

#		Question	Answer
1	EN	<p>In accordance with Clause 40.6.1 of the Concession Agreement, in the event of termination of the Agreement as a consequence of the Concessionaire Event of Default, the Grantor shall pay to the Concessionaire a compensation amounting to:</p> <p>(a) the Termination Date Debt utilized for performance of investments in the Concession Site until the Termination Date; minus</p> <p>(b) the IRR of the Concessionaire for the Concession Period defined in the Financial Model; minus other elements defined in points (c) and (d).</p> <p>Please define "rate of return of the concessionaire" as there is no definition of the term in the Bulgarian version of the contract.</p> <p>Please explain what is the exact mechanism for calculating the amount to be deducted under paragraph 40.6.1 (b).</p>	<p>In view of the provisions of Art. 150 para.3 item 1 and para.4 of the Concessions Act, Clause 40.6.1 of the draft Concession Agreement will have to be amended to include the equity invested as of the Termination Date reduced by the Threshold Equity IRR.</p> <p>"Threshold Equity IRR" shall mean the IRR produced with respect to equity within the Initial Financial Model (as defined in the draft Concession Agreement).</p> <p>Each Bidder is required to provide in its Offer (within the Technical Proposal) a Financing Plan and Financial Model that includes <i>inter alia</i> "Key standard financial indicators (IRR (the internal rate of return, including Equity IRR and Threshold Equity IRR, as defined in the draft Concession Agreement), WACC, DSCR, LLCR, etc.)" (see schedule 4, part 1, section 2, paragraph B (<i>Financing Plan requirements</i>) of the Tender Documents). With the exception of the IRR, there are no specific requirements in the Tender Documents and draft Concession Agreement as to the mechanism for calculating these indicators.</p>
2	EN	<p>According to Art. 150, para. (2) of the Concessions Act, in case of early termination of the Concession Agreement for a reason for which the Grantor is responsible, the Concessionaire shall be entitled to a compensation in the amount of the non-reimbursed expenses in the object of the concession and the amount corresponding to the rate of return determined by the financial model of the Concessionaire for the entire duration of the contract, less the cost of the reimbursed investment costs in the concession object.</p> <p>Pursuant to paragraph 40.6.2 of the Concession Agreement, in the event of termination of the Agreement as a consequence of the Grantor Event of Default, the Grantor shall pay to the</p>	<p>The expression "utilized for performance of investments in the Concession Site" follows from the provision of Art. 150 para.2 item 1 of the Concessions Act.</p> <p>For the purposes of calculating any of the compensation sums within Clause 40.6 of the draft Concession Agreement (including Grantor Default Compensation Sum under Clause 40.6.2), the key element is the Termination Date Debt, as defined in the draft Concession Agreement. The intention is that all Termination Date Debt under approved Financing Agreements, which has been used for the implementation of the Project used for investments in the Concession Site, would be taken into account, including such related to the Upfront Concession Fee payment.</p>

#		Question	Answer
		<p>Concessionaire a compensation amounting to:</p> <p>(a) the Termination Date Debt utilized for performance of investments in the Concession Site until the Termination Date; plus ...</p> <p>Please define "investments in the Concession Site" as there is no definition of the term in the contract.</p> <p>Please clarify whether the Upfront Concession Fee payment is included in the term "investments in the Concession Site".</p>	<p>The Grantor reserves the right to amend the draft Concession Agreement, where deemed necessary to reflect more clearly the above understanding, in which case the procedure set out in Clause 5.3 of the Tender Documents will apply.</p>
3	ENG	<p>According to Art. 150, para. (3) of the Concessions Act, in case of early termination of the Concession Agreement for a reason for which the Concessionaire is responsible, the Grantor shall owe to the Concessionaire a compensation in the amount of the Concessionaire's unamortized costs for investments in the Concession Site, reduced by the amount corresponding to the rate of return of the concessionaire for the entire duration of the contract.</p> <p>Pursuant to paragraph 40.6.1 of the Concession Agreement, in the event of termination of the Contract as a consequence of the Concessionaire Event of Default, the Grantor pays to the Concessionaire a compensation amounting the Termination Date Debt utilized for performance of investments in the Concession Site until the Termination Date; minus the rate of return of the concessionaire determined by the financial model for the duration of the contract minus other elements defined in the following paragraphs.</p> <p>What happens if "investments in the Concession Site" are made with equity due to the Applicable Maximum Senior Debt Ratio? Does this mean that the Concessionaire will lose all the equity invested?</p>	<p>Please refer to the answer to Question 1 above.</p>
4	ENG	<p>The Concession Agreement contains the Applicable Maximum</p>	<p>According to the draft Concession Agreement, "Senior Debt" shall</p>

#		Question	Answer
		<p>Senior Debt Ratio.</p> <p>Please clarify whether this includes only concession financing contracts entered into by the Concessionaire or contracts for debt financing of the Concession concluded between a person related to the Concessionaire (eg a holding company) and a third party.</p>	<p>mean the financing provided by the Lenders under the Financing Agreements and at any given date during the Concession Period, all amounts outstanding, including interest accrued as at that date, from the Concessionaire or any Affiliate of the Concessionaire to the Lenders under the Financing Agreements (please also refer to the definition of “Financing Agreement”).</p> <p>A holding company or a third party may classify as Affiliate (as defined in the draft Concession Agreement).</p>
5	ENG	<p>According to Appendix 11a to the Concession Agreement, the original shareholders agree to assume certain obligations and responsibilities under the Concession Agreement.</p> <p>With regard to paragraph 5, Limited Indemnities Undertaking, please confirm that the joint liability relates only to the obligations between a shareholder and the Concessionaire, that is, that the shareholders commit themselves to the obligations of the Concessionaire but not to the obligations of the other shareholders.</p> <p>Please confirm that the responsibility of each individual shareholder is limited in proportion to its shareholding in the Concessionaire. For example, if a shareholder has a 30% stake in the Concessionaire's capital, please confirm that he will account for 30% of the Concessionaire's obligations.</p>	<p>The Shareholders of the Concessionaire shall be jointly and severally liable with the Concessionaire for the performance of the Concessionaire’s obligations under the Concession Agreement.</p> <p>However, it is the Ministry’s understanding that, in view of Art. 21 para.5 of the Concessions Act, such joint liability may not be limited, including in proportion to the equity participation in the Concessionaire.</p>
6	ENG	<p>According to Appendix 11a to the Concession Agreement, the original shareholders agree to assume certain obligations and responsibilities under the Concession Agreement. Please confirm that the liability under Appendix 11a is limited to the direct shareholders of the Concessionaire and does not extend beyond them to the owners of their capital.</p>	<p>In general, this understanding is correct.</p> <p>Please note that, if the Bidder proves certain technical or financial requirements on the basis of capabilities/resources of any of its direct or indirect parent companies, such entities will be considered as third parties in accordance with Art. 63 of the Concessions Act and Clause 6.2 of the Tender Documents shall apply. In such case, the respective entities (e.g. direct or indirect parent companies) will be jointly and severally liable with the Concessionaire on the grounds of Art.63 para.3 of the Concessions</p>

#		Question	Answer
			Act. Depending on the type of resources provided, Appendix 11b or Appendix 11c to the draft Concession Agreement will be applicable.
7	ENG	<p>According to Annex 11b to the Concession Agreement, the third-party airport operator agrees to assume certain obligations under the Concession Agreement.</p> <p>With regard to paragraph 5, Limited Indemnities Undertaking, please confirm that joint liability relates only to the obligations between the airport operator and the Concessionaire, that is, that the airport operator committed itself to the obligations of the Concessionaire but not to the obligations of the shareholders.</p> <p>Please confirm that the liability of the airport operator is limited to the amount of the guarantee as set out in Annex 11b.</p>	<p>Correct. The Third Party Airport Operator shall be jointly and severally liable with the Concessionaire for the fulfillment of the respective contractual obligations under the Concession Agreement in respect of Third Party Supported Functions.</p> <p>Such liability is capped up to the amount of the corporate guarantee to be provided to the Grantor by signing the Third Party Undertaking in the form of Appendix 11b.</p>
8	ENG	<p>According to Annex 11c to the Concession Agreement, the third party providing financial opportunities agrees to assume certain obligations under the Concession Agreement.</p> <p>With regard to paragraph 5, Limited Indemnities Undertaking, please confirm that joint liability relates only to the obligations between the third party providing financial capacity and the Concessionaire, that the third party engages in the obligations of the Concessionaire but not in the obligations of the shareholders.</p> <p>Please confirm that the liability of the third party is limited to the amount of the guarantee as set out in Annex 11c.</p>	<p>The Third Party providing financing capabilities shall be jointly and severally liable with the Concessionaire for the obligations of the Concessionaire under the Concession Agreement without any limitation as provided in Section 5 of Appendix 11c to the draft Concession Agreement and in line with the Ministry's understanding of the meaning of Art. 63 para.3 of the Concessions Act.</p> <p>The Grantor reserves the right to make changes to Appendix 11c to the draft Concession Agreement to align it with the above position, where the procedure set out in Clause 5.3 of the Tender Documents will apply.</p>
9	ENG	<p>According to Appendix 4 of the Concession Agreement, the financial model should be prepared in accordance with IAS, IFRSs and applicable Bulgarian accounting standards. In connection with the replacement of IAS with IFRS, please confirm that compliance with IFRS and applicable Bulgarian accounting standards is sufficient to satisfy the requirements of</p>	<p>Yes, this would be sufficient.</p>

#		Question	Answer
		Appendix 4.	
10	ENG	In the virtual information room under number 6.1 is located the master plan of the airport in Bulgarian language. Will the Master Plan in English be presented for review in the virtual information room?	Yes, the English version of the Master Plan was uploaded – t. 6. Please refer to the “List of available information and documents in the Data Room”, which contains the most up to date content of the documents available in both VDR and physical data room.