire and leads to the deviations from the market standard practice. We do believe that the Concessions Act and, in particular, article 150 thereof, , does not provide legal grounds for such discriminatory and unfair treatment of the Concessionaire in the case of termination due to a Grantor's Event of Default. On the contrary, article 150, paragraph (2) item 1 in conjunction with paragraph 4 of the Concessions Act, which stipulate the amount of the termination compensation in case of termination of the Concession Agreement due to a Grantor's Event of Default, explicitly provide that the Concessionaire is entitled to be reimbursed for all non-refunded costs in the object of concession. Such costs should cover, amongst others, the equity with a rate of return determined by the financial and economic model. The Concession Act does not provide for a time limitation of 5 years as Clause 40.6.2 c) of the Concession Agreement does. Therefore, we do not understand what the legal grounds are for Clause 40.6.2 c) to limit the amount to the NPV of the Distribution subject to addition in the scenario of termination due to Grantor's fault for a time period of five years only, while such limitation does not exist in the scenario of termination due to a Concessionaire's Event of Default (i.e. under limb c) of Clause 40.6.1, in case of termination of the Concession Agreement due to a Concessionaire's Event of Default, the NPV of the Distributions are subject to deduction without any time limit) Therefore, could you please confirm that you will reconsider the current approach in limb c) of Clause 40.6.2 of the Concession Agreement. The result which is sought by the potential bidder and which would reflect the market standard practice is the following: if the Concession Agreement is terminated due to Grantor's Event of Default, then the Grantor shall add the net present value of all future expected Distributions projected in the Financial Model (rather than the net present value of the expected Distributions for five years only). Such approach would ensure the consistency between Clause 40.6.1 and Clause 40.6.2, on one hand, and Clause 40.6.2 and Article 150 of the Concession Act, on the other, as well as would provide a fair treatment to the Concessionaire in the Concession Agreement in line with the main principle of non-discrimination, which is established by the Concessions Act and by acquis communautaire, as well as by various international acts to which the Republic of Bulgaria is a party.	It is market standard that there is a difference in treatment between a Concessionaire Event of Default and a Grantor Event of Default. Furthermore, the Bulgarian Concessions Act does provides for a treatment in a Concessionaire Event of Default scenario as it enables the reimbursement of the Termination Date Equity so no further changes are required.
2.	Thank you for your answer dated 13 December 2018 in which you have confirmed that you would consider the possibility to amend the Ordinance on the Charges for Using the Airports for Public Use and for Air Navigation Services in the Republic of Bulgaria (the "Ordinance") to clarify that the Upfront Concession Fee and the Annual Concession Fee, as well as the expenses	We confirm our understanding that the Upfront Concession Fee and the Annual Concession Fee as well as the costs, incurred by the Concessionaire in reference to financing through

	incurred by the Concessionaire in connection with debt or equity financing of the regulated activities under the Project, are eligible cost components which can be used for the purpose of calculation of the Airport Charges of Sofia Airport. We do believe that such amendment will enhance the competitive process. It is very important such amendment is enacted before the signing of the Concession Agreement. The existing ambiguity is not in favour of the Grantor (as the bid offers may be prejudiced by it) and not in favour of the bidders or their financiers. The ambiguity could only encourage third parties-users of airport services to act in detriment of all the parties to the Concession Agreement Given that the bidders rely on the Grantor's position, expressed through the Q&A, namely that the upfront concession fee and the annual concession fee, as well as the expenses incurred by the concessionaire in connection with debt or equity financing of the regulated activities, are eligible cost components which can be used for the purpose of calculation of the Airport charges of Sofia Airport and the offers they will submit shall be based on this interpretation of the Ordinance. Therefore, could you please confirm that the Ordinance will be amended (explicitly stating that the concession fees - both upfront and annual, are eligible costs for regulated activities for the purpose of calculation of Airport Charges) before the signing of the Concession Agreement? To give a greater flexibility to the Grantor, we as potential bidder are also prepared to consider that the required amendments to the Ordinance are issued after the signing of the Concession Agreement, but on the condition that the Concession Agreement will expressly state that such amendments are a Condition Precedent for the Grantor to be completed by the Concession Commencement Date?	debt or equity of the regulated activities, are eligible cost components for calculating the airport charges at Sofia Airport. The Upfront Concession Fee is eligible for inclusion in the assets base but is expected to be distributed between the regulated and unregulated part of the Concession. In line with our previous answers, we once again point out that the determination of airport charges is carried out by the airport operator in compliance with the Methodology for determining airport charges, representing Appendix 1 to Article 1, paragraph 3 of the Ordinance on the charges for use of airports for public use and air navigation services in the Republic of Bulgaria and the principles laid down in ICAO Policy on Airport and Navigation Charges – Doc 9082 and in the ICAO Manual on Airport Economy – Doc 9562.
3.	We note that amended Appendix 13 "Direct Agreement" to the Concession Agreement published by the Grantor on 26 December 2018 contains new clause 2.2 pursuant to which: a) the Agent shall notify the Grantor of any proposed enforcement of any Permitted Encumbrance as soon as reasonably practicable and in any event at least thirty (30) days before initiating the enforcement procedure; and b) the Grantor's consent is required for any enforcement of a Permitted Encumbrance. We are confused about the inclusion of this clause just before the Bid Submission Date which does not correspond to any bidder's request or a question submitted to the Grantor through the official Q&A process. The requirement of new clause 2.2. for the Agent to obtain the Grantor's consent to the Permitted Encumbrances before the Agent can exercise its right to enforce such Permitted Encumbrance is absolutely unacceptable for the Lenders and thus makes the project non-bankable. It has a serious discrimination potential, as if any bidders do not rely on co-financing by the banks, such bidders would be inappropriately favoured. Moreover, we believe that there is no legal provision in Bulgarian law providing for such requirement. Given that this new requirement creates undue privilege in favour of the Grantor, we have serious concerns about its validity under the Bulgarian law.	Due to the existing rights and/or interests attached to the each of the Permitted Encumbrances, the Grantor reserves the right to object to the enforcement in view of uninterrupted airport operations. Similarly to other Continental European jurisdictions, Bulgarian law does not provide for a prohibition of consent to security enforcement and such consent is, in addition, incorporated throughout the Concession Agreement.

	Based on the above explanation, could you please, therefore, confirm that clause 2.2 will be removed from the form of a Direct Agreement attached to the execution version of the Concession Agreement?	
4.	We note that the definition of "Qualifying Change in Law" in the updated draft Concession Agreement posted by the Grantor on 26 December 2018 has been changed. Limb c) of the new definition contains the requirement the change, revocation, repeal, modification and/or change in interpretation of the Guideline to be "materially detrimental to the Concessionaire". We do not understand the rationale behind this amendment and to the best of our knowledge, it does not correspond to a bidder's question or request submitted to the Grantor through the official Q&A process. Moreover, it completely undermines the whole idea underlying the inclusion of limb c) and the Guideline in the definition of Qualifying Change in Law in the previous draft Concession Agreement posted by the Grantor on 6 October 2018. Please note that the purpose of the inclusion of the Guideline in the definition for Qualifying Change in Law is to provide a protection to the Shareholders of the Concessionaire in the scenario that the change, revocation, repeal, modification and/or change in interpretation of the Guideline results in uncapped liability of the Shareholders. This idea is clearly visible from Clause 34.4 of the draft Concession Agreement. From the amended definition of "Qualifying Change in Law" it appears that if the change, revocation, repeal, modification and/or change in interpretation of the Guideline is materially detrimental to the Shareholders but it is not materially detrimental to the Concessionaire, then it would not be a "Qualifying Change in Law", as defined by the current draft of the Concession Agreement. Since the uncapped liability of the Shareholders obviously affects the Shareholders and not the Concessionaire, it means that the Concession Agreement would not provide any protection to the Shareholders in such scenario. Therefore, could you please confirm that the notion "materially detrimental to the Concessionaire" will be deleted from limb c) of the definition of "Qualifying Change in Law" in the execution version of the Concession Agreement? As an alternative proposal, please confirm that limb c) of the definition of "Qualifying Change in Law" will be amended in a way to include the scenario in which the change, revocation, repeal, modification and/or change in interpretation of the Guideline is materially detrimental not to the Concessionaire only, but to any or all of its Shareholders, as well. Please consider the following drafting proposal in this regard: "Qualifying Change in Law" shall mean: (a) a Discriminatory Change in Law; or (b) a General Change in Law, which comes into effect after the date of this Agreement and which involves additional Capital Expenditure; or (c) a change, revocation, repeal, modification and/or a change in interpretation of the Guideline materially detrimental to the Concessionaire and/or any of its Shareholders;	The rationale is simple - a change of the Guideline which is in the Concessionaire's interest shall not trigger the qualifying change in law provisions. We do see the wording well encompassing a change from a capped to an uncapped liability as this might well be detrimental to the Concessionaire.

5.	Pursuant to the answer to question No 3147 dated 28 December 2018 of the Summary table of the questions and answers "Third Parties shall provide Form C." However, the text of the declaration on the independent proposal Form C is provided for the cases when that declaration is presented by a Bidder. In this regard would you please clarify the following: 1. Is the change in the text of the standard Form C of the independent proposal declaration admissible so that it is adjusted to the cases when it is presented by a Third Party? 2. If the answer to the previous question No 1 is to the affirmative, would you please clarify to what extent and in which manner the text of the standard Form C can be changed? Would you please provide a sample text of declaration Form C by a Third Party?	Bidders shall adapt Form C, *mutatis mutandis*, when is to be issued by a Third Party. Accordingly it should be specified that the Third Party acts in its capacity as Third Party in the context of the Offer.
6.	Upon review of those tender documents, considering the extensive amount of tender preparation works for all the required items, in order provide our most competitive bid, we kindly request your esteemed Authority to provide 1 (one) month time extension to present bid submission date of 11th March 2019.	We do not foresee an extension of the deadline for submission of applications and tenders.