

№	Question	Answer
1.	<p>In some years during the life of the concession, the concessionaire's company may have excess cash that will not be needed for the capex and opex expenditures. Please confirm that there will be no restrictions for the concessionaire to distribute excess cash to its shareholders in the form of dividends, upstream shareholder loan and/or any other legally permitted distribution mechanism.</p>	<p>We confirm that there will be no restrictions for the concessionaire to distribute the excess cash within the legally permitted distribution mechanisms.</p>
2.	<p>The Concession Agreement may require amendment to reflect the terms of our proposed financing structure contained in our Offer. The draft Concession Agreement already contemplates amending the Concession Agreement to reflect the structure of the selected Concessionaire (for example, please see the footnote in clause 11.1) and we assume that this also applies to the financing structure of the bidders. Please confirm that the same principle will apply to relevant terms of the Concession Agreement to reflect the financing structure of the selected Concessionaire as set out in its Offer.</p>	<p>We deem the wording completely flexible for every kind of financing structure with the only parameters being the Acceptable Banks, the Applicable Maximum Senior Debt Ratio and the obligations set forth in clauses 14 to 15 but these fit in our opinion any kind of debt financing.</p>
3.	<p>We refer to our clarification question headed "Economic Rebalance" submitted on 25 October 2018 to which a response was provided (No. 5 on 31 October 2018) that our request would be reviewed and assessed. On 12 December 2018 we submitted a further clarification question seeking an indication as to when we would receive a response to this clarification question or whether the subject matter of this clarification question would be reflected in the next draft of the Concession Agreement. A response (No. 30 on 19 December 2018) stated that "revisions to the published version will be issued soon". However the draft Concession Agreement issued on 26th December did not address the issue at all. We respectfully ask that you respond to the question posed in our Clarification Question of 25th October 2018 (relevant sections set out below for ease of reference) In particular, please confirm whether or not our interpretation of the procedure from the occurrence of a Compensation Event to a Rebalance or termination is correct (in whole or in part).</p> <p>Relevant sections of the CQ dated 25th October 2018:</p> <p>We would like to understand from the Grantor how the process would work from the occurrence of the Compensation Event through to either a rebalance or a termination. We believe that the process is very onerous on the Concessionaire and, as we have stated before, gives concern to the Lenders of the level of cashflow exposure for the Concessionaire for events which are not within their control and are risks which the Grantor has accepted under this Agreement. Please confirm – using a Grantor Variation as an example whereby as a result of the Variation, the Grantor has requested a new system be installed which involves capex and the employment of new staff (opex)–:</p> <ul style="list-style-type: none"> • is it the proposition that if the Variation is under €1m – then the Concessionaire have to do it and is not entitled to any rebalance. The remainder of the drafting creates a number of other questions: 	<p>The provision is the result of an economic assessment.</p> <p>In fact, following the review of your requests, it was assessed that there was no need of specific amendments to the draft Concession Agreement.</p>

- What happens if there is another Variation which is also under €1 m is the threshold measured each time or if the aggregate is over €1 million can the Concessionaire now claim a rebalance?
- What if there isn't another variation but there is a Qualifying Change in Law after the first variation which would bring the aggregate of the Compensation Events over €1 million is the Concessionaire now entitled to make a claim for a rebalance or because it is a Qualifying Change in Law then it needs to be €2 million.
- What if the second variation or qualifying change in law happens 25 months after the first Compensation Event is the stopped from claiming a rebalance?
- are you proposing that opex is not recoverable at all? Therefore the costs of the new staff for the variation (or for example a Discriminatory Change in Law which is a Qualifying Change in Law) is totally to the account of the Concessionaire?

Then if the Grantor decides to terminate rather than compensate the Concessionaire, please confirm that our interpretation of the Concession Agreement is correct in that:

- The Concessionaire will have to meet the upfront costs of carrying out of the Compensation Event ie if a Qualifying Change in Law it will need to comply with the law so will need to make the investment to respond to that new or changed law. It will need to meet the thresholds before claiming a rebalance so may have to wait 2 years before being compensated?
- If the Grantor accepts to Rebalance then there is a negotiation for a further 3 months on the rebalance (amount or method) and if there is a disagreement then to amicable settlement for 2 months, Ad Hoc DRP for 5 months and then on to Arbitration.
- Having agreed the Rebalance (which may not be agreed until after an Arbitration ie 24 months + 3 months + 2 months + 5 months + the period of the Arbitration) the Grantor is given another 6 months to effect the Rebalance but at the end of the 6 months it can decide it is "excessively onerous" and elect to terminate the Concession Agreement. Meanwhile the Concessionaire has borne the costs and expense of the Compensation Event (ie the Grantor Variation or the Qualifying Change in Law).
- Then if the Concession Agreement is terminated, there needs to be a discussion if the costs and expenses of the Concessionaire are "utilised for the performance of the Concession Site" – for example are staff costs associated for the variation considered within this restriction on Termination Date Debt/Termination Date Equity – they will have been paid as a result of the Compensation Event and could have been paid for a minimum of 30 months but could be considerably longer if there is a dispute.

<p>4. Clause 16.1.4 of the English version of the draft Concession Agreement provides that if any Performance Guarantee is provided by an issuer who ceases to be an Acceptable Bank and the Concessionaire does not provide a replacement security within 30 days then the Grantor is permitted to claim the full face value amount of a relevant guarantee and deposit such amount in a ring fenced account. If the issuer is still not replaced in a further 30 days such amount "shall be finally forfeited by the Grantor". We understand that Clause 16.1.4 in the Bulgarian version of the draft Concession Agreement suggests that the monies the subject of a Performance Guarantee provided by an issuer who is no longer an Acceptable Bank are retained by the Grantor and used for claims which would have been secured by the relevant guarantee. Please confirm that the interpretation of the Bulgarian version is correct (as this prevails over the English version).</p>	<p>We confirm the interpretation that the monies would be retained by the Grantor and used for claims which are secured by the relevant guarantee.</p>
<p>5. We refer to our clarification question submitted on 7 November 2018 regarding whether the Shareholders are jointly and severally liable with the Concessionaire during the Transition Period and if so, whether it is intended that Maximum Liability Amount (as applicable to Shareholders) will take effect from the Effective Date (rather than the Concession Commencement Date), given that the Concessionaire has obligations relating to the Transition Period including the satisfaction of Conditions Precedent prior to the Concession Commencement Date. A response was provided (No. 24 on 12 November 2018) that our request would be reviewed and assessed. On 12 December 2018 we submitted a further clarification question seeking an indication as to when we would receive a response to this clarification question or whether the subject matter of this clarification question would be reflected in the next draft of the Concession Agreement. A response (No. 32 on 19 December 2018) stated that "revisions to the published version will be issued soon". These matters were not clarified in the 26 December draft of the Concession Agreement. Please confirm that the Maximum Liability Amount applies during the Transition Period (as set out in our clarification question on 7 November 2018).</p>	<p>This applies from the Concessions Commencement Date as during the Transition Period actions related to satisfaction of the Conditions Precedent shall be undertaken, while in case Non-Completion Clause 2.13 shall apply.</p>
<p>6. We note the changes to Clause 12.2 and Appendix 11 (parts a, b & c) regarding the exclusion of the Third Party Airport Operators from the Maximum Liability Cap. Please explain the rationale for this change.</p>	<p>The rationale are provisions of the Directive 2014/23/EU of the European Parliament and of the Council on the award of concession agreements and of the Concessions Act. Accordingly, there is now a separate cap as described in Appendix 11b.</p>
<p>7. Thank you for your response under number 2 of 17 January 2019. Is our understanding correct that you confirm that the Concessionaire is allowed to subcontract the Ground Handling Services listed in art.48e (in Bulgarian: 48д), para. 3, items 2 – 7 of the Civil Aviation Act provided that the relevant subcontractors possesses the necessary ground handling services licenses?</p>	<p>Your understanding is incorrect. We confirm the answer to question № 2 published on 17.01.2019.</p>