

**MINISTRY OF TRANSPORT, INFORMATION TECHNOLOGY  
AND COMMUNICATIONS**

**DRAFT OF**

**AGREEMENT FOR GRANTING A CONCESSION FOR SERVICE  
FOR THE OBJECT  
“CIVIL AIRPORT FOR PUBLIC USE SOFIA” – PUBLIC STATE  
PROPERTY**

between

**The Council of Ministers of Republic of Bulgaria**

and

**[CONCESSIONAIRE]**

Date [1]

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On this day ..... 2016 in the city of Sofia,

**between:**

The Council of Ministers of Republic of Bulgaria, represented by Ivaylo Moskovski – Minister of Transport, Information Technology and Communications in conformity to art. 43b, paragraph 3 of Civil Aviation Act and his powers under item ..... of Decision No ..... of the Council of Ministers dated ..... on awarding of concession, hereinafter called

**CONCESSION GRANTOR,**

**ON ONE PART AND**

[name of CONCESSIONAIRE], [legal organizational form] capital commercial company with registered capital in the size of [I] BGN, registered in the Commercial Register at the Registry Agency under UIC [I], with a seat of business and management address [I] represented by [I], duly authorized for the purposes of the present Agreement, hereinafter called .....

**AND**

".....", registered in the commercial register at ..... court by virtue of decision No dated ..... under file No ..... volume ..... Register .....page .....registered under company case No ..... With a seat of business and management address ..... with tax registration No ..... BULSTAT/UIC .....represented by .....PIN .....in his/her capacity as ..... Holder of an ID document: ID card No ..... with validity term .....

Hereinafter called “**JOINT DEBTORS**”<sup>1</sup>

**CONCESSIONAIRE**

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<sup>1</sup> It shall be filled in case the participant to whom the concession is awarded is not a capital commercial company and the Concession Agreement shall be signed with a newly incorporated capital commercial company (Project company), in which the participant to whom the concession is awarded is a single owner of the capital or the participants in the association, which is not a merchant, own the whole capital in the same proportion like under the association agreement. The participant to whom the concession is awarded and when this participant is an association – every participant in the association shall be jointly liable for fulfillment of the Concession Agreement together with the project company.

## **ON THE OTHER PART,**

Each of them separately hereinafter called “**the party**” and together - “**the parties**”,

### **WHEREAS:**

1. **THE GRANTOR OF CONCESSION** wishes to modernize, develop and extend the existing civil airport for public use Sofia and to improve its management and exploitation by means of:

- (a) increasing of competitiveness and quality of airport services;
- (b) application of new technologies that increase the safety and security of exploitation of the airport facilities, safety of flights, the organization of servicing and increasing of qualification of personnel;
- (c) development and modernization of the airport infrastructure, including construction of new Terminal 1 at Sofia Airport and improvement of quality of service;
- (d) improvement of the effectiveness of airport facilities and fueling systems, increasing of the emergency and fire safety and the measures for protection of environment;
- (e) modernization of security and safety systems at Sofia Airport;
- (f) creation of prerequisites for air transport development and attracting of new airline companies for performance of regular and charter flights from/to Sofia Airport;
- (g) transferring of management knowledge and experience (know-how);
- (h) diversion of commercial activities as a result of the increasing of traffic in the region of Sofia Airport;
- (i) attracting transit passengers from/to the countries of the Near and Middle East, Transcaucasia and Central Europe;
- (j) assuring of minimum level of service “C” at the peak hour at Terminal 1 of Sofia Airport according to the categorization of the International Air Transport Association (IATA).

2. **THE GRANTOR OF CONCESSION** wishes to assign the management of services of public interest and the management and maintenance of the civil airport for public use Sofia at CONCESSIONAIRE’S risk, which include the maintenance of availability of services and assurance of continuity and quality level of provided services in conformity to the provisions of the present Concession Agreement and the maintenance the exploitation fitness of the object of concession against the right of the CONCESSIONAIRE to exploit the services of public interest by receiving of revenues from the users of these services and third parties and when performing other economic activities – also the right to receive revenues from these activities.

3. Towards the date of signing of the present Agreement the management and maintenance of the Airport is performed by the commercial company “**Sofia Airport**” EAD, UIC 121023551, in which the state is the single owner of capital through the Minister of Transport, Information Technology and Communications.

4. **THE GRANTOR OF CONCESSION** has decided to select by means of an open procedure financially stable private investor that shall act as CONCESSIONAIRE and as such shall perform at its own risk the management of services of public interest and to

maintain the availability of services and assurance of continuity and quality level of provided services in conformity to the provisions of the present Concession Agreement and to manage and maintain the object of concession – civil airport for public use Sofia and perform private construction and installation works under the conditions of art.4, paragraph 4 of Concessions Act

5. The Council of Ministers adopted Decision No 419 dated 20.05.2016 on opening of procedure for granting of concession of an object “Civil airport for public use Sofia” – public state property.

6. The notice referring to conducting of the procedure was published in the Official Journal of the European Union and was promulgated in the web page of State Gazette on [date].

7. By virtue of art. 24 of **Concessions Act**, art. 39-art. 54 of the **Regulation on the Implementation of the Concessions Act**, the **Civil Aviation Act** and Decision No 419 of the Council of Ministers dated 20.05.2016, the Minister of Transport, Information Technologies and Communications has conducted an open procedure for granting of concession of “Civil airport for public use Sofia” – public state property.

8. [CONCESSIONAIRE (the winning participant) presented a offer on [date].

9. By Decision No dated .... The Council of Ministers selected “....” as **CONCESSIONAIRE** and appointed the Minister of Transport, Information Technology and Communications as the authority competent to sign the **Concession Agreement, to organize and control its fulfillment** and to represent the **GRANTOR OF CONCESSION** under the Agreement except with regard to its termination.

and

by virtue of art. 13, paragraph 1, item 2 and art. 62 – art. 65 of **Concessions Act** and art. 43b, paragraph 3 of **Civil Aviation Act**

**THE PARTIES** signed the present Agreement and agreed on the following:

## **SECTION I. DEFINITIONS AND INTERPRETATION, REPRESENTATIONS AND WARRANTIES**

### **ARTICLE 1. DEFINITIONS AND INTERPRETATION**

#### 1.1 Definitions

Words and phrases in the present Concession Agreement shall have the following meaning:

„**Air navigation servicing**” (ANS) are the services provided by the Provider of Air Navigation Services (PANS) in conformity to art. 53, paragraph 2 of Civil Aviation Act or by any other qualified legal entity appointed according to the legislation to provide such services during any particular period.

„*Assets of “Sofia Airport” EAD*” are all assets owned by “Sofia Airport” EAD towards the date of signing of the present **Concession Agreement** and listed under Annex No 1 that shall be provided to the disposal of the **CONCESSIONAIRE** under the conditions of art. 4.7 and Annex No 16 and are not public state property.

„*Assets – owned by the CONCESSIONAIRE*” has the meaning assigned to this term under art. 4.4 and art. 4.5.

„*Business proposal for operation of the airport*” has the meaning of the one offered under the offer of **CONCESSIONAIRE** – annex No 8.

„*Military users*” are foreign and/or domestic entities, subject or units, **State/state owned users**, including the military forces of Republic of Bulgaria or of other states, which by virtue of a law or international treaties, to which the Republic of Bulgaria is a party has right of access to the airport, including, but not only aimed at conducting of trainings on cooperation in the field of security, joint preparation, humanitarian and peace keeping activities and activities relevant to rendering of help in cases of natural disasters, poly-variant operations and other missions, including such conducted in the framework of NATO and the North-Atlantic Treaty or by virtue of other bilateral or multinational agreements.

„*Second (and every next) contractual investment year*” with regard to the obligation for investments is the period from 1 January to 31 December of the respective year.

„*Performance bonds*” are the guarantees described under art. 14.

„*Master plan*” is every Master plan that conforms to the definition under art. 7.1 with all subsequent amendments.

„*General Directorate “Civil Aviation Administration” or GD “CAA*” is the body created in conformity to the Civil Aviation Act and everybody –its successor, which according to the law performs regulatory and controlling functions of the state for assurance of safety and security of civil aviation.

„*Annual investment program*” is the program under art. 7.2.

„*PANS*” is the Provider of air navigation services and represents a qualified legal entity or enterprise to which a certificate for performance of **air navigation services** is issued under the rules of art. 16c, paragraph 2 of Civil Aviation Act. Towards the date of signing of the present Concession Agreement the appointed PANS is the State-owned Enterprise ”Bulgarian Air Traffic Services Authority”.

„*Date of entering into force*” is the date on which the conditions of art. 6.2 are fulfilled

„**Legislation (Law) in force**” are the Constitution of Republic of Bulgaria, directly applicable provisions of the European Union law, the international treaties ratified, promulgated and enforceable, to which the Republic of Bulgaria is a party, the laws and secondary legislation acts and for the purposes of the present Agreement – all mandatory applicable measures, rules, notices, circular letters, rulings, orders or decrees, issued by the respective authorities and all other mandatory requirements of the respective authorities, enforceable for the respective period of performance of activity under the Agreement that regulate this activity, which are applicable to the parties to the present Agreement

„**Good industrial (engineering and exploitation) practice**” are the standards, practices, methods, procedures and other technical specifications, which conform to the laws and the degree of skills, diligence, caution and forethought that may be expected from qualified and experienced contractor, engineer or operator that, depending on the case, performs in the European Union the same type of activity under the same or similar circumstances.

„**State users**” are entities appointed by the **GRANTOR OF CONCESSION** as representatives of state authorities that by virtue of the law perform functions relevant to defense and security of the country as well as other functions, envisaged by a law, to which the CONCESSIONAIRE is obliged to provide premises for free and/or to assure unimpeded access to the estates assigned for management that are located in the object of concession towards the date of signing of the Concession Agreement and to assure all other conditions for performance of their functions.

„**EU**” is the European Union.

„**Delayed performance**” exists when the obliged party to the Agreement performed its obligation after expiry of the envisaged due term.

„**Law**” are all normative acts – Laws and secondary legislation acts of Republic of Bulgaria as well as for the purposes of the present Agreement – all applicable mandatory measures, rules, notices, instructions, rulings, orders or decrees, issued by the respective authorities and all other mandatory requirements of the respective authorities applicable to the parties to the present Agreement.

„**Civil Aviation Act**” (**CAA**) is the Civil Aviation Act of the Republic of Bulgaria, promulgated in State Gazette issue 94 of 1972 with all subsequent amendments and supplements.

„**Obligations and Contracts Act**” (**OCA**) is the Obligations and Contracts Act of the Republic of Bulgaria, promulgated in State Gazette issue 275 of 1950 with all subsequent amendments and supplements.

„**Concessions Act**” (**CA**) is the Concessions Act of the Republic of Bulgaria, promulgated in State Gazette issue 36 of 2006 with all subsequent amendments and supplements.

„**Public Procurement Act**” (**PPA**) is the Public Procurement Act of the Republic of Bulgaria, promulgated in State Gazette issue 13 of 2016 with all subsequent amendments and supplements.

„**Spatial Development Act**” (**SDA**) is the Spatial Development Act of the Republic of Bulgaria, promulgated in State Gazette issue 1 of 2001 with all subsequent amendments

and supplements.

„*National Standardization Act*” is the National Standardization Act of the Republic of Bulgaria, promulgated in State Gazette issue 88 of 2005 with all subsequent amendments and supplements.

„*Accountancy Act*” is the Accountancy Act of the Republic of Bulgaria, promulgated in State Gazette issue 5 [sic!] of 2015 with all subsequent amendments and supplements.

„*Waste Management Act*” is the Waste Management Act of the Republic of Bulgaria, promulgated in State Gazette issue 53 of 2012 with all subsequent amendments and supplements.

„*Cultural Heritage Act*” is the Cultural Heritage Act of the Republic of Bulgaria, promulgated in State Gazette issue 19 of 2009 with all subsequent amendments and supplements.

„*Value Added Tax Act*” is the Value Added Tax Act of the Republic of Bulgaria, promulgated in State Gazette issue 63 of 2006 with all subsequent amendments and supplements.

„*Substitutable performance*” is any action that may be legally performed by the GRANTOR OF CONCESSION on the account of the CONCESSIONAIRE in conformity to the provisions of art. 39.

„*IATA*” is the International Air Transport Association.

„*ICAO*” is the International Civil Aviation Organization incorporated by virtue of Chicago Convention.

„*Investment program*” is the program and the schedule for its performance included in the Investment Proposal under Annex No 7.

„*Investment*” is each payment made by the CONCESSIONAIRE in fulfillment of the respective approved annual investment program that leads to recording of fixed tangible (real estate, machine or facility) or intangible assets in the balance of the CONCESSIONAIRE in conformity to the accounting legislation. The total size of investment acknowledged by the GRANTOR OF CONCESSION shall include consulting services costs that do not exceed 10 per cent of the size of investment.

„*Category C according to IATA classifications*” has the meaning assigned to this term in the periodically published documentation by IATA.

„*Concession*” is the concession granted by Decision No .... of the Council of Ministers dated.....2016 with main subject – management of services of public interest and management and maintenance of civil airport for public use Sofia at the risk of the CONCESSIONAIRE, which include the maintenance of availability of services and assurance of continuity and quality level of provided services against the right of the CONCESSIONAIRE to exploit the services of public interest by receiving of revenues from the users of these services and when performing other economic activities – also the right to receive revenues from these activities in conformity to the terms and conditions of the

legislation in force and the provisions of the present **Concession Agreement**.

Additional subject of concession is the performance, in conformity to the terms and conditions of the present Concession Agreement or of a supplementary agreement to it, of partial construction and installation works at the risk and on the account of the **CONCESSIONAIRE**, including construction of new Terminal 1 of Sofia Airport in conformity to the investment program of the participant to whom the concession is awarded and to the enforceable master plan of the airport or its amendments and/or supplements (updated master plan).

„**Concession Agreement**” is the present Agreement for granting of concession together with all subsequent amendments and supplements drafted as supplementary written agreements, including its preamble and annexes.

„**Concession payment**” has the meaning assigned to this term under **art. 32**.

„**Sofia Airport**” or „**Airport**” is the existing civil airport for public use in conformity to the description under Annex No 1 with all possible subsequent renovations, extensions or other changes to it.

„**Sofia Airport**“ **EAD** is a company with 100% state ownership, incorporated in conformity to the laws of the Republic of Bulgaria, recorded in Commercial Register at Sofia City Court under company case No 3193/1992 and re-registered in Commercial Register at the Registry Agency on 25.07.2008 under **UIC 121023551** with a seat of business in Sofia and management address Sofia 1504, Slatina region, **SOFIA AIRPORT No 1**.

„**Airport administration**“ is **Airport operator** that completely performs the functions (activities) under art. 48a, paragraph 3 of **Civil Aviation Act**.

„**Airport activity**” is the activity performed by the **Airport operator**, **Ground service operator** and **Airport administration**.

„**Airport operator**” is a merchant that received the concession under the rules of **Concessions Act** to whom, after signing of **Concession Agreement**, an airport operator license is issued in conformity to the provisions of **Civil Aviation Act** for performance of the activities relevant to management and maintenance of the **Airport** according to the standards and requirements for safe and quality maintenance of exploitation fitness of the **Airport**.

„**Airport assets**” are the assets of Sofia Airport representing the object of concession that are envisaged under art.4.1 and art. 4.2.

„**Airport fees**” are the fees envisaged by the law collected by the **CONCESSIONAIRE** by virtue of art. 120, paragraph 5, items 2 and 4 of **Civil Aviation Act under the rules of Chapter X “C”** of Civil Aviation Act and art. 3, paragraph 1 of the Ordinance on Airport Fees divided as follows: fee for landing of aircrafts, fee for parking of aircrafts, fee for passengers, fee for using of passenger arm, fees for security and noise.

„**Airport services**” are the airport services and activities envisaged under **Annex No 3** together with assurance of any commercial or other activities, facilities and services that

may be approved by the **GRANTOR OF CONCESSION** according to the present **Concession Agreement**.

**„Airport right”** is any privilege or right provided by virtue of the present **Concession Agreement** or in conformity to it or any right of franchising, rental or other main or derivative right, provided by the **CONCESSIONAIRE** (or by a **holder of an airport right** under art. 16) for using or other activity relevant to privilege or right provided by virtue of the present **Concession Agreement** or in conformity to it.

**„Airport revenues”** means **Airport fees and payments related to the Airport** as defined under art. 31.

**„Defective performance”** exists when the obliged party to the Agreement has fulfilled its obligation incorrectly and inconsistently to the envisaged obligation, except for cases of partial and delayed performance.

**„Ordinance on Airport Fees”** is the Ordinance on Fees for Using of the Airports for Public Use in the Republic of Bulgaria, promulgated in State Gazette, issue 2 of 1999 with all subsequent amendments and supplements.

**„Force majeure”** has the meaning assigned to this term under art. 35.

**„Net improvements, financed by own capital”** is the net value of capital investments financed by own capital that assure the performance of **Regulated activities**. It is calculated by taking as a base the historical value of improvements decreased with the accumulated value of depreciation and the accumulated value of the debt capital used for financing of the respective improvements. This sum will be corrected by the respective excess or deficits related to the collection of **Airport fees**.

**„Rate of return for CONCESSIONAIRE”** is the finance internal rate of return of the own capital of the **CONCESSIONAIRE** invested in fulfillment of concession. The rate of return shall be calculated in conformity to the applicable legislation and the established practices for elaboration of financial analysis.

**„Holder of an airport right”** is every entity that has an **Airport right** provided in conformity to the present **Concession Agreement**.

**„Object of concession”** is Sofia Airport as stated under **Annex No 1**.

**„Sites of State users”** is every site at the **Airport** and/or the sites described under **Annex No 5** that are provided for use and performance of functions of the State users.

**„Operative risk”** is the risk that is always taken by the **CONCESSIONAIRE** and is considered taken when, under normal exploitation conditions, the **Concession Agreement** does not contain guarantees for return of realized investments and exploitation costs for services or construction, subject of concession. The operative risk includes the risk relevant to demand and the risk relevant to supply. “Risk relevant to demand” is the probability for occurrence of events, facts or circumstance that may have negative effect on the market demand of the object of concession or of services provided. The management of risk related to the demand of service shall be taken by the **CONCESSIONAIRE** as far as the revenues generated by the investor depends directly on the quality and the level of services offered,

respectively on the number of serviced passengers, aircrafts and cargo and on the realized investments in increasing the capacity of the airport. “Risk relevant to the supply” is the probability the object of concession, offered services or performed other economic activities to be in non-conformity to the market demand. The risk relevant to supply includes also the risk for availability of provided services. The risk relevant to supply includes the responsibility and the assumption of additional costs in relation to events in the course of exploitation of the object of concession including as a result of: (a) low level of collecting of revenues as a result of poor management of airport services and performed economic activities; (b) lost revenues due to interrupted continuity of provision of airport services and to breaking of continuity of performed economic activities as a result of poor management and maintenance of the object of concession; (c) Increasing of exploitation costs of the object of concession and the airport services over the value envisaged under the offer of CONCESSIONAIRE; (d) Natural events that may lead to partial damaging of the object of concession or to temporary impossibility for provision of the airport services, except for perishing of the object or of part of it as a result of a natural disaster.

„*Ground service operator*” is a merchant that has a license under art. 48e, paragraph 3 of **Civil Aviation Act** for performance of ground service activities at the **Airport** and has the right of access to the ground service market at a certain airport for public use under conditions specified under the **Civil Aviation Act**.

„*Market price*” is the sum without value added tax and excise duties that would be paid under the same conditions for identical or similar goods or services under a transaction between entities that are not related entities.

„*Payments related to the airport*” are all payments, rents and other additional revenues from commercial activity, except for those defines as **Airport fees**, that are collected by or on behalf of the **CONCESSIONAIRE** in relation to the exploitation and maintenance of the **Airport** and whose sizes are defined according to the commercial estimation of the **CONCESSIONAIRE**, except otherwise envisaged under a law.

„*Subcontractor*” is an entity that gave its consent to perform a certain part of the concession and with regard to which neither of the circumstances under art. 16, paragraphs 2-4 of Concessions Act exist.

„*Improvement of airport assets*” is every investment in construction, reconstruction and maintenance of fixed assets that increases their value, is subject to depreciation and for which allowances for depreciation are performed in the size of the defined maximum depreciation norm according to the Corporate Income Tax Act or lower, but guaranteeing the full depreciation of the performed improvement for the Term of the Agreement.

„*Users of airport services*” are the persons that by virtue of a contract or by virtue of the law use the **Airport services** provided by the **CONCESSIONAIRE** or holders of airport rights defined by him.

„*Rules for elaboration of the master plan*” has the meaning assigned to this term under **Annex No 6**.

„*Annex*” is every annex to the present Concession Agreement.

**„Project documentation”** is every document or other information provided to the CONCESSIONAIRE or his initial shareholders in the course of the open procedure described above.

**„Percentage of regulated return of own capital”** is ..... %. This percentage is used only for calculation of the Size of regulated return of own capital as an element of the cost base for defining of the Airport fees.

**„Event of Default”** exists when the obliged party to the Agreement did not fulfill any part of the obligation or when it has done the contrary to what it assumed the obligation to abstain from or when it performed everything that it was supposed to do, but with such delay or in such a poor way that the performance is useless for the other party to the Agreement.

**„First contractual investment year”** is the period from the entering into force of the Agreement until the end of the next calendar year.

**„First contractual year with regard to the obligation for payment of Annual concession payment”** is the period from the date of entering into force of the Agreement until the end of the same calendar year. The obligations for the first and the last contractual years from the term of concession shall be calculated proportionally to their period and for the purposes of calculation of this obligation for the first and the last contractual years from the term of concession one calendar year shall be equal to 360 days.

**„Worker or employee”** are the persons listed as such in a list that contains data about all workers and employees hired under labor contracts by **“Sofia Airport” EAD** before the **Date of entering into force of the Concession Agreement (Annex No 10)**

**„Size of regulated return of own capital”** is the product of **“Percentage of regulated return of own capital”** and **“Net improvements financed by own capital”**.

**„Permissions from the state”** are the permissions, licenses or approvals that are mandatory to be received by every respective authority for the CONCESSIONAIRE with regard to fulfillment of the present **Concession Agreement**.

**„Costs for interests”** means 1) interests to obligations towards banks, 2) interests to obligations and convertible loans, 3) interests to loans between shareholders and intragroup loans, 4) fees and costs related to financing and guarantees, 5) any other common interest and all of them shall be related to the financing of the Regulated activities.

**„BULATSA” or State Owned Enterprise “BULATSA”** is state-owned enterprise "Bulgarian Air Traffic Services Authority" and the current appointed PANS.

**„Regulated activities”** are the activities, the costs for which shall be covered by the **Airport fees**, defined in conformity to the **Ordinance on Airport Fees**.

**„Related contracts”** are every contract or arrangement signed or agreed by the CONCESSIONAIRE or any **Related entity** with the CONCESSIONAIRE.

**„Related person/entity”** means any related person/entity within the meaning of § 1 of Additional Provisions of the Commerce Act.

**„Transaction by the market prices method”** means any transaction or agreement notwithstanding of its type whose provisions or conditions conform to the market practice typical to comparable transactions.

**„Systematic default of CONCESSIONAIRE”** exists when: a) in the framework of 6-month term the CONCESSIONAIRE fails to fulfill or delays the fulfillment of three obligations under the present Concession Agreement or b) the CONCESSIONAIRE fails to fulfill or delays the fulfillment of one and the same obligation under the present Concession Agreement more than three times in the framework of five-year term.

**„Term of concession”** is the term envisaged under art. 6.1.

**„ICAO Standards”** are the standards that are periodically published by the International Civil Aviation Organization.

**„Standards”** means the reglamentation, **standards** or procedures applicable to the Object of concession and envisaged under **Annex No 4**.

**„Business frustration”** has the meaning assigned to this term under art. 36.

**„Construction works”** are all constructions, including rehabilitation and extension that the **CONCESSIONAIRE** will perform under the terms of conditions of the present Concession Agreement and/or any Master plan.

**„Constructions”** are the surface, semi-underground, underground buildings, structures, annexes, superstructures, fortifying, recovery works, conservation, restoration, reconstruction according to authentic data within the meaning of art. 74, paragraph 1 of Cultural Heritage Act and adaptation of real estate cultural facts, fences, nets and facilities of the technical infrastructure, urban and sport facilities and their capital repairs, reconstructions and reorganizations that are put into exploitation with or without change of their purpose, existing and constructed by the **CONCESSIONAIRE** on the territory of Sofia Airport in conformity to the present Concession Agreement.

„Construction risk“ are risks relevant to designing and to construction and installation works, if such are performed, the probability the costs for realization of the Investment Program of **CONCESSIONAIRE** and the costs for maintenance of the exploitation fitness and development of the Object of Concession to be higher than the size forecasted and offered in the offer of **CONCESSIONAIRE**. This includes geological and surveying risk; risk of natural disasters during performance of construction and installation works; increasing of market prices of construction materials and services; inflation risk; technological risk; risk of selection of contractors for performance of the works; risk of poor management during the performance of works; as well as the risks related to the construction and installation works envisaged in the **CONCESSIONAIRE**’s Investment Program etc.

**„Respective authority”** is every state and municipal authority or other entity that is competent and realizes powers on national, district or municipal level with regard to the **CONCESSIONAIRE** or the Concession Agreement.

**„Commerce Act” (CA)** is the Commerce Act of the Republic of Bulgaria,

promulgated in State Gazette issue 48 of 1991 with all subsequent amendments and supplements.

**„Partial construction and installation works”** are that shall be performed in case of necessity of partial extension, partial reconstruction, partial rehabilitation or repair of the Airport, which the **CONCESSIONAIRE** will perform under the terms and conditions of the present **Concession Agreement** and/or any **Master Plan** necessary for maintenance of the **Airport**.

**„Private assets of CONCESSIONAIRE”** has the meaning assigned to this term under art. 4.5.

**„Partial default”** exists when the obliged party to the Agreement has fulfilled only part of the respective obligation, except if the non-fulfilled part is obviously of minor importance with regard to the interests of the other party or due to the nature of the obligation the partial default shall be considered as complete event of default or defective performance.

**„Chicago Convention”** is the **Convention** on International Civil Aviation signed on 7 December 1944 with its subsequent amendments and supplements.

## **1.2. Interpretation**

1.2.1. The annexes to the **Concession Agreement** represent an inseparable part of it. If the content of any of the **Annexes** contradicts to the content of the present Agreement the latter shall prevail.

1.2.2. Amendments and supplements to the **Concession Agreement** shall be drafted in the form of supplementary written agreement and shall represent an inseparable part of the Agreement. If the content of any of the supplementary written agreements contradicts to the content of the present Agreement, the content of the supplementary agreement drafted after the date of signing of the Agreement shall prevail.

1.2.3. Any pointing of a party, entity or organization under the present **Concession Agreement** shall also include their successors and authorized representatives.

1.2.4. The words used only in singular shall include also the plural and vice versa, when the context makes this necessary.

1.2.5. The titles are used only for convenience and do not affect the interpretation of the present Concession Agreement.

## **1.3. Representations and warranties on the part of the GRANTOR OF CONCESSION.**

By the present Agreement, the **GRANTOR OF CONCESSION** represents and warrants that:

1.3.1. Towards the date of signing of the Concession Agreement, the Object of Concession is public state property of the **GRANTOR OF CONCESSION**. In conformity to the Bulgarian legislation the **GRANTOR OF CONCESSION** may grant a concession over it.

1.3.2. The Minister of Transport, Information Technologies and Communications is empowered to sign the Concession Agreement, by which to bind the **GRANTOR OF CONCESSION** to be a party and to fulfill the obligations under the Agreement.

1.3.3. The conclusion of the Concession Agreement does not contradict to any law, secondary legislation act, act of the court, agreement, contract or other limitation.

1.3.4. The terms and conditions of the Concession Agreement conform to the provisions of the Bulgarian legislation and represent valid and binding obligations of the **GRANTOR OF CONCESSION**.

1.3.5. The **GRANTOR OF CONCESSION** grants its consent immediately to inform in writing the **CONCESSIONAIRE** if any circumstance related to the subject of the Concession Agreement becomes known after the signing of the Agreement.

#### **1.4. Representations and warranties on the part of the CONCESSIONAIRE**

The **CONCESSIONAIRE** represents and warrants that:

1.4.1. The **CONCESSIONAIRE** is a valid and duly incorporated and in good standing commercial company in conformity to the legislation of Republic of Bulgaria. The **CONCESSIONAIRE** has given to the **GRANTOR OF CONCESSION** true and complete copies of registration documents, as well as documents that certify the representative power of persons authorized to sign the Agreement – Annex No 11 to the Agreement.

The Concession Agreement is signed *intuit personae* and for the term of the Agreement the **CONCESSIONAIRE** shall be obliged to maintain its registration as a merchant in good standing in conformity to the conditions under art. 46.

1.4.2. The signing and fulfillment of the Concession Agreement in any respect will not contradict to or represent non-fulfillment or violation of any other contract or obligation, to which the **CONCESSIONAIRE** is a party, which would materially affect the fulfillment of the obligations of **CONCESSIONAIRE** under the Concession Agreement.

1.4.3. There are not any pending or there is not any risk of court cases, court decisions or administrative acts, claims or investigations (except for the proceedings in front of the Commission on Protection of Competition) against the **CONCESSIONAIRE** that would affect materially the fulfillment of its obligations under the Concession Agreement.

1.4.4. For signing of the Concession Agreement the **CONCESSIONAIRE** does not need permission, consent, approval or license, neither notification, registration or presentation in front of state or administrative authority (except for the act, by which the proceedings with regard to the concentration in front of the Commission on Protection of Competition will be completed) or in case such documents are necessary, they are duly assured by the **CONCESSIONAIRE** and presented to the **GRANTOR OF CONCESSION** before the date of signing of the Concession Agreement and included in it as Annex No 11.

1.4.5. The funds used and that will be used by the **CONCESSIONAIRE** for payment of its financial obligations under the Concession Agreement are not and will not be acquired by means of or in relation to a crime. The **CONCESSIONAIRE** shall be obliged after performance of every payment related to the fulfillment of the Agreement to present to the **GRANTOR OF CONCESSION** a declaration on the origin of funds in a sample form in conformity to art.6, paragraph 5, item 3 of the Measures against Money Laundering Act and Annex No 1 to art. 10, paragraph 2 of the Regulations on the Implementation of the Measures against Money Laundering.

1.4.6. The **CONCESSIONAIRE** confirms the receipt of the whole information about the Object of Concession that was prepared by the **GRANTOR OF CONCESSION** for the purposes of the Concession Agreement and that was provided to the disposal of the **CONCESSIONAIRE**, namely the documents and information provided under the open procedure and included in the Annexes to the present Agreement. The **CONCESSIONAIRE** confirms the performance of own preliminary check and estimation of the Object of Concession.

1.4.7. The **CONCESSIONAIRE** shall maintain the Object of Concession fit for exploitation for the term of the Agreement and shall receive and renew the license for an airport operator and the licenses under art.48e, paragraph 3, item 1-7 of LCA for the Term of

the Agreement.

1.4.8. The **CONCESSIONAIRE** declares that he will use the Object of Concession in conformity to the good engineering and exploitation practice and with due commercial care including, but not only, that he will make all the necessary efforts and undertake all the necessary activities for development of the Airport Services at the Airport in order to reach its using to the maximum extent and that at any time in the course of concession he will keep in mind this purpose in conformity to the good commercial practice in the way of exploitation, performance of services provided, defining of prices and in fulfillment of obligations related to maintenance of assets – public property as well as in fulfillment of all other obligation under the Agreement.

1.4.9. The **CONCESSIONAIRE** conforms to the requirements of the Civil Aviation Act of the Republic of Bulgaria and may be licensed as an Airport Operator.

1.4.10. The **CONCESSIONAIRE** assumes the obligation immediately to inform the **GRANTOR OF CONCESSION** in writing in cases of receiving of information about any circumstance relevant to the subject of the Concession Agreement that occurred after the date of its signing.

1.4.11. The **CONCESSIONAIRE** has filed to the Commission on Protection of Competition, in the 20-day term as from the entering into force of the decision of the Council of Ministers for selection of a concessionaire, a notification about economic concentration that may occur as a result of the signing of Concession Agreement.

#### **1.5. Statement of the parties relevant to maintenance of the economic balance of concession:**

The parties state that for the whole term of concession they will make everything possible in order to maintain the economic balance of concession representing the equilibrium between the benefits and risks under the terms and conditions of the present Agreement.

## **SECTION II – SUBJECT OF CONCESSION, OBJECT OF CONCESSION, RIGHTS AND OBLIGATIONS**

### **ARTICLE 2. SUBJECT AND OBJECT OF CONCESSION**

#### **2.1. Subject of concession**

2.1.1. **The main subject** of concession is the management of services of public interest and the management and maintenance of the civil airport for public use Sofia at **CONCESSIONAIRE'S** risk, which include the maintenance of availability of services and assurance of continuity and quality level of provided services in conformity to the provisions of the present Concession Agreement and the maintenance the exploitation fitness of the object of concession against the right of the **CONCESSIONAIRE** to exploit the services of public interest by receiving of revenues from the users of these services and third parties and when performing other economic activities – also the right to receive revenues from these activities.

2.1.2. **Additional subject** of concession is the performance, in conformity to the terms and conditions of the present Concession Agreement or of a supplementary agreement to it, of partial construction and installation works at the risk and on the account of the **CONCESSIONAIRE**, including construction of new Terminal 1 of Sofia Airport in conformity to the investment program of the participant to whom the concession is awarded and to the enforceable master plan of the airport or its amendments and/or supplements (updated master plan).

2.1.3. The right of management, exploitation and maintenance includes the right of the **CONCESSIONAIRE** to:

2.1.3.1. Perform activities of Airport Operator at the Airport in conformity to the law and the present Concession Agreement;

2.1.3.2. Perform all functions (activities) of Airport Administration in conformity to the law and the present Concession Agreement after the assignment by the Minister of Transport, Information Technologies and Communications;

2.1.3.3. Perform the activities of Ground Service Operator in conformity to the law and the present Concession Agreement;

2.1.3.4. Perform economic activities that include the assurance in conformity to the law and the present Concession Agreement of any commercial or other activity, facilities or services that fall outside the scope of items 2.1.3.1. - 2.1.3.3 that are compatible to the purpose of the Object of Concession.

2.1.3.5. The obligation for performance of partial construction and installation works under art. 2.1.2 includes the performance on the part of the CONCESSIONAIRE at his own risk and on his own account of partial construction and installation works if such become necessary with regard to partial extension, partial reconstruction, partial rehabilitation or repair of the object of concession, including the construction of new Terminal 1 of Sofia Airport in conformity to the **law, the present Concession Agreement, Updated and approved Master Plan that has entered into force (if such is necessary) and the Investment Program.**

## **2.2. Object of concession**

The object of concession is "Sofia civil airport for public use". The object of concession has concession area of 5,219,778 m<sup>2</sup> and includes the landed property and the buildings and installations constructed on it, as follows:

### 2.2.1. Landed property and buildings, public state property, as follows:

A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.9, of area 2,072,572 m<sup>2</sup> (two million seventy-two thousand five hundred and seventy-two square meters) according to cadastral plan No 15-24815 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XI, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.55, 68134.709.10, 68134.8573.10, 68134.8573.11, 68134.8575.39, 68134.8575.27, 68134.8574.11, 68134.8574.12, 68134.8575.29, 68134.8574.323, 68134.709.242, 68134.8574.8, 68134.857.12, 68134.8575.32, 68134.8574.6, 68134.8575.10, 68134.8574.7, 68134.709.64, 68134.8575.44, 68134.8575.42, 68134.709.195, 68134.709.63, 68134.709.8, 68134.709.430, 68134.709.7, 68134.709.54, 68134.709.68, 68134.709.67, 68134.709.66, 68134.709.65, with the facilities and buildings constructed on the property:

2.2.1.1.1. a building of identifier 68134.709.9.1, single-storey, with 186 m<sup>2</sup> built-up area, designated as: a building for energy production.

Public state property deed No 09084 of 11 April 2016 was issued for the property by the Governor of Sofia City District

2.2.1.2. A landed property located in Sofia city, Kremikovtsi district, Krivinski pat St., locality VII-38-I, with identifier 68134.8566.177, of area 23,073 m<sup>2</sup> (twenty-three thousand seventy-three square meters) according to cadastral plan No 15-24816 of 20 January 2016, area designated permanently as: an area of the transport system; zoned for sustainable use: for airfield, airport, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.8576.8, 68134.8567.15, 68134.8566.83, 68134.8566.68, 68134.8566.279, 68134.8566.71, 68134.8566.85,

68134.8566.79, 68134.8566.284, 68134.8566.61, 68134.8566.10, 68134.8566.11, 68134.8566.12, 68134.8566.89, 68134.8566.91, 68134.8566.93, 68134.8566.37, 68134.8566.95, 68134.8566.97, 68134.8566.81, 68134.8566.19, 68134.8566.80, 68134.8566.96, 68134.8566.90, 68134.8566.94, 68134.8566.92, 68134.8566.86, 68134.8566.84, 68134.8566.175, 68134.8566.78, 68134.8566.176, 68134.8566.82, 68134.8567.11, 68134.8567.12, 68134.8567.14, number under previous plan: none. Public state property deed No 09085 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.3 A landed property located in Sofia city, Kremikovtsi district, Vrazhdebna quarter, with identifier 68134.8573.11, of area 667,626 m<sup>2</sup> (six hundred sixty-seven thousand, six hundred and twenty-six square meters) according to cadastral plan No 15-24820 of 20 January 2016, area designated permanently as: an area of the transport system; zoned for sustainable use: for airfield, airport, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.10, 68134.8559.36, 68134.8560.2, 68134.8573.10, 68134.8559.13, 68134.8559.23, 68134.8560.3, 68134.8559.14, 68134.8560.4, 68134.8560.5, 68134.8559.34, 68134.8559.30, 68134.8559.16, 68134.8559.38, 68134.8559.32, 68134.8559.26, 68134.8560.12, 68134.8560.51, 68134.8560.53, 68134.8560.15, 68134.8560.16, 68134.8560.43, 68134.8560.45, 68134.8560.37, 68134.8560.39, 68134.8560.41, 68134.8560.49, 68134.8560.47, 68134.8560.23, 68134.8560.24, 68134.8560.54, 68134.8560.25, 68134.8560.27, 68134.8565.41, 68134.8565.40, 68134.8565.52, 68134.8565.53, 68134.8565.42, 68134.8565.7, 68134.8565.56, 68134.8565.6, 68134.8565.17, 68134.8565.16, 68134.8565.44, 68134.8565.46, 68134.8565.9, 68134.8565.50, 68134.8565.55, 68134.8571.54, 68134.8571.158, 68134.8571.156, 68134.8571.157, 68134.8571.55, 68134.8567.4, 68134.8567.6, 68134.8567.16, 68134.8567.17, 68134.8570.54, 68134.8570.50, 68134.8570.53, 68134.8570.34, 68134.8570.35, 68134.8570.36, 68134.8570.37, 68134.8570.44, 68134.8570.42, 68134.8570.47, 68134.8570.46, 68134.8570.30, 68134.8570.19, 68134.8570.20, 68134.8570.5, 68134.8570.52, 68134.8570.40, 68134.8570.3, 68134.8588.14, 68134.8588.20, 68134.8588.18, 68134.8588.22, 68134.8588.21, 68134.8572.3, 68134.8572.2, 68134.8587.14, 68134.8572.42, 68134.8587.13, 68134.8572.1, 68134.8574.11, 68134.709.9, with the facilities constructed on the property as described in the public property deed; number under previous plan: none. Public state property deed No 09086 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.4 A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.65, of area 490 m<sup>2</sup> (four hundred and ninety square meters) according to cadastral plan No 15-24803 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: 130; with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.55, 68134.709.9, 68134.709.67, 68134.709.68, 68134.709.66. Public state property deed No 09087 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.5 A section of landed property of area 1,171,419 m<sup>2</sup> (one million, one hundred seventy-one thousand, four hundred and nineteen square meters), the entire landed property being located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.469, having area 1,200,059 m<sup>2</sup> (one million, two hundred thousand and fifty-nine square meters) according to cadastral plan No 15-197215 of 21 April 2016 (previous identifier: 68134.709.10), area designated permanently as: urban; zoned for

sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel X, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.11, 68134.709.12, 68134.709.15, 68134.709.16, 68134.709.18, 68134.709.19, 68134.709.463, 68134.8558.71, 68134.709.462, 68134.709.461, 68134.709.458, 68134.709.457, 68134.8573.10, 68134.8573.11, 68134.709.9, 68134.709.55, 68134.709.56, 68134.709.470, together with the following buildings and facilities constructed on that part of the landed property as described in public state property deed No 09139, issued by the Governor of Sofia City District:

2.2.1.5.1 a building of identifier 68134.709.469.1, single-storey, designated as: another type of production, warehouse or infrastructure building; having 15 m<sup>2</sup> (fifteen square meters) built-up area according to the plan;

2.2.1.5.2 a building of identifier 68134.709.469.2, single-storey, designated as: another type of production, warehouse or infrastructure building; having 12 m<sup>2</sup> (twelve square meters) built-up area according to the plan;

2.2.1.5.3 a building of identifier 68134.709.469.3, single-storey, designated as: another type of production, warehouse or infrastructure building; having 78 m<sup>2</sup> (seventy-eight square meters) built-up area according to the plan;

2.2.1.5.4 a building of identifier 68134.709.469.4, single-storey, designated as: another type of production, warehouse or infrastructure building; having 20 m<sup>2</sup> (twenty square meters) built-up area according to the plan;

2.2.1.5.5 a building of identifier 68134.709.469.5, single-storey, designated as: a special-purpose building, of built-up area 868 m<sup>2</sup> (eight hundred and sixty-eight square meters). Regarding that building ("Fire station") an asset declaration and a sketch of the separate sites are enclosed;

2.2.1.5.6 a building of identifier 68134.709.469.6, single-storey, designated as: another type of production, warehouse or infrastructure building; having 118 m<sup>2</sup> (one hundred and eighteen square meters) built-up area according to the plan;

2.2.1.5.7 a building of identifier 68134.709.469.7, single-storey, designated as: another type of production, warehouse or infrastructure building; having 122 m<sup>2</sup> (one hundred and twenty-two square meters) built-up area according to the plan;

2.2.1.5.8 a building of identifier 68134.709.469.8, single-storey, designated as: another type of production, warehouse or infrastructure building; having 88 m<sup>2</sup> (eighty-eight square meters) built-up area according to the plan;

2.2.1.5.9. a building of identifier 68134.709.469.11, single-storey, designated as: a hangar, shed, garage, having 1,324 m<sup>2</sup> (one thousand three hundred and twenty-four square meters) built-up area according to the plan;

2.2.1.5.10. a building of identifier 68134.709.469.12, single-storey, designated as: another type of production, warehouse or infrastructure building; having 59 m<sup>2</sup> (fifty-nine square meters) built-up area according to the plan;

2.2.1.5.11. a building of identifier 68134.709.469.13, single-storey, designated as: another type of production, warehouse or infrastructure building; having 54 m<sup>2</sup> (fifty-four square meters) built-up area according to the plan;

2.2.1.5.12. a building of identifier 68134.709.469.14, single-storey, designated as: another type of production, warehouse or infrastructure building; having 35 m<sup>2</sup> (thirty-five square meters) built-up area according to the plan;

2.2.1.5.13. a building of identifier 68134.709.469.15, single-storey, designated as: an industrial building, of built-up area 453 m<sup>2</sup> (four hundred and fifty-three square meters). Regarding that building ("Initial service and information and coordination centre") an asset declaration and a sketch of the separate sites are enclosed.

2.2.1.5.14. a building of identifier 68134.709.469.16, single-storey, designated as: a

hangar, shed, garage, having 90 m<sup>2</sup> (ninety square meters) built-up area according to the plan;

2.2.1.5.15. a building of identifier 68134.709.469.24, single-storey, designated as: another type of production, warehouse or infrastructure building; having 30 m<sup>2</sup> (thirty square meters) built-up area according to the plan;

2.2.1.5.16. a building of identifier 68134.709.469.26, single-storey, designated as: another type of production, warehouse or infrastructure building; having 18 m<sup>2</sup> (eighteen square meters) built-up area according to the plan;

2.2.1.5.17. an acoustic screen facility; with coordinates of its border points as follows:

Y = 8505168.369 X = 4603161.411

Y = 8505161.398 X = 4603167.812

Y = 8505119.805 X = 4603170.880

Y = 8505085.231 X = 4603168.701

Y = 8505079.530 X = 4603105.220

Y = 8505113.235 X = 4603096.890

Y = 8505158.515 X = 4603092.584

Y = 8505162.690 X = 4603098.184

Coordinate system of 1970

Permission for use No 09-05-391/22.04.2009.

2.2.1.6. A landed property located in Sofia city, Kremikovtsi district, Vrazhdebna quarter, with identifier 68134.8573.10, of area 49,541 m<sup>2</sup> (forty-nine thousand, five hundred and forty-one square meters) according to cadastral plan No 15-24817 of 20 January 2016, area designated permanently as: an area of the transport system; zoned for sustainable use: for airfield, airport, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.461, 68134.8558.71, 68134.8558.81, 68134.8558.62, 68134.8558.68, 68134.8558.83, 68134.8558.70, 68134.8558.60, 68134.8558.66, 68134.8558.37, 68134.8558.38, 68134.8558.79, 68134.8558.74, 68134.8558.78, 68134.8558.64, 68134.8558.82, 68134.8558.80, 68134.8559.40, 68134.8559.13, 68134.8573.11, 68134.709.9, 68134.709.10, number under previous plan: none. Public state property deed No 09090 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.7. A landed property located in Sofia city, Slatina district, with identifier 68134.709.16, of area 24,281 m<sup>2</sup> (twenty-four thousand, two hundred and eighty-one square meters) according to cadastral plan No 15-24751 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for airfield, airport, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.15, 68134.709.46, 68134.709.17, 68134.709.18, 68134.709.10, number under previous plan: block 2, parcel IV, together with the following buildings, located within the property and described in public state property deed No 09091 of 11 April 2016, issued for the property by the Governor of Sofia City District :

2.2.1.7.1. the building of Passenger Terminal 1 "Departures", with identifier 68134.709.16.1, built-up area 9,586 m<sup>2</sup> (nine thousand, five hundred and eighty-six square meters), in two stories, designated as: a building of the transport system, consisting of: Terminal 1 "Departures", elevation 0.00, of area 5,751.27 m<sup>2</sup> (five thousand, seven hundred and fifty-one point twenty-seven square meters), including: halls of area 3,266.12 m<sup>2</sup> (three thousand, two hundred and sixty-six point twelve square meters); shops of total area 421.10 m<sup>2</sup> (four hundred and twenty-one point ten square meters); a café bar of area 276.16 m<sup>2</sup> (two hundred and seventy-six point sixteen square meters); offices of total area 635.16 m<sup>2</sup> (six hundred and thirty-five point sixteen square meters); rooms of: luggage conveyor belts,

switchboards and luggage, of total area 878.69 m<sup>2</sup> (eight hundred and seventy-eight point sixty-nine square meters); corridors and staircases of total area 138.75 m<sup>2</sup> (one hundred and thirty-eight point seventy-five square meters); toilets of total area 135.29 m<sup>2</sup> (one hundred and thirty-five point twenty-nine square meters); Terminal 1 "Departures" gallery level, elevation +3.70 of area 381.44 m<sup>2</sup> (three hundred and eighty-one point forty-four square meters) including: gallery café of area 246 m<sup>2</sup> (two hundred and forty-six square meters); offices of total area 67.87 m<sup>2</sup> (sixty-seven point eighty-seven square meters); toilets of total area 16.07 m<sup>2</sup> (sixteen point zero seven square meters); a corridor of area 3.72 m<sup>2</sup> (three point seventy-two square meters); an equipment room of area 47.78 m<sup>2</sup> (forty-seven point seventy-eight square meters); Administration section, elevation +4.00 western part, area 1,118.92 m<sup>2</sup> (one thousand one hundred and eighteen point ninety-two square meters), including: offices of total area 557.60 m<sup>2</sup> (five hundred and fifty-seven point sixty square meters); halls of total area 277.80 m<sup>2</sup> (two hundred and seventy-seven point eighty square meters); a corridor and staircase of area 247.42 m<sup>2</sup> (two hundred and forty-seven point forty-two square meters); toilets of total area 36.10 m<sup>2</sup> (thirty-six point ten square meters); Administration section +4.00 eastern part, area 496.10 m<sup>2</sup> (four hundred and ninety-six point ten square meters), including: offices of total area 319.80 m<sup>2</sup> (three hundred and nineteen point eighty square meters); a corridor and staircase of area 145.60 m<sup>2</sup> (one hundred and forty-five point sixty square meters); toilets of total area 30.70 m<sup>2</sup> (thirty point seventy square meters); A restaurant and a kitchen at elevation +4.00 of area 1,037.92 m<sup>2</sup> (one thousand and thirty-seven point ninety-two square meters), including: Level One of area 826.67 m<sup>2</sup> (eight hundred and twenty-six point sixty-seven square meters) and Level Two of area 211.25 m<sup>2</sup> (two hundred and eleven point twenty-five square meters); Administration section, elevation +7.00 western part, of area 1,009.90 m<sup>2</sup> (one thousand and nine point ninety square meters) including: offices of total area 872.40 m<sup>2</sup> (eight hundred and seventy-two point forty square meters); a corridor and staircase of area 115 m<sup>2</sup> (one hundred and fifteen square meters); toilets of total area 22.50 m<sup>2</sup> (twenty-two point fifty square meters); Terminal 1 "Departures" basement, elevation -2.80 of area 3,024.07 m<sup>2</sup> (three thousand and twenty-four point zero seven square meters), including: warehouses, workshops and a boiler room of total area 2,345.67 m<sup>2</sup> (two thousand three hundred and forty-five point sixty-seven square meters); corridors and staircases of total area 660.40 m<sup>2</sup> (six hundred and sixty point forty square meters); toilets of total area 18 m<sup>2</sup> (eighteen square meters); a VIP section of area 482.59 m<sup>2</sup> (four hundred and eighty-two point fifty-nine square meters) including: halls of total area 252.79 m<sup>2</sup> (two hundred and fifty-two point seventy-nine square meters); offices of total area 50.64 m<sup>2</sup> (fifty point sixty-four square meters); a foyer of area 63.43 m<sup>2</sup> (sixty-three point forty-three square meters); corridors and staircases of total area 97.83 m<sup>2</sup> (ninety-seven point eighty-three square meters), and toilets of total area 17.90 m<sup>2</sup> (seventeen point ninety square meters);

2.2.1.7.2. a building of identifier 68134.709.16.2, single-storey, 12 (twelve) m<sup>2</sup> built-up area, designated as: a building of the transport system;

2.2.1.7.3. a building of identifier 68134.709.16.3, single-storey, 15 (fifteen) m<sup>2</sup> built-up area, designated as: another type of production, warehouse or infrastructure building;

2.2.1.7.4. a building of identifier 68134.709.16.4, single-storey, 24 (twenty-four) m<sup>2</sup> built-up area, designated as: another type of production, warehouse or infrastructure building.

2.2.1.8. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.19, of area 359,332 m<sup>2</sup> (three hundred and fifty-nine thousand three hundred and thirty-three square meters) according to cadastral plan No 15-24755 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for airfield, airport; number under previous plan: block 2, parcel XV, with the following

property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.18, 68134.709.42, 68134.709.49, 68134.709.26, 68134.709.48, 68134.709.41, 68134.709.47, 68134.709.465, 68134.709.464, 68134.709.463, 68134.709.10, 68134.709.20, together with the following buildings, public state property, located within that property and described in Public state property deed No 09093 of 11 April 2016, issued by the Governor of Sofia City District:

2.2.1.8.1. a building of identifier 68134.709.19.1, two-storey, designated as: a building of the transport system, having built-up area of 29,887 m<sup>2</sup> (twenty-nine thousand eight hundred and eighty-seven square meters).

2.2.1.8.2. a building of identifier 68134.709.19.2, two-storey, designated as: a hangar, shed, garage, having 8,110 m<sup>2</sup> (eight thousand one hundred and ten square meters) built-up area according to the plan;

2.2.1.8.3. a building of identifier 68134.709.19.3, single-storey, designated as: a building of the water supply and/or sewerage system, of 192 m<sup>2</sup> (one hundred and ninety-two square meters) built-up area according to the plan;

2.2.1.8.4. a building of identifier 68134.709.19.4, single-storey, designated as: a building of the water supply and/or sewerage system, of 65 m<sup>2</sup> (sixty-five square meters) built-up area according to the plan;

2.2.1.8.5. a building of identifier 68134.709.19.5, single-storey, designated as: another type of production, warehouse or infrastructure building; having 42 m<sup>2</sup> (forty-two square meters) built-up area according to the plan;

2.2.1.8.6. a building of identifier 68134.709.19.6, single-storey, designated as: another type of production, warehouse or infrastructure building; having 41 m<sup>2</sup> (forty-one square meters) built-up area according to the plan;

2.2.1.8.7. a building of identifier 68134.709.19.8, single-storey, designated as: a building of the water supply and/or sewerage system, of 214 m<sup>2</sup> (two hundred and fourteen square meters) built-up area according to the plan;

2.2.1.8.8. a building of identifier 68134.709.19.9, single-storey, designated as: a building of the water supply and/or sewerage system, of 489 m<sup>2</sup> (four hundred and eighty-nine square meters) built-up area according to the plan;

2.2.1.8.9. a building of identifier 68134.709.19.10, single-storey, designated as: a building for energy production, of 126 m<sup>2</sup> (one hundred and twenty-six square meters) built-up area according to the plan.

2.2.1.9. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.26, of area 73,500 m<sup>2</sup> (seventy-three thousand five hundred square meters) according to cadastral plan No 15-24767 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XVI, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 07106.1401.1004, 07106.1401.1005, 68134.709.48, 68134.709.47, 68134.709.19, 68134.709.49, 68134.709.50. Public state property deed No 09094 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.10. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.41, of area 13,104 m<sup>2</sup> (thirteen thousand one hundred and four square meters) according to cadastral plan No 15-24766 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.48, 07106.1403.393, 07106.1403.394, 07106.1403.11, 68134.709.466, 68134.709.465, 68134.709.47, 68134.709.19. Public state

property deed No 09095 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.11. A landed property located in Sofia city, Slatina district, with identifier 68134.709.1, of area 166,656 m<sup>2</sup> (one hundred and sixty-six thousand, six hundred and fifty-six square meters) according to cadastral plan No 15-24763 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.53, 68134.709.7, 68134.709.407, 68134.709.427, 68134.8578.110, 68134.8578.1395, 68134.8578.109, 68134.709.52, number under previous plan: block 2, parcel XIII. Public state property deed No 09096 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.12. A landed property located in Sofia city, Slatina district, with identifier 68134.709.7, area 109,563 m<sup>2</sup> (one hundred and nine thousand, five hundred and sixty-three square meters) according to cadastral plan No 15-24809 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.9, 68134.709.430, 68134.709.407, 68134.709.1, number under previous plan: block 2, parcel XII. Public state property deed No 09097 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.13. A landed property located in Sofia city, Slatina district, with identifier 68134.709.8, area 9,345 m<sup>2</sup> (nine thousand, three hundred and forty-five square meters) according to cadastral plan No 15-24813 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.9, 68134.709.64, 68134.709.63, 68134.709.62, 68134.709.430, number under previous plan: block 2, parcel XII. Public state property deed No 09098 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.14. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.430, of area 32,520 m<sup>2</sup> (thirty-two thousand, five hundred and twenty square meters) according to cadastral plan No 15-24771 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: 430 of block 2, parcel XII, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.9, 68134.709.8, 68134.709.63, 68134.709.62, 68134.709.194, 68134.709.429, 68134.709.5, 68134.709.6, 68134.709.4, 68134.709.407, 68134.709.7. Public state property deed No 09099 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

With regard to that property Order No 0X-882 of 4 December 2000 and Order No RD-08-902 of 4 December 2000 of the Minister of Defence and of the Minister of Transport and Communications were issued (Annex No 1) for joint use of the property.

2.2.1.15. A landed property located in Sofia city, Slatina district, with identifier 68134.709.11, of area 142,713 m<sup>2</sup> (one hundred and forty-two thousand, seven hundred and thirteen square meters) according to cadastral plan No 15-24765 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.58, 68134.709.51, 68134.709.12, 68134.709.10,

68134.709.56, 68134.709.57, number under previous plan: block 2, parcel IX, with the facilities described in the public state property deed. Public state property deed No 09100 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.16. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.56, of area 11,983 m<sup>2</sup> (eleven thousand, nine hundred and eighty-three square meters) according to cadastral plan No 15-24791 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.72, 68134.709.57, 68134.709.11, 68134.709.10, 68134.709.55. Public state property deed No 09102 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.17. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.57, of area 16,366 m<sup>2</sup> (sixteen thousand, three hundred and sixty-six square meters) according to cadastral plan No 15-24794 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers 68134.709.11, 68134.709.56. A part of that property falls within zoned land plot IX, for which Public state property deed No 03298 of 2002 was issued by the Governor of Sofia City District. Public state property deed No 09103 of 11 April 2016 was issued for the property under this point by the Governor of Sofia City District.

2.2.1.18. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.58, of area 20,015 m<sup>2</sup> (twenty thousand and fifteen square meters) according to cadastral plan No 15-24795 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers 68134.709.51, 68134.709.11. Public state property deed No 09122 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.19. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.52, of area 285 m<sup>2</sup> (two hundred and eight-five square meters) according to cadastral plan No 15-24775 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed property of identifier 68134.709.1. Public state property deed No 09107 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.20. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.53, of area 2,436 m<sup>2</sup> (two thousand four hundred and thirty-six square meters) according to cadastral plan No 15-24782 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed property of identifier 68134.709.1. Public state property deed No 09108 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.21. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.54, of area 9,759 m<sup>2</sup> (nine thousand seven hundred and fifty-nine square meters) according to cadastral plan No 15-24783 of 20 January 2016,

area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers 68134.709.68, 68134.709.67, 68134.709.9. Public state property deed No 09109 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.22. A landed property located in Sofia District, Sofia Municipality, Sofia City, Slatina district, with identifier 68134.709.55, of area 28,031 m<sup>2</sup> (twenty-eight thousand and thirty-one square meters) according to cadastral plan No 15-24788 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport, with the following boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.56, 68134.709.10, 68134.709.9, 68134.709.65, 68134.709.66, 68134.709.61. Public state property deed No 09110 of 11 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.23. A landed property located in Sofia city, Kremikovtsi district, Vrazhdebna quarter, Novata Mahala place, with identifier 68134.8571.55, of area 138 m<sup>2</sup> (one hundred and thirty-eight square meters) according to cadastral plan No 15-66898 of 12 February 2016, area designated permanently as: agricultural; zoned for sustainable use: another type or landed property with no definite economic function; number under previous plan: 000229; with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.8571.158, 68134.8571.156, 68134.8573.11. Public state property deed No 09123 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.24. A landed property located in Sofia City, Kremikovtsi district, 42 Novata Mahala place, area VIII-10-I, with identifier 68134.8571.156, of area 2,537 m<sup>2</sup> (two thousand, five hundred and thirty-seven square meters) according to cadastral plan No 15-66858 of 12 February 2016, area designated permanently as: urban; zoned for sustainable use: for another type of building up; number under previous plan: 156; with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.8571.158, 68134.8571.54, 68134.8571.157, 68134.8571.55, 68134.8573.11. Public state property deed No 09124 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.25. A landed property located in Sofia city, Kremikovtsi district, 43 Nova Mahala place, area VIII-10-I, with identifier 68134.8571.157, of area 1,769 m<sup>2</sup> (one thousand seven hundred and sixty-nine square meters) according to cadastral plan No 15-66859 of 12 February 2016, area designated permanently as: urban; zoned for sustainable use: for another type of building up; number under previous plan: 157; with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.8571.156, 68134.8571.54, 68134.8573.11. Public state property deed No 09125 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.26. A landed property located in Sofia city, Slatina district, with identifier 68134.709.13, of area 70,155 m<sup>2</sup> according to cadastral plan No 15-66826 of 12 February 2016, and according to notary deed - area 70,306 m<sup>2</sup>; area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel VII, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.51, 68134.709.14, 68134.709.15, 68134.709.12, together with the following buildings constructed in that landed property and described in Public state property deed No 09115 of 25 April 2016,

issued for the property by the Governor of Sofia City District: a building with identifier 68134.709.13.1 which is a building for fuels and lubricants, single-storey, designated as: another type of production, warehouse or infrastructure building; having 303 m<sup>2</sup> built-up area according to the plan and 290 m<sup>2</sup> built-up area according to notary deed; a building with identifier 68134.709.13.3 - a fuels and lubricants laboratory, single storey, designated as: an industrial building; having 315 m<sup>2</sup> built-up area according to the plan and 310 m<sup>2</sup> built-up area according to notary deed; a building with identifier 68134.709.13.6, single-storey, designated as: a commercial building, having 79 m<sup>2</sup> built-up area according to the plan; a building with identifier 68134.709.13.8 - "a petrol station building", single-storey, designated as: another type of production, warehouse or infrastructure building; having 18 m<sup>2</sup> built-up area according to the plan and 29 m<sup>2</sup> built-up area according to notary deed; a building with identifier 68134.709.13.2, single storey, designated as: another type of production, warehouse or infrastructure building; having 85 m<sup>2</sup> built-up area according to the plan; a building with identifier 68134.709.13.4, single-storey, designated as: another type of production, warehouse or infrastructure building; having 11 m<sup>2</sup> built-up area according to the plan; a building with identifier 68134.709.13.5, single-storey, designated as: another type of residential building; having 72 m<sup>2</sup> built-up area according to the plan; a building with identifier 68134.709.13.7, single storey, designated as: another type of production, warehouse or infrastructure building, having 61 m<sup>2</sup> built-up area according to the plan. Facilities are located in the property as indicated in the tender documentation and in the concession agreement.

2.2.1.27. A landed property located in Sofia city, Slatina district, with identifier 68134.709.14, of area 50,051 m<sup>2</sup> according to cadastral plan No 15-66827 of 12 February 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel VI, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.46, 68134.709.15, 68134.709.13, together with the following buildings constructed in that landed property, described in Public state property deed No 09116 of 25 April 2016, issued for the property by the Governor of Sofia City District: a building with identifier 68134.709.14.1 (Pavilion No 1), single-storey, designated as: another type of residential building; having 260 m<sup>2</sup> built-up area according to the plan, and according to the notary deed the area of the building is 242 m<sup>2</sup>; a building with identifier 68134.709.14.2, (Pavilion No 2), single storey, designated as: another type of residential building, having 267 m<sup>2</sup> built-up area according to the plan, and according to the notary deed the area of the building is 256 m<sup>2</sup>, as well as "Football field area" and "Tennis courts and a handball court"; a building with identifier 68134.709.14.3, single-storey, designated as another type of production, warehouse or infrastructure building, of area 42 m<sup>2</sup> according to the plan. Public state property deed No 09116 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.28. A landed property located in Sofia city, Slatina district, with identifier 68134.709.15, of area 34,519 m<sup>2</sup> according to cadastral plan No 15-66828 of 12 February 2016, an area designated permanently as: urban; zoned for sustainable use: for airfield, airport; with number under previous plan: block 2, parcel V, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.709.13, 68134.709.14, 68134.709.46, 68134.709.16, 68134.709.10, 68134.709.12, together with the following buildings constructed in that landed property and described in Public state property deed No 09117 of 25 April 2016, issued for the property by the Governor of Sofia City District: a building of identifier 68134.709.19.3 (a metal-structure hall), single-storey, designated as: a hangar, shed, garage, of 891 m<sup>2</sup> built-up area according to the plan, and according to the notary deed - two buildings of 720 m<sup>2</sup> each, 1,440 m<sup>2</sup> total area; 937 m<sup>2</sup>

area calculated using graphic methods; a building of identifier 68134.709.15.4 (a former shed, reported in the balance sheet as a facility), single-storey, designated as: a hangar, shed, garage, of 1,765 m<sup>2</sup> built-up area according to the plan, and according to the notary deed - 720 m<sup>2</sup>; 1,750 m<sup>2</sup> area calculated using graphic methods; a building of identifier 68134.709.15.5 (a garage of reinforced concrete and an administration building), single-storey, designated as: a hangar, shed, garage, of 1,410 m<sup>2</sup> built-up area according to the plan, and according to the notary deed - 720 m<sup>2</sup>; 1,320 m<sup>2</sup> area calculated using graphic methods; a part of building of identifier 68134.709.15.6 (a maintenance building), single-storey, designated as: an industrial building; having 1,609 m<sup>2</sup> built-up area according to the plan and 1,260 m<sup>2</sup> area of that part according to the notary deed; 960 m<sup>2</sup> area calculated using graphic methods; a building with identifier 68134.709.15.2, single-storey, designated as: another type of production, warehouse or infrastructure building, of 75 m<sup>2</sup> built-up according to the plan, located within landed property with identifier 68134.709.15 according to the cadastral map and cadastral registers of Sofia city, Slatina district; a building with identifier 68134.709.15.11, single-storey, designated as: a residential building of other type, having 16 m<sup>2</sup> built-up area; a building located in Sofia District, Sofia Municipality, Sofia City, Slatina district (located within landed properties of identifiers 68134.709.15 and 68134.709.16, belonging to the landed property of identifier 68134.709.15), with identifier 68134.709.15.1, two-storey, designated as: a building of the transport system, of built-up area 2,493 m<sup>2</sup> (two thousand, four hundred and ninety-three square meters) according to cadastral plans No 15-66828 of 12 February 2016 and No 15-66830 of 12 February 2016.

2.2.1.29. A landed property located in Sofia city, Slatina district, with identifier 68134.709.17, area 16,255 m<sup>2</sup> according to cadastral plan No 15-66862 of 12 February 2016, and according to notary deed - 16,204 m<sup>2</sup>; an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XIX, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.46, 68134.709.27, 68134.709.28, 68134.709.29, 68134.709.18, 68134.709.16. Public state property deed No 09118 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.30. A landed property located in Sofia city, Slatina district, with identifier 68134.709.24, area 11,776 m<sup>2</sup> according to cadastral plan No 15-66838 of 12 February 2016; an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XVIII, with the following property boundaries according to the plan: adjacent landed properties numbers: 68134.709.23, 68134.709.50, 68134.709.42, 68134.709.18, 68134.709.59, 68134.709.60, 68134.709.43. Public state property deed No 09119 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.31. A landed property located in Sofia city, Slatina district, with identifier 68134.709.31, area 1,175 m<sup>2</sup> according to cadastral plan No 15-66844 of 12 February 2016; an area designated permanently as: urban; zoned for sustainable use: for another type of production or warehouse building; number under previous plan: block 2, parcel XXVII, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.709.32, 68134.709.44. Public state property deed No 09120 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.32. A landed property located in Sofia city, Slatina district, with identifier 68134.709.44, area 2,200 m<sup>2</sup> according to cadastral plan No 15-66901 of 12 February 2016; an area designated permanently as: urban; zoned for sustainable use: for a side street; with

the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.36, 68134.709.37, 68134.709.50, 68134.709.18, 68134.709.29, 68134.709.30, 68134.709.31, 68134.709.32, together with the building of identifier 68134.709.44.1, built in that landed property, single-storey, designated as: another type of production, warehouse or infrastructure building; having 43 m<sup>2</sup> built-up area according to the plan. Public state property deed No 09121 of 25 April 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.33. A facility comprising the following: railway platform for unloading of fuels and lubricants, tank R-50 No 69, tank R-50 No 70, a drill well, identifier 07106.1401.10.2, of 17 m<sup>2</sup> area according to the plan, with metal fencing; an immovable system for transportation of drained and settled kerosene, with identifier 07106.1401.10.1, area 33 m<sup>2</sup> according to the plan; an underground tank 4 m<sup>3</sup> N37, a diesel generator AD100-3C4 SW680 (AD-10030SM 680), a pump for petroleum products and kerosene, a level meter for tube well, a submersible pump for the railway platform for unloading of fuels and lubricants, a mechanism for manual control of railway switches, a flow meter system for the railway platform for unloading of fuels and lubricants, a filtering and air bleed-off system, a shed, a water pump WT40XK3-DE HONDA, representing fuels and lubricants unloading base, located in landed property with identifier 07106.1401.10 according to a composite plan issued by GIS Sofia, with area 15,811 m<sup>2</sup> according to the cadastral map and 15,369 m<sup>2</sup> according to the archival cadastral plan, an area designated permanently as: an area for fuels and lubricants, mixed-type production zone; as well as a kerosene pipeline with the following characteristics: pipe diameter 159/4.5, working pressure 0.96 MPa and test pressure 1.2 MPa, with the following geodesic coordinates in Sofia system: start point X = 52076.392, Y = 47191.3095, located within property of identifier 07106.1401.10; end point coordinates X = 50781.4250, Y = 48289.8055, located in the property described above under point 1.1.1 with identifier 68134.709.14; coordinates of major bends in the pipeline route: X = 50761.3650, Y = 48207.0006; X = 51068.8546, Y = 48081.7849; X = 51743.9333, Y = 47284.0038 and X = 51876.1390, Y = 47277.7809, with total length 1,965 m.

2.2.1.34. The following buildings located in Sofia district, Sofia city, Sofia municipality, Slatina district:

2.2.1.34.1. Buildings (Sofia Airport Cargo Area), located in landed property of identifier 68134.709.18, number under previous plan: block 2, zoned land plot XVII, which are: a building with identifier 68134.709.18.1 - an administration and amenity building, area 102 m<sup>2</sup> according to the plan; a building with identifier 68134.709.18.2 - an X-ray section and a service entrance-exit, area 126 m<sup>2</sup> according to the plan; a building with identifier 68134.709.18.4. - three prefabricated rooms of total area 15 m<sup>2</sup> according to the plan; a building with identifier 68134.709.18.5, of area 2,712 m<sup>2</sup> according to the plan, comprising: a hall for apron equipment; a shed used for cargo storage; a "Duty-free and currency trade" warehouse, and a cargo warehouse with a charging system for electric trucks. Plan No 15-66886 of 12 February 2016 was issued for landed property of identifier 68134.709.18. Public state property deed No 09113 of 25 April 2016 was issued by the Governor of Sofia City District for the building of identifier 68134.709.18.1.

2.2.1.34.2. A building located in Sofia District, Sofia Municipality, Sofia City, Slatina district (located within landed properties of identifiers 68134.709.16 and 68134.709.18, belonging to the landed property of identifier 68134.709.18), with identifier 68134.709.18.90, two-storey, designated as: a building of the transport system, of built-up area 3,064 (three thousand and sixty-four) m<sup>2</sup> according to cadastral plan 15-24759 of 20 January 2016. The building is Passenger Terminal 1 - "Arrivals". Public state property deed No 09092 of 11 April 2016 was issued by the Governor of Sofia City District for the building

specified in point 1.1.34.2.

2.2.1.34.2.1. A division proposal has been submitted regarding zoned land plot XVII, and after division the property will be added to the buildings and will be included in the object of concession.

2.2.1.34.2.2. There is a legal dispute regarding shares of zoned land plot XVII and legal proceedings have been initiated as follows:

(a) An action pursuant to art.108 of the Property Act brought by Hemus Air EAD airlines against Trans Air EOOD, requesting the court to declare the former company as the owner of the landed property against the latter and to transfer the title of that property to the former company. On the initiated proceedings, civil case No 3928 according to Sofia City Court dockets for 2014, Civil Division, Second Panel ruled Judgment No 1867 of 7 March 2016, by which the court dismissed the brought claim as unfounded. The judgment was ruled with the participation of a third party - Sofia Airport EAD - assisting the claimant. The judgment has not become effective; it has been appealed against, and is enclosed in its entirety with this documentation (б) An action pursuant to art.124(1) of the Code of Civil Procedure, brought by Hemus Air EAD airlines against the state, represented by the minister of regional development, where the claimant claims that he is the owner of shares of a property described in details in the statement of claim. On the brought action a lawsuit was initiated, civil case No 2145 according to Sofia City Court dockets for 2014, Civil College, First Division, First Panel. A judgment of 26 February 2016 was ruled on the case, by which the brought declarative claim was upheld. The judgment was ruled with the participation of a third party - Sofia Airport EAD - assisting the claimant. The judgment has not become effective; it has been appealed against, and is enclosed in its entirety with this documentation.

After completion of legal disputes under indebts a) and b) above and according to their final results, the described plots/parts of plots will be included in the object of concession by a supplementary agreement to the Concession Agreement.

2.2.1.35. Sections of zoned land plot XI, located in its north-east part, with the following boundaries: to the east and to the south - the boundary of Slatina district, and to the north-west - the zoning boundary of zoned land plot XI:

2.2.1.35.1. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2050, area 21,413 m<sup>2</sup> according to cadastral plan No 15-212483 of 3 May 2016, in an area designated permanently as: urban; zoned for sustainable use: for airfield, airport; number under previous plan: block 2, parcel XI, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.709.6, 68134.709.428, 68134.8578.89, 68134.608.2051, 68134.709.54, 68134.709.9, 68134.709.7, 68134.608.2048, 68134.608.2049, 68134.608.2057, 68134.608.1503, 68134.608.2056, 68134.608.2043, 68134.608.2055, 68134.608.2058 and 68134.608.2052; Public state property deed No 09133 of 14 May 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.35.2. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2043, area 1,371 m<sup>2</sup> according to cadastral plan No 15-212471 of 3 May 2016; in an area designated permanently as: urban; zoned for sustainable use: for airfield, airport; number under previous plan: none; with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.608.2052, 68134.608.2050, 68134.608.2055, and 68134.608.2058; Public state property deed No 09138 of 14 May 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.36. Sections of zoned land plot XII - the south-west corner of zoned land plot XII, with the following boundaries: the boundary of Slatina district to the east, the boundary

of zoned land plot XI to the south, and the zoning boundary of zoned land plot XII to the north-west:

2.2.1.36.1. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2048, area 1,095 m<sup>2</sup> according to cadastral plan No 15-212533 of 3 May 2016; in an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XII, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.608.2049, 68134.608.2050, 68134.709.9, 68134.709.7, 68134.709.1, 68134.608.2047, 68134.608.2045 and 68134.608.2046; Public state property deed No 09134 of 14 May 2016 was issued for the property by the Governor of Sofia City District;

2.2.1.36.2. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2046, of area 132 m<sup>2</sup> according to cadastral plan No 15-212507 of 3 May 2016, in an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: 1219,743, block 2, parcel XII, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.608.2049, 68134.608.2048, 68134.608.2047, and 68134.608.2045. Public state property deed No 09136 of 14 May 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.37. Sections of zoned land plot XIII - a small section of the south-west corner of zoned land plot XIII, with the following boundaries: the boundary of Slatina district and zoned land plot XII to the east, the boundary of zoned land plot XII to the south, and the zoning boundary of zoned land plot XIII to the north-west:

2.2.1.37.1. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2049, area 54 m<sup>2</sup> according to cadastral plan No 15-212505 of 3 May 2016; in an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XIII, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.608.2050, 68134.608.2048, 68134.608.2046, 68134.608.2045, 68134.608.2044 и 68134.608.2057; Public state property deed No 09135 of 14 May 2016 was issued for the property by the Governor of Sofia City District;

2.2.1.37.2. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2045, area 86 m<sup>2</sup> according to cadastral plan No 15-212519 of 3 May 2016; in an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: 1219, 743, block 2, parcel XIII, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.608.2057, 68134.608.2049, 68134.608.2046, 68134.608.2048, 68134.608.2047, 68134.608.1503 and 68134.608.2044; Public state property deed No 09137 of 14 May 2016 was issued for the property by the Governor of Sofia City District;

2.2.1.37.3. a landed property located in Sofia city, Poduyane district, with identifier 68134.608.2047, of area 442 m<sup>2</sup> according to cadastral plan No 15-212512 of 3 May 2016, in an area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: block 2, parcel XIII, with the following property boundaries according to the plan: adjacent landed properties of identifiers 68134.608.2044, 68134.608.2045, 68134.608.2046, 68134.608.2048, 68134.709.7, 68134.709.1, 68134.709.53 and 68134.608.1503; Public state property deed No 09132 of 14 May 2016 was issued for the property by the Governor of Sofia City District.

2.2.1.38. By a supplementary agreement to the Concession Agreement the following

may be included as a part of the object of concession, under conditions and procedures specified in this tender documentation:

2.2.1.38.1. Landed property 68134.709.60, located in Sofia district, Sofia city, Sofia municipality, Slatina district, of number under previous plan XVIII;

2.2.1.38.2. A landed property located in Sofia city, Poduyane district, with identifier 68134.608.2051, and area 2,296 m<sup>2</sup> according to cadastral plan No 15-212463 of 3 May 2016; in an area designated permanently as: urban; zoned for sustainable use: for a facility of another type of connection; number under previous plan: block 2, parcel XIII, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.54, 68134.709.9, 68134.608.2050, 68134.608.2052, 68134.608.721 and 68134.608.1506;

2.2.1.38.3. The landed property within which the facility mentioned in point 2.2.1.33 is located;

2.2.1.38.4. The landed property, which will be assigned to the buildings mentioned in point 1.1.34 of zoned land plot XVII, after the division project is approved, as well as the sections of zoned land plot XVII for which pre-trial proceedings have been initiated as described above in this tender documentation (there are legal disputes regarding shares of zoned land plot XVII as described above);

2.2.1.38.5. Other property, needed for extending the object of concession where that is necessitated by the approved master plan for the airport development and is connected with the implementation of the investment programme of the participant selected to be the concessionaire.

2.2.2. The facilities and the related infrastructure, indicated in this tender documentation and in the concession agreement.

2.2.3. Properties and corporeal things, which are public state property: buildings, installations and systems of the visual air navigation facilities (lighting systems), located within the territory of Sofia Airport and in the concession area, as well as other equipment and the related infrastructure according to Annex No 1.

2.2.4. The buildings, installations and equipment, which will be constructed and/or installed by the **CONCESSIONAIRE** at his own risk and expense, under the conditions and procedures laid down in the concession agreement.

**2.2.5. The object of the concession does not include:**

2.2.5.1. The following landed properties and buildings - public state property, installations and equipment, committed to the State Enterprise "Air Traffic Control" (BULATSA) for management and use described under Annex No 2 as follows:

2.2.5.1.1. A landed property and a building: landed property with identifier 68134.709.20, public state property deed No 07254 of 29 July 2009, and a building with identifier 68134.709.20.1 (Air traffic control tower), public state property deed No 08297 of 30 September 2013;

2.2.5.1.2. A building with identifier 68134.709.469.9 (the building of Airport Radar Complex "Selenia", number under previous plan: 414, block 2) - public state property deed No 08324 of 9 December 2013;

2.2.5.1.3. A building with identifier 68134.709.469.10 (building AR-1, number under previous plan: 412, block 2) - public state property deed No 08996 of 10 September 2015;

2.2.5.1.4. Landed property of identifier 68134.709.10.458 (an area for a new airport radar) - public state property deed No 08986 of 14 August 2015, and landed property of

identifier 68134.709.10.457 (access road to the radar) - public state property deed No 08985 of 14 August 2015

2.2.5.1.5. Landed properties, buildings and facilities of BULATSA and their reserved service areas;

2.2.5.1.6. The routes of cable duct grids and banks in the territory of Sofia Airport, laid, maintained and used by BULATSA;

2.2.5.1.7. ½ shares of the gas pipeline branch to the Integrated Air Traffic Control Centre (By Decision No 475 of the Council of Ministers dated 26 June 2006 the other 1/2 shares of it were delivered free for management by the Ministry of Transport for the needs of Directorate General "Civil Aviation Administration" and for use by Sofia Airport EAD;

2.2.5.2. Zoned land plot VIII designated as a VIP terminal;

2.2.5.3. The properties and buildings in the territory of Sofia Airport, which are private property of third parties;

2.2.5.4. The following are excluded from the landed property of identifier 68134.709.469 and area 1,200,059 m<sup>2</sup> and are not part of the object of concession: apron VIP 1 of area 10,120 m<sup>2</sup> and the apron of 28th Air Detachment of area 17,400 m<sup>2</sup>, the coordinates of their border points as indicated in Annex No 3.4, as well as an area of 1,120 m<sup>2</sup> designated for kennels for police dogs of the Ministry of Interior; the coordinates of its border points, Annex No 3.4; Public state property deed No 09139 of 14 May 2016 was issued for the property by the Governor of Sofia City District.

#### 2.2.6. Facilities, buildings and equipment

In accordance with the zoning plan, buildings, facilities and equipment of Directorate General "Civil Aviation Administration", located in the territory of Sofia Airport, which are included in the object of concession, are those specified in Annex No 1 as well as in the table below:

| No | FACILITY                           | Built in year | Area (total floor area); length | Location according to the detailed site development |
|----|------------------------------------|---------------|---------------------------------|---|
| 1. | The square in front of airport T1  | 2001          | 32610 m2                        | IV, XVII  |
| 2. | Kiosk switchgear and power line    | 2006          | 182 m                           | XI  |
| 3. | Reinforcement of Iskar river bank  | 2006          | 261 270m2                       | X, XI, XV   |
| 4. | A new runway                       | 2006          | 247200 m2                       | XI  |
| 5. | Taxiway "C"                        | 2006          | 31270 m2                        | X, XI   |
| 6. | Taxiway "E"                        | 2006          | 14 691 m2                       | XI  |
| 7. | Taxiway "H"                        | 2006          | 243330 m2                       | XI  |
| 8. | Bridge facility across Iskar river | 2006          | 31190 m2                        | XI  |

|     |   |           |                       |                      |
|-----|---|-----------|-----------------------|----------------------|
| 9.  | Perimeter fencing sections along B1   | 2006      | 1 435 m               | X                    |
| 10. | Perimeter fencing sections along B2   | 2006      | 5690 m                | X, XI                |
| 11. | Perimeter fencing sections beyond the project   | 2006/2007 | 5254 m                | IX, XIII, XVII       |
| 12. | Taxiway "S"   | 2006      | 2 960 m <sup>2</sup>  | XI                   |
| 13. | Taxiway "A"   | 2006      | 20010 m <sup>2</sup>  | XI                   |
| 14. | Taxiway "B"   | 2006      | 35 990 m <sup>2</sup> | XI                   |
| 15. | Perimeter road sections along B1  | 2006      | 8175 m <sup>2</sup>   | IX, XV               |
| 16. | Perimeter road sections along B2  | 2006      | 30 720 m <sup>2</sup> | IX, X, XI, XII, XIII |
| 17. | Perimeter road sections beyond the project  | 2006      | 10000                 | IX, XIII             |
| 18. | Radio-transparent fence   | 2008      | 1700,52 m             | XI                   |
| 19. | Installation conduit  | 2006      |                       | XV                   |
| 20. | Deep wells  | 2006      | 2 pcs.                | XV                   |
| 21. | Land-side access roads, outdoor parking lot B1 (together with the pavement and sidewalks) | 2006      | 72852                 | XV, XVI              |
| 22. | Runoff rainwater treatment plants   | 2007      | 3 бп.                 | XV                   |
| 23. | A dyke on the left bank of Iskar river  | 2008      | 1 246 m               | out                  |
| 24. | Acoustic screen   | 2009      | 10240 m <sup>2</sup>  | X                    |
| 25. | Apron from stand No 1 to stand No 11  | 2006      | 68420 m <sup>2</sup>  | X, XV                |
| 26. | Apron from stand No 12 to stand No 16   | 2006      | 28545 m <sup>2</sup>  | X, XV                |
| 27. | Apron from stand No 17 to stand No 23   | 2008      | 20055 m <sup>2</sup>  | X                    |
| 28. | Apron from stand No 24 to stand No 28   | 2008      | 14530 m <sup>2</sup>  | X                    |
| 29. | Apron from stand No 29 to stand No 34   | 2008      | 21805 m <sup>2</sup>  | X                    |
| 30. | Business aviation apron from stand No 12A to stand No 16A                                 |           | 12590 m <sup>2</sup>  | X                    |

|     |   |           |           |           |
|-----|---|-----------|-----------|-----------|
| 31. | Business aviation apron from stand No 35 to stand No 38               |           | 7005 m2   | X         |
| 32. | De-icing platform East  | 2006/2016 | 33560 m2  | X         |
| 33. | De-icing platform West  | 2006      | 10420 m2  | X, XI     |
| 34. | Taxiway "L"   | 2006      | 61560 m2  | X, XI     |
| 35. | Apron taxiway "J"   | 2006      | 120730 m2 | X, XI     |
| 36. | Taxiway "P"   |           | 4890 m2   | X         |
| 37. | Taxiway "R"   |           | 4025 m2   | X         |
| 38. | Apron taxiway "N"   |           | 110400 m2 | X         |
| 39. | Taxiway "N" - closed section  |           | 30485 m2  | X, XI     |
| 40. | Taxiway "Q" - closed section  |           | 8335 m2   | X, XI     |
| 41. | Taxiway "H" - closed section  |           | 33042 m2  | XI        |
| 42. | Taxiway "S"   | 2006      | 2940 m2   | XI        |
| 43. | Taxiway "D"   | 2006      | 4070 m2   | XI        |
| 44. | Taxiway "M"   | 2006      | 9350 m2   | X         |
| 45. | Taxiway "K"   | 2006      | 7665      | XI        |
| 46. | Measurement points for monitoring of deformations                     | 2010      | 366 pcs.  | X, XI, XV |
| 47. | A transit road from VIP A section, going by the front of T1 and to T2 |           | 11960 m2  | X         |
| 48. | Parking lot in front of Checkpoint 1                                  |           | 1550      | XVII, X   |
| 49. | Cargo pavement  |           | 4600 m2   | XVII, X   |
| 50. | Pavement in front of Lufthansa's hangars                              |           | 25600 m2  | X         |

### 2.2.7. Electric power supply:

The power supply for Sofia Airport is from the following independent external sources:

(a) For Terminal 1:

- TPP Sofia-East - medium voltage (MV) 6 kV;
- Substation Iskar-Industria - MV 6 kV;
- Substation Sofia-East - MV 10 kV.

(b) For Terminal 2:

- Substation Iskar-Industria - MV 20 kV - Boeing terminal;

- Substation RTs RVD (air traffic control regional center), Block 6 - MV 20 kV - Airport - SS1 terminal.

2.2.7.1. Sofia Airport has main MV distribution substations, MV transformer substations and internal power supply cable networks as follows:

(a) For Terminal 1: A main distribution substation, medium voltage, with 6 kV single bus bar system with sectionalisation, supply from TPP Sofia-East and from substation Iskar-Industria, and 10 kV single bus bar system, with supply from substation Sofia-East. The 6 kV and 10 kV bus bar systems are connected through an intermediary transformer (IT; Bulgarian: TM) 1,000 kVA, 10/6 kV. The main distribution substation supplies electricity to the following medium-voltage transformer substations (TS; Bulgarian: TII): 6/0.4 kV - TS 1, TS 1 A, TS 8, TS 9, TS Hangar, TS VIP A; 6/0.4 kV for the lighting system - TS 2; TS Radar; compact transformer substation (CTS; Bulgarian: KTII) „Zapad" ("West"), TS 3 and TS 2, CTS „Iztok" ("East"), TS 4; 10/0.4 kV - TS 6, TS 7, TS 10, TS 10A, TS 11, TS Northern area.

TS Flight simulator. Power supply to the transformer substations is by means of medium voltage cables laid in conduits or trenches.

(b) For Terminal 2: Main distribution substation SS1, medium voltage, 20 kV, with single bus bar system with sectionalisation, supply from substation Iskar-Industria and from the switching substation of air traffic control regional center, Block 6. Substation SS1 provides power supply to substation SS2 - with single bus bar system with sectionalisation with two transformers 20/0.4 kV; and to substation SS4 - with single bus bar system with sectionalisation with two transformers 20/0.4 kV. Substation SS2 provides power supply to substation SS3 - with single bus bar system with sectionalisation with two transformers 20/0.4 kV. Power supply to the substations is by means of medium voltage cables 20 kV, laid in a tunnel or trenches.

2.2.7.2. A pole-mounted substation 20/0.4 kV has been constructed, to which power is supplied by means of an overhead line from substation Iskar-Industria.

2.2.7.3. For redundancy of all priority electricity consuming systems in Terminal 2, the lighting system, a part of Terminal 1, VIP A section and the railway platform for unloading of fuels and lubricants in case of failure of the main power supply, local emergency sources - diesel generators - have been installed in TS SS1; in TS SS2; in TS SS3; in TS SS4; in TS 2; in TS 3; in TS 4; in TS Radar; in CTS "Iztok" (compact transformer substation "East"); in CTS "Zapad" ("West"); in the main distribution substation of Terminal 1; in TS 8 for VIP A section and at the platform for unloading of fuels and lubricants.

The floodlights for lighting the apron, the stands and the de-icing platforms are with high-pressure sodium-vapour lamps, 600 W and 400 W, with possibility for luminance regulation.

2.2.7.4. The system for control and monitoring of the lights of the take-off and landing runways and of the taxiways of Sofia Airport has been designed and implemented by SAFEGATE and enables continuous monitoring of the condition of lights. The power supply to the primary circuits of the lamps of the take-off and landing runways and of the taxiways is through direct current regulators of capacity 5 kV to 30 kV.

## **2.2.8. Water supply and sewerage:**

### **2.2.8.1. Water supply**

The water supply to Sofia Airport is from a single water-main for the airport complex, with a main water meter; the two terminals have separate water meter and control units and separate customer numbers. The water supply networks of both terminals are of mixed type, supplying drinking water as well as water for fire-fighting and technical needs. The water main common for the entire airport complex territory has only one connection to the city water mains, with a water meter shaft in the area of the crossroads of Mimi Balkanska St. and Prodan Tarakchiev St. crossing Brussels Blvd.

The water supply company is Sofia Water AD. Constructing a second water supply connection is planned, and the project is currently in "development of detailed design" phase.

2.2.8.2. Sewerage. The sewerage system is common for the entire territory of Sofia Airport and carries away sewage of all main water consumers, the two terminals, the cargo handling section, the vehicle fleet section and the fuels and lubricants department. Household waste water from Terminal 2 is removed through a waste water pumping station. Rainwater from Terminal 2 is carried away to a retention pond in the former quarry "Stari Silozi" and from there it is pumped over to Iskar river through a powerful pumping station. A new reception inspection chamber has been built, connected to the site sewerage system carrying away the waste water from water service units servicing aircraft. Waste water from the old Center for information and coordination and from the new fire station is carried to local collecting shafts. It has been accepted that the quantity of domestic waste water is equal to the quantity of water supplied by Sofia Water AD. That quantity is measured by the water meters; the losses generated by the site water distribution system are calculated based on it and added to that quantity.

The water supply and sewerage networks with their characteristics are indicated in the underground cadastre of Sofia Airport.

#### 2.2.8.3. Water wells

„ Sofia Airport EAD has five water wells, for which Basin Directorate for Water Management in Danube River Region – Pleven has issued use permits. The water supplied from those wells is used for technical and fire fighting needs and for the air conditioning system of Terminal 2. The wells are as follows:

| <b>Groundwater source</b> | <b>Location</b>                            | <b>Permit</b>      | <b>Water use</b>                               |
|---------------------------|--|--------------------|--|
| Tube well 1               | Vehicle fleet department Terminal 1        | No 1434/08.10.2014 | For washing of vehicles and for other purposes |
| Tube well 2               | Fuels and lubricants department Terminal 1 | No 1434/08.10.2014 | For fire-fighting needs and for other purposes |
| Tube well 3               | Unloading platform Terminal 1              | No 1434/08.10.2014 | For fire-fighting needs and for other purposes |
| Tube well 1 Terminal 2    | Technical area, Terminal 2                 | No 849/28.08.2012  | Cooling  |
| Tube well 1 Terminal 2    | Technical area, Terminal 2                 | No 849/28.08.2012  | Cooling  |

#### 2.2.8.4. Pollution sources:

Lavatory waste of airplanes is pumped out by toilet trucks which dump it in a sewerage shaft at a site constructed specially for the purpose in the western part of Sofia Airport, for which the airport has obtained the written consent of Sofia Water AD.

De-icing of aircraft is performed in winter season, only at the platforms specially designed for the purpose ("East" and "West"). The platforms are equipped with underground tanks for collecting the de-icing fluid. After winter season is over a specialized company pumps out the contents of those

tanks.

#### 2.2.8.5. Treatment installations.

Run-off rainwater from the drainage system of the apron of Terminal 1 flows through a mud and oil trap - MOT 1, and rainwater from the apron of Terminal 2 flows through MOT 2, and is then discharged into a drainage gutter, which carries it into Iskar river. Permit No 1487 of 3 December 2014 has been issued for the purpose by Basin Directorate for Water Management in Danube River Region – Pleven.

Run-off rainwater from the outdoor parking areas, the underground parking lot and the roof of Terminal 2 is treated as it flows through MOT 3, and is then discharged into the retention pond in the park near Terminal 2, from where a pumping station discharges it into Iskar river. Permit No 1647 of 5 June 2015 has been issued for the purpose by Basin Directorate for Water Management in Danube River Region – Pleven.

#### 2.2.9. Gas supply:

By Decision No 475 of the Council of Ministers dated 26 June 2006 the gas pipeline branch to the Integrated Air Traffic Control Centre was declared public state property. That part of the branch was constructed by BULATSA and has total length 3,436.63 m. It is located in Sofia city, Iskar district, and connects to the existing gas pipeline dia 630 x 8, supplying gas to TPP Sofia-East; the initial point of the gas pipeline branch is valve station No.1 (VS N1) located at 3 m distance before the fixed support of the overhead section of the existing pipeline across over Iskar river, and the end point is valve station No.2 (VS N2). The branch consists of:

a) Section I: a gas pipeline of steel pipes dia 219 x 6, total length 3,152,63 m, located in municipal property land, its route being from valve station No.1 to point B44 (joining section II at point B0), determined according to the design coordinates of the pipeline route curves, established in preparing working drawings.

b) Section II: a gas pipeline of steel pipes dia 219 x 6, total length 284 m, located in the territory of Integrated Air Traffic Control Centre, its route being from point B0 (joining section I at point B44) to valve station No.2, determined according to the coordinates of the curves of the constructed pipeline, established in surveying for preparing as-built drawings, according to the annex to Decision No 475.

2.2.9.1. ½ shares of the above described gas pipeline branch shall be provided to the **CONCESSIONAIRE** for use and maintenance.

The companies supplying gas to Sofia Airport are Bulgargas EAD and respectively Sofiagas.

### 2.3 MAIN RIGHTS OF CONCESSIONAIRE:

2.3.1 To exploit the services of public interest by receiving revenues from: a) airport fees related to performance of functions of airport administration; b) the other services and economic activities under Annex No 3, item IV of the present **Concession Agreement**;

2.3.2 To perform with own funds at own risk partial construction and installation works relevant to the Object of Concession in conformity to the filed offer and under the terms and conditions envisaged under the present Concession Agreement and the provisions of the applicable legislation in force;

2.3.3 To rent parts of the Object of Concession in conformity to the provisions of art. 10.

2.3.4 To collect completely in its favor the **Airport Fees under art. 120, paragraph 1 of LCA** relevant to performance of all functions of airport administration and to receive revenues from other economic activities performed on the territory of the Object of Concession in conformity to the provisions of **art. 31** of the present **Concession Agreement**.

2.3.5 To perform airport services related to the functions of an airport operator according to the LCA and to perform activities of ground service operator according to the received licenses;

2.3.6 To use newly constructed/newly acquired real estate and things – public state property that are located at the object of concession and are constructed/acquired after the date of entering into force of the Concession Agreement;

2.3.7 To sign contracts with subcontractors for performance of economic activities and partial construction and/or installation works in conformity to the international and internal requirements relevant to safety and security on the field of civil aviation;

2.3.8 To receive from the **GRANTOR OF CONCESSION** certified copies of the existing technical, financial and other documentation related to the exploitation of the **Airport** until the **date of entering into force** of the **Concession Agreement**;

2.3.9 To purchase or rent from “Sofia Airport” EAD the assets related to the performance of activities relevant to exploitation and management of the object of concession proposed by the **GRANTOR OF CONCESSION** according to art. 4.7;

2.3.10 To destroy buildings and facilities and to dismantle equipment under the terms and conditions of the present Agreement.

#### **2.4. MAIN RIGHTS OF THE GRANTOR OF CONCESSION:**

2.4.1. To receive concession payment under the terms and conditions of art. 32;

2.4.2. To assign to the **CONCESSIONAIRE** all functions of airport administration according to the **Civil Aviation Act** and the present **Concession Agreement**;

2.4.3. To control the fulfillment of obligations of the **CONCESSIONAIRE** and the conditions of concession, to take the respective measures that include imposing of sanctions envisaged under the **Concession Agreement** in case of default, delayed or defective performance of any of the obligations envisaged under the contract;

2.4.4. To receive accounting and information reports from the **CONCESSIONAIRE** relevant to the fulfillment of the **Concession Agreement** under the rules of art. 23.5 of the present **Concession Agreement** ;

2.4.5. To receive access to the object of concession and to the documentation of the **CONCESSIONAIRE** relevant to fulfillment of the obligations under the Concession Agreement with regard to realization of its controlling powers under the rules of art. 21 and art. 22 of the present **Concession Agreement**;

2.4.6. To receive back the object of concession and the documentation under art. 2.5.13 in case of termination of the present Concession Agreement or in case the Agreement is declared void;

2.4.7. To require the **CONCESSIONAIRE** to fulfill its obligation to realize investments according to the Investment Program under the field offer (Annex No 7), the Business Proposal relevant to operation of the Airport (Annex No 8), Security Measures (Annex No 9) and of the other obligations under the present Concession Agreement;

2.4.8. To benefit from the bank and other guarantees provided by the **CONCESSIONAIRE** in fulfillment of the present **Concession Agreement** according to the provisions of art. 14;

2.4.9. To benefit from the insurances concluded by the **CONCESSIONAIRE** in conformity to the terms and conditions of the insurance contracts and those of the present **Concession Agreement**;

2.4.10. In case of force majeure to appoint third parties, which temporarily to use the object of concession or parts of it under the rules of art. 35 of the present Concession Agreement;

2.4.11. To terminate unilaterally the present **Concession Agreement** under the rules of art. 75, paragraph 1 of Concessions Act in case of non-fulfilment of any of the main obligations or conditions of the Concession, in case of withdrawal of the airport operator license of the **CONCESSIONAIRE** and on any other grounds according to the legislation in force and under the rules of art. 41.

#### **2.5. MAIN OBLIGATIONS OF CONCESSIONAIRE**

By the present **Concession Agreement** the **GRANTOR OF CONCESSION** appoints the **CONCESSIONAIRE** as the entity, which to exploit the **Airport** and to perform **Airport Services**

at the **Airport** and/or other economic activities and the **CONCESSIONAIRE** shall be responsible at his own risk for the performance of all activities necessary for the development, financing, construction, maintenance and exploitation of the Airport in conformity to the law and to the terms and conditions of the present **Concession Agreement** for the whole Term of Concession.

In fulfillment of the obligations under the present **Concession Agreement**, the **CONCESSIONAIRE** shall treat equally all categories of users/consumers.

**THE CONCESSIONAIRE SHALL BE OBLIGED TO:**

2.5.1. In conformity to the legislation in force and to the terms and conditions of the present **Concession Agreement**:

a) to fulfill at his own risk the obligations that ensue from the conditions of concession under art.3;

b) to perform all functions of airport administration at the object of concession envisaged under art. 48a, paragraph 3 of the Civil Aviation Act and under the present Concession Agreement;

c) to receive and maintain for the term of the Agreement certificate for exploitation fitness of the object of concession, license for an airport operator and licenses for ground service operator for the activities under art. 48e, paragraph 3, item 1-7 of the Civil Aviation Act;

d) to perform on his own account partial construction and installation works and supply and maintenance of airport equipment in conformity to the present Concession Agreement;

2.5.2. To manage and maintain the object of concession at his own risk by assuring the functioning of the airport all year long in accordance with its purpose as a civil airport for public use for servicing of international and internal flights in conformity to the Business Proposal for operation of Sofia Airport that includes Social Program, Commercial Program, Program for Management and Maintenance of the Object, Ecological Program, Organizational – Management Program and Transition Period Plan, Investment Program, Security Measures at the Airport, legislation in force and the present Agreement.

2.5.3. To perform concession payments in the size, under the rules, conditions and terms envisaged under art. 32 of the present **Concession Agreement**;

2.5.4. At any time during the term of concession the **CONCESSIONAIRE** shall fulfill the present Concession Agreement in conformity to the legislation in force;

2.5.5. To maintain bank guarantees for fulfillment of the present **Concession Agreement** for the whole term of concession in conformity to the provisions of art. 14;

2.5.6. To admit at any moment controlling bodies and authorized representatives of the **GRANTOR OF CONCESSION** to access the object of concession in order to control the fulfillment of the present **Concession Agreement**;

2.5.7. To provide reports and information on realization of the investment program, engineering and technical projects, ecological and complex plans as well as any other information relevant to fulfillment of the obligations under the present **Concession Agreement** for the purposes of controlling of its fulfillment in conformity to art. 23;

2.5.8. Immediately to inform the Minister of Transport, Information Technologies and Communications and the authorized state authorities about all circumstances that occurred and created danger to the national security, defense and public order, the environment, humans' health and protected territories, zones and sites as well as about all circumstances that endanger the safety of civil aviation in conformity to the rules envisaged under the present **Concession Agreement**;

2.5.9. To receive from the **GRANTOR OF CONCESSION**, by signing of a written statement of receipt, the assets – public state property related to performance of activities relevant to management and exploitation of the object of concession in conformity to art. 4.1.1 of the present **Concession Agreement**;

2.5.10. To realize investments at the object of concession in the size, term and way envisaged under the present **Concession Agreement** and the investment program;

2.5.11. To assure access to the object of concession of the competent state authorities or of officials appointed by the Minister of Transport, Information Technologies and Communications

when this is necessary for performance of urgent tasks to public benefit or for protection of public order and security and for fire safety and protection of population;

2.5.12. To fulfill and finance the measures for protection of Sofia Airport with regard to fact that Sofia Airport is defined as strategic site;

2.5.13. To fulfill Order No OX-882 of 4 December 2000 and Order No RD-08-902 of 4 December 2000 of the Minister of Defense and of the Minister of Transport and Communications for joint use of landed property in the city of Sofia, Sofia Municipality, Sofia District, Slatina Region with identifier 68134.709.430, of area 32,520 m<sup>2</sup> (thirty-two thousand, five hundred and twenty square meters) according to cadastral plan No 15-24771 of 20 January 2016, area designated permanently as: urban; zoned for sustainable use: for another landed property for movement and transport; number under previous plan: 430 of block 2, parcel XII, with the following property boundaries according to the plan: adjacent landed properties of identifiers: 68134.709.9, 68134.709.8, 68134.709.63, 68134.709.62, 68134.709.194, 68134.709.429, 68134.709.5, 68134.709.6, 68134.709.4, 68134.709.407, 68134.709.7;

2.5.14. To provide free and unimpeded access to all parts of the object of concession with regard to performance of functions to all international organizations or authorities whose activity is related to air traffic or to management and exploitation of the airport or to other bodies and authorities whose functions are related to border control, defense, police activity, fire safety and protection of population activities, safety and security;

2.5.15. In case of termination of the **Concession Agreement** to deliver the object of concession to the **GRANTOR OF CONCESSION** fit for exploitation under the terms and conditions of the present **Concession Agreement**;

2.5.16. In case of termination of the **Concession Agreement** to deliver the whole technical, financial, project, executive and other documentation relevant to the object of concession and its exploitation that has been provided from the **GRANTOR OF CONCESSION** before entering into force of the present **Concession Agreement** as well as the one that has been elaborated and acquired by the **CONCESSIONAIRE** until the termination of the Agreement;

2.5.17. To join and/or subrogate "Sofia Airport" EAD under the existing contracts related to performance of activities relevant to exploitation and management to the object of concession under conditions, rules and terms envisaged under art. 45 of the present Concession Agreement.

2.5.18. To insure the object of concession on his own account in favor of the **GRANTOR OF CONCESSION** for each year of the term of the present **Concession Agreement** as well as his liability towards third parties (beneficiaries) as an airport operator and as a ground service operator for each year of the term of concession in conformity to the legislation in force and art. 24 of the present **Concession Agreement**.

2.5.19. To maintain the availability of services of public interest and to assure continuity and level of quality of provided services in conformity to the present Concession Agreement;

2.5.20. To maintain for the term of concession not lower than the following categories according to the classifications and recommendations of IATA and ICAO: - airport category – 4E; - category of emergency saving and fire safety assurance – IX; - level of servicing of passengers – C;

2.5.21. To create condition suitable for maintenance and increasing of passenger flow and cargo flights at Sofia Airport;

2.5.22. To inform the **GRANTOR OF CONCESSION** about all acquired real estate and things – public state property – after the date of entering into force of the present **Concession Agreement** (newly acquired property);

2.5.23. To assure access of licensed ground service operators appointed under due legal order;

2.5.24. In conformity to his offer to assure on his own account the elaboration and if necessary the updating and to present for coordination to the **GRANTOR OF CONCESSION** the Master Plan of the airport and respectively, on the basis of the master plan, detailed organizational plan (DOP) of the Airport as well as any project, technical, financial and other documentation necessary for the

development of Sofia Airport in conformity to the provisions of art.7 and Annex No 6;

2.5.25. At his own risk to perform partial construction and installation works and delivery and maintenance of airport equipment in conformity to the present Concession Agreement and to realize investments at his own risk and on his own account envisaged under the Investment program (Annex No 7) on the basis of effective Master Plan and DOP;

2.5.26. To assure to the controlling bodies under the Civil Aviation Act including PANS free use of premises necessary for performance of their tasks at the object of concession, including to maintain and repair the premises provided for free use;

2.5.27. By virtue of art. 123a of the Labor Code to enter as an employer under any labor agreement between a worker or an employee of “Sofia Airport” EAD performing the activities assigned by means of the concession;

2.5.28. At any moment to assure access to the sites under art. 2.2.3.1, art. 2.2.3.3. and art. 2.2.3.4. – public state property to the persons to whom the latter are assigned for management and use as well as to the sites under art. 2.23.3. on the territory of Sofia Airport – private property of third parties;

2.5.29. To inform immediately the GRANTOR OF CONCESSION and the Minister of Culture when in the course of performance of concession he discovers findings that have the features of objects of cultural value;

2.5.30. To coordinate and receive in advance the approval of the GRANTOR OF CONCESSION for performance of any improvement at the Airport that is not envisaged under the respective approved Annual Investment Program in conformity to the provisions of articles 7 and Annex No 7;

2.5.31. To manage the **Airport** and to assure 24-hour access to it, with working time according to the forecasted air traffic and to provide airport services under the conditions of the present **Concession Agreement**;

2.5.32. At any moment to assure access to PANS to the object of concession when this is needed for performance of installation or maintenance of equipment necessary for performance of Air navigation services or fulfillment of other legal obligation under the rules of art. 17

2.5.33. The agreements reached by the **CONCESSIONAIRE** shall be Transactions by the market prices method. In any case when the GRANTOR OF CONCESSION establishes that costs or revenues of the CONCESSIONAIRE ensue from an agreement, which is not a Transaction by the market prices method and that the sum of these costs or revenues shall be taken into consideration at performing of calculations under the present Concession Agreement, the GRANTOR OF CONCESSION may replace this sum by a sum equal to the market price for the respective services, construction works or goods;

2.5.34. To assure on his own account the respective permits, licenses and rights that are required by the legislation in force and are relevant to the management, maintenance and exploitation of the Object of concession, including the coordination documents for partial designing, construction and repair of the Object of concession that are required by the law as well as the performance of construction surveillance, testing and other activities required by the legislation in force in relation to the designing, construction and exploitation of the Object of concession;

2.5.35. On the basis of the Investment Program to elaborate and present for approval to the GRANTOR OF CONCESSION Annual Investment Programs in conformity to the provisions of art.7;

2.5.36. To manage and maintain the Object of concession at his own risk with due care and in conformity to the legislation in force;

2.5.37. In case of force majeure to accept the temporary using of the Object of concession or parts of it by third parties appointed by the Minister of Transport, Information Technology and Communications in fulfillment of the provisions of art. 35 without any right to receive compensation for this;

2.5.38. To assure opportunity for using of the Object of concession in fulfillment of obligations assumed under international treaties to which the Republic of Bulgaria is a party and in case of signing of new or amendment of existing international treaties that affect the rights and obligations of the parties under the present Concession Agreement they may sign a supplementary agreement on amendment and/or supplementing of the Agreement in conformity to the legislation in force;

2.5.39. To assure to the state users free and unimpeded access to premises and airport assets necessary for performance of their tasks at the object of concession under the conditions and rules of art. 21 and also to maintain and repair the premises provided to the state users;

2.5.40. To pose temporarily the Construction works when they result in discovery of findings that have the features of objects of cultural value and to inform immediately the **GRANTOR OF CONCESSION** about that;

2.5.41. The **CONCESSIONAIRE** shall assure conditions suitable for performance of security procedures by planning and construction of the necessary zones, areas and fencings at the Airport including the terminal facilities and in case of reconstruction of the existing ones including the security, surveillance and patrolling at the Airport in general as well as the functioning of the system for controlling of access to the security zones defined by the **GRANTOR OF CONCESSION** and the other “sensitive zones” at the Airport and for performance of security checks of passengers, luggage, cargo and mail;

2.5.42. To present periodical reports and information memorandums on fulfillment of all obligations under the **Concession Agreement** in term and under rules and conditions envisaged under the present **Concession Agreement**;

2.5.43. In case of occurrence of circumstances relevant to the national security, security of air space and the defense of the country to accept the temporary use of the Object of concession or parts of it by third parties, appointed by the **GRANTOR OF CONCESSION**, without any right to compensation for that, in fulfillment of the provisions of art. 21 To maintain the exploitation fitness of the Airport during the whole Term of Concession;

2.5.44. During the whole term of concession to perform independently the ground service activities under art, 48e, paragraph 3, items 1-7 of the Civil Aviation Act and on his own discretion to perform the ground service activities under art, 48e, paragraph 3, items 8-11 of the Civil Aviation Act independently or through third parties, which have the respective license for ground servicing;

2.5.45. To assure the elaboration and/or updating of the Master plan for development of the airport and on the basis of the master plan – a detailed organizational plan (DOP) under conditions, rules and in terms envisaged under the present **Concession Agreement**;

2.5.46. To elaborate emergency plan of the object and plan for protection of the visitors of the object in case of emergency in conformity to the requirements of the Disaster Protection Act and Section III of Ordinance on the rules, way and competent authorities for establishing of critical infrastructures and their sites and assessment of risk related to them, as well as to assure elaboration of inter-institutional plans and procedures for interaction in case of emergency situations on the territory of the airport;

2.5.47. For the period of construction of new Terminal 1 of Sofia Airport and until its putting into exploitation to assure to the air companies departing and landing at Terminal 1 equal opportunities for performance of their activities at the functioning Terminal 2.

## **2.6. MAIN OBLIGATIONS OF THE GRANTOR OF CONCESSION: THE GRANTOR OF CONCESSION SHALL BE OBLIGED TO:**

2.6.1. Provide to the **CONCESSIONAIRE** the right to exploit the object of concession – Civil airport for public use Sofia;

2.6.2. Deliver to the **CONCESSIONAIRE** the object of concession in conformity to the terms and conditions of the present **Concession Agreement**;

2.6.3. Not to create impediments to the **CONCESSIONAIRE** to realize his rights and to fulfill his obligations under the present **Concession Agreement**;

2.6.4. Inform the **CONCESSIONAIRE** in case of occurrence of danger to the national security and defense of the country, the environment, humans' health, protected territories, zones and objects and the public order;

2.6.5. Inform immediately the **CONCESSIONAIRE** about any received request from international organizations or authorities whose functions are related to air traffic or to the management and exploitation of the **Airport** or from other bodies or authorities whose functions are related to the border control, defense, police activities, security or safety referring to assurance of unimpeded access to Sofia Airport;

2.6.6. In case of ahead of term termination of the **Concession Agreement** to pay to the **CONCESSIONAIRE** indemnity for performed improvements of the object of concession in conformity to the conditions under art. 37.

## **2.7. ECONOMIC BALANCE OF CONCESSION.**

2.7.1. The economic balance of concession represent the equilibrium between the benefits for the Parties to the present Agreement and the distribution of risks between them, where the **CONCESSIONAIRE** shall take the operative risk and the construction risk as they are defined under art. 1.1;

2.7.2. The occurrence of circumstances that define partially or completely one or more of the risks described under art. 2.7.1 do not represent a breach of the economic balance of concession.

2.7.3. The **CONCESSIONAIRE** shall enjoy the benefits from provision of **Airport Services** and/or performance of commercial activities, except otherwise is envisaged under the present **Concession Agreement**.

2.7.4. The economic balance of concession shall be considered breeched in the following cases:

2.7.4.1. The conditions of financing, management and maintenance of the object of concession or the conditions of provision of services or performance of economic activities under item 2.1.3.4 of the present **Concession Agreement** are changed as a result of changes in legislation or by an enforceable act of a regulatory authority or in fulfillment of an international agreement, to which the Republic of Bulgaria is a party;

2.7.4.2. Perishing of the whole **Object of concession** or of part of it or occurrence of objective impossibility for its using according to its purpose, except in cases when the perishing or the objective impossibility are due to a reason (actions and/or omission to act) for which the **CONCESSIONAIRE** shall be held liable;

2.7.4.3. In case of subsequent occurrence of danger to the national security and defense, the environment, humans' health and protected territories, zones and sites and public order;

2.7.4.4. The rate of return exceeds with 50 per cent in two consecutive years the envisaged rate under the financial-economic mode; of the **CONCESSIONAIRE** presented with the offer of the **CONCESSIONAIRE** (Annex No 16);

2.7.4.5. In case additional construction becomes necessary under the conditions of art. 7.1.2;

2.7.5. In case of breaching of the economic balance, each of the Parties may request amendment or supplementing of the present Agreement aimed at restoring of the balance. The request shall be sent to the other Party and shall contain motivated proposal for amendment or supplementing of the Agreement based on detailed analysis of the circumstances that led to the breaching of the economic balance;

2.7.6. The other Party shall be obliged to review the request under art. 2.7.5 in term of up to 30 (thirty) days as from the date of receipt and if necessary may request additional information relevant to the circumstances that led to the breaching of the economic balance and/or their analysis and the requested Party shall provide the additional information in term of up to 30 (thirty) days as from the date of receipt of the request;

2.7.7. If the other party does not accept the proposal under art. 2.7.5 it shall be obliged to present detailed motives, including to state the reasons why it finds that a circumstance under art. 2.7.4 did not occur

or why despite the occurrence of such a circumstance it did not lead to breaching of the economic balance of Concession;

2.7.8. The restoration of the economic balance shall be performed by the signing of a supplementary agreement to the Concession Agreement only by decreasing or increasing of the term of concession (if the law permits so), which may not exceed 10 years. In case of occurrence of a circumstance under art. 2.7.4, the economic balance may be restored by agreement between the Parties on bigger size of the concession payment for a fixed term;

2.7.9. If the parties do not reach an agreement with regard to the amendment or supplementing of the **Concession Agreement** the respective party that claims breaching of the economic balance may file a claim for amendment or termination of the Agreement before the competent court;

2.7.10. For avoidance of doubt, the parties agree that the extension of the object of concession by inclusion of real estate under art. 2.2.1.38 shall not be considered as a circumstance that leads to breaching of the economic balance of concession.

## **2.8. Rate of return**

2.8.1. The rate of return envisaged under the financial-economic model proposed by the offer of the **CONCESSIONAIRE** is in the size of [...] per cent;

2.8.2. The rate of return of the **CONCESSIONAIRE** envisaged under the model shall be subject to the control of the **GRANTOR OF CONCESSION**;

2.8.3. The rate of return of the **CONCESSIONAIRE** envisaged under the model shall be subject to the control of the **GRANTOR OF CONCESSION** and up to the 30-th of June of each year, following the first contractual investment year, the **CONCESSIONAIRE** shall present to the **GRANTOR OF CONCESSION** a report on fulfillment of the financial-economic model towards 31 December of the preceding year with regard to its content and reached size of the rate of return for a period as from the beginning of the Term of concession until 31 December of the respective year;

2.8.4. The report under art. 2.8.3 shall contain also an updated financial-economic model and analysis – comparison between the envisaged, reached and expected indicators of financial efficiency for the Term of concession.

## **ARTICLE 3. CONDITIONS OF CONCESSION**

The **CONCESSIONAIRE** shall assure the funds for performance of the concession and shall take the operative and construction risks under the following conditions:

**3.1.** Maintenance of availability of services under art. 2.1.3.1 – 2.1.3.3 and assurance for the term of concession of their continuity and level of quality in conformity to art. 19;

**3.2.** Management and maintenance of the object of concession in exploitation fitness for the term of concession;

**3.3.** The **CONCESSIONAIRE** may and is obliged to perform at the object of concession airport services according to art.13 by assuring of equal access to them for all users and by observing of the conditions for their provision;

**3.4.** Fulfillment of the investment program, proposed under the offer of the participant to whom the concession is awarded – Annex No 7;

**3.5.** Fulfillment of the Business proposal for operation of Sofia Airport, proposed under the offer of the participant to whom the concession is awarded – Annex No 8;

**3.6.** Fulfillment of the Security Measures, proposed under the offer of the participant to whom the concession is awarded – Annex No 9;

**3.7.** The **GRANTOR OF CONCESSION** is the owner of all accretions and improvements constructed permanently on the territory of the object of concession;

**3.8.** Observation of the normative requirements and the requirement defined by competent state authorities relevant to the national security and defense, protection of environment, humans` health, protected territories, zones and sites and the public order;

**3.9.** Fulfillment of the obligations assumed under international treaties, to which the Republic of Bulgaria is a party;

**3.10.** The purpose of the object of concession may not be changed;

**3.11.** Non-transferability of the rights and obligations under the **Concession Agreement**. The **CONCESSIONAIRE** shall not have the right fully or partially to dispose of the object of concession and the relevant rights and obligations or to encumber the object of concession in any way;

**3.12.** At fulfilment of concession both the **GRANTOR OF CONCESSION** and the **CONCESSIONAIRE** shall observe the provisions of legislation in force in conformity to the clauses of Concession Agreement;

**3.13.** The **GRANTOR OF CONCESSION** shall not owe to the **CONCESSIONAIRE** compensation under art. 6 of Concessions Act;

**3.14.** In case of termination of **Concession Agreement** due to expiry of the term of concession the **CONCESSIONAIRE** shall not be entitled to receive indemnity;

**3.15.** Relations between the parties in case of ahead of term termination of the contract shall be regulated in conformity to art. 37 of **Concession Agreement**;

**3.16.** In case of ahead of term termination of **Concession Agreement** due to a reason, for which one of the parties is responsible, the same shall pay indemnity in conformity to the legislation in force;

**3.17.** At defining of airport fees, in conformity to the principles of Convention on International Civil Aviation (adopted on 7 December 1944 and ratified by Decree No 596 dated 4 August 1966 of the Presidium of the National Assembly for accession – State Gazette, issue 62 of 1966) and under the conditions and rules of Chapter X “B” (art.122f-art.122dt) of the Civil Aviation Act, the percentage of regulated return, proposed in the offer of participant, to whom the concession is awarded, shall be added to the costs for implementation of necessary standards assuring safety and secure landing and parking of aircrafts, costs for servicing and security of passengers and costs for concession payment, in conformity to the condition under item 3.18;

**3.18.** The sum of percentages of regulated return under item 3.17 and of concession payment under item 12.2 shall be equal to 20.6%.

## **ARTICLE 4. ASSETS**

### **4.1. AIRPORT ASSETS PROVIDED BY THE GRANTOR OF CONCESSION**

The right to use and possess the Airport Assets representing the object of concession included the right of the **CONCESSIONAIRE** to perform the actions necessary for exploitation of the Airport as well as its management and exploitation for the Term of Concession.

The ownership right over the Airport Assets provided by the **GRANTOR OF CONCESSION** may not be transferred and shall belong to the **GRANTOR OF CONCESSION** for the whole Term of concession.

#### 4.1.1. **Delivery of Airport Assets – public state property**

The delivery of Airport Assets – public state property, representing the object of concession shall be performed in conformity to the following rules:

a) As from the date of signing of the present **Concession Agreement**, the **CONCESSIONAIRE** receives the right of access to the object of concession comprising of Airport Assets – public state property, in order to perform inspections and establish its actual state;

b) The object of concession comprising of Airport Assets – public state property shall be delivered from the **GRANTOR OF CONCESSION** to the **CONCESSIONAIRE** in term of five business days as from the date of entering into force of the Agreement;

c) The delivery and acceptance shall be performed by representatives of each of the Parties authorized in writing;

d) The delivery and acceptance shall be documented in a written statement on acceptance and delivery, which shall contain description of the actual state of the Airport Assets. Two copies of the statement shall be signed in the term under indent “b” by the authorized representatives of the Parties;

e) Annex No 1 shall contain a list of Airport Assets – public state property on the territory of Sofia Airport owned by the **GRANTOR OF CONCESSION** towards the date of signing of the present Concession Agreement. In case of differences between the description of the Airport Assets under Annex No 1 to the Concession Agreement and under the written statement on acceptance and delivery under indent “d” a supplementary agreement to the Agreement shall be signed by which the respective changes in the Annex shall be established. The Supplementary agreement shall be signed in conformity to the rules of art. 70, paragraph 2 of Concessions Act;

e) Together with the delivery of the Object of concession the **GRANTOR OF CONCESSION** shall deliver to the **CONCESSIONAIRE** the available technical documentation and other documents that contain or show or in any other way refer to the Object of concession or its territory that shall be described under the statement on acceptance and delivery under indent “d”;

f) The delivery of documents or copies of them is not permitted until the entering into force of the present Concession Agreement, except with the permission of the **GRANTOR OF CONCESSION**.

#### 4.1.2. **List of airport assets**

At drafting of the statement on acceptance and delivery under art. 4.1.1, indent “d” the Airport Assets – public state property shall be described in a list, which the **CONCESSIONAIRE** shall maintain and update for the whole term of concession. The updating of the list shall be performed at least once a year and the **CONCESSIONAIRE** shall present to the **GRANTOR OF CONCESSION** the updated list of Airport Assets that shall contain description of their actual state together with the reports under art. 23. Any change in the Airport Assets representing creation of new or removal of existing assets shall be recorded in this list.

## **4.2. ASSETS FINANCED BY THE CONCESSIONAIRE THAT BECOME PROPERTY OF THE GRANTOR OF CONCESSION**

a) Any asset acquired, constructed, installed, created and/or financed by the **CONCESSIONAIRE** for the needs of fulfillment of the obligations under the present **Concession Agreement** and in general for the exploitation of the **Airport** and by virtue of the law is defined as public state property shall become property of the **GRANTOR OF CONCESSION** at the moment of its delivery to the **CONCESSIONAIRE** in conformity to the condition of the respective contract for delivery and art. 4.6 (as far as the delivery of movables, necessary for performance of Regulated activity, is concerned, except in case when the law requires special form for transferring of the ownership right then it shall be transferred in 14-day term with the assistance of the **GRANTOR**

**OF CONCESSION**) and/or as from the moment of its permanent attachment to the Object of concession (as far as equipment or facilities are concerned) or at the moment of its objectifying (as far as construction works are concerned) and automatically become part of the Airport Assets and

b) in case of occurrence of events described under indent “a” and after the **GRANTOR OF CONCESSION** receives the respective property deed or other deed (permission for use etc.) these assets financed by the **CONCESSIONAIRE** shall be included in the list of Airport Assets under 4.1.2 and immediately the **GRANTOR OF CONCESSION** shall provide them for use to the **CONCESSIONAIRE**

Each of the assets described under art. 4.2 above represents an improvement within the meaning and for the purposes of art. 2.6.7.

#### **4.3. DISPOSAL OF AIRPORT ASSETS**

The ownership over the Airport Assets shall not be subject to any transactions for its transferring and shall remain and the assets shall remain property of the **GRANTOR OF CONCESSION** during the whole Term of concession.

The **GRANTOR OF CONCESSION** shall be obliged not to dispose of any of the Airport assets after the date of entering into force of the present Concession Agreement without the preliminary written agreement of the **CONCESSIONAIRE**, except in cases when this is necessary for assurance of continuous and unimpeded management and exploitation of the Airport.

Destruction of existing buildings and facilities and dismantling of equipment shall be performed by the **CONCESSIONAIRE** in case of disappearing of the need relevant to fulfillment of enforceable Master Plan or DOP and in case of construction of new buildings or facilities and also when this becomes necessary in the course of exploitation of the Object of concession under rules defined under the present Concession Agreement.

Removal of Airport Assets may be performed after preliminary written consent of the **GRANTOR OF CONCESSION** in conformity to the requirements of the law and the rules described below:

4.3.1. The **CONCESSIONAIRE** shall send a notification to the **GRANTOR OF CONCESSION** that shall contain at least:

- a) full description of the object of airport infrastructure;
- b) the reasons that make the removal necessary;
- c) instructions of a competent authority referring to removal of the object of the airport infrastructure if such exist and if such are necessary;
- d) the effect of removal on performance of Airport Services;
- e) eventual proposal for subrogation with another similar asset – in this case the approximate value and expected term for performance of subrogation shall be stated;
- f) the conformity of the removal and/or subrogation of the asset to the Investment Program;

4.3.2. The **GRANTOR OF CONCESSION** shall present its opinion on the notification in term of up to 60 days as from its receipt and on its own discretion may recommend additional measures relevant to the removal of the object of airport infrastructure or to its subrogation;

4.3.3. If the legislation in force requires permission or approval of other competent authority with regard to the removal of the public object (except for approval or permission from the authorities that perform surveillance on construction and protection of environment that may be necessary), the **GRANTOR OF CONCESSION** shall undertake steps for its assuring in due time;

4.3.4. The costs for removal of assets shall be borne by the **CONCESSIONAIRE**;

4.3.5. The change of assets relevant to application of this article shall be reflected in the annual update of the List of assets of the **GRANTOR OF CONCESSION**.

#### **4.4. ASSETS FINANCED BY THE CONCESSIONAIRE THAT REMAIN PROPERTY OF THE CONCESSIONAIRE**

Any asset that is not an Airport Asset and which is acquired, constructed, installed, created

and/or financed by the **CONCESSIONAIRE** notwithstanding whether it is a real estate (and is not located in the **Object of concession**) or a movable and which is necessary for performance of Airport Services and falls outside the assets envisaged under art.4.2 (all such assets called hereinafter “**Assets – property of the CONCESSIONAIRE**”) shall remain property of the **CONCESSIONAIRE** and he shall be free to dispose of this asset on his own discretion and the approval of the **GRANTOR OF CONCESSION** shall not be necessary under the condition that this asset shall not be necessary any more for the performance of **Airport Services** or will be duly replaced by new asset, which shall be not less suitable for performance of the **Airport Services**.

At termination of the Concession Agreement the **CONCESSIONAIRE** shall present a list of assets – his property to the **GRANTOR OF CONCESSION** and the latter may decide to rent or buy them.

#### **4.5. PRIVATE ASSETS OF CONCESSIONAIRE**

Any asset that is not an Airport Asset and which is acquired, constructed, installed, created and/or financed by the **CONCESSIONAIRE** notwithstanding whether it is a real estate (and is not located in the Object of concession) or a movable and which is not necessary for performance of Airport Services and is not public state property by accession to the **immovable airport assets** (all such assets called hereinafter “**Private assets of the CONCESSIONAIRE**”) shall remain property of the **CONCESSIONAIRE**. At termination of the present Concession Agreement the **GRANTOR OF CONCESSION** shall not be entitled to acquire any of these assets except upon mutual agreement of the Parties in conformity to the provisions of the present Concession Agreement.

In case of termination of the Agreement, the **CONCESSIONAIRE** shall be obliged on his own account to clear the Airport territory from the Assets of **CONCESSIONAIRE** and from the Private Assets of **CONCESSIONAIRE** in term of one months as from the date of termination, except if the Parties agree otherwise.

#### **4.6. DEFINING OF MOVABLE ASSETS AS AIRPORT ASSETS OR AS ASSETS – PROPERTY OF THE CONCESSIONAIRE**

The **CONCESSIONAIRE** shall define the movable assets that will not be acceded to the immovable Airport Assets and that are not Private Assets of the **CONCESSIONAIRE** as Airport Assets or as **Assets – property of the CONCESSIONAIRE** according to the purpose for which these assets were acquired.

In order to make such defining the **CONCESSIONAIRE** shall require the consent of the **GRANTOR OF CONCESSION**.

Always when an **Airport Asset**, which is a movable thing, becomes unnecessary for performance of Regulated activity or needs to be replaced the **CONCESSIONAIRE** shall have the right to require from the **GRANTOR OF CONCESSION** and the **GRANTOR OF CONCESSION** shall be obliged to remove this asset in term of up to 30 (thirty) days as from the date of receiving of a request in this regard or to notify in writing the **CONCESSIONAIRE** that he may dispose of the asset.

#### **4.7. ASSETS OF “SOFIA AIRPORT” EAD**

4.7.1. All assets – property of “Sofia Airport” EAD envisaged under Annex No 17 to the **Concession Agreement** related to the Object of concession shall be provided to the disposal of the **CONCESSIONAIRE** and he may decide to buy or rent them. The rent and sale market prices are valid for the term, defined by an independent expert, appointed by “Sofia Airport” EAD, which may not exceed 12 months. Not later than one month before the date of entering into force of the Concession Agreement “Sofia Airport” EAD shall present to the **CONCESSIONAIRE** updated assessments of its assets, pointed by the **CONCESSIONAIRE** as assets that he wishes to buy or rent.

4.7.2. In term of 15 days as from the date of signing of the present **Concession Agreement**

the **CONCESSIONAIRE** shall present to “Sofia Airport” EAD an explicit written statement containing list of Assets of “Sofia Airport” EAD that he wishes to buy and/or rent.

4.7.3. The **CONCESSIONAIRE** shall acquire/rent the assets pointed by him in their current state without any other guarantees, except the guarantees offered by the respective supplier or producer if such were provided.

For the assets pointed by the **CONCESSIONAIRE** as such that he wishes to buy or rent and that “Sofia Airport” EAD agreed to sell or rent, “Sofia Airport” EAD shall elaborate and deliver to the **CONCESSIONAIRE** invoices (in case of purchasing) and the **CONCESSIONAIRE** shall pay the purchase/rent price defined by the independent expert on the date of entering into force of the present Agreement for the assets, which are subject to sale.

The ownership over the purchased assets shall be transferred to the **CONCESSIONAIRE** on the date of payment of the price.

The **CONCESSIONAIRE** may purchase the consumables included in the assets of “Sofia Airport” EAD related to the Object of concession at prices defined by an independent expert, appointed by “Sofia Airport” EAD, except for the fuels and lubricant materials that are paid at their prices of acquisition.

4.7.4. All assets of “Sofia Airport” EAD shall be provided to the **CONCESSIONAIRE** free of any rights of retaining or encumbrances, except the encumbrances explicitly stated under the respective contract.

4.7.5. The **CONCESSIONAIRE** shall rent the assets pointed by him from “Sofia Airport” AD as from the date of entering into force of the present Concession Agreement against payment of rent price. The **CONCESSIONAIRE** has the right to buy the rented assets during the term of the present Agreement at purchase price defined by an independent expert appointed by “Sofia Airport” EAD. The ownership over the purchased assets shall be transferred to the **CONCESSIONAIRE** as from the date of payment of the price.

**4.8. Holding and using.**

As from the date of entering into force of the present Concession Agreement the **CONCESSIONAIRE** shall hold, use, extend, reconstruct, exploit, manage and maintain the **Object of concession** as well as the assets of the **CONCESSIONAIRE** and shall take all risks in relation to them, except if the present **Concession Agreement** or the law envisage otherwise.

**4.9. Assurance of Airport equipment and consumables.**

4.9.1. With regard to performance of the Airport Services the **CONCESSIONAIRE** is obliged during the whole Term of the Agreement to assure and maintain on his own account Airport equipment in conformity to the Good engineering and exploitation practice and the Agreement.

4.9.2. The **CONCESSIONAIRE** is obliged to assure on his own account all consumables necessary for provision of airport services.

**ARTICLE 5. APPROPRIATION OF LAND**

In case the need of extension of the **Object of concession** is proved by an approved **Master Plan or its update** and after entering into force of the detailed organizational plan the **GRANTOR OF CONCESSION** shall undertake actions relevant to appropriation of the territory necessary for the purpose. The Parties shall sign written supplementary agreement in conformity to the legislation in force and the costs for appropriation shall be covered by the **CONCESSIONAIRE**.

**SECTION III – TERM OF CONCESSION**

**ARTICLE 6. TERM OF CONCESSION**

**6.1. TERM**

The term of concession is **35 (thirty five) years, as from** the Date of entering into force of the present Concession Agreement. The Term of concession may be changed in conformity to the rules and conditions of the legislation in force.

## **6.2. DATE OF ENTERING INTO FORCE**

The **Concession Agreement** shall enter into force in term of up to 3 (three) months as from the date of its signing by both Parties in case the following conditions are fulfilled and the **GRANTOR OF CONCESSION** is dully notified about:

6.2.1. Performance of single concession payment according to art. 32.1 in term of up to (two) months as from the date of signing of the present Agreement;

6.2.2. Providing of the following bank guarantees:

a) a bank guarantee for performance of investment program in the size of 10 per cent of the value of investments planned for the first investment year;

b) a verified unconditional and irrevocable bank guarantee for securing of performance of obligations under the **Concession Agreement**, including the obligations for concession payments, for performance of investments and for payment of interest and liquidated damages as well as for other obligations envisaged under the **Concession Agreement** in the size of 12 000 000 BGN ;

6.2.3. The **CONCESSIONAIRE** shall receive an airport operator license according to art. 3.4

6.2.4. Receiving of ground service operator licenses for each of the activities envisaged under art. 3.4.2

6.2.5. Receiving of adopted and enforceable decision of the Commission on Protection of Competition, by which the concentration of economic activity, which may occur after the signing of the present Concession Agreement, is admitted or the lack of concentration of economic activity is established or is ruled that according to the legislation in force such permission is not required.

In this regard in term of 20 days as from the entering into force of the Decision of the Council of Ministers on appointment of a concessionaire, the **CONCESSIONAIRE** has elaborated and duly filed before the Commission on Protection of Competition a notice for economic concentration that may occur as a result of the signing of the present Agreement and has presented and will present in due term the necessary information to the Commission and will pay in due term the fees collected by the Commission under the economic concentration procedure. Creation of impediments and the omission to act on the part of the **CONCESSIONAIRE** shall be considered as breach of the present Agreement that may lead to its termination before its entering into force.

6.2.6. Entering of the **CONCESSIONAIRE** into the rights and obligations under the effective insurance contracts relevant to the object of concession or signing of new insurance contracts in conformity to the requirements of the present Concession Agreement.

The date of entering into force will be date on which the last of the conditions is fulfilled. With regard to the fact that the term envisaged under art. 6.2 is up to 3 (three) months for receiving of the necessary licenses, the date of entering into force will come in 3-month term as from the date of signing of the present Concession Agreement under the condition that all conditions envisaged under this article have been fulfilled. In case the condition under art. 6.2.5 is not fulfilled until the expiry of the three-month term then the Date of entering into force shall be the 10-th day after entering into force of the decision of the Commission on Protection of Competition (or the respective other competent body), by which the concentration is permitted or a decision that such permission is not necessary.

**6.3.** Until the date of entering into force of Concession Agreement the **CONCESSIONAIRE** has the following rights and obligations:

a) to perform additional inspection of the actual (performance of surveys, testing and measuring), legal and financial situation, in which the Concession is provided;

b) to sign or prepare the signing of contracts which are of material significance for the

Concession (contract for financing, contracts with subcontractor, contracts for supply of raw materials and materials etc.);

c) to perform surveying and project preparation related to the Object of concession or parts of it;

d) to fulfill the conditions under art. 6.2.1 – art. 6.2.6 of the present Concession Agreement.

**6.4.** In case the **CONCESSIONAIRE** fails to fulfill the conditions under art. 6.2 relevant to entering into force, the present Concession Agreement shall be considered terminated by expiry of the term envisaged under art. 6.2, except the Parties agree on prolongation of the term for entering into force, but with no more than 2 (two) months.

6.4.1. The opportunity for prolongation of the term for entering into force of the Agreement under art. 6.4 shall not be applied in case the single concession payment is not performed in the term envisaged under art. 6.2.1.

**6.5.** In case of termination by virtue of art. 6.4 (except under the hypothesis of art. 6.6) the **GRANTOR OF CONCESSION** shall retain the single concession payment made by the **CONCESSIONAIRE**.

**6.6.** In case the Commission on Protection of Competition issues an enforceable decision that it does not permit the concentration, the Agreement shall be terminated and the neither of the Parties shall owe any compensation to the other. In this case the **GRANTOR OF CONCESSION** shall be obliged in term of 14 days as from the date of entering into force of the decision of the Commission on Protection of Competition to return to the **CONCESSIONAIRE** the single concession payment made by him.

**6.7.** The single concession payment shall be retained by the **GRANTOR OF CONCESSION** in case of establishment of an omission to act or creation of impediments on the part of the **CONCESSIONAIRE** relevant to fulfillment of the condition under art. 6.2.5 until the Date of entering into force of the Agreement envisaged under art. 6.2.

**6.8.** The provisions of art. 1, art. 2.3.8., art. 4.1.1., „a”, art. 4.7.1. - 4.7.4., art. 6.2., art. 32.1., art. 47, art. 48, art. 49, art. 50, art. 51 and art.52 shall enter into force as from the date of signing of the Agreement.

## **SECTION IV PLANNING AND WORKS FOR MODERNIZATION AND EXTENSION OF THE AIRPORT**

### **ARTICLE 7. MASTER PLAN, INVESTMENT PROGRAM AND ANNUAL INVESTMENT PROGRAMS**

The **CONCESSIONAIRE** shall elaborate, present for approval and fulfill a Master plan, shall elaborate updates of the approved effective Master Plan for development of the Airport when this is necessary and after expiry of its term shall elaborate a new Master plan and shall elaborate and present for approval annual investment programs in conformity to the rules and conditions defined below and the provisions of this art. 7 and art. 8.2.

#### **7.1. MASTER PLAN**

7.1.1. The Master plan shall be elaborated in conformity to the rules, envisaged by the applicable legislation and under Annex No 6 – the offer of the **CONCESSIONAIRE** and may be amended or supplemented if necessary in conformity to the stipulations under the offer of the

## **CONCESSIONAIRE;**

7.1.2. The **CONCESSIONAIRE** shall present the draft of the Master Plan at its initial elaboration as well as any subsequent update to the **GRANTOR OF CONCESSION** for discussion and approval;

7.1.3. The Master plan may be amended or supplemented also in case when the **GRANTOR OF CONCESSION** assigns performance of new construction works conditioned by the following circumstances, but not only:

7.1.3.1. When the forecasted size of the traffic of 6 million passengers per year is exceeded and this leads to the need of assigning to the **CONCESSIONAIRE** the extension of one or two of the terminals or of construction of a new terminal (outside the obligation for construction of new terminal 1);

7.1.3.2. Reaching of 70% of the capacity of the runway, which leads to the need of assigning to the **CONCESSIONAIRE** the undertaking of steps for designing and construction of a new runway and taxiway/s;

7.1.3. On the basis of the Master plan the **CONCESSIONAIRE** initiates a procedure for elaboration of a detailed organizational plan containing presentation of the general character, scope and schedule for investments in airport assets, necessary for reaching of the forecasted demands during the whole Term of concession.

7.1.4. The Master plan and its updates shall contain descriptions of the general strategies for development and investments with regard to the Airport according to the presented under Annex No 7 that conform to the Business proposal for operation of the Airport and the Security measures at the Airport (Annex No 8 and Annex No 9).

**The Master plan** and its updates shall contain:

a) long-term forecasts for development (at least 20 years and in perspective until the expiry of the term of concession);

b) detailed forecasts of the air traffic, forecasts relevant to passengers, number and type of aircrafts, tonnage and type of cargo including during the peak period and the project areas.

7.1.5. The **Master plan** and its update shall contain indications of all general categories of investment projects that shall be realized during the Term of concession, including but not only, information about the following elements of each stage of development:

a) character and aim of each investment project whose realization is upcoming;

b) schedule of proposed stages of realization of each project aimed at minimum disturbance of the airport operation;

c) evaluation of the cost price of investment projects for each stage;

d) motivations that includes the forecasts for air traffic, analyses of the capacity and demand and planning criteria, including air traffic volume, which lead to undertaking of realization of the next stage of development.

The Master plan shall contain indication to what extent the acquisition of land outside the current borders of the object of concession is necessary and how the increased demand shall be dealt with during the Term of concession. The **CONCESSIONAIRE** shall indicate the existing limitations, if any, for the development of the **Airport**, if the opinion is that the capacity of the Airport will be imitated during the Term of concession by the available space within the current borders of the **Airport**.

7.1.6. The term for approval by the **GRANTOR OF CONCESSION** is up to six months as from the date of presenting and this term shall start running as from the presenting of the last correction required by the **GRANTOR OF CONCESSION**. The lack of updated Master plan does not release the **CONCESSIONAIRE** of the obligation to fulfill the Annual Investment Programs.

7.1.7. After approval of the Master plan the **CONCESSIONAIRE** shall undertake all necessary steps for receiving of an approved Detailed Organizational Plan.

## **7.2. INVESTMENT PROGRAM**

7.2.1. The **CONCESSIONAIRE** has presented and shall be obliged to fulfill during the Term of concession an Investment Program for the Term of concession, approved by the **GRANTOR OF CONCESSION**, which contains indication of construction and installation works, defined under type, volume and value and activities relevant to maintenance, rehabilitation, reconstruction and extension of the Object of concession and assuring and maintenance of Airport assets and programs for the Term of concession according to Annex No 7 to the Agreement in the size of not less than 306 545 000 (three hundred and six million five hundred forty five thousand) BGN for the whole Term of concession.

7.2.2. By realization of the proposed investments under types and sectors the obligation of **CONCESSIONAIRE** for realization of investments under the Concession Agreement shall be considered as fulfilled, even if the result is reached before the expiry of the term envisaged under the Investment program, Annex No 7 to the Concession Agreement under the condition that the investments are realized in conformity to the annual investment programs approved by the **GRANTOR OF CONCESSION**.

7.2.3. The Investment program under art. 7.2.1 shall be realized by the **CONCESSIONAIRE** in conformity to the schedules for realization of the Investment program (terms for realization of the main stages of the Investment program), Annex No 7 to the Agreement.

7.2.4. The **CONCESSIONAIRE** is obliged concretely to perform the investments under types, sectors and in the size included in the Investment program under art. 7.2.1.

Any non-fulfillment of the Investment program amended and supplemented by the subsequent updates of the Master plan or the Annual Investment Programs shall grant to the **GRANTOR OF CONCESSION** the right to receive liquidated damages according to art. 38, without any prejudice to the means of protection and sanctions, envisaged under the present Concession Agreement and the obligation of the **CONCESSIONAIRE** to fulfill the Investment program.

7.2.5. In case the investments realized in the current year exceed the size indicated in the respective annual investment program, the excessively invested sums shall be deducted from the size of the assumed obligation for investments in the following years.

## **7.3. ANNUAL INVESTMENT PROGRAMS**

In conformity to the Investment program and the schedules for its fulfillment towards the respective moment, for each year following the First contractual investment year of the Term of Concession, the **CONCESSIONAIRE** shall elaborate and present to the **GRANTOR OF CONCESSION** in term of up to 2 (two) months before the expiry of the preceding investment year, an Annual investment program, which shall contain the type, character, value and volume of investments that will be realized by the **CONCESSIONAIRE** together with the respective budget for costs and sources of financing. The first Annual investment program shall cover the period from the Date of entering into force of the Agreement until the end of the following calendar year.

## **7.4. APPROVAL OF ANNUAL INVESTMENT PROGRAMS**

7.4.1. The **GRANTOR OF CONCESSION** shall review and present an opinion on the Annual investment program before the end of the preceding investment year and may require from the **CONCESSIONAIRE** additional information and grounding of the presented draft and/or make proposals relevant to its content in conformity to the Investment program;

7.4.2. The **GRANTOR OF CONCESSION** shall approve the Annual investment program when it conforms to the stipulations under the Investment program for the respective year and to the stipulations under the approved Master plan;

7.4.3. The **GRANTOR OF CONCESSION** shall approve the Annual investment program when it differs from the stipulations under the Investment program for the respective year when the following conditions exist:

a) The **CONCESSIONAIRE** grounded the need of such difference and the proposed investment is obviously more justified and more urgent or

b) this is necessary by virtue of the stipulations under the approved Master plan;

7.4.4. After the approval of the **GRANTOR OF CONCESSION** the annual investment programs become an inseparable part of the Concession Agreement and the **CONCESSIONAIRE** shall be obliged to fulfill the obligations ensuing from them.

7.4.5. When the funds envisaged in the Annual investment program are insufficient for the realization of the particular investment in the respective sector the **CONCESSIONAIRE** may in the framework of the Annual investment program approved by the **GRANTOR OF CONCESSION** to transfer funds from one sector to another;

7.4.6. **The annual investment programs** may be changed, outside the envisaged under art. 7.4.5, only with the explicit approval of the **GRANTOR OF CONCESSION**.

7.4.7. The investment program for the First contractual investment year shall be considered as approved by the entering into force of the Agreement. Notwithstanding the above the rules for changing of the Annual investment program shall be applied to it.

## **7.5. ACKNOWLEDGMENT OF INVESTMENTS**

7.5.1. The acknowledgement of realized investments shall be done only to the size of the Market prices towards the moment of realization of the investment;

7.5.2. Any increasing of the funds for investments in Airport assets envisaged in the investment program may be done only with the explicit consent of the **GRANTOR OF CONCESSION**;

7.5.3. The acknowledgement of investments shall be performed by the **GRANTOR OF CONCESSION** on the basis of presented report under art. 23.5.2 and other reporting documents presented or requested by the **CONCESSIONAIRE** in term of up to 6 (six) months as from the presenting of the report, for which the **GRANTOR OF CONCESSION** shall inform the **CONCESSIONAIRE**. The notification shall contain the findings relevant to the acknowledgment of investments, including information about the actions under art. 7.2.5 or art. 38.3.2 undertaken by the **GRANTOR OF CONCESSION**;

7.5.4. The **GRANTOR OF CONCESSION** may on his own account assign the performance of technical, accounting and legal expertise of the investments reported by the **CONCESSIONAIRE** to independent experts. The findings of the independent experts are valid/binding for both parties. In this case the term under art. 7.5.3 may be longer than 6 months as from the presenting of the report.

## **ARTICLE 8. CONSTRUCTION WORKS**

### **8.1. GENERAL MODERNIZATION OF THE AIRPORT**

8.1.1. During the whole Term of concession the **CONCESSIONAIRE** shall make the following improvements to the **Object of concession**:

a) modernization of the air field and improvement of the capacity of runway system;

b) modernization of technology for exploitation of the **Airport**;

c) modernization of the general engineering infrastructure;

d) modernization of the lighting airport service;

e) modernization of security and safety facilities;

f) modernization of the facilities at the fuel and lubricants terminal and everything shall be performed in conformity to the Master plan.

8.1.2. The **CONCESSIONAIRE** shall perform **Construction works** under the terms and conditions of the present Concession Agreement due to necessity of partial extension, partial reconstruction, partial rehabilitation or repair of the Airport in conformity to the Investment program and the enforceable Master plan that includes, but not only:

a) construction and putting into exploitation until the 5-th year as from the date of approval

of the Detailed organizational plan of Sofia Airport, but not later than the 7-th year of the term of concession, of new passenger terminal 1 with 7 (seven) arms for contact berths/stands and 5 passenger gates serviced by non-contact berths/stands with service capacity - 3 000 000 per year, assuring of level of servicing “C” in the peak hours according to IATA classification at increasing traffic of low tariff and charter flights;

b) construction of parking lots in the public area;

c) construction of facilities for Fuel and Lubricants Terminal;

d) construction of proof ground for practical training of emergency rescue and fire safety teams.

During the whole Term of concession the Airport shall conform to the Standards of ICAO and the respective regulations and directives of the EU with regard to which the airport shall be modernized in conformity to the stipulations in the Investment program or other Standards contracted at elaboration/updating of the Master plan.

The **CONCESSIONAIRE** shall design all **Construction works** that will be performed at the **Airport** with regard to the potential future extension of the Airport with perspective of at least 20 years.

## **ARTICLE 9. CAPITAL COSTS AND FINANCING OF ACTIVITY**

### **9.1. CAPITAL COSTS**

The summarized capital costs for the investment program include all costs relevant to the elaboration of plans and projects, together with the construction works and the assurance of machines, facilities and equipment, installation and putting into exploitation of fixed and mobile equipment and facilities.

The capital costs shall be divided in the following groups:

9.1.1. Categories of costs under regulated activities corresponding to the Ordinance on Airport Fees and under activities different from the regulated ones corresponding to Payments, related to the airports;

9.1.2. For each of the above categories the costs are divided under years, in which they are expected to be spent.

### **9.2. PLAN FOR FINANCING**

With regard to the financing of concession Annex No 8 contains detailed description of the proposed sources of investments capital of the **CONCESSIONAIRE**.

## **ARTICLE 10. PROVIDING OF RIGHTS RELEVANT TO THE OBJECT OF CONCESSION TO THIRD PARTIES**

### **10.1. INTERDICTION FOR REASSIGNMENT**

The **CONCESSIONAIRE** may not provide to third parties the rights and obligations ensuing from:

10.1.1. The functions of **Airport administration** under art. 48a, paragraph 3 of the **Civil Aviation Act**;

10.1.2. License for **Airport operator** under art. 48d of the **Civil Aviation Act**;

10.1.3. Licenses for **Ground service operators** under art. 48e, paragraph 3, items 1-7 of the **Civil Aviation Act**.

### **10.2. INTERDICTION FOR RENTING**

The **CONCESSIONAIRE** may not rent to third parties parts of the **Object of concession** related to performance of activities under art. 10.1.1 and art. 10.1.2, except otherwise envisaged under the Legislation in force.

### **10.3. RENTING OF PARTS OF THE OBJECT OF CONCESSION**

The **CONCESSIONAIRE** may rent to third parties parts of the **Object of concession**, different from those under art. 10.2 and necessary for performance of activities of licensed ground service and self-service operators who gained access to the ground service market and for performance of commercial activities, except otherwise envisaged under the Legislation in force.

### **10.4. CONTRACTS WITH SUBCONTRACTORS**

The **CONCESSIONAIRE** shall have the right to use subcontractors at fulfillment of the Concession Agreement in case he stated in his offer the share of concession and the types of concession activities that will be performed by subcontractors.

The **CONCESSIONAIRE** shall have the right to sign contracts with subcontractors for performance of economic activities and **construction works**.

**10.5.** The **CONCESSIONAIRE** shall apply the provisions of art. 10.3 and art.10.4 while observing the requirements of the **law** and the international and internal requirements relevant to security and safety on the field of civil aviation.

**10.6.** The **CONCESSIONAIRE** may not sign contracts (related to) and to reach agreements relevant to the use of specific independent or separated parts of Airport assets –public state property provided to him if the maximum term of these rights of use expires after the expiry of the term of the present Concession Agreement and the realization of the temporarily provided rights of use contradicts to the present Concession Agreement.

## **ARTICLE 11. PERFORMANCE OF CONSTRUCTION WORKS AND SUBCONTRACTORS**

**11.1.** The **CONCESSIONAIRE** shall observe the following mandatory conditions while performing construction and installation works:

11.1.1. The **CONCESSIONAIRE** may start the performance of construction works in the presence of approved Master plan and DOP and after receiving of construction permission, which shall be issued to the **CONCESSIONAIRE** in conformity to the rules and conditions of the Spatial Development Act, except otherwise envisaged under the legislation in force.

11.1.2. The **CONCESSIONAIRE** shall perform construction and installation works:

- a) in conformity to the approved investment project and the other technical documentation;
- b) in conformity to the stipulations under the approved Master plan.

11.1.3. The **CONCESSIONAIRE** shall be obliged to put in the Object of concession only materials, products and equipment envisaged under the approved investment project and conforming to the material requirements towards construction works under the Legislation in force and conforming to the technical specifications and shall also be obliged to observe the good industrial practice at projecting, construction, completion and putting into exploitation and testing of each construction site;

11.1.4. The **CONCESSIONAIRE** shall assume the full liability for the organization and safe performance of all construction works, application of technologies for performance of construction and installation works envisaged under the approved projects, observance of the requirements of art. 11.1.2 and art. 11.1.3 and shall be fully responsible for the quality of construction and installation works and for the pollution and damaging of the environment in the course of performance of construction works and shall observe the construction norms mandatory for the Republic of Bulgaria;

11.1.5. With regard to the obligation of the **CONCESSIONAIRE** to observe the deadlines under the schedule for realization of the Investment program and the schedules for performance, the date of fulfillment of obligation of the **CONCESSIONAIRE** for performance of construction,

reconstruction or rehabilitation of the Object of concession shall be:

a) the date of issuing of the deed for putting into exploitation of the construction site (permission for using of construction site) by the competent authority in conformity to the rules and conditions envisaged by the Legislation in force or

b) the date on which the subcontractor delivered the respective construction and installation works to the **CONCESSIONAIRE** – for the cases when the issuing of a deed for putting into exploitation of the construction site (when repair and rehabilitation works are performed) is not required.

## **11.2. SUBCONTRACTORS**

11.2.1. At any moment during the Term of concession and in conformity to art. 10.4 the **CONCESSIONAIRE** has the right to choose subcontractors for performance of commercial activities and for complete or partial performance of construction and installation works, envisaged under the present Concession Agreement or under the Master plan, in conformity to the legislation in force.

11.2.2. The **CONCESSIONAIRE** shall be obliged in due time to present information to the **GRANTOR OF CONCESSION** about the selected subcontractors – company name, contact details and representatives and about all changes relevant to subcontractors.

11.2.3. The **CONCESSIONAIRE** shall be liable for the actions of subcontractors as if they are his own actions

## **11.3. CONSTRUCTION SURVEILLANCE**

The surveillance of construction works that will be performed by the **CONCESSIONAIRE** at the Airport during the Term of concession shall be performed in conformity to the provisions of the Spatial Development Act by consultants assured on the account of the **CONCESSIONAIRE**, who shall perform at least the assessment of investment project for their conformity to the material requirements towards construction sites and shall perform construction surveillance in the course of performance of construction works.

## **11.4. REPORTING**

11.4.1. The **CONCESSIONAIRE** shall organize the consultants to report in writing directly and simultaneously to the **CONCESSIONAIRE** and the **GRANTOR OF CONCESSION**. The construction surveillance consultant shall report at completion of each stage of construction of the respective site.

11.4.2. The **CONCESSIONAIRE** shall have the right to present to third parties the deeds issued by the National Control on Construction Works Directorate and the other competent authorities.

## **ARTICLE 12. SUSPENSION**

**12.1.** The **CONCESSIONAIRE** shall make all efforts to guarantee the performance of **construction and installation works**, in case such are performed, in a way that the suspension and disturbance of the servicing at the **Airport** to be limited.

**12.2.** The **CONCESSIONAIRE** shall be obliged, for the period of construction of a new Terminal 1 of Sofia Airport and until its putting into exploitation, to assure to the air companies departing and landing at Terminal 1 equal opportunities for performance of their activities at the functioning Terminal 2.

## **SECTION V – EXPLOITATION AND MAINTENANCE OF THE AIRPORT**

### **ARTICLE 13. AIRPORT SERVICES**

**13.1.** By virtue of the Concession and the present Concession Agreement the **GRANTOR OF CONCESSION** shall provide to the **CONCESSIONAIRE** and the **CONCESSIONAIRE** shall accept and assume the obligation to manage and provide airport services in conformity to Annex No 3. The **CONCESSIONAIRE** shall exploit, use and manage the Object of concession in such a way that Airport services on conformity to the good industrial practice and all other standards, envisaged under Annex No 4, to be offered at the **Airport**.

**13.2.** The **CONCESSIONAIRE** shall assure all year round exploitation of the **Airport** as a civil airport for public use for servicing of international and internal flights in conformity to the **Law**, the good industrial practice and all other standards, envisaged under Annex No 4.

**13.3.** The **CONCESSIONAIRE** shall perform or assure the performance of maintenance in conformity to Guide for management and exploitation of the **Airport**, which shall be elaborated by him, and shall define quality parameters according to the practice conforming to the international standards, while taking into consideration the periodical changes in this practice, and in conformity to the relevant standards. The Guide for management and exploitation and activities related to it shall be elaborated by the **CONCESSIONAIRE** and presented to the **GRANTOR OF CONCESSION** and is a necessary condition for the issuing of a certificate for exploitation fitness and a license for **Airport operator**. This Guide and all amendments to it, eventually made later on by the **CONCESSIONAIRE**, shall be subject to the written approval of the **GRANTOR OF CONCESSION** who shall not deny such approval unreasonably.

## **ARTICLE 14. PERFORMANCE BONDS**

### **14.1. TYPES OF GUARANTEES**

The **CONCESSIONAIRE** shall be obliged to provide and maintain for each year of the term of concession confirmed, unconditional, irrevocable annual guarantees, issued by banks approved by the **GRANTOR OF CONCESSION** as follows:

14.1.1. a bank guarantee for performance of investment program in the size of 10 per cent of the value of investments planned for the respective year;

14.1.2. a bank guarantee for securing of performance of obligations under the Concession Agreement, including the obligations for payment of concession payments, for performance of investments and for payment of interest and liquidated damages as well as for other obligations envisaged under the Concession Agreement in the size of the sum equal to 100 per cent of the yearly concession payment for the preceding year and the due value added tax (VAT) over the sum included in its size, valid up to 10 months after expiry of the respective year of the term of concession. For the first year of the term of concession the size of this guarantee shall be 12 000 000 BGN.

### **14.2. TERMS FOR PROVISION OF GUARANTEES**

The **CONCESSIONAIRE** shall provide to the **GRANTOR OF CONCESSION** the guarantees in the following terms and with the following validity:

14.2.1. Guarantee under art. 14.1.1:

a) for the First contractual investment year – shall be presented until the entering into force of the Concession Agreement and shall be with validity term until 31 October of the year, following the first contractual investment year;

b) for each following calendar year of the Term of Agreement - shall be presented until 1 October of the current year and shall be with validity term from 1 October of the current year until 31 October of the following year.

14.2.2. The guarantee under art. 14.1.2 shall be provided by the **CONCESSIONAIRE** until the entering into force of the present Concession Agreement and shall be maintained in the agreed

size in term of 10 months after the expiry of the Term of concession.

#### **14.3. MAINTENANCE OF GUARANTEES**

The **CONCESSIONAIRE** shall be obliged to provide and maintain the guarantees as envisaged under art. 14.2 and in case of full or partial utilization of guarantees under art. 14.1 he shall be obliged to restore their size in term of 15 days as from the notification of the **GRANTOR OF CONCESSION** about their utilization by virtue of art. 14.4.

#### **14.4. UTILIZATION OF GUARANTEES**

The **GRANTOR OF CONCESSION** shall have the right to utilize the respective guarantee or part of it if non-fulfillment of a contractual obligation, subject to the guarantee, on the part of the **CONCESSIONAIRE** is established. The **GRANTOR OF CONCESSION** shall notify in writing the **CONCESSIONAIRE** about the utilization of the guarantee.

#### **14.5. RELEASING OF GUARANTEES**

14.5.1. In term of 15 business days as from the date of establishment of fulfillment of the annual investment program the **GRANTOR OF CONCESSION** shall release the guarantee under art. 14.1.1.

14.5.2. In case of termination of the Agreement, if the **CONCESSIONAIRE** does not have any unfulfilled obligations under the Agreement (including obligations for performance of concession payments, for payments of interests and liquidated damages, envisaged under the Agreement), the **GRANTOR OF CONCESSION** shall release the guarantee (or the remaining part of it) under art. 14.1.1 and art. 14.1.2 in term of 10 months as from the date of termination.

### **ARTICLE 15. WORKERS AND EMPLOYEES**

**15.1.** As from the date of entering into force of the present **Concession Agreement**, the **CONCESSIONAIRE** shall subrogate as an employer “**Sofia Airport**” **EAD** under all labor contracts signed by “**Sofia Airport**” **EAD** and workers and employees who perform functions that will be included in the scope of concession. Every worker or employee shall continue to benefit from the conditions of the described labor contracts, including length of service, in conformity to the provision of the labor law. List of workers and employees hired at the Object of concession, summarized information about paid indemnities in relation to termination of labor relations, summarized information about the social benefits provided to the workers and employees of the company, a declaration on lack of labor disputes and summarized information about unused paid leave by the workers and employees are included under Annex No 11.

**15.2.** The **CONCESSIONAIRE** shall be jointly liable for obligations towards workers or employees that have occurred before the date of entering into force of the present Agreement - summarized information about these obligations is included under Annex No 10.

**15.3.** The collective labor contract in force – Annex No 13 shall be effective until signing of new collective labor contract, but for not more than one year as from the Date of entering into force of the **Concession Agreement**.

### **ARTICLE 16. AIRPORT SERVICES PERFORMED BY THIRD PARTIES**

**16.1.** The **CONCESSIONAIRE** shall perform independently and may not assign to third parties the performance of the following Airport services:

16.1.1. Airport administration functions under art. 48a, paragraph 3 of the Civil Aviation Act;

- 16.1.2. Activities relevant to management and exploitation of the **Airport** in his capacity as an airport operator and
- 16.1.3. The activities under art. 48e, paragraph 3, items 1-7 of the Civil Aviation Act, for which he has received licenses.

## **16.2. ACCESS OF THIRD PARTIES TO PERFORMANCE OF ACTIVITIES RELEVANT TO GROUND SERVICES**

Without prejudice to the obligation of the **CONCESSIONAIRE** under art.16.1.3 he shall assure access to the **Object of concession** to third parties with regard to performance of **Airport services** - activities under art. 48e, paragraph 3 of the Civil Aviation Act, when the third parties are holders of a license for the respective activity relevant to ground service and self-service, conform to the requirements of the **Law** and have received access to the ground service market in conformity to the international and internal requirements for security and safety in the field of civil aviation.

## **16.3. ACCESS OF THIRD PARTIES TO PERFORMANCE OF ECONOMIC ACTIVITIES**

The **CONCESSIONAIRE** shall assure access to the **Object of concession** to third parties with regard to performance of economic activities at the **Airport** in conformity to the international and internal requirements for security and safety in the field of civil aviation and the applicable legislation.

## **16.4. EXCEPTIONS**

The **CONCESSIONAIRE** may not assign rights neither sign a contract nor reach an agreement with regard to **Airport assets** or **Airport services** if the term of these rights, contracts or agreements expires after the Term of concession or in other way will be in contradiction to the present **Concession Agreement**.

## **16.5. LIABILITY**

For the purposes of the present Agreement, the **CONCESSIONAIRE** shall be liable for the activities of the third parties as if they are his own activities.

## **ARTICLE 17. FUNCTIONS OF PANS AT THE AIRPORT**

**17.1.** For the term of the Agreement PANS shall assure the provision of air navigation services (ANS) in conformity to the European and the national legislation;

**17.2.** For the purposes of assuring of ANS, PANS shall be obliged to maintain and exploit the necessary air navigation facilities and equipment and pay the relevant costs and expenses;

**17.3.** The **CONCESSIONAIRE** shall be obliged on his own account to maintain the lighting technical equipment at the Airport, including lighting passages, the lights of the take-off and landing runways, lights of the taxiways and apron and the vertical light marking;

**17.4.** During the whole Term of concession the **CONCESSIONAIRE** shall on his own account provide to PANS such facilities and premises at the Object of concession that PANS reasonably may require with regard to provision of ANS and in general in relation to its obligations according to the applicable legislation;

**17.5.** At any time and periodically PANS has right of access to the Object of concession in order to install or maintain the equipment necessary for provision of ANS or to fulfill other obligations ensuing from the applicable legislation under the condition that these actions are coordinated with the **CONCESSIONAIRE** in advance and that all possible efforts will be made for avoidance or minimal

suspension of the exploitation of the Airport or of provision of Airport services;

**17.6.** For the purposes of fulfillment of the Agreement the **CONCESSIONAIRE** and PANS shall conduct consultative meetings at which the participant shall coordinate the following issues:

- 17.6.1. Scope and categories of ANS;
- 17.6.2. Type of servicing of air traffic at the airport (controlled or uncontrolled);
- 17.6.3. Necessary air navigation devices and facilities;
- 17.6.4. Financial issues for the purposes of planning;

**17.7.** In case at the consultative meetings the **CONCESSIONAIRE** requires providing of ANS outside the scope of stipulations under the approved business plan of PANS, the parties shall sign bilateral agreements under the condition that:

17.7.1. They are in accordance with the necessary capacity of PANS and do not lead to performance of economically unreasonable costs by PANS in this regard;

17.7.2. The forecast schedule, meteorological conditions and other operative factors are taken into consideration;

17.7.3. They conform to the safety requirements;

17.7.4. They are in conformity to the standards under Annex No 4;

**17.8.** Fees for ANS;

17.8.1. Fees for ANS in the zones and regions of the Airport shall be invoiced and collected in conformity to the Ordinance on Fees for Using of Airports for Public Use and Air Navigation Service in Republic of Bulgaria adopted by Decree No 280 of the Council of Ministers of 1998 ;

17.8.2. The **CONCESSIONAIRE** in the capacity as airport administration shall observe all instructions and shall render all necessary assistance to PANS in relation to collecting of fees for ANS;

17.8.3. The **CONCESSIONAIRE** shall not be liable for non-payment on the part of some entities of the invoiced fees for ANS and shall not be obliged to undertake any legal actions or to initiate court proceedings for their collection;

17.8.4. For the purposes of timely collection and correct defining of the due fees for ANS, the **CONCESSIONAIRE** and PANS shall upon request provide each other information about all movements of aircrafts at the Airport;

### **17.9. LIABILITY**

17.9.1. The **CONCESSIONAIRE** shall not be liable for actions or omissions to act of PANS in relation to provision of ANS, except in cases when the **CONCESSIONAIRE**, his employees or subcontractors contributed to the actions or omissions to act on the part of PANS.

17.9.2. PANS shall not be liable for actions or omissions to act of the **CONCESSIONAIRE** in relation to provision of airport services, except in cases when PANS, his employees or subcontractors contributed to the actions or omissions to act on the part of **CONCESSIONAIRE**.

## **ARTICLE 18. GROUND SERVICE**

**18.1.** As from the date of entering into force of the **Concession Agreement**, the **CONCESSIONAIRE** shall assure the fulfillment on his part of the requirements of the Civil Aviation Act that refer to ground service;

**18.2.** The **CONCESSIONAIRE** shall perform independently by virtue of the received licenses the activities under art. 48e, paragraph 3, items 1-7 of LCA;

**18.3.** The **CONCESSIONAIRE** may decide to perform ground service activities under art.

48e, paragraph 3, items 8-11 of the Civil Aviation Act independently or through third parties to whom the respective ground service license is issued;

**18.4.** During the whole Term of concession, the **CONCESSIONAIRE** shall be obliged to create suitable conditions for performance of economic activity at the Airport by the licensed ground service and self-service operators in conformity to the legislation in force.

## **ARTICLE 19. LEVEL OF QUALITY OF SERVICE**

**19.1.** The **CONCESSIONAIRE** shall annually monitor and report the surveys of quality of service described below in order to guarantee the level of Airport services provided to the consumers at the Airport by:

19.1.1. The **CONCESSIONAIRE** shall perform surveys among the clients of the airport – air carriers and passengers after expiry of 6 (six) months as from the date of entering into force of the present Concession Agreement in order to establish the initial quality of service at the Airport and the improvements that shall be made according to the Investment program – Annex No 7 and the Business proposal for operation of the Airport and Security measures at the Airport – Annex No 8 and Annex No 9, by defining of criteria that may be objectively measured (for example availability of trolleys, length of queues for check-in at boarding, time for receiving of luggage) and criteria based on the assessments of the clients (for example satisfaction from the hygiene, instruction signs at the Airport, politeness of the servants at the Airport) and the requirements referring to level “C” of IATA.

19.1.2. After performance of the surveys the **CONCESSIONAIRE** shall assign annually to an independent consultant the performance of surveys on the quality of service, periodicity, form and way of performance, which shall be coordinated in advance with General Directorate “Civil Aviation Administration”. The surveys shall mandatorily contain:

- a) analysis of the results from activity for the period subject of survey and their conformity to level of service “C” of IATA;
- b) findings about fulfillment of recommendations from the preceding period and overall assessment of performance;
- c) recommendations for particular actions on the part of the **CONCESSIONAIRE**.

19.1.3. The costs for surveys shall be on the account of and shall be covered by the **CONCESSIONAIRE** and shall not be included in the costs for Regulated activities at calculations of the Airport fees under art. 31;

**19.2.** The results of surveys shall be used as means for assessment of quality of service and the level of satisfaction of the clients of the Airport according to the stipulations under the Business proposal for operation of Sofia Airport;

**19.3.** The **CONCESSIONAIRE** shall until 31 January present to the **GRANTOR OF CONCESSION** the results of surveys from the preceding year. Together with the results of surveys the **CONCESSIONAIRE** shall also present a report on fulfillment of recommendations and for the rest – schedule for their fulfillment;

**19.4.** The **GRANTOR OF CONCESSION** after consulting the GD “CAA” shall analyze the presented surveys and report and in case of lack of objections, shall approve completely or partially the presented schedule in term of two months as from the date of its receipt;

**19.5.** The approved schedule shall be mandatory for the **CONCESSIONAIRE** and its non-fulfillment shall be considered as grounds for imposing of liquidated damages in conformity to art. 38.3.4;

**19.6.** The **CONCESSIONAIRE** shall coordinate with General Directorate “Civil Aviation Administration” (GD “CAA”) the form and method of performance of inspection related to the level of quality of service of clients at the Airport (passengers, consignors, carriers and other aviation operators, clients of General aviation, approved organizations for flight training, pilots). GD “CAA” may impose an obligation to the **CONCESSIONAIRE** on his own account to attract independent qualified experts for performance of inspections;

Furthermore, periodical analysis of the results from activity shall be performed. The **CONCESSIONAIRE** at least once every six months shall conduct meetings with GD “CAA” aimed at periodical reporting of results from exploitation of the Airport on the part of the **CONCESSIONAIRE** and of fulfillment of his obligations under the **Concession Agreement**.

## **ARTICLE 20. SERVICES THAT REMAIN UNDER THE SOVEREIGN JURISDICTION OF REPUBLIC OF BULGARIA**

**20.1.** If the **Law** does not permit otherwise, the full management of sanitary activity, border-police and customs activity, air navigation services, inspection of passengers, servants, luggage, cargo, mail and vehicles, which are of competence of the Bulgarian governmental authorities, shall remain under the sovereign jurisdiction and responsibility of the **GRANTOR OF CONCESSION**. A list of state authorities and services that shall perform the services, which remain under the sovereign jurisdiction of Republic of Bulgaria is included under Annex No 5;

**20.2.** In the capacity as airport administration with regard to which functions under article 3.6 are assigned and with the funds from Airport fees, the **CONCESSIONAIRE** shall assure the necessary qualified personnel for performance of security inspections of passengers, servants, luggage, cargo, mail and vehicles in conformity to the law and the applicable standards, which towards the moment of signing of the Concession Agreement are: Civil Aviation Act, Regulation (EU) No 216/2008 with all amendments and supplements; Regulation (EU) No 139/2014 with all amendments and supplements; Regulation (EU) No 300/2008 with all amendments and supplements; Regulation (EU) No 272/2009 with all amendments and supplements; Regulation (EU) No 185/2010 with all amendments and supplements; Document No 8973 of ICAO, Document No 30 of ECAC, all other norms and rules of the EU relevant to aviation security and the National Program on Civil Aviation Security;

**20.3.** The **CONCESSIONAIRE** shall be liable in case of non-fulfillment of obligations under art.20.2 (including for damages caused) due to intent or negligence of the **CONCESSIONAIRE**, his workers or employees or subcontractors;

**20.4.** With regard to performance of activities or provision of services under art. 22 the **CONCESSIONAIRE** on his own account shall assure the necessary facilities and access to the **Object of concession**.

## **ARTICLE 21. ACCESS OF OFFICIALS**

**21.1.** The **CONCESSIONAIRE** shall provide free and unimpeded access to all parts of the **Airport** to persons duly appointed by the **GRANTOR OF CONCESSION**, to all international organizations or authorities whose activity is related to aviation or to the management and exploitation of the **Airport** or to other bodies or authorities that deal with the border control, defense, police activities, fire safety and protection of population activities, safety or security for performance of their functions.

**21.2.** The **CONCESSIONAIRE** shall be obliged to provide such access, without right to

compensation, when this is necessary with regard to performance of urgent activities in public favor or such relevant to protection of public order and security or fire safety and protection of population.

**21.3.** This access shall be used and realized in a way that causes minimum suspension of development, maintenance, management and exploitation of **Airport assets** with regard to the purpose for which the respective person legally is present there.

## **ARTICLE 22. STATE USERS AND MILITARY USERS**

**22.1.** As far as the present Concession Agreement or the law does not envisage otherwise, the parties agree that:

**a)** The **State users** may use the Airport assets and to occupy the respective Sites of State users as far as this is necessary for performance of their functions, for free and without impediments on the part of the **CONCESSIONAIRE**;

**b)** The **CONCESSIONAIRE** shall be obliged to assure premises, which to be used for Sites of State users with suitable area for technological and service needs relevant to performance of their activities. The **CONCESSIONAIRE** shall be obliged to maintain and repair the Sites of State users;

**c)** Every **State user or Military user** shall be liable to the **CONCESSIONAIRE** for all damages caused to the zones, facilities, buildings or constructions located at the Airport, including the take-off and landing runway.

**22.2.** The **CONCESSIONAIRE** shall guarantee that as far as actually possible, the using of the runway/s for take-off and landing or of other zones at the Airport by a **State user** will not have significant negative impact on the ability of the **CONCESSIONAIRE** to provide Airport services or in any other way to realize his rights and/or to fulfill his obligations under the present Concession Agreement.

## **SECTION VI – GENERAL PROVISIONS RELEVANT TO EXPLOITATION AND CONSTRUCTION WORKS**

### **ARTICLE 23. CONTROL OF GRANTOR OF CONCESSION OVER THE ACTIVITY OF CONCESSIONAIRE**

#### **23.1. ACCOUNTING INFORMATION AND APPOINTMENT OF AUDITORS**

In term of 6 months as from the Date of entering into force of the present Concession Agreement the **CONCESSIONAIRE** shall be obliged to undertake actions for implementation of modern financial software and using of system for accounting and control of costs in conformity to internationally accepted standards and for appointment of a specialized auditing company under the Independent Financial Audit Act after coordination with the **GRANTOR OF CONCESSION**. After informing of the **CONCESSIONAIRE**, the **GRANTOR OF CONCESSION** shall have the right to require performance of additional inspections of **CONCESSIONAIRE**. The costs for such additional inspections shall be covered by the **GRANTOR OF CONCESSION**, except in cases when the inspection shows that it was justified due to respective infringement or omission of rendering of due care on the part of the **CONCESSIONAIRE**.

#### **23.2. RIGHT TO INSPECTION**

The **CONCESSIONAIRE**, after preliminary notification, shall allow to representatives of the **GRANTOR OF CONCESSION** (this does not refer to cases under art.28, which are not limited by term and such preliminary notification is not necessary):

- a) to visit the Object of concession and
- b) to inspect the books, records and all materials kept by the **CONCESSIONAIRE** or on his behalf in order to verify the presented reports and summarized information under art. 23 or to revise any information presented to the **GRANTOR OF CONCESSION**.

The **CONCESSIONAIRE** shall be obliged to provide this access, without right to compensation, when this is necessary with regard to performance of urgent activities in public favor or such relevant to protection of public order and security or fire safety and protection of population.

### **23.3. AUDITED ANNUAL FINANCIAL STATEMENT**

The annual financial statement of the **CONCESSIONAIRE** is subject to auditing by a registered auditor with international recognition under the Independent Financial Audit Act. The costs for performance of the independent financial audit shall be on the account of the **CONCESSIONAIRE**.

### **23.4. INFORMATION ABOUT DANGER**

The **CONCESSIONAIRE** shall immediately inform the **GRANTOR OF CONCESSION** about all circumstances that create danger for the national security, defense of the country and the public order, for the environment, humans' health, protected territories, zones and sites and about all circumstances that endanger the safety and security of civil aviation.

### **23.5. STATEMENTS AND REPORTS**

23.5.1. With regard to establishment of the due Annual concession payment the **CONCESSIONAIRE** shall be obliged to present to the **GRANTOR OF CONCESSION** the following statements:

- a) until the 20-th of June of the respective year to present statement for the first six months of the accounting year referring to the total size of net revenues from all activities related to the using of the Object of concession;
- b) until the 20-th of January of the following year to present statement for the second six months of the accounting year referring to the total size of net revenues from all activities related to the using of the Object of concession;
- c) until the 15-th of April of the following year – copy of its certified annual financial statement for the preceding year together with a copy of the report of the registered auditor, who performed the independent audit of the financial statement;

23.5.2. With regard to establishment of fulfillment of the obligation for investments according to the Investment program, the fulfillment of components of the Business proposal for operation of the Airport, the Security measures and the other obligations under the present Concession Agreement and the conditions of concession including those ensuing from the Offer of the **CONCESSIONAIRE** he shall be obliged to present to the **GRANTOR OF CONCESSION**:

- a) report on fulfillment of obligations for the first six months of the year under review until the 15-th of October of the respective year;
- b) annual report on fulfillment of obligations until the 15-th of April of the year following the year under review.

23.5.3. The **GRANTOR OF CONCESSION** shall have the right to request and receive from the **CONCESSIONAIRE** periodic information, summarized information and reports referring to establishment of fulfillment of obligations under the Agreement and to fix a term for their presenting by the **CONCESSIONAIRE**;

23.5.4. The **CONCESSIONAIRE** shall be obliged to present to the **GRANTOR OF CONCESSION** a declaration under art.74, paragraph 2, item 1 of Tax Insurance Procedure Code (TIPC) on granting of consent for access of the **GRANTOR OF CONCESSION** to the tax and insurance information of the **CONCESSIONAIRE** for the purposes of control over the concession;

### **23.6. EXTRAORDINARY REPORTS**

23.6.1. Except the reports under art. 23.5, the Minister of Transport, Information Technologies and Communications shall have the right to request from the **CONCESSIONAIRE** the presenting of extraordinary reports on fulfillment of any of the obligations under the present **Concession Agreement**.

23.6.2. Periodically during the Term of concession and/or upon request of the **GRANTOR OF CONCESSION**, the **CONCESSIONAIRE**, in term of 14 days as from the date of the request, shall present to the **GRANTOR OF CONCESSION** or to his authorized representatives copies of all reports and information about the fulfillment of the Investment program and of Annual investment programs or of any other type of works envisaged under the Master plan, engineering or technical projects, ecologic or complex plans and programs.

23.6.3. Upon request and not later than 14 (fourteen) business days as from the date of request, the **CONCESSIONAIRE** shall present for inspection to the **GRANTOR OF CONCESSION** copies of contracts for assigning of derivative rights signed with holders of airport rights – subcontractors (e.g. contract for duty free shop etc.)

### **23.7. Terms for presenting of extraordinary reports**

The reports under art. 23.6 shall be presented by the **CONCESSIONAIRE** in term of 10 days as from the receipt of the request in this regard.

### **23.8. ACCOUNTING**

23.8.1. The **CONCESSIONAIRE** shall keep separate synthetic and analytical accounts for all activities related to fulfillment of the present **Concession Agreement** in conformity to the Legislation in force.

23.8.2. The **CONCESSIONAIRE** shall keep separate accounting for activities related to using of the Object of concession, including separate balance sheet, profit and loss account, respectively – income statement, statement on revenues from Airport fees and costs for forming of Airport fees for the purposes of the **Concession Agreement** accompanied by a report of a registered auditor.

23.8.3. The **CONCESSIONAIRE** shall keep separate synthetic and analytical accounts under types of Airport fees, types of ground service activities, types of economic activities related to the fulfillment of the present **Concession Agreement** in conformity to the law.

23.8.4. In the terms under art. 23.5.1 the **CONCESSIONAIRE** shall present to the **GRANTOR OF CONCESSION** excerpt from accounts under art. 23.8.1, 23.8.2 and 23.8.3.

23.8.5. The parties shall elaborate and keep documentation and shall protect the information relevant to the fulfillment of the Concession Agreement.

23.8.6. The **CONCESSIONAIRE** shall assure publicity with regard to fulfillment of the **Concession Agreement** in conformity to the requirements of the law.

### **23.9. CONTROLLING POWERS OF GRANTOR OF CONCESSION**

23.9.1. The **GRANTOR OF CONCESSION** shall have the right to verify the data and circumstances presented under the statements, reports and information under art. 23.5 and art.23.6.

23.9.2. The **GRANTOR OF CONCESSION** shall have the right to inspect the accounts of the **CONCESSIONAIRE** and the documentation related to accounting for the purposes of the Agreement for each calendar year during the year for the whole Term of the Agreement.

23.9.3. The inspections under art. 23.9.1 and art. 23.9.2 shall be performed after sending of written preliminary notice to the **CONCESSIONAIRE** at least 5 (five) calendar days before the date of inspection.

23.9.4. The **GRANTOR OF CONCESSION** shall have the right to perform the under art. 23.9.1 and art. 23.9.2 after appointment of the persons who will perform them. The inspections shall be performed in a way that will not cause inconveniences to the **CONCESSIONAIRE** and the

**CONCESSIONAIRE** shall make all necessary efforts to cooperate and not to create obstacles to the representatives of the **GRANTOR OF CONCESSION**.

23.9.5. In cases of performance of inspections or audits by authorized representatives of the **GRANTOR OF CONCESSION** or by competent state authorities, the **CONCESSIONAIRE** shall be obliged to provide them for free use available working premises.

23.9.6. The costs for inspection shall be on the account of the **GRANTOR OF CONCESSION**.

## **ARTICLE 24. INSURANCE PROGRAM**

### **24.1. GENERAL REQUIREMENTS TOWARDS INSURANCE CONTRACTS**

24.1.1. With regard to entering into force of the present Concession Agreement the **CONCESSIONAIRE** shall enter the rights and obligation under the effective insurance contracts under Annex No 13.

By the entering the **CONCESSIONAIRE** shall assume the obligation to fulfill the obligations under the insurance contracts under Annex No 13.

If “Sofia Airport” EAD has performed advance payments for future periods the **CONCESSIONAIRE** shall assume the obligation to reimburse the respective part of performed advanced payment proportional to the period from entering into force of the **Concession Agreement** until the end of the period, to which the performed advance payment refers.

24.1.2. For the whole Term of the Agreement the **CONCESSIONAIRE** shall insure and maintain insurance of the Object of concession, which is proper and sufficient for the activities performed on his own account and in favor of the **GRANTOR OF CONCESSION** (beneficiary) and third party liability as an Airport operator and as Ground service operator for all risks and for each year of the Term of the Agreement in conformity to the Legislation in force and after preliminary coordination and approval of all conditions of the insurance contract by the **GRANTOR OF CONCESSION**.

24.1.3. The **CONCESSIONAIRE** shall mandatorily insure the Assets of **CONCESSIONAIRE** against risks that are proper and sufficient for the performed activity, in conformity to the Legislation in force.

24.1.4. The **GRANTOR OF CONCESSION** shall approve in advance the conditions for selection of an insurer (types of insurance, risks covered, insurance indemnities, premiums etc.) and such approval shall not be unreasonably withheld. The **GRANTOR OF CONCESSION** shall grant approval in term of 20 (twenty) business days as from the date of presenting of conditions by the **CONCESSIONAIRE**. In case the **GRANTOR OF CONCESSION** fails to present an opinion in the 20-day term it shall be accepted that the conditions for selection of insurer are approved.

The **GRANTOR OF CONCESSION** shall be obliged to sign insurance contracts for liability towards third parties for accident, deficiency or damage of cargo, luggage and mail. The assets of the **CONCESSIONAIRE** shall be mandatorily insured by the latter against all risks in conformity to the legislation in force.

The **GRANTOR OF CONCESSION** shall have the right to request from the **CONCESSIONAIRE** availability and maintenance for the Term of concession of insurance contracts assuring proper types of insurance risks and coverage with internationally recognized insurers, as well as the signing of new types of insurance contracts and respective insurance conditions and changes for the above described property and risks in conformity to the prevailing practice on the EU market. The **GRANTOR OF CONCESSION** shall have the right at any moment to give mandatory written instructions to the **CONCESSIONAIRE** in conformity to the prevailing practice on the EU market relevant to the necessary types of risks and coverages.

In case of occurrence of insurance event under the insurance contract signed in favor of the **GRANTOR OF CONCESSION** the insurance indemnity shall be transferred by the insurer to a special bank account for insurance indemnities.

Insurance indemnities shall be spent in accordance with the orders of the **GRANTOR OF**

**CONCESSION** only for covering of damages from the respective insurance event, for which they were paid or for reimbursement of costs incurred by the **CONCESSIONAIRE** in relation to this insurance event. The **GRANTOR OF CONCESSION** shall transfer the due insurance indemnities to the **CONCESSIONAIRE** in term of three days as from their receipt.

#### **24.2. CONSTRUCTION AND INSTALLATION WORKS**

24.2.1. At any moment in the course of performance of **construction and installation works** the **CONCESSIONAIRE** shall maintain sufficient and proper insurance of the **Object of concession** and the other property subject to insurance (Assets of **CONCESSIONAIRE**), including:

- a) insurance „All risks of the contractor”;
- b) insurance „Third party liability”;
- c) insurance „Liability of employer” and
- d) insurance „Subsequent losses”, that includes insurance against the risk of delay of performance and assurance by the obliged persons of due coverage of selected subcontractors of the same insurances in conformity to the common practice.

The **CONCESSIONAIRE** shall assure that the contractors of construction works shall be insured for the same risks in conformity to the common practice in Republic of Bulgaria and the requirements of the law.

24.2.2. If the **CONCESSIONAIRE** fails to fulfill the obligation under art. 24.2.1, the **GRANTOR OF CONCESSION** has the right to insure the respective property and/or liability on the account of the **CONCESSIONAIRE** and to utilize sums from the guarantee under art. 14.1.2, equal to the paid insurance premiums.

#### **24.3. INSURANCES OF THE OBJECT OF CONCESSION**

24.3.1. During the whole Term of Agreement for each calendar year the **CONCESSIONAIRE** shall maintain proper and sufficient insurance of the object of concession and Assets of **CONCESSIONAIRE**, including, but not only:

- a) insurance “Property and accident”, including insurance “Suspension of activity”;
- b) insurance “Third party liability” for material and non-material damages caused by the **CONCESSIONAIRE** in the capacity as airport operator and ground service operator and
- c) insurance “Liability of employer”.

24.3.2. If the **CONCESSIONAIRE** fails to fulfill the obligation under art. 24.3.1 the **GRANTOR OF CONCESSION** has the right to insure the respective property and/or liability on the account of the **CONCESSIONAIRE** and to utilize sums from the guarantee under art. 14.1.2, equal to the paid insurance premiums.

#### **24.4. EXPLOITATION**

During the whole Term of Agreement for each calendar year the **CONCESSIONAIRE** shall maintain and assure the maintenance by every contractor of activities relevant to exploitation and maintenance of proper and sufficient insurance of the Airport, the object of concession and other property subject to insurance.

#### **24.5. SPECIAL CLAUSES OF INSURANCE POLICIES**

24.5.1. Under the insurance policies relevant to risks “Property and accident” including “Suspension of activity” of the Object of concession the **GRANTOR OF CONCESSION** shall be indicated as beneficiary.

24.5.2. The **CONCESSIONAIRE** shall present to the **GRANTOR OF CONCESSION** certificates/documents for all signed insurance contracts and for all amendment and supplements to such contracts in term of 10 (ten) business days as from issuing of insurance policies

#### **24.6. MARKET PRACTICE**

The **CONCESSIONAIRE** shall maintain and assure the maintenance of the described insurances in conformity to the Bulgarian legislation in force under the best conditions offered on the international insurance market by reliable insurers with international reputation, sufficient financial power and relevant experience.

#### **24.7. REVIEW OF INSURANCES**

24.7.1. The **CONCESSIONAIRE** shall present copies of all draft insurance policies or documents for coverage described above in term of 30 (thirty) business days before their entering into force together with any other information that is necessary to enable the **GRANTOR OF CONCESSION** to assess correctly the volume, extent, limits, exceptions and other conditions of insurance under the respective policy.

24.7.2. The **GRANTOR OF CONCESSION** shall be analogically informed about all changes of conditions under an effective insurance policy in term of 30 (thirty) business days before their entering into force. The conformity of the offered insurance policies and changes in them to the best conditions offered on the international insurance market, which to assure the necessary insurance protection of the interests of both parties to the present Agreement shall be assessed annually by an international consulting company in the field of risk management and insurance service approved by the **GRANTOR OF CONCESSION**. If after the report of the international consulting company the **GRANTOR OF CONCESSION** finds that the presented insurance policy does not conform to the best conditions offered on the international insurance market, he shall inform the **CONCESSIONAIRE** and the latter shall assure respective changing of the conditions under this policy or contract by an addendum to the policy.

If the **CONCESSIONAIRE** finds that the changes requested by the **GRANTOR OF CONCESSION** or the refusal of the **GRANTOR OF CONCESSION** to grant consent with announced change would force the **CONCESSIONAIRE** to maintain insurances that:

- a) are not offered or
- b) are offered only under very unfavorable economic conditions

the dispute shall be remitted for settlement to an independent insurance expert (different from the consultant under the preceding paragraph an international consulting company in the field of risk management and insurance services), acceptable for both parties, whose findings in case of lack of obvious mistake shall be binding to the Parties. While acknowledge the significance of insurance coverage and the needs of the project, the Parties agree that they will make efforts to speed-up their actions in this regard.

The remuneration and the costs of the international consulting company and the independent insurance expert shall be considered as operative costs under art.33 and shall be on the account of the **CONCESSIONAIRE**.

#### **24.8. Actions of CONCESSIONAIRE and of GRANTOR OF CONCESSION with regard to insurances.**

24.8.1. The **CONCESSIONAIRE** shall be obliged to file in due time all claims relevant to effective insurances under art. 24.4.1 and to collect the due indemnities.

24.8.2. The insurance sums relevant to insurances under art. 24.4.1 shall be transferred to a special account pointed by the **GRANTOR OF CONCESSION** and may be spent according to the orders of the **GRANTOR OF CONCESSION** only for covering of damages from the respective insurance event in relation to which they were paid.

#### **ARTICLE 25. SUSPENSION OF EXPLOITATION**

The **GRANTOR OF CONCESSION** may with written preliminary notice addressed to the **CONCESSIONAIRE** to suspend or temporarily to stop the construction and installation works (**if such are performed**), the management and exploitation of the **Airport** or the provision of **Airport**

**services** if the **GRANTOR OF CONCESSION** finds this necessary with regard to protection of the national interests of Republic of Bulgaria and the defense of the country, the environment or protected territories and sites and the public order.

The suspension in conformity to the present article shall be for the time and to the extent necessary for surmounting of the circumstances that caused it.

#### **ARTICLE 26. ASSISTANCE WITH REGARD TO COURT PROCEEDINGS**

If a claim is filed against the **CONCESSIONAIRE** or the **CONCESSIONAIRE** is subpoenaed as respondent under a case or proceedings relevant to Concession, the **CONCESSIONAIRE** may request the assistance of the **GRANTOR OF CONCESSION** and in this case the **CONCESSIONAIRE** shall inform the **GRANTOR OF CONCESSION** in due time. The **CONCESSIONAIRE** shall present to the **GRANTOR OF CONCESSION** all relevant facts, information and documents and the **GRANTOR OF CONCESSION** shall render assistance to the **CONCESSIONAIRE** on the account of the latter, in his capacity as respondent under a case or proceedings.

#### **ARTICLE 27. HEALTH AND SAFE CONDITIONS**

At any moment during the Term of concession and in the whole course of performance of **construction and installation works (if such are performed)**, the **CONCESSIONAIRE** shall completely fulfill the requirements relevant to protection of health and safety of all persons at the **Object of concession** and to maintain proper order at the site in conformity to the good industrial practice aimed at avoidance of danger for these persons. The **CONCESSIONAIRE** shall be obliged to undertake the necessary measures with regard to the good industrial practice for prevention of illegal entering and passing of the site by persons or animals that are not entitled to remain there, including the fencing of the site, if necessary.

#### **ARTICLE 28. RIGHTS OF ACCESS OF REPRESENTATIVES OF GRANTOR OF CONCESSION**

**28.1.** The **CONCESSIONAIRE** shall assure unlimited access to representatives of the **GRANTOR OF CONCESSION** with regard to controlling of all systems, facilities and equipment that are related to management and exploitation of the **Airport**; review and inspection of **Partial construction works** at the **Object of concession** in view of observance of all relevant safety procedures, including all plans for health and safety conditions for exploitation and construction and all grounded instructions related to the safety at the **Airport**, periodically given by the **GRANTOR OF CONCESSION** or on his behalf. The right of access shall be realized in a way that does not affect the normal functioning of the **Airport**.

**28.2.** Furthermore, the **CONCESSIONAIRE** shall grant access to the **Airport** to each representative of a competent Bulgarian governmental authority and to every person duly authorized by the **GRANTOR OF CONCESSION** in the form envisaged by the law with regard to performance of urgent activities in public favor or such relevant to protection of public order and security or fire safety and protection of population and with regard to performance of actions related to the national security, guarding of air space and defense of the country. Furthermore, in cases of force majeure the **GRANTOR OF CONCESSION** may appoint third parties, which to have the right of temporary use of the **Airport** or parts of it. The **CONCESSIONAIRE** and the appointed third party shall cooperate in order to limit the consequences of force majeure.

#### **ARTICLE 29. PROTECTION OF ENVIRONMENT**

##### **29.1. LIABILITY**

The **CONCESSIONAIRE** will be the only entity responsible for any unfavorable impact on the environment, including pollution, which is the result of actions performed at the **Object of concession** after the Date of entering into force of **Concession Agreement**.

## **29.2. ECOLOGIC PROGRAM**

The **CONCESSIONAIRE** shall be obliged to elaborate ecologic program in conformity to the Business proposal for operation of Sofia Airport, to present it in term of one month as from the entering into force of Concession Agreement and to fulfill it on his own account. The ecological program (Annex No 18) shall include:

- a) plan and fulfillment of measures on limitation of negative impact on the components of environment of activities on the territory of the Airport;
- b) plan and fulfillment of measures on limitation of negative impact of noise
- c) elaboration and fulfillment of a plan for own monitoring of environment;
- d) elaboration and fulfillment of waste management program.

## **29.3. COORDINATION**

The ecological program shall be coordinated with Regional Inspection on Environment and Waters – Sofia and Basin Directorate – Sofia and with any other competent authority whose opinion is required by the Law and after that shall be presented to the **GRANTOR OF CONCESSION**.

## **ARTICLE 30. SPECIFIC REQUIREMENTS AT EXPIRY OF THE TERM OF CONCESSION**

**30.1.** In the last update of the Master plan the Parties shall agree on all repair works that shall be performed, if necessary, with regard to guaranteeing that all **Airport assets** will be taken by the **GRANTOR OF CONCESSION** at the end of the Term of concession in a state fit for exploitation considering the normal wear and tear.

**30.2.** The provisions of this article shall not apply in case of ahead of term termination of the Concession Agreement under the rules of art. 41, performed more than 5 (five) years before the expected expiry of the Term of concession and this shall not release the **CONCESSIONAIRE** from his obligations and liabilities relevant to maintenance of the **Airport assets** with due care in conformity to the requirements of **Concession Agreement**.

## **SECTIONVII – FINANCIAL ISSUES**

### **ARTICLE 31. AIRPORT REVENUES**

#### **31.1. EXCLUSIVITY**

31.1.1. No other entity except the **CONCESSIONAIRE** shall be entitled to collect **Airport fees**. In conformity to art.17 and art. 20 no other entity except the **CONCESSIONAIRE** shall be entitled to collect payments for provision at the **Airport** of facilities and/or services that form part of **Airport services** and for movement of passengers, aircrafts or vehicles at the **Object of concession**.

31.1.2. In the cases under art. 39 when the **GRANTOR OF CONCESSION** starts substitutable performance he may collect revenues from **Airport fees** and **Payments related to the Airport**.

#### **31.1.3. COMMITMENT FOR MAINTENANCE OF EXCLUSIVITY**

The **GRANTOR OF CONCESSION** shall assume the obligation to assure to the **CONCESSIONAIRE** the right to collect airport fees.

### **31.2. AIRPORT REVENUES**

The **Airport revenues** shall include all revenues that ensue directly or indirectly from the exploitation of the **Object of concession** and the other **Assets – property of the CONCESSIONAIRE** under the present Concession Agreement as follows:

- a) regulated revenues from aeronautical activities comprising **Airport fees**;
- b) unregulated revenues from aeronautical activities and commercial revenues, comprising **Payments related to the Airport**

The size of **Airport fees** shall be coordinated in conformity to art.33 of the present **Concession Agreement** and the **GRANTOR OF CONCESSION** shall assure the amendment and supplementing of the Ordinance on Airport Fees, so that the application of coordinated **Airport fees** to be possible always during the whole Term of Concession.

### **31.3. PAYMENT**

The **CONCESSIONAIRE** shall collect the **Airport fees** and **Payments related to the Airport** directly from air carriers or from other Clients at the airport. In case of fault at payment for the delayed **Airport fees** the **CONCESSIONAIRE** shall collect the fee together with the due statutory interest for each day of the delay.

All costs relevant to collection of **Airport fees** and **Payments related to the Airport** shall be covered by the **CONCESSIONAIRE**.

**Airport fees** and **Payments related to the Airport** may be collected in BGN, Euro or any other currency approved by the **GRANTOR OF CONCESSION** and in conformity to the applicable legislation.

### **31.4. FAULT AT PAYMENT**

In case of delay of payment or failure to pay, including partial payment of **Airport fees**, the **CONCESSIONAIRE** shall undertake suitable measures for coercive collection of receivables from the air carrier or the respective client. In case of fault at payment of a client, the **CONCESSIONAIRE** shall be entitled to detain any take off of an aircraft without preceding court proceedings until the final payment of due sums. In this case the **GRANTOR OF CONCESSION** may provide assistance to the **CONCESSIONAIRE** with regard to performance of all preliminary or coercive measures defined by the **CONCESSIONAIRE** or ruled by the competent administrative authorities or courts, including but not only, detention of take off of the respective aircraft.

The **CONCESSIONAIRE** shall have the right to initiate court proceedings for collection of the delayed sums from every client.

### **31.5. APPLICABLE PRINCIPLES**

At defining of Payments related to the Airport the following principles shall apply:

- a) air carriers, aviation operators, commercial companies or consumers that use the **Airport** shall take their full and justified share of the common costs for provision of all facilities and services;
- b) the payments shall not be defined and collected in a way that restrains the rightful payers from using of facilities and services;
- c) the **CONCESSIONAIRE** shall not misuse the dominant position and shall act strictly in conformity to the applicable rules for protection of competition.

## **ARTICLE 32. CONCESSION PAYMENT**

### **32.1. SINGLE CONCESSION PAYMENT**

The **CONCESSIONAIRE** shall assume the obligation to pay a single concession payment in size conforming to the offer of the participant selected as **CONCESSIONAIRE**, but not less than 550 000 000 (five hundred and fifty million) BGN and the due VAT on this sum payable via bank

transfer in term of 2 (two) months as from the date of signing of the present Agreement.

### **32.2. ANNUAL CONCESSION PAYMENT**

32.2.1. As from the Date of entering into force of Concession Agreement for each year of the Term of concession, the **CONCESSIONAIRE** shall pay to the **GRANTOR OF CONCESSION** annual concession payment in the size of percentage defined according to the offer of the participant selected as **CONCESSIONAIRE**, but not less than 7 per cent of the total size of the net revenues from all activities for the current year, which are related to the using of the object of concession and the due VAT on this sum.

32.2.2. The size under item 32.2.1 shall not be less than 9 957 000 BGN without VAT. The minimum size of the yearly concession payment (9 957 000) shall be corrected every three years by the applicable yearly indexes of inflation of consumer prices with accrual for the respective period, published by the National Statistical Institute of Republic of Bulgaria for the respective years with base year: the year of entering into force of Concession Agreement and respectively base years defined under Regulation (EC) No 1165/98 of the Council dated 19 May 1998 on short-term statistics and Regulation (EC) No 1158/2005 of the European Parliament and the Council dated 6 July 2005 amending the Regulation (EC) No 1165/98 of the Council.

### **32.3. PERFORMANCE OF ANNUAL CONCESSION PAYMENTS**

The payment of the **Annual concession payment** shall be performed in two equal installments for every six months as follows:

a) The first installment shall refer to the period from 1 January until 30 June and shall be paid until the 31-st of July of the respective calendar year;

b) The second installment shall refer to the period from 1 July until 31 December and shall be paid until the 31-st of January of the following calendar year.

The size of the **Annual concession payment** shall be equated finally until the 30-th of April of the of the following calendar year in which respectively the second installment is paid, on the basis of the approved audited financial statements.

32.4. The **Annual concession payment** for the last year of the Term of concession shall be paid or paid up in term of 30 (thirty) business days as from the date of termination of the present Concession Agreement and represents the due part of the **Annual concession payment** for the period from the 1-st of January (respectively – 1 July) until the date of termination of Concession Agreement.

32.5. All payments under this article shall be performed via bank transfer to a bank account pointed by the **GRANTOR OF CONCESSION** in Euro or leva equivalent on the date of performance of the bank transfer with indication of the period, to which the payment refers.

32.6. The size of the rate of return and the rules for its calculation are subject to financial-economic model (Annex No 15), proposed by the offer of the **CONCESSIONAIRE**.

## **ARTICLE 33. REGULATION OF AIRPORT FEES**

33.1. The **Airport fees** that shall be collected by the **CONCESSIONAIRE** of the **Airport** shall be defined by the **CONCESSIONAIRE** in conformity to the procedure envisaged under Chapter X “B” (art.122e-art.122t) of the Civil Aviation Act in connection to art. 16c, paragraphs 8-11 of the Law on Civil Aviation. The defining of **Airport fees** shall be based on the principle of covering of costs for Regulated activities for the respective Term from the Master plan for the term of concession and shall be performed in conformity to the Methodology for defining of airport fees, which are collected by the airport operator of an airport with annual traffic over 5 million transported passengers or by the airport operator of an airport with the biggest number of passenger flights on

the territory of Republic of Bulgaria (Sofia Airport), annex No 1 to art. 1, paragraph 3 of the Ordinance on Fees for Use of Airports for Public Use and for Air Navigation Service in Republic of Bulgaria.

**33.2.** The defining of **Airport fees** shall be based on the principle of covering of costs for Regulated activities for the respective Term from the Master plan for the term of concession. The specific components of costs that shall be included at defining of Airport fees are regulated by the Legislation in force.

**33.3.** The specific components of costs that shall be included at defining of Airport fees are part of the following costs relevant only to the Regulated activities:

- a) operative costs;
- b) depreciation costs;
- c) relevant costs for interests;
- d) costs for the whole concession payment;
- e) size of the regulated return of own capital.

**33.4.** For the purposes of the present provision when coordinating the updates of the Master plan, the **GRANTOR OF CONCESSION** may deduct from the above costs the value of the costs incurred by the **CONCESSIONAIRE** during the application of the effective Master plan that are relevant to transactions, which are not Transactions by the market prices method.

**33.5.** The application of art.33.1 – 33.4 shall not contradict in any way to or to deviate from the Methodology for defining of airport fees, which are collected by the airport operator of an airport with annual traffic over 5 million transported passengers or by the airport operator of an airport with the biggest number of passenger flights on the territory of Republic of Bulgaria (Sofia Airport), annex No 1 to art. 1, paragraph 3 of the Ordinance on Fees for Use of Airports for Public Use and for Air Navigation Service in Republic of Bulgaria.

## **SECTIONVIII – EVENTS OF DEFAULT**

### **ARTICLE 34. CASES OF OBJECTIVE IMPOSSIBILITY**

**34.1.** The Parties to the present **Concession Agreement** shall not be liable if the impossibility of its fulfillment is due to a reason occurred despite the diligence of the respective Party in conformity to the **Laws** of Republic of Bulgaria.

**34.2.** In case of occurrence of objective impossibility for fulfillment, the party, which is impeded or delayed by the objective impossibility shall inform by a written notice the other party in due time, but not later than 10 (ten) business days as from occurrence of the event. The notice shall contain indication of the character and the reason for the event that led to objective impossibility for fulfillment and the expected consequences, including the expected prolongation of delay and the measures that will be taken.

### **ARTICLE 35. FORCE MAJEURE**

In case of occurrence of event representing **Force majeure** it will be considered that the Party affected by this event is in objective impossibility for fulfillment.

**“Force majeure”** is any unforeseen or inevitable event of extraordinary character that occurred after the signing of the present **Concession Agreement** and makes impossible the fulfillment of obligations in conformity to the stipulations under the present **Concession Agreement**, including, but not only, war, notwithstanding whether it is officially declared, revolution, revolt, riot,

civil disturbances, terrorism, sabotage, partisan blockade, embargo, natural disaster, general strike, explosion, fire, flood, earthquake, natural event, plague or other serious epidemic disease, nuclear explosion, radioactive or chemical pollution or ionizing radiation.

**35.1.** In case of occurrence of event representing **Force majeure** the fulfillment of obligations under the Agreement shall be suspended for the duration of the event. For the term of suspension, the Parties may not engage the liability for non-fulfillment or delay of fulfillment of obligations under the Agreement.

**35.2.** The term for fulfillment of the obligation shall be prolonged according to the period in which the fulfillment was suspended due to Force majeure.

**35.3.** The occurrence of **Force majeure** shall not release the **Parties** of fulfillment of obligations that had to be fulfilled before the occurrence of **Force majeure**.

**35.4.** The Parties shall not be liable towards one another with regard to damages that are direct and immediate consequence of the **Force majeure**.

**35.5.** The **Party** affected by the **Force majeure** shall be obliged as soon as possible, but not later than 48 hours as from the learning about the event, to inform in writing the other Party and to present to it information about the manifestation, nature and size of the event and assessment of its probable consequences and duration.

**35.6.** The **Party** that claims **Force majeure** shall be obliged in term of 14 days as from its occurrence to confirm the event by a certificate issued by the Bulgarian Chamber of Commerce and Industry or a certificate issued by a competent state authority or by authority of local self-government.

**35.7.** If necessary or requested by the other Party, the **Party** that claims **Force majeure** shall be obliged to inform additionally and/or to supplement the information and to present the necessary documents referring to the measures taken and efforts made with regard to minimization of consequences of **Force majeure**.

**35.8.** The **Party** that claims **Force majeure** shall periodically give follow-up notifications about the way and the level of suspension of fulfillment of its obligations.

**35.9.** As from the date of notification under art.35.5 until the end of duration of **Force majeure**, the Parties shall undertake all necessary actions to avoid or to mitigate the consequences of **Force majeure** and to continue to fulfill their obligations under the Agreement that were impeded by the **Force majeure**.

**35.10.** For the duration of the **Force majeure**, the **GRANTOR OF CONCESSION** shall be entitled to appoint and the **CONCESSIONAIRE** shall be obliged to allow and accept, third parties to use the Object of concession or parts of it, without any right to compensation for that.

**35.11.** If in term of 180 days as from its occurrence the duration of the event representing **Force majeure** continues, each of the Parties shall have the right to terminate the Agreement by one-month preliminary notice.

**35.12.** As far as the force majeure event is a risk covered by the conditions of insurance coverage, the **CONCESSIONAIRE** shall be obliged immediately to file the respective claims under the insurance policy.

**35.13.** In case of partial demolition, partial perishing or partial destruction of the Object of concession or parts of it (buildings, facilities and equipment) caused by an event that represents Force majeure, the **CONCESSIONAIRE** shall be obliged to restore completely the Object of concession or the respective part of it at his own risks and with funds assured by the **CONCESSIONAIRE** and shall cover all damages and set the Object of concession in the state and appearance, in which it was before the occurrence of force majeure event. In this case the **CONCESSIONAIRE** shall elaborate and present for approval to the **GRANTOR OF CONCESSION** Schedule for fulfillment of activities relevant to restoration with indication of measures that will be taken (respectively the stages of their realization) together with indication of sources of financing outside the funds secured by insurer under the signed insurance contracts for the respective risks.

When the activities relevant to restoration of the Object of concession require the fulfillment of this obligation to be performed in term that exceeds the term of the Annual investment program for the year following the year of occurrence of force majeure event, the parties may sign a supplementary agreement to the effective **Concession Agreement**, by which to adopt changes in the Investment program of the **CONCESSIONAIRE** (under type, sector and size of investments) under the rules and conditions of the Concessions Act.

#### **ARTICLE 36. BUSINESS FRUSTRATION**

If the preservation of the present Concession Agreement becomes incompatible to the requirements for justice and good faith due to occurrence of events or circumstances that led to changes in the business conditions and the Parties were not obliged and were not capable to foresee these events or circumstances, which occur after the signing of the present Concession Agreement (event leading to “Business frustration”) each of the Parties may claim Business frustration. This Party shall send to the other Party notification that contains description of the event or circumstances and respective request for starting of consultations aimed at discussing and undertaking of proper actions in response to the changes in the situation.

### **SECTIONIX – LIABILITY FOR DEFAULT**

#### **ARTICLE 37. RIGHT TO COMPENSATION**

**37.1.** In case of termination of **Concession Agreement** due to expiry of the Term of concession the **CONCESSIONAIRE** shall not be entitled to receive compensation.

**37.2.** In case of ahead of term termination of **Concession Agreement** due to a reason, for which the **GRANTOR OF CONCESSION** is liable the latter shall owe to the **CONCESSIONAIRE** compensation in the size of the sum of unrecovered costs of **CONCESSIONAIRE** for investments in the Object of concession.

**37.3.** In case of ahead of term termination of **Concession Agreement** due to a reason, for which the **CONCESSIONAIRE** is liable, the **GRANTOR OF CONCESSION** shall owe to the **CONCESSIONAIRE** compensation in the size of the sum of unrecovered costs of **CONCESSIONAIRE** for investments in the Object of concession decreased by the sum corresponding to the rate of return for **CONCESSIONAIRE** for the whole term of the Agreement defined under the financial – economic model of **CONCESSIONAIRE**, but not more than the market value of realized investments in the Object of concession towards the date of termination of the Agreement. In this case the **GRANTOR OF CONCESSION** shall not owe compensation, when towards the date of termination of the present Agreement the market value of the Object of concession has decreased in comparison to the market value towards the date of signing of the Agreement and the decrease is a result of the reason due to which the present Agreement is

terminated.

**37.4.** At defining of sizes of compensations due under this article the sizes of depreciation allowances and the available Assets of **CONCESSIONAIRE** shall be taken into consideration.

**37.5.** Except otherwise envisaged by the Law, for the purposes of calculation of compensation the annual size of depreciation allowances shall not be less than the depreciation for the Term of concession recognized for purposes of taxation.

The compensations under this article shall be paid via bank transfer in equal annual installments for the rest of the Term of the terminated Agreement.

## **ARTICLE 38. GENERAL PROVISIONS RELEVANT TO LIQUIDATED DAMAGES**

**38.1.** The **CONCESSIONAIRE** shall owe liquidated damages in case of complete non-fulfillment or partial non-fulfillment of obligations under the present Concession Agreement and also interests for delayed performance of financial obligations.

38.1.1. Except otherwise agreed, in case of partial non-fulfillment the **CONCESSIONAIRE** shall owe liquidated damages in proportion to the unfulfilled part of the respective obligation if such is possible to be defined with regard to the nature of the obligation.

38.1.2. The liability of **CONCESSIONAIRE** under the Agreement shall be realized by payment of liquidated damages for each of the events envisaged under art.38.3 without the need for the **GRANTOR OF CONCESSION** to prove the damages suffered as a result of non-fulfillment.

**38.2.** The **GRANTOR OF CONCESSION** may claim indemnity for the actual size of suffered damages that exceed the size of liquidated damages in conformity to the general rules envisaged under the legislation in force.

### **38.3. LIQUIDATED DAMAGES**

38.3.1. Liquidated damages for non-fulfillment of the obligation for performance of concession payment:

a) In case of delay of performance of Annual concession payment under the Concession Agreement, as from the day following the due date the **CONCESSIONAIRE** shall owe to the **GRANTOR OF CONCESSION** the size of payment increased by interest for delay in the size of statutory interest envisaged for the country for the time of delay for each day of the delay

b) If the delay lasts for more than 30 days the **GRANTOR OF CONCESSION** shall have the right to utilize the respective part of the bank guarantee under art. 14.1.2. The **GRANTOR OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification.

c) In case the **CONCESSIONAIRE** delays the payment of three consecutive installments of the Annual concession payment for more than 30 days each, the **GRANTOR OF CONCESSION** shall be entitled to terminate unilaterally the present Concession Agreement in conformity to art.41.5.1.

38.3.2. Liquidated damages for non-fulfillment of the Annual investment programs:

a) In case of non-fulfillment of the Annual investment program the **CONCESSIONAIRE** shall owe its actual fulfillment in the term for the next year together with liquidated damages in the size of 10% of the value of proposed, but not realized investments for the respective year.

b) The liquidated damages under indent a) shall be realized by utilization of the respective part of the bank guarantee under art. 14.1.1 of the present Concession Agreement. The **GRANTOR**

**OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification.

38.3.3 Liquidated damages for poor quality of Airport services:

a) When the **CONCESSIONAIRE** does not maintain the categories under art.2.5.20 in the terms envisaged under the present Concession Agreement he shall owe liquidated damages, in the size of 10% of the due for the period annual concession payment under art.32.2, per month for each separate category until reaching of the respective category;

b) When the **CONCESSIONAIRE** does not fulfill the requirement the airport services at the Airport to conform to the minimum standards envisaged under Annex No 4, the **CONCESSIONAIRE** shall owe liquidated damages, in the size of 10% of the concession payment under art. 32.2 per day for each non-conformity of the airport services.

c) The liquidated damages under indents a) and b) shall be realized by utilization of the respective part of the bank guarantee under art. 14.1.1 of the present Concession Agreement. The **GRANTOR OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification.

38.3.4. Liquidated damages for non-fulfilment of the obligation for presenting of reports under art.19.3, art.23.5 and art.23.8.4:

38.3.4.1. In case of failure to present the report and the schedule under art.19.3, reports on fulfillment of obligations assumed for the current year under art.23.5 and of accounts under art.23.8.4, the **CONCESSIONAIRE** shall pay liquidated damages in the size of 0,15% for each day of the delay, but not more than 5% of the size of the Annual concession payment under art.32.2.

38.3.4.2. In case the delay to present the respective reports, accounts and schedule lasted for more than 50 days it shall be considered that complete non-fulfilment of the obligations of **CONCESSIONAIRE**, with regard to which the respective report shall be presented, is realized and the **GRANTOR OF CONCESSION** has the right to utilize the size of the respective guarantee as follows:

a) the full size of the respective guarantee in case of failure to present the accounts under art. 23.10, reports on fulfillment of the investment program and for payment of the Concession payment;

b) in size corresponding to the liquidated damages for non-fulfilment in the other cases of failure to present reports and documents that are not aimed at establishment of the obligations under indent a).

**38.3.5. Liquidated damages for defective fulfilment of other obligation of CONCESSIONAIRE.**

a) In case of delayed fulfillment of any other obligation under the Contract on the part of **CONCESSIONAIRE**, which with regard to the nature of obligation, term and circumstances relevant to the delay may not be considered as such of minor importance, the **CONCESSIONAIRE** shall owe to the **GRANTOR OF CONCESSION** liquidated damages in the size of 0,5% per day, but not more than 10% of the size of the Annual concession payment under art.32.2.

b) In case of defective fulfilment of any other obligation under the Contract on the part of **CONCESSIONAIRE**, which with regard to the nature of obligation and circumstances relevant to non-fulfilment may not be considered as such of minor importance, the **CONCESSIONAIRE** shall owe to the **GRANTOR OF CONCESSION** liquidated damages in the size of 10% of the size of the Annual concession payment under art.32.2.

c) The liquidated damages under indents a) and b) shall be realized by utilization of the respective part of the bank guarantee under art. 14.1.2 of the present Concession Agreement. The **GRANTOR OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification.

**38.3.6. Liquidated damages for complete non-fulfilment of other obligation of CONCESSIONAIRE**

a) In case of complete non-fulfilment of any obligation under the Agreement on the part of **CONCESSIONAIRE**, which with regard to the nature of obligation and circumstances relevant to non-fulfilment may not be considered as such of minor importance, the **CONCESSIONAIRE** shall owe to the **GRANTOR OF CONCESSION** liquidated damages in the size of 21% of the size of the Annual concession payment under art.32.2.

b) The liquidated damages under indent a) shall be realized by utilization of the respective part of the bank guarantee under art. 14.1.2 of the present Concession Agreement. The **GRANTOR OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification

**38.4.** Notwithstanding the compensations due by virtue of the preceding article 37, in case of ahead of term termination of **Concession Agreement**, the **CONCESSIONAIRE** shall owe the following liquidated damages:

38.4.1. In case of ahead of term termination of Agreement due to the fault of **CONCESSIONAIRE** he shall owe liquidated damages in the size of 1/12 part of the Annual concession payment for the preceding year for each month until the signing of a new Concession Agreement for the Object of concession, but for not more than 12 months. The liquidated damages shall be realized by utilization of the respective part of the bank guarantee under art. 14.1.2 of the present Concession Agreement. The **GRANTOR OF CONCESSION** has the right before utilization of the respective part of the bank guarantee to request payment from the **CONCESSIONAIRE** in term of 7 days as from notification

**ARTICLE 39. RIGHT TO SUBSTITUTABLE PERFORMANCE ON THE PART OF THE GRANTOR OF CONCESSION**

**39.1.** In case the **CONCESSIONAIRE** fails to fulfill some of the obligations under the present Concession Agreement for the second time, including when danger to the national security exists or the **Airport services** are suspended or are performed only partially, the **GRANTOR OF CONCESSION** may send to the **CONCESSIONAIRE** written warning for correction of these circumstances in term fixed under the warning.

**39.2.** If the **CONCESSIONAIRE** fails to fulfill the request and to terminate his non-fulfillment, the **GRANTOR OF CONCESSION** may perform independently the actions necessary for correction of the fault without prejudice to the right of the **GRANTOR OF CONCESSION** to receive liquidated damages for the respective non-fulfillment.

**39.3.** The **CONCESSIONAIRE** shall be obliged to render full assistance and to assume all costs for the substitutable performance on the part of the **GRANTOR OF CONCESSION** or persons appointed by him and to provide to the **GRANTOR OF CONCESSION** or to the persons appointed by him the revenues from airport fees and from payments related to the airport for the term of duration of the substitutable performance.

**39.4.** The **GRANTOR OF CONCESSION** may reimburse the costs under art.39.3 by utilization of the respective part of the guarantee under art. 14.1.2.

## **ARTICLE 40. LIABILITY TOWARDS THIRD PARTIES**

**40.1.** The **CONCESSIONAIRE** shall be liable towards third parties for all damages and/or loss of profit caused by the activities relevant to exploitation, maintenance, partial extension, reconstruction and rehabilitation of Sofia Airport, including for all damages caused by the Object of concession and all damages caused by his workers and employees or by his subcontractors.

**40.2.** The **CONCESSIONAIRE** shall be liable for every negative impact, pollution or damaging of the environment that occurs at the Object of concession or in relation to it, except for cases when:

a) it is caused by a plane that does not remain under the control of **CONCESSIONAIRE**, except if the impact or pollution are not due to actions, omissions to act or negligence of the **CONCESSIONAIRE** committed during visit of the plane and/or performance of an Airport service by the **CONCESSIONAIRE** at Sofia Airport or

b) if it is due to circumstance that occurred before entering into force of the Agreement and this is established by an enforceable deed of competent state authority.

**40.3.** The **CONCESSIONAIRE** shall be obliged to protect the **GRANTOR OF CONCESSION** from any liability relevant to claim of third parties under art.40.1 and art.40.2 and to compensate or indemnify the **GRANTOR OF CONCESSION** for any payment made by virtue of such claim.

## **SECTIONX. TERMINATION OF CONCESSION AGREEMENT**

### **ARTICLE 41. TERMINATION OF AGREEMENT**

#### **GENERAL PROVISIONS**

The Concession Agreement shall be terminated at expiry of the Term of concession.

Before expiry of the Term of concession the Concession Agreement shall be terminated without obligation of neither of the Parties to send preliminary notice in the following cases:

1. In case of perishing of the **Object of concession** – as from the date of perishing;

2. In case of reorganization of the company – **CONCESSIONAIRE**, except a contract for prolongation of **Concession Agreement** is signed with the successor in conformity to the requirements of the **Law**;

3. In case of liquidation of the company – **CONCESSIONAIRE** – as from the date of termination of activity of concessionaire – company;

4. In case of insolvency of the company – **CONCESSIONAIRE** – as from the date of entering into force of the decision for declaring of insolvency and in this case the state shall have the rights of preferential/beneficiary creditor;

5. In case of court decision/arbitration award in this regard.

#### **41.1. LACK OF ENTERING INTO FORCE**

In case of non-fulfillment of conditions envisaged under art.6.2, the Agreement shall not enter into force and the Parties shall be obliged to restore the situation existing before the signing of the Agreement.

#### **41.2. TERMINATION DUE TO DANGER TO NATIONAL SECURITY**

41.2.1. In case of danger for the national security and defense of the country, the environment, humans` health, protected territories, zones and sites and the public order (if the danger shall be established by a deed issued by a competent state authority – by entering into force of such deed) the parties may:

- a) amend the Agreement;
- b) terminate the Agreement upon mutual agreement;
- c) terminate the Agreement unilaterally by one-month written notice.

41.2.2. The **CONCESSIONAIRE** shall be obliged immediately, but not later than 3 days, to inform the **GRANTOR OF CONCESSION** about all circumstances that may create danger to the national security and the other circumstances under art. 41.2.1

41.2.3. In term of 30 days as from the notice under art. 41.2.2 each of the parties may propose to the other party amendment of the Agreement.

41.2.4. In case the **GRANTOR OF CONCESSION** finds that amendment of the Agreement is not possible, he may send 30-day preliminary notice for termination of the Agreement.

#### **41.3. TERMINATION DUE TO PERISHING OF THE OBJECT OF CONCESSION**

If the Object of concession perishes completely the Agreement shall be terminated ex lege as from the moment of perishing.

#### **41.4. TERMINATION DUE TO REORGANIZATION OF CONCESSIONAIRE**

The Agreement shall be terminated in case of reorganization of the legal entity of the **CONCESSIONAIRE**, except a contract for prolongation of **Concession Agreement** is signed with the successor of **CONCESSIONAIRE** in conformity to the requirements of art. 72 of the Concessions Act.

#### **41.5. TERMINATION DUE TO LIQUIDATION OR INSOLVENCY OF CONCESSIONAIRE**

41.5.1. The Agreement shall be terminated in case of liquidation of **CONCESSIONAIRE** – as from the date of winding up.

41.5.2. The Agreement shall be terminated in case of insolvency of **CONCESSIONAIRE** – as from the date of entering into force of the decision for declaring of insolvency and in this case the state shall have the rights of preferential/beneficiary creditor.

#### **41.6. TERMINATION BY VIRTUE OF COURT DECISION**

The Agreement shall be terminated by virtue of court decision, in the cases under art. 71, paragraph 3 of the Concessions Act– as from the date of entering into force of the decision.

#### **41.7. TERMINATION BY THE GRANTOR OF CONCESSION DUE TO FAULT OF CONCESSIONAIRE**

41.7.1. The **GRANTOR OF CONCESSION** shall have the right unilaterally to terminate the Agreement when:

41.7.1.1. The **CONCESSIONAIRE** systematically fails to fulfill material obligation or condition of Concession;

41.7.1.2. The **CONCESSIONAIRE** systematically fails to fulfill other material obligations, guarantees and representations under the Agreement;

41.7.1.3. The airport operator license of the **CONCESSIONAIRE** is withdrawn in conformity to the Civil Aviation Act;

41.7.1.4. Some of the ground service operator licenses of the **CONCESSIONAIRE** under art. 48e, paragraph 3, items 1-8 of the Civil Aviation Act is withdrawn;

41.7.1.5. The **CONCESSIONAIRE** alters the purpose of the Object of concession;

41.7.1.6. The **CONCESSIONAIRE** delays payment of three consecutive installments from the Annual concession payment for more than 30 days each.

41.7.1.7. The **CONCESSIONAIRE** fails to maintain the bank guarantees for performance in the size and with the conditions envisaged under the Concession Agreement;

41.7.1.8. The **CONCESSIONAIRE** undertakes an action under art.3.11;

41.7.1.9. The **CONCESSIONAIRE** fails to maintain the Object of concession in conformity to the technical and technological requirements and standards and the failure resulted in suspension of exploitation of the Airport by virtue of a deed issued by competent state authority;

41.7.1.10. The shares of participation in the capital of the **CONCESSIONAIRE** do not conform to the provisions of art. 46;

41.7.1.11. The certificate of exploitation fitness of the Airport is withdrawn.

41.7.2. In the cases under art. 41.7.1 the **GRANTOR OF CONCESSION** may:

a) terminate the Agreement by preliminary notice with term fixed by the **GRANTOR OF CONCESSION**, except if the **CONCESSIONAIRE** corrects the non-fulfillment until expiry of the term of preliminary notice. By the preliminary notice the **GRANTOR OF CONCESSION** shall mandatorily inform the **CONCESSIONAIRE** about the nature of non-fulfillment.

b) grant term to the **CONCESSIONAIRE** for fulfilment of the respective obligation and/or correction of the negative consequences of non-fulfillment. If the **CONCESSIONAIRE** fails to fulfill the respective obligation or to correct the negative consequences of non-fulfillment in the term granted, the Agreement shall be terminated by notification by the **GRANTOR OF CONCESSION**;

c) terminate the Agreement without granting of term for fulfilment in case of non-fulfillment by the **CONCESSIONAIRE** of condition for performance of concession or of main obligation, defined under the decision for opening of procedure for granting of concession.

#### **41.8. TERMINATION DUE TO FORCE MAJEURE IN THE FOLLOWING CASES:**

a) in case of occurrence of force majeure event for which no insurance is concluded (as far as this is not due to fault of **CONCESSIONAIRE**) or the insurance coverage is not sufficient for restoration of an Airport asset in a state fit for exploitation in conformity to the clauses of the present Concession Agreement and if the parties in term longer than 90 (ninety) calendar days do not manage to arrange financing for the restoration works.

b) in case the force majeure event continues to exist and leads to impossibility for fulfilment of the present Concession Agreement at the Airport or makes the fulfilment economically disadvantageous for a total term of 180 (one hundred and eighty) calendar days, each Party may terminate the present Concession Agreement by sending written preliminary notice in this regard to the other Party in term of 30 (thirty) calendar days.

#### **41.9. OTHER GROUNDS FOR TERMINATION**

41.9.1. The Agreement shall be terminated ex lege without preliminary notice of either of the parties in the following cases:

a) non-fulfillment of conditions for entering into force in the terms under art.6.2, except if the parties reach an agreement on its prolongation, but with no more than 2 months;

b) expiry of the Term of concession;

c) by virtue of enforceable court decision – as from the date of its entering into force;

d) in case of enforceable decision on insolvency of **CONCESSIONAIRE** - as from the date of entering into force of the court decision.

41.9.2. Each of the parties may propose to the other party termination of the Concession Agreement upon mutual agreement.

## **ARTICLE 42. CONSEQUENCES OF TERMINATION OF CONCESSION AGREEMENT**

### **42.1. EFFECT OF TERMINATION**

42.1.1 In case of termination of the Agreement regardless of the grounds for termination the

rights of the **CONCESSIONAIRE** relevant to the Object of concession shall be terminated and the **GRANTOR OF CONCESSION** shall have the right:

- a) to receive back the possession and use of Airport assets and Object of concession;
- b) to take the possession and the direct control over the management and exploitation of the Airport and all construction works related to it;
- c) to request any and all assets financed by the **CONCESSIONAIRE** under art. 4.4 to be delivered to him immediately, which grants to the **CONCESSIONAIRE** the right under the conditions of the present Concession Agreement to receive payment in term of 6 (six) months;
- d) to perform the collecting of airport fees and payments related to the airport the Parties shall sign bilateral written statement on acceptance and delivery that certifies the acceptance of the airport assets by the **GRANTOR OF CONCESSION** and of the Assets of **CONCESSIONAIRE** under art. 4.4 that the **GRANTOR OF CONCESSION** wishes to keep together with all projects, technical, financial and other documentation relevant to the management and exploitation of the airport and performed Construction works in conformity to the clauses of the present Concession Agreement. The **GRANTOR OF CONCESSION** may buy the Assets of **CONCESSIONAIRE** at the lower price between the market price and the historical price after depreciation.

42.1.2. In case of termination of the present Concession Agreement, the **CONCESSIONAIRE** shall in term of 30 days as from the date of termination to clear or assure the removal of all his private assets under art.4.5 from the airport and of the Assets of **CONCESSIONAIRE** under art.4.4, which the **GRANTOR OF CONCESSION** does not want to buy. In case of refusal or delay of **CONCESSIONAIRE** to uninstall and remove the assets in the 30-day term after termination, the **GRANTOR OF CONCESSION** may perform this instead of **CONCESSIONAIRE** and on the account of **CONCESSIONAIRE** and shall inform the latter about the place where the assets or the material from them are placed. In case the **CONCESSIONAIRE** refuses to pay the costs in term of two weeks as from the date of notification of their size, the **GRANTOR OF CONCESSION** shall have the right to utilize the costs relevant to uninstallation and removal from the guarantee under art.14.1.2.

42.1.3. The **CONCESSIONAIRE** shall not have right of retention of the Object of concession or parts of it regardless of the reasons or grounds for termination of the Agreement, including in cases when the **CONCESSIONAIRE** has financial or other claim towards the **GRANTOR OF CONCESSION**.

## **42.2. FINANCIAL CONSEQUENCES OF TERMINATION**

42.2.1. In case of ahead of term termination of Agreement by the **GRANTOR OF CONCESSION** due to default on the part of **CONCESSIONAIRE** compensation under art. 37, liquidated damages under art. 38 shall be paid as well as indemnity for the actual size of damages suffered by the **GRANTOR OF CONCESSION** in case the compensation and the liquidated damages under the present Agreement may not cover the actual value of these damages.

In case of termination of the present **Concession Agreement** due to a reason for which the **CONCESSIONAIRE** is liable and in case of non-fulfilment of obligations under the present Agreement the **GRANTOR OF CONCESSION** shall utilize the Performance bonds under art.14.1.

42.2.2. In case of ahead of term termination of Agreement by the **GRANTOR OF CONCESSION**, the **CONCESSIONAIRE** shall have the right to compensation for the existing improvements to the Object of concession performed by the **CONCESSIONAIRE** after preliminary coordination with the **GRANTOR OF CONCESSION** in the size of their historical price after deduction of the respective depreciation allowances, whose annual size shall not be smaller than the depreciation for the Term of concession recognized for purposes of taxation.

42.2.3. In case of ahead of term termination of Agreement due to the fault of **CONCESSIONAIRE** the size of compensation for performed improvements shall be retained by the **GRANTOR OF CONCESSION** as additional indemnity for the intentional default of **CONCESSIONAIRE**.

42.2.4. Regardless of the grounds for termination, all payments due towards the moment of termination are executable.

42.2.5. In case of termination of the present Agreement, the **GRANTOR OF CONCESSION** shall not owe to the **CONCESSIONAIRE** compensation for assets of **CONCESSIONAIRE** even if the latter failed to fulfill his obligation to uninstall and/or remove them from the Object of concession.

#### **42.3. FINANCIAL CONSEQUENCES DUE TO NOT ENTERING INTO FORCE OF THE Agreement**

In case of not entering into force of the present **Concession Agreement** according to the conditions under art.41.1 compensation shall not be due.

#### **42.4. COMPENSATION AT TERMINATION DUE TO EXPIRY OF THE TERM OF CONCESSION**

In this case the **CONCESSIONAIRE** shall not have the right to receive compensation.

### **ARTICLE 43. TAKING OF AIRPORT ASSETS AT EXPIRY OF THE TERM OF CONCESSION**

#### **43.1. TAKING OF AIRPORT ASSETS, OBJECT OF CONCESSION AND ASSETS – PROPERTY OF CONCESSIONAIRE**

At expiry of the term of **Concession Agreement** the **Airport assets, the Object of concession and the Assets – property of CONCESSIONAIRE** under art. 4.4 that the **GRANTOR OF CONCESSION** wishes to keep shall be provided to the disposal of the **GRANTOR OF CONCESSION** fit for exploitation together with all projects, technical, financial and other documentation relevant to the management and exploitation of the airport and performed Construction works in conformity to the clauses of the present Concession Agreement.

43.2. The **GRANTOR OF CONCESSION** may buy the **Assets of CONCESSIONAIRE** by paying him the market value of the acquired assets according to an assessment elaborated by an independent expert selected by the **CONCESSIONAIRE**. For the assets bought from “Sofia Airport” EAD the price may not exceed the one at which the **CONCESSIONAIRE** bought them increased by inflation, performed improvements and decreased by the depreciation. In case the assessment exceeds the above value, second assessment shall be performed by an independent expert appointed upon mutual agreement of both parties.

43.3. The Parties shall elaborate an inventory of the **Airport assets and the Assets – property of CONCESSIONAIRE** 3 (three) months before expiry of the Term of concession and shall sign bilateral written statement certifying the taking on the date of termination.

#### **43.4 Private Assets of CONCESSIONAIRE**

In case of termination of the present Concession Agreement the **CONCESSIONAIRE** in term of 30 (thirty) calendar days as from the date of termination shall remove and assure clearing of all his Private assets under art. 4.5 from the Airport and of the **Assets – property of CONCESSIONAIRE** under art. 4.4 that the **GRANTOR OF CONCESSION** does not want to buy.

## **SECTIONXI – MISCELLANEOUS**

### **ARTICLE 44. OBJECTS OF CULTURAL VALUE**

44.1. All findings that has the features of objects of cultural value according to the law, found by the **CONCESSIONAIRE** or his contractor at the site are or at the moment of finding they

become property of the **GRANTOR OF CONCESSION** and shall be delivered to him immediately.

**44.2.** In case of finding of such object in the course of construction works the **CONCESSIONAIRE** shall be obliged to:

44.2.1. Inform immediately the authority envisaged by the law and the **GRANTOR OF CONCESSION** about the finding and

44.2.2. Undertake all measures necessary to prevent the damaging of the object and temporarily to suspend all construction works, if their performance, according to the competent authorities, may endanger the object or would hinder or complicate its excavation and conservation.

**44.3.** The **CONCESSIONAIRE** shall fulfill in due time and with due care the instructions of the respective authorities envisaged by the law relevant to the handling of the finding.

## **ARTICLE 45. TRANSFERRING, ASSIGNMENT AND ENTERING**

### **45.1. TRANSFERRING OF RIGHTS BY THE CONCESSIONAIRE**

In conformity to the provisions of art.11 and art. 16 the **CONCESSIONAIRE** may not transfer or assign fully or partially:

- a) the Concession Agreement or
- b) some of his rights or obligations under the Agreement, except if this permitted by the law.

The **CONCESSIONAIRE** may not encumber **Airport assets**, except if this permitted by the law and after receiving of the explicit written consent of the **GRANTOR OF CONCESSION**.

The **CONCESSIONAIRE** may use as collaterals in favor of creditors financing the fulfillment of the Investment program receivables from commercial activities and his own private assets.

### **45.2. ENTERING/SUBROGATION UNDER THE EXISTING LABOR CONTRACTS OF “SOFIA AIRPORT” EAD**

In term, which shall not exceed 15 (fifteen) calendar days as from the date of entering into force of the present **Concession Agreement**, the **CONCESSIONAIRE** shall enter and/or subrogate according to art. 123a of Labour Code “Sofia Airport” EAD under existing labour contracts, Annex No 10, with the employees of “Sofia Airport” EAD who perform functions e included in the scope of concession.

The **GRANTOR OF CONCESSION** shall assure the entering and/or subrogation under existing labour contracts, Annex No 10 and respectively cooperation on the part of commercial company “Sofia Airport” EAD with regard to receiving of consent of the respective party under substitution contracts.

Rights and obligations of “Sofia Airport” EAD ensuing from labour relations as the ones described above, existing towards the date of change, shall be transferred to the **CONCESSIONAIRE** – the new employer. The **CONCESSIONAIRE** and “Sofia Airport” EAD shall be jointly liable for obligations towards workers or employees that have occurred before the date of entering into force of the present **Concession Agreement**.

### **45.3. ENTERING/SUBROGATION UNDER THE EXISTING CONTRACTS OF “SOFIA AIRPORT” EAD**

45.3.1. In term, which shall not exceed 30 (thirty) days as from the date of entering into force of the present **Concession Agreement**, the **CONCESSIONAIRE** in conformity to the legislation in force shall enter and/or subrogate under existent effective contracts, included under Annex No 18 to the Concession Agreement, to which “Sofia Airport” EAD is a party with regard to performance of activities related to the subject of Concession and under effective contracts signed between the Date of signing and the date of entering into force of the present **Concession**

**Agreement**, which are necessary for assuring of normal exploitation and maintenance of the Airport. The **CONCESSIONAIRE** shall enter or subrogate “Sofia Airport” EAD under the commercial contracts for provision of airport services on the territory of the object.

45.3.2. The **GRANTOR OF CONCESSION** shall assure the entering and/or subrogation under existing labour contracts, Annex No 18 and respectively cooperation on the part of commercial company “Sofia Airport” EAD with regard to receiving of consent of the respective party under substitution contracts.

45.3.3. The **CONCESSIONAIRE** and “Sofia Airport” EAD together shall select the proper way for subrogation or entering according to the nature of the contract.

#### **ARTICLE 46. CONTRACT INTUITU PERSONAE**

**46.1.** In case of reorganization, change of name, legal organizational form, seat of business, management address, filed of activity, purpose, term, management and representation bodies, type and members of the collective management body of the **CONCESSIONAIRE**, the latter be obliged to inform the **GRANTOR OF CONCESSION** about the performed change in term of 7 day as from its registration in the Commercial register.

**46.2.** The Agreement is signed intuitu personae and the opportunities of ..... – participants in association, have proved respectively the fulfillment by the **CONCESSIONAIRE** of the criteria - “Economic and financial status” and “Technical capacity and/or professional qualification”. The **CONCESSIONAIRE** shall at any time during the Term of concession guarantee that the entities under the preceding sentence maintain their shares in the capital, voting rights and control over management, this may be changed only with the written consent of the **GRANTOR OF CONCESSION**. When under the procedure for granting of concession the **CONCESSIONAIRE** proved the fulfillment of selection requirements by capacity of third parties, the third parties shall be jointly liable with the **CONCESSIONAIRE** about the fulfillment of obligations under the present **Concession Agreement**.

#### **ARTICLE 47. COMPLETENESS AND DIVISION OF AGREEMENT**

The present Concession Agreement represents the complete agreement and understanding between the **Parties**.

Neither of the clauses of this **Concession Agreement** shall be interpreted as agreement of the parties to supplement this **Concession Agreement** in case of occurrence of certain circumstances under art. 300 of Commerce Act.

Except explicitly envisaged otherwise, each separate clause of this **Concession Agreement** and all its clauses shall be applied to all airport assets as a group representing the subject of concession. Any non-fulfillment of any of the clauses of this **Concession Agreement** shall represent non-fulfillment of the **Concession Agreement**.

In case a competent court defines some of the clauses of this **Concession Agreement** null and void or unenforceable, the nullity or the lack of opportunity for fulfillment shall not affect the rest of the clauses of this **Concession Agreement**, which shall remain in full force and effect. The Parties agree that they will make efforts to replace any null or unenforceable clause by a valid and enforceable one that to maximum possible extent shall have the same effect as the null or unenforceable clause would have.

#### **ARTICLE 48. EXCHANGE OF INFORMATION**

**48.1.** Any notice, declaration, consent, agreement, request, claim and/or other information that may be required under the Agreement shall be presented in writing.

**48.2.** The above documents shall be considered as duly delivered when they are delivered

in person or sent via courier service or via registered letter to the address of each of the Parties to the Agreement or via fax or e-mail, signed by electronic signature.

**48.3.** The documents shall be considered as received by the other party on the date of personal delivery if handed to the addressee; on the date of receipt for delivery when sent via courier service; on the date of certificate for receipt when sent via registered letter; on the date of sending of the document via e-mail or via fax – on the date recorded in the documents and books that reflect the functioning of the fax and the sending of documents.

**48.4. The Parties** shall define as valid addresses, telephone and fax numbers and e-mails for receiving of communication relevant to the Agreement the following:

|  |                                  |
|--|----------------------------------|
|  | Sofia 1000                       |
|  | 9 Dyakon Ignatiy str.            |
|  | Tel./fax: 02 988 51 49           |
|  | E-mail: mail@mtitc.government.bg |

Any communication relevant to the present **Concession Agreement** or ensuing from it shall be considered as received by the addressee (if sent via fax or e-mail) on the next business day or (in all other cases) on the date of receipt at the above address. In this regard business days are all days, except Saturday and Sunday and the official holydays in Republic of Bulgaria.

In case of changes in some of the data indicated under this article, the Parties shall be obliged to inform each other in term of 7 (seven) calendar days as from the occurrence of the respective change. In case of non-fulfillment of this obligation all communications shall be considered as dully received by the Party, which failed to fulfill the obligation.

#### **ARTICLE 49. CONFIDENTIALITY**

Any document created with regard to signing of the Concession Agreement may not be revealed, published or used for other purposes, except for the fulfillment of this contract, without the preliminary written consent of the Party that created the respective document.

The confidentiality obligation under this article shall not refer to information that

a) toward the moment of revealing or immediately after that became public (except when this the result of revealing by the Parties, their representatives or employees in breach of the present Agreement)

b) the revealing was obliged to reveal the information by virtue of the law.

#### **ARTICLE 50. APPLICABLE LAW**

The wording of the Concession Agreement, its validity, interpretation, drafting and settlement of all disputes relevant to it shall be regulated and interpreted in conformity to the Laws of Republic of Bulgaria.

The substantive and procedural law applicable to the present Concession Agreement shall be the law of Republic of Bulgaria.

#### **ARTICLE 51. SETTLEMENT OF DISPUTES**

**51.1.** All disputes relevant to the Agreement shall be settled by negotiations between the parties, which may be attended by external experts in the respective field – subject of dispute, appointed by the parties. The agreements reached shall be included in written supplementary agreements, which shall become inseparable part of the Agreement.

**51.2.** In case of failure to reach an agreement under art.51.1, all disputes ensuing from the Agreement or relevant to it, including disputes relevant to its interpretation, nullity, non-fulfillment or termination shall be remitted for ruling in conformity to the Bulgarian substantive and procedural laws before the competent court under the rules of Civil Procedure Code.

## **ARTICLE 52. LANGUAGE**

### **52.1. TEXT OF AGREEMENT**

The present **Concession Agreement** is drafted in Bulgarian language. .

### **52.2. TECHNICAL AND OTHER DOCUMENTATION AND CORRESPONDENCE**

The whole correspondence, including the reports, plans, technical documentation and documentation relevant to management, exploitation and maintenance and other is mandatory to be presented in Bulgarian language.

## **ARTICLE 53. INTELLECTUAL PROPERTY RIGHTS**

All intellectual property rights of any nature that exist and are owned or controlled by the **GRANTOR OF CONCESSION** shall be provided or their provision to the **CONCESSIONAIRE** shall be assured by **GRANTOR OF CONCESSION**, if the **CONCESSIONAIRE** wants them and he shall receive non-exclusive right to use them until termination of the present **Concession Agreement**.

The **CONCESSIONAIRE** shall keep the copyright, trademarks and other intellectual property rights or exclusive rights on other non-material objects with regard to all drawings, projects, reports and other documents that he may elaborate or has elaborated on his own behalf during the Term of concession, but at termination of the Concession Agreement he shall by virtue of this article grant to the **GRANTOR OF CONCESSION** (or a person appointed by the latter) formal consent and permission to use for indefinite term, free of charge and non-exclusively for the future/ex nunc all such objects and documents, without need to pay in the future royalties for the purposes of exploitation and maintenance of the Airport.

The intellectual property rights over drawings, plans, models and information provided by the **GRANTOR OF CONCESSION** to the **CONCESSIONAIRE** for the purposes of the present Concession Agreement shall remain property of the **GRANTOR OF CONCESSION**. All such materials shall not be used, copies or transferred to third parties, except with the consent of the **GRANTOR OF CONCESSION**.

## **ARTICLE 54. INFORMATION**

**54.1.** The **Parties** to the Agreement shall not have the right to provide to third parties information, except the publicly announced in conformity to the legislation in force, included in the present Agreement, except after the explicit written consent of the **other party**.

**54.2.** The information under art. 54.1 includes circumstances relevant to the commercial activity, technical processes, projects or finances of the **CONCESSIONAIRE** or related to know-how, inventions or rationalizations or other issues relevant to realization of concession rights.

**54.3.** The **CONCESSIONAIRE** shall implement and maintain efficient information and communication system and shall assure computer information to the **GRANTOR OF CONCESSION** with regard to all aspects of activities, necessary for assurance of Airport services and continuous control.

**The Agreement is drafted in 3 (three) identical copies – 1 (one) for each of the parties and 1 (one) for the National Concession Register at the Council of Ministers.**

**For the CONCESSIONAIRE:**

**For the GRANTOR OF CONCESSION:**

## **Annex No 1**

### **Documents individualizing the object of concession**

1. cadastral sketch No 15-24815-20.01.2016 and Public State Property Deed No 09084 dated 11.04.2016 of the Governor of Sofia City District;
2. cadastral sketch No 15-24816-20.01.2016 and Public State Property Deed No 09085 dated 11.04.2016 of the Governor of Sofia City District;
3. cadastral sketch No 15-24820-20.01.2016 and Public State Property Deed No 09086 dated 11.04.2016 of the Governor of Sofia City District;
4. cadastral sketch No 15-24803-20.01.2016 and Public State Property Deed No 09087 dated 11.04.2016 of the Governor of Sofia City District;
5. cadastral sketch No 15-197215-21.04.2016 and Public State Property Deed No 09139, issued by the Governor of Sofia City District;
6. cadastral sketch No 15-24817-20.01.2016 and Public State Property Deed No 09090 dated 11.04.2016 of the Governor of Sofia City District;
7. cadastral sketch No 15-24751-20.01.2016 and Public State Property Deed No 09091 dated 11.04.2016 of the Governor of Sofia City District;
8. cadastral sketch No 15-24755-20.01.2016 and Public State Property Deed No 09093 dated 11.04.2016 of the Governor of Sofia City District;
9. cadastral sketch No 15-24767-20.01.2016 and Public State Property Deed No 09094 dated 11.04.2016 of the Governor of Sofia City District;
10. cadastral sketch No 15-24766-20.01.2016 and Public State Property Deed No 09095 dated 11.04.2016 of the Governor of Sofia City District;
11. cadastral sketch No 15-24763-20.01.2016 and Public State Property Deed No 09096 dated 11.04.2016 of the Governor of Sofia City District;
12. cadastral sketch No 15-24809-20.01.2016 and Public State Property Deed No 09097 dated 11.04.2016 of the Governor of Sofia City District;
13. cadastral sketch No 15-24813-20.01.2016 and Public State Property Deed No 09098 dated 11.04.2016 of the Governor of Sofia City District;
14. cadastral sketch No 15-24771-20.01.2016 and Public State Property Deed No 09099 dated 11.04.2016 of the Governor of Sofia City District;
15. cadastral sketch No 15-24765-20.01.2016 and Public State Property Deed No 09100 dated 11.04.2016 of the Governor of Sofia City District;
16. cadastral sketch No 15-24791-20.01.2016 and Public State Property Deed No 09102 dated 11.04.2016 of the Governor of Sofia City District;
17. cadastral sketch No 15-24794-20.01.2016 and Public State Property Deed No 09103 dated 11.04.2016 of the Governor of Sofia City District;
18. cadastral sketch No 15-24795-20.01.2016 and Public State Property Deed No 09122 dated 25.04.2016 of the Governor of Sofia City District;
19. cadastral sketch No 15-24775-20.01.2016 and Public State Property Deed No 09107 dated 11.04.2016 of the Governor of Sofia City District;
20. cadastral sketch No 15-24782-20.01.2016 and Public State Property Deed No 09108 dated 11.04.2016 of the Governor of Sofia City District;
21. cadastral sketch No 15-24783-20.01.2016 and Public State Property Deed No 09109 dated 11.04.2016 of the Governor of Sofia City District;
22. cadastral sketch No 15-24788-20.01.2016 and Public State Property Deed No 09110 dated 11.04.2016 of the Governor of Sofia City District;
23. cadastral sketch No 15-66898-12.02.2016 and Public State Property Deed No 09123 dated 25.04.2016 of the Governor of Sofia City District;
24. cadastral sketch No 15-66858-12.02.2016 and Public State Property Deed No 09124 dated

25.04.2016 of the Governor of Sofia City District;  
 25. cadastral sketch No 15-66859-12.02.2016 and Public State Property Deed No 09125 dated 25.04.2016 of the Governor of Sofia City District;  
 26. cadastral sketch No 15-66826-12.02.2016 and Public State Property Deed No 09115 dated 25.04.2016 of the Governor of Sofia City District;  
 27. cadastral sketch No 15-66827-12.02.2016 and Public State Property Deed No 09116 dated 25.04.2016 of the Governor of Sofia City District;  
 28. cadastral sketch No 15-66828-12.02.2016 and Public State Property Deed No 09117 dated 25.04.2016 of the Governor of Sofia City District; cadastral sketches №No 15-66828-12.02.2016 and 15-66830-12.02.2016  
 29. cadastral sketch No 15-66862-12.02.2016 and Public State Property Deed No 09118 dated 25.04.2016 of the Governor of Sofia City District;  
 30. cadastral sketch No 15-66838-12.02.2016 and Public State Property Deed No 09119 dated 25.04.2016 of the Governor of Sofia City District;  
 31. cadastral sketch No 15-66844-12.02.2016 and Public State Property Deed No 09120 dated 25.04.2016 of the Governor of Sofia City District;  
 32. cadastral sketch No 15-66901-12.02.2016 and Public State Property Deed No 09121 dated 25.04.2016 of the Governor of Sofia City District;  
 33. combined sketch issued by GIS-Sofia for the fuel and lubricants terminal;  
 34.1. cadastral sketch No 15-66886 or 12.02.2016 and State Property Deed No 09113 dated 25.04.2016 of the Governor of Sofia City District.  
 34.2 cadastral sketch No 15-24759-20.01.2016 and Public State Property Deed No 09092 dated 11.04.2016 of the Governor of Sofia City District;  
 35.1. cadastral sketch No 15-212483-03.05.2016 and Public State Property Deed No 09133/14.05.2016 of the Governor of Sofia City District;  
 35.2. cadastral sketch No 15-212471-03.05.2016 and Public State Property Deed No 09138/14.05.2016 of the Governor of Sofia City District;  
 36.1. cadastral sketch No 15-212533-03.05.2016 and Public State Property Deed No 09134/14.05.2016 of the Governor of Sofia City District;  
 36.2. cadastral sketch No 15-212507-03.05.2016 and Public State Property Deed No 09136/14.05.2016 of the Governor of Sofia City District;  
 37.1. cadastral sketch No 15-212505-03.05.2016 and Public State Property Deed No 09135/14.05.2016 of the Governor of Sofia City District;  
 37.2. cadastral sketch No 15-212519-03.05.2016 and Public State Property Deed No 09137/14.05.2016 of the Governor of Sofia City District;  
 37.3. cadastral sketch No 15-212512-03.05.2016 and Public State Property Deed No 09132/14.05.2016 of the Governor of Sofia City District.  
 38. Use permit No ST-12-856/20.11.2006; Use permit No ST-12- 591/25.08.2006; Use permit No ST-12-855/20.11.2006; Use permit No ST-12-826/20.09.2007; Use permit No ST-12-203/14.03.2008; Use permit No 522/23.11.2000; Use permit No ST-12- 822/20.09.2007; Use permit No ST-12-1188/17.11.2008; Use permit No ST-05-391/22.04.2009; Use permit No ST-12-1360 dated 22.12.2008; Use permit No ST-05-1824 of 2013 r.

**Annex No 2**

**Documents individualizing the real estate under art. 2.2.5, which are not part of the object of concession**

## **Annex No 3 Description of Airport services**

“*Airport services*” within the meaning of the present **Concession Agreement** means the provision of

### **I. Services relevant to activity of Airport operator.**

Management and maintenance of the Airport with regard to the standards and requirements for safe and quality maintenance of exploitation fitness of the **Airport**.

### **II. Services relevant to the function (activity) of Airport administration under art. 48a, paragraph 3 of the Civil Aviation Act.**

1. Maintenance of exploitation fitness of the air field, limitation and removal of obstructions;
2. Maintenance of visual ground aids (horizontal and vertical daily marking at the Airport and lighting of the apron, including electric supply);
3. securing emergency, rescue and fire-prevention assurance of flights on the territory of the Airport and in its area with regard to declared seventh category and increasing of the category of emergency, rescue and fire-prevention assurance – IX
4. assurance of security at the Airport and security of flights in conformity to the established Standards;
5. assurance of control and management of ground movement within airport limits;
6. maintenance of power-supply equipment and installations;
7. assurance of unhindered access of aviation inspectors, fire safety and protection of population authorities, which perform state fire safety surveillance and security inspectors for performance of inspections;
8. co-ordination among the various administrations and business enterprises concerning airport operations and utilization; streamlining the usual airport formalities;
9. creating of conditions for economic activity on the airport territory for the ground service operators licensed under the Civil Aviation Act;
10. development of airport infrastructure;
11. assuring of time for stay of aircrafts transporting passengers and mail up to 3 hours and of aircrafts transporting cargo up to 6 hours;
12. assuring of facilities for staying of platform and plane rank for the aircraft;
13. using of the platform and plane rank for the stay of the aircraft;
14. general security;
15. assurance at the passenger terminal of passengers and common waiting rooms and other premises for service of passengers, equipped with the necessary facilities;
16. assurance of special security facilities;
17. assurance of qualified personnel in the field of security issues;
18. assurance of security guards at the Airport and in its perimeter;
19. information services for clients;
20. provision of opportunity to use mail, shops, restaurants, banks, parking lots etc. against payment of certain prices;
21. security checks of passengers, servants, luggage, cargo, mail and vehicles.

### **III. Services relevant to the activity of ground service operator:**

1. Ground administration and supervising includes:

- Representative services and relations with local or other authorities, payments in service of the airport operator and provision of office space for its representation offices;
- Control of loading, communications and telecommunications;
- Processing and storage of luggage and administration of separate cargoes;
- Any other type of supervising services before, during or after flight and any other administration services.

2. Service of passengers includes:

- Rendering of assistance to arriving, departing and transit passengers including ticket and passport check, registration of luggage and its delivery to the sorting area.

3. Processing of luggage includes:

- Processing of luggage in the sorting area, sorting and preparation for departure;
- Loading and unloading from luggage trolleys for its transportation from the aircraft to the sorting area and back, as well as transportation of the luggage from the sorting area to the area for receiving of luggage.

4. Processing of cargo and mail includes:

- With regard to cargo: physical processing of cargo for export, transfer or import, processing of accompanying documents, customs procedures and application of procedures relevant to guaranteeing of security, envisaged by the legislation in force or according to the requirements of particular situation;
- With regard to mail: physical processing of incoming and outgoing mail, processing of accompanying documents and application of procedures relevant to guaranteeing of security, envisaged by the legislation in force or according to the requirements of particular situation.

5. Service of aircrafts at the apron includes:

- Dispatcher service of the aircraft at landing and taking off;
- Assistance at loading of the aircraft and assurance of necessary technical equipment;
- Connection between the aircraft and the ground service operator;

6. Loading and unloading of aircraft and operating with the necessary technical equipment, transportation of the crew and passengers between the aircraft and the terminal and transportation of the luggage between the aircraft and the terminal;

7. Assuring and operation with specialized technical equipment for starting of engines;

8. Moving of the aircraft between the arriving and departing and assuring and operation with the necessary technical equipment;

9. Transporting, loading and unloading to or from the aircraft of food and beverages.

10. Service of aircrafts includes:

11. Outside and inside cleaning of the aircrafts and lavatories;

12. Cooling and heating of saloons, removing of snow and ice, de-icing processing of the aircraft;

13. Reconstruction of saloon with the necessary saloon equipment and storage of that equipment.

14. Service with fuels and lubricants includes:

15. Organization and performance of fueling and operations for its drawing out, including storage of fuel and control of quality and quantity of fuel suppliers;
16. Additional feeding with lubricants and other liquids.
17. Technical service of aircrafts:
18. Routine technical service before flight;
19. Non-routine technical services requested by the aviation operators;
20. Organization and supply with spare parts and necessary equipment;
21. Order and/or reservation for proper parking place and/or airshed place;
22. Flight operations and administration of crews include:
23. Preparation of flight to at the starting airport or at any other point;
24. Assistance during flight, including additional dispatcher service if needed;
25. Post-flight operations;
26. Administration of flights.
27. Ground transport includes:
28. Organization and performance of transportation of crews, passengers, luggage, cargo and mail between different terminals at the same airport, but not including similar transportation between the BC and any other point in the perimeter of the same airport;
29. Any specialized transport ordered by the user of the Airport.
30. Service of flight buffet includes:
31. Relation with suppliers and administrative management;
32. Storage of food and beverages and equipment necessary for their management;
33. Cleaning of this equipment;
34. Preparation and supply of equipment and supply for food and beverages for the bar.

#### **IV. Economic activities**

##### **Commercial activities performed at the Airport may include:**

- Duty free trade (duty free trade may be performed at the airport only with regard to passengers who depart to destinations outside the EU borders);
- Restaurants;
- Service of souvenir shops;
- Coffee shops;
- Exchange bureaus;
- Agency – tickets ;
- Rent ;
- Advertising
- All other activities permitted by the law and compatible to the purpose of the object of concession

## **Annex No 4 Airport service standards**

### **I. Main normative requirements towards exploitation and ground service at the Airport**

The **CONCESSIONAIRE** shall be obliged to observe all requirements under the legislation and documents described below, including their future amendments and supplements:

**1. Ordinance No 14** dated 15.10.2012 on airports and the airport assurance (promulgated in State Gazette, issue 87 of 2012 with subsequent amendments and supplements) – standards for maintenance of fitness for exploitation of the air field and the relevant air navigation facilities

**2. Ordinance No 141 of 2002** on certification of exploitation fitness of navigation facilities for air navigation and landing, promulgated in State Gazette, issue 35 of 2002 with subsequent amendments and supplements

**3. Ordinance No 20 of the Minister of Transport dated 24.11.2006** on certifying the exploitation suitability of civil airports, airfields, systems and facilities for ground servicing, on licensing of airport operators and ground service operators and on the access to ground-handling market at the airports (promulgated in State Gazette, issue 101 of 2006 with subsequent amendments and supplements) –standards for exploitation of facilities and performance of activities relevant to the ground servicing of the aircrafts.

**4. Ordinance No 3 dated 07.03.2012** on the meteorological servicing of civil aviation (promulgated in the State Gazette issue 25 dated 27.03.2012 with subsequent amendments and supplements).

**5. Ordinance No 3 dated 25.05.2009** on emergency rescue assurance at civil airports (promulgated in the State Gazette issue 44 dated 12.06.2009)

**6. Regulation (EC) No 216/2008** of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC (with regard to requirements towards the airports and aircrafts permitted for exploitation in the EU)

### **ICAO Annexes**

Annex 9 - Streamlining of the airport formalities;  
Annex 14 - Airports;  
Annex 16 – Protection of environment;  
Annex 17 - Security.

### **ICAO Documents:**

#### **9. Doc. 9137 – Airport Services Manual.**

Part 1. Rescue and Fire Fighting;  
Part 2. Pavement Surface Conditions;  
Part 3. Bird Strike Control and Reduction;  
Part 4. Visual Aids;  
Part 5. Removal of Disabled Aircraft;  
Part 6. Control of Obstacles;

Part 7. Airport Emergency Planning;  
Part 8. Airport Operational Services;  
Part 9. Airport Technical Maintenance Practices.

**10. Doc. 9157 - Aerodrome Design Manual:**

Part 1. Runways;  
Part 2. Taxiways, Apron and Holding Bays;  
Part 3. Pavements;  
Part 4. Visual Aids;  
Part 5. Electrical Systems

**11. Doc. 9184 - Airport Planning Manual:**

Part 1. Master Planning;  
Part 2. Land Use and Environmental Control;  
Part 3. Guidelines for Consultant/Construction Services

**12. Doc. 9332 - Manual on the ICAO Bird Strike Information System.**

**13. Doc. 9476 - Manual on Surface Movement Guidance and Control Systems.**

**14. Doc. 9830 - Advanced Surface Movement Guidance and Control Systems.**

**15. Doc. 9640 - Aircraft Ground De-icing/Anti-icing Operations.**

**16. Doc. 8973 - Manual on Defense of Civil Aviation from Acts of Unlawful Interference.**

**17. Cir. 205 - Recommended Method for Computing Noise Contours around Airports.**

***Other documents.***

1. Regulation (EC) No 300/2008 of the European Parliament and of the Council dated 11 March 2008 on common rules in the field of civil aviation security with all amendments and supplements

2. Commission Regulation (EC) No 272/2009 of 2 April 2009 supplementing the common basic standards on civil aviation security laid down in the Annex to Regulation (EC) No 300/2008 of the European Parliament and of the Council with all amendments and supplements

3. Commission Regulation (EU) No 185/2010 of 4 March 2010 laying down detailed measures for the implementation of the common basic standards on aviation security with all amendments and supplements

4. **Doc. 30 на ECAC** (European Civil Aviation Conference) Policy statement in the field of civil aviation security;

5. All norms and rules of the EU relevant to the aviation security;

6. National Aviation Security Program

**II. Recommended guides and practices.**

**The CONCESSIONAIRE** shall be obliged always when the issue refers to development and

exploitation of the Airport to observe the instructions and recommendations given in the manuals described below, including with their future amendments and supplements:

1. Airport Development Reference Manual – IATA.
2. Airport Handling Manual – IATA

## Annex No 5

### Sites of State Users

**State authorities and bodies that perform controlling functions on the territory of the Airport are GD “CAA”, border passport and visa controlling bodies, border customs control bodies, border veterinary medicine control bodies, border sanitary control bodies, State Agency “National Security”, Ministry of Defense, Fire safety and protection of population bodies.**

**The areas necessary for technological and service needs at performance of their functions are as follows:**

|  |  | <b>Sofia Airport</b> |
|--|--|----------------------|
|  | <b>GD “CAA” and SANS</b>   |                      |
|  | <b>border passport and visa controlling bodies</b>                                   |                      |
|  | <b>border customs control bodies</b>   |                      |
|  | <b>border veterinary medicine control bodies</b>                                     |                      |
|  | <b>border sanitary control body</b>  |                      |
|  | <b>Ministry of Defense</b><br><b>Fire safety and protection of population bodies</b> |                      |

## Annex No 6

### Rules for elaboration of Master Plan

#### Elaboration of Master Plan

The **CONCESSIONAIRE** shall present for approval a draft Master plan for long-term forecast period (at least 20 years) of the Airport on the basis and in conformity to the Investment program, Business proposal for operation of the Airport and proposal for Security measures at the Airport and financial plans presented in the proposal of the **CONCESSIONAIRE** included under Annex No 7 and shall present to the **GRANTOR OF CONCESSION** for approval draft of updated Master plan if necessary.

- Main directions for development of the Master plan of the Airport are:
  - General infrastructure of the territory and organizational requirements towards development of airport infrastructure;
  - Physical development of airport facilities – for aviation and non-aviation purposes;
  - Objects of technical infrastructure;
  - Defining of ecological impact of the Airport at exploitation and/or construction and measures for protection of environment and for survey of natural resources;
  - Using of airport territory and the territories near the airport;
  - Territories and areas with restricted regimes of organization, construction and use;
  - Conditions of access to the Airport;
  - Stages of development in short-term and long-term perspective.
- **The Master plan** shall contain data about the following circumstances in conformity to the obligations of the **CONCESSIONAIRE** under the present **Concession Agreement**:
  - (a) Forecast for air traffic, forecast for passengers, number and type of aircrafts, tonnage and type of cargo, including during the peak period and project flows;
  - (b) Requirements relevant to acquisition of land at present or in the future;
  - (c) Scheme of location of sites in the secured and public area at the Airport, runways, taxiways and aprons;
  - (d) Plan of terminals area, terminals (including proposed shops, bars and restaurants, halls), position of the control center for Management of air traffic and center for management of ground traffic ;
  - (e) Auxiliary infrastructure; fuel; fire safety and emergency rescue assurance, substations, engineering blocks;

- (f) Cargo center;
- (g) Management and administration of the Airport;
- (h) Telecommunications and lighting equipment coordinated with PANS;
- (i) Security and
- (j) Roads for access and by-roads.

**Physical planning includes development of:**

- Air space and assurance of traffic control coordinated with PANS;
- Defining of flight field (including taxiways);
- Terminal complex;
- Utility services, roads and communication networks;
- Maintenance and service of facilities;
- Systems for access control;
- Plan for using of land;

**Ecological planning includes:**

- Preparation of assessment of existing ecologic conditions related to the Airport “affected areas” (plants and animals, climate, topography, natural resources etc.)
- Document representing development model and applicability in the “affected areas”;
- Defining of public opinion and statement;

**The financial planning includes:**

- Defining of sources of financing;
- Elaboration of preliminary project survey/feasibility study with regard to the different versions of Master plan ;
- Elaboration of preliminary financial plan and programs for final approval of concession;

**The Master plan and** every update of it shall include program for stage by stage development aimed at the ability of the Airport to meet the forecast demand of Airport services during the Term of concession.

**The Master plan** shall define the protection of land and control over construction in areas belonging to the Airport especially taxiways, necessary for assurance of safe use of the Airport and fulfillment of obligations under the present **Concession Agreement**.

- **The Master plan** shall assure:
  - Maintenance of the existing category of airport 4 E and assuring of standards of the air field in conformity to the requirements of Ordinance No 14 (Annex 14 of ICAO);
  - Reaching and maintenance of level of service of passengers not lower than code C according to ADRM of IATA;
  - Reaching and maintenance of category of emergency rescue and fire safety assurance – IX.
- **The Master plan of the Airport** shall be in the form of construction drawing showing the development of the Airport during the Term of concession. The construction drawing shall be

presented in scale not less than 1:5000 that contains block-schemes of the situation and the approximate size/area of all facilities and buildings, which will be situated within the borderlines of the Airport, including the passenger terminals complex, cargo facilities and auxiliary airport facilities. This plan shall illustrate the scope of development of the runway, taxiways and the apron, the level of necessary modernizations or moving of main elements of infrastructure for air traffic management and visual ground aids. The construction drawing of the Airport shall indicate the necessary improvements of the ground transport road system for access and approaching, service roads and parking lots.

The survey shall indicate particularly all land that has to be acquired or kept for the extensions..

- At performance of new or amendment/supplementing the existing Master plan of Sofia Airport several main elements shall be taken into consideration:
  - Proposals for measures for limitation of the main risks and dangers that the exploitation of Sofia Airport may face;
  - Main standards relevant to capacity of airport facilities and to quality of provided airport services;
  - Rules and town planning norms for performance of partial construction works and conformity to the effective General Organization Plan of Sofia Municipality;
  - Zoning plan for the territory of Sofia Airport;
  - Internal intra terminal communication plan;
  - Marketing survey based on in depth analysis “Demand – forecast for development”;
  - Main standards for capacity of airport facilities and quality of provided airport services that shall be considered (based on ADRM, 10-th edition).
  - Existing engineering infrastructure (electricity supply, heat supply, gas supply etc.) and motives for their development;
  - Safety and security plan;
  - Preliminary design of zones and sites for construction and reconstruction
- **Steps in the process of designing:**
  - A. Elaboration of working programs for drafting of the Master plan;
  - B. Inventory of the existing situation;
  - C. Forecast of future needs of air traffic, passenger flow (typical peak hour), categorization and forecast of cargo flows;
  - D. Defining of requirements for the main facilities and preliminary stages of construction;
  - E. Assessment of existing and potential problems;
  - F. Development of different concepts for the purposes of comparative analysis;
  - G. Review and assessment of different versions of the Master plan;
  - H. Selection of the most acceptable version and correction in final draft.

**Annex No 7**

**Investment program (from the offer of participant)**

**Annex No 8**

**Business proposal for operation of Sofia Airport**

**Annex No 9**  
**Security measures at Sofia Airport**

## **Annex No 10**

### **Summarized information about the number of personnel of “Sofia Airport” EAD – towards 01.05.2016**

The total number of job positions under the F.T.E. plan of the enterprise is 2171,5 (two thousand one hundred and one point five) persons of which:

- Permanent job positions are 2 160 (two thousand one hundred and sixteen) positions;
- Seasonal job positions are 11,5 (eleven point five) positions.

The personnel record reaches 2 182 (two thousand one hundred and eighty two) persons, of which 53 (fifty three) persons are employed under fixed term labor contracts.

**Annex No 11**

**Description of labor contracts of “Sofia Airport” EAD towards .....**

**Annex No 12**

**Registration documents of the CONCESSIONAIRE**

## **Annex No 13**

### **Measures for decreasing of negative impact of the Airport on the environmental components**

1. To install firewalls and suction valves at the vantage of storage tanks for fuels with proper measures and capable to prevent the “little breathing” of tanks.
2. To assure steam running reload of the fresh kerosene in the storage tanks.
3. To sign contract for supply of drinking water with the local “Water and Sewerage” company and to undertake actions for updating of issued permissions for water taking and permissions for use of water site for discharging of waste waters.
4. To elaborate completely new “Water and Sewerage” project for treatment of waste waters in conformity to the legislation in force and the perspective of exploitation of the Airport – passenger flow, auxiliary activities (cleaning and washing of planes, acceptance of waste waters collected in the planes, de-icing of iced aircrafts, de-icing of iced runways etc.).
5. To take the opinion of Regional Inspection on Environment and Waters – Sofia at the stage of “investment proposal” relevant to the necessary procedure for purifying facilities under the newly projected “Water and Sewerage” part in conformity to the Environmental Protection Act.
6. At designing and exploitation of “Water and Sewerage” part to envisage measures for prevention of in-depth infiltration of polluted technological and atmosphere waters and prevention of indirect pollution of subterranean waters
7. To take the necessary project measures for prevention of in-depth infiltration of polluted technological and atmosphere waters.
8. To design and construct properly measured concrete enfolding around the storage tanks for kerosene. To assure purification of waters collected in the enfolding to an extent that makes possible the discharging in surface water site or leading to the sewerage system
9. All activities of CONCESSIONAIRE with regard to waste management shall conform to the requirements of the Waste Management Act and the secondary legislation acts relevant to its application and the National Waste Management Plan 2014-2020.
10. To perform classification of waste formed by the activity of the Airport in conformity to the requirements of Ordinance No 2 on classification of waste (State Gazette issue 66/08.08.2014) before clearing of the available waste and starting of airport activity
11. To create sites for temporary keeping of waste formed by the activity of the Airport until their delivery for further processing. The site shall be in conformity to the requirements relevant to each type of waste kept on the site.
12. To create system for assessment of the belonging of plant waste to the category “hazardous waste” – cut grass around the runway. In case it is categorized as “hazardous waste” it shall be put in the “hazardous waste” area of the regional waste depot. In case it is established that the waste is not hazardous (in this case bio waste) it shall be managed in conformity to the provisions of the Waste Management Act and the secondary legislation acts relevant to its application. The hazardous chemicals and mixtures and mixtures that are not classified as “hazardous waste” but may represent specific danger shall be purchased with accompanying safety information chart elaborated in conformity to Chapter Four of the Protection against the Harmful Impact of Chemical Substances and Mixtures Act and in conformity to Annex II

to Regulation 1907/2006.

13. Storage of hazardous substances shall be performed in conformity to the conditions envisaged under the safety information chart.
14. To present on regular basis instructions to personnel for working with hazardous substances.
15. Not to admit auxiliary activities that increase the risk of fire (e.g. burning of cut grass)
16. In case of exceeding of admissible levels of noise in the service premises the latter shall be made sound-proof.
17. To adopt under the regulated procedure hygiene-protection zone at Sofia Airport with regard to the noise created by the aircrafts in order to prevent the extension of residential territory in the scope of XX3.
18. If proved necessary, the personnel to use personal means of protection from noise
19. To coordinate with Regional Inspection on Environment and Waters – Sofia the emergency plan of Sofia Airport in its part “Protection of environment” .

## **Annex No 14**

### **Effective insurance contracts**

## **Annex No 15**

„Collective labor agreement No 100-Д-215 signed on 10.12.2015

**Annex No 16**

**Financial-Economic model (from the offer of participant)**

**Annex No 17**

**Inventory of machines, equipment and other movables for purchasing or renting by the  
CONCESSIONAIRE**

**Annex No 18**

**Contracts of “Sofia Airport” EAD**