



REPUBLIC OF ALBANIA

REPRESENTED

BY

MINISTRY OF INFRASTRUCTURE AND ENERGY

As the Contractual Authority

and

as the Concessionary Company

“.....” LLC

CONCESSION/PPP CONTRACT

ON

**THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE AND
TRANSFER OF VLORA INTERNATIONAL AIRPORT (VIA)**

2019

¹ Draft contract, subject to change

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THE FOLLOWING APPENDICES ARE COMPONENTS OF THIS CONTRACT:

- APPENDIX 1 LOCATION/TERRITORY OF THE PROJECT AND DATA SUPPLIED BY THE CONTRACTING AUTHORITY
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Any reference to an appendix means an appendix to this contract, unless otherwise specified.

Appendixes : 2, 6, 11, 12, 13, 14, 16 and 17, become part of this contract, upon approval, according to the terms specified in this contract.*

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**CONCESSION/PPP CONTRACT ON
THE DESIGN, CONSTRUCTION, OPERATION, MAINTENANCE AND TRANSFER
OF VLORA INTERNATIONAL AIRPORT (VIA)**

PARTIES:

1. Ministry of Infrastructure and Energy as the ministry responsible for infrastructure (hereinafter ‘**Contracting Authority**’), represented by.....; and
2. **Concessionary Company (SPV)**, “.....” LLC, with identification number (NUIS): in the following address, a company established under Albanian legislation, represented by

The Contracting Authority and the Concessionary Company shall hereinafter be referred to as the "Parties" and collectively the "Parties", in their singular or plural linguistic variants, as the context of this Contract may from time to time require.

Considering that

According to Law no. 125/2013 “On Concessions and Public Private Partnership”, as amended, Decision of the Council of Ministers no. 575, dated 10.07.2013 “On the approval of the rules for the evaluation and granting of concessions/public private partnerships”, as amended,

Regulation of the Minister of Transport No.130 dated 09.11.2012 “On the certification and registration of Aerodromes” and the Tender Procedure Documentation,

By Order no dated 27.11.2019 Contracting Authority Ministry of Infrastructure and Energy set up the Commission for the Concession/PPP “**For the design, construction, operation, maintenance and transfer of the Vlora International Airport (VIA) from the Concessionaire to the CA**”

The Contracting Authority invites the bidders to submit their bids, design, construction, operation, maintenance and transfer of the Vlora International Airport (VIA) from the Concessionaire to the Contracting Authority after the termination of this concession contract.

This Contract reflects, inter alia, the basic terms of the Concession as will also be set out in the Bid submitted by the Bidder selected as the most successful (Concessionaire) on the Bid Submission Date.

CHAPTER 1

GENERAL PROVISIONS

ARTICLE I

DEFINITION OF TERMS

The following definitions apply to this contract, unless the subject matter or context requires another interpretation:

“Contracting Authority” is the Ministry of Infrastructure and Energy.

“Relevant Authority” are entities, agencies, authorities, organizations or Persons of state, municipal, national, regional or from local authorities that exercise activity in the Republic of Albania and/or have the authority and competency to exercise official duties in the territory of the Republic of Albania.

“Civil Aviation Authority” (CAA) implies the Civil Aviation Authority of the Republic of Albania, established by Law No. 10 233, dated 11.2.2010, “On the Civil Aviation Authority” as amended, and has the authority and responsibilities prescribed in the Applicable Law, or any successor thereto.

“Albcontrol”- denotes the company that manages and controls the Albanian airspace (FIR), in accordance with international air navigation standards, or any successor thereto.

“Aircraft” is a device which can stand afloat in the atmosphere through the counter-reaction of air against the earth's surface

“Civil aircraft” are all aircraft, except for state-owned aircraft

“State-owned aircraft” are aircraft used in the services of the armed forces, customs and police

“Aerodrome” is a designated area (including any buildings, installations, and equipment) on land or above water, or on a fixed structure in land, fixed structured in the sea, or floating structure to be used wholly or in part for landing, take off and movement of aircraft on the surface.

“Airport” is an aerodrome of expanded activity and facilities, mainly for commercial air transport.

“Unsecured debt” means the unsecured debt given to the Concessionary Company by its Partners or companies directly or indirectly affiliated thereto.

“Abandonment” It means the termination of the work provided for in the contract, over a period of consecutive work days. Failure to perform the Works or any part of the Works within the time limits set forth in the Contract, due to the activities or omissions of the Contracting Authority or in the case of a Force Majeure Event, shall not be considered an Abandonment.

“Airport Certificate” is a document issued by the CAA, proving that the airport meets all standards and requirements related to its operation and facilities and that it has the ability to consistently meet these standards and applicable requirements during the entire validity period of the certificate.

“Certificate of Use” are certificates issued (including preliminary certificates), or permits of use, in accordance with the Law, which certify termination in accordance with the Airport Standards and Accessibility.

“Start date” has the meaning given in Article 6.7

“Project Implementation Delivery Date” is The Month from the Date of Contract's Entry into Force.

“Date of Entry into Force” is the date set forth in Article 6 of the Contract.

“Contract End Date” is the earliest date of the following: Last date of expiry of the Concession Period; and the Termination Date of this Contract determined in accordance with this Contract.

“Early Termination” has the meaning of Article 38 of this contract.

“Date of Completion of Construction Works” is the date of issue of the Certificate of Use in accordance with Airport Works.

“Preliminary End Date of Airport Works” is the date when a Preliminary Use Certificate related to Airport Works is issued.

“Defect” is a fault in the facility resulting from non-compliance with the standard of the Concessionaire's obligations

“Liabilities to Lenders” are the sums of all the following components:

- a. principal, interests (including penalties for non-payment, but only those found prior to the termination of this Contract as a result of Non-performance by the Contracting Authority), banking commissions, costs and expenses incurred on a regular basis or that the Concessionaire

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owes or have remained unpaid to the Lenders by the Concessionaire under the Financing Agreements up to Contract's Termination Date (which includes the cost of payments in case of early pay off of the loan); and

- b. all amounts owed by the Concessionaire to the Lenders due to the early settlement of the hedging agreements (including early pay off costs and commissions of payable engagement as a result) provided that the Concessionaire and the Lenders will try to reasonably mitigate these values, as much as possible.

“Work Day” is every working day excluding Saturday, Sunday and official holiday days in the Republic of Albania.

“Calendar day” is every day of the month, including Saturday, Sunday and official holiday days in the Republic of Albania.

“Documentation of the Contracting Authority” is all documentation made available by the Contracting Authority during the contract award procedure, but not only, relating to the Project.

“Bidding Documents” is any document that the Bidder selected as the most successful (Concessionaire) will submit as part of the Bid during the Bidding procedure.

“Tender Documentation” are the Bidding Documents prepared by the Contracting Authority, published on the Public Procurement Agency web site, and the Contract Notice, to potential Bidders related to this Project, including evaluations, documentation available, and the Project Idea as part of the concession/PPP procedures pertinent to this Contract.

“Project Documents” are:

- a. subcontracts; and
- b. any other significant contracts entered into by the Concessionaire for the purpose of implementing the Project and identified as such, in accordance with the Appendix 2.

“Handing Over of Project Territory” means the handing over of the Project's Territory by the Contracting Authority to the Concessionaire, in any event, exempt from (i) all obstacles to the commencement of the Works, including the demolition of expropriated or illegally constructed buildings and the removal of persons from them and from the Project Territory or any third party claims for which the Authority is responsible.

“Essential Negative Effect” means a consequence or set of consequences that separately or collectively make it impossible for the Concessionary Company or the Concessionaire, to comply with the obligations arising under this Contract.

“Eurocontrol” is The European Organization for the Safety of Air Navigation

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“Euro” is the legal currency of the European Economic and Monetary Union, or any other currency by which the European Economic and Monetary Union may replace it.

“Exclusivity” is the right to design, construct, operate, maintain and transfer the Vlorë International Airport (VIA) after the concession period from the Concessionaire to the CA.

“Contract Guarantee” has the meaning set forth in Article 8 of the Contract.

“Bid Guarantee” is the guarantee from of the Bid Value that the Concessionaire has submitted in accordance with the Bid and Annex 3 of the Tender Documents.

“Court” has the meaning set forth in Article 53.

“GSE- Ground Service Equipment” used as an acronym for the full spectrum of vehicles and equipment that are present for airport aircraft service during inter-flight times.

“Lender” are credit or financial institutions or other similar financial institutions professionally engaged in lending money, which may be parties to the Financing Agreements, or may have rights under the Financing Agreements, and/or grant them to the Concessionaire financing in the form of line financing with bonds, priority debt or debt payable in equity or similar things (and hedging agreements) in accordance with such Financing Agreements and will also include insurers issuing bail or similar insurance for these Financing Lines or Third Persons agreeing to make Free Work, provided that the outstanding amount is repaid in Debt or Persons Buying and Owning Bonds to Fund the Project.

“Identification Facilities Subject of Expropriation” means the compilation by the Concessionaire of a list of properties and their owners within the Project Territory, which, at the date of signature of the Contract, are registered with the Immovable Property Registration Office (“IPRO”) to perform Expropriation procedures and submitted by the concerned Authority, as well as facilities not registered in the IPRO and to be demolished by the Competent Authorities as part of the Project Territory Handing Over. The identification process includes, where possible, assistance from the Concessionaire in drafting additional documents for the expropriation process.

“INSTAT” is the Albanian Institute of Statistics.

“IATA” -stands for the International Air Transport Association

“ICAO”- stands for the International Civil Aviation Organization

“Independent Engineer” is an experienced, foreign and/or Albanian Independent Person or Persons who are contracted by the Contracting Authority in accordance with this Contract to oversee the Works and who perform the duties of an Independent Engineer in respect of the subject

matter of this Concession Contract, in accordance with the provisions of this Contract and the Contract with the Independent Engineer. The principal duties of the Independent Engineer are set forth in the Appendix 11 to the Contract.

“Key Performance Indicators” means, those goals, parameters and other performance indicators related to airport operations listed in Appendix 5 and "Key Performance Indicator" means any of them.

“Council of ministers” is the Council of Ministers of the Republic of Albania.

“Investec Capital” are the amounts that the Concessionaire's Partners or the Concessionary Company invest in the performance of this Contract as Net Capital or as Unsecured Debt.

“Net Capital” is the capital of the Concessionaire, including all monetary/payable amounts as a result of subscription/payment of quotas/shares, from contributions or loans granted by its Shareholders, loans granted by the Concessionaire's Affiliated or Controlling Companies (directly or indirectly), which are not found to be a paid debt, as well as all assets of the Concessionaire.

“Requirements by the Contracting Authority” are:

- a) Contracting Authority Requirements for Works; and
- b) Contracting Authority Requirements for Services.

“Conventions” are the bilateral international conventions of the European Union and the protocols and regulations of the airport, air traffic control and airline industries signed by or generating obligations for the Republic of Albania.

“The Chicago Convention” is the Convention on International Civil Aviation, open for signature in Chicago on December 7, 1944, and its amendments and supplements, legally accepted by the Republic of Albania.

“Compensation for the Termination of the Contract due to Non-Performance by the Contracting Authority” is the sum equal to the cumulative value of:

- a. Liabilities to Lenders for this Contract;
- b. The value of the Works performed up to the termination of the Contract due to non-performance by the Contracting Authority, the value of the liabilities to third parties arising out of this Contract and which the Concessionaire owes, including the missing profit of the Concessionaire, to the termination date of the Contract, prepared by the Independent Engineer;
- c. The value of equipment, machinery, systems purchased or ordered for this contract;
- d. Payments for job cuts and/or other costs that the Concessionaire must pay to its employees as a result of the termination of this Contract under the Law;
- e. Premature Settlement Costs of Subcontracts and Liabilities to Suppliers;

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- f. Operating expenditures or costs;
- g. Missing profit for the remaining period of concession referred to real internal rate of return. Penalties provided for in this Contract for the Contracting Authority;
- h. Any other damage or right to compensation arising out of the Concessionaire, or which he has had to cover or recover as a result of the non-performance of the Contracting Authority and of the termination of the Contract due to such non-performance; and
- i. Return of the Contract Guarantee, after verification and deduction of any obligations (if any) by the Concessionaire, until the date of Non-performance by the Contracting Authority.

“Contract Settlement Compensation” is the amount payable by the Contracting Authority in accordance with Article 41 of the Contract.

“Compensation for Contract Termination Due to Force Majeure Event” is the sum equal to the aggregate value of:

- a) Liabilities to Lenders;
- b) Value of Works completed up to the termination of the Contract;
- c) The value of equipment, machinery, systems purchased or ordered for this contract
- d) Payments for job cuts and/or other costs that the concessionary company must pay to its employees as a result of termination of this Contract under the Law;
- e) Timely Settlement Costs of Subcontracts and Supplier Liabilities for Equipment, Machinery, Systems Purchased or Ordered for this Contract;
- f) Operating expenditures or costs;
- h) Return of the Contract Guarantee, after verification and deduction of any obligation (if any) by the Concessionaire, until the date of termination of the Contract due to Force Majeure.

“Concessionaire” has the meaning given at the beginning of this Contract.

“Contract” denotes this contract.

“Independent Engineer Contract” is the contract entered into between the Contracting Authority and the Independent Engineer in respect of the performance of the duties of the Independent Engineer in accordance with this Contract.

“Costs of Premature Termination of the Contract” are costs incurred or reasonably incurred by the Concessionaire or losses incurred by the Concessionaire in respect of Subcontracts or Suppliers only solely as a result of the termination of this Contract ahead of time in respect of the following costs, which the Concessionaire shall incur to pay to Subcontractors or suppliers:

- a. costs incurred in connection with the performance of the Works, operation, maintenance or provision of the Services insofar as these costs cannot be mitigated or prevented, including:

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- i. costs of goods or ordered materials;
- ii. expenses incurred in the ordinary course of business at market conditions pending the construction Works or the provision of Services;
- iii. losses incurred in connection with Subcontracts that are entered into in the ordinary course of business at market conditions, which cannot be canceled/settled without loss/costs, as provided in these contracts;
- iv. the cost of relocating the equipment used in connection with this Contract; and
- v. the cost of terminating the employment relationship with the affected employees, pursuant to the Law;

provided that (i) the Concessionaire and any Subcontractor have made reasonable efforts to minimize such costs; and (ii) the Subcontractors are not entitled to any missing profit to the extent that such missing profits are greater than the profit that the Subcontractor would have received in the 12 (twelve) months following the Termination Date.

“Law” is any applicable national or local act, order, decree or other act, regulation, by-law or any other rule, code or instruction or license, approval, permit, authorization or other permit of the Republic of Albania or any of its entities or subdivisions, or of a person established by law (independent or otherwise), having the appropriate jurisdiction, to the extent that such act is publicly available and publicly available, and subject to the enforcement of the decisions of the various courts and tribunals and of similar judicial bodies of the Republic of Albania, of orders, instructions or decisions of ministers, of instructions or circulars of the various departments of the concerned Authorities, as well as interpretations of official bodies of the Republic of Albania, having jurisdiction over the matter in question, such as may be amended from time to time during the term of the Contract.

“Letter of Agreement (LoA)” is the written agreement between the Concession Company and Albcontrol Air Navigation Service Provider defining the parties' responsibilities with respect to the provision of air navigation service (s).

“Required approval” is any Certificate of Use, Approval, License, Permission, Allowing or Authorization, provisional or final, required in connection with the Project and to be issued by the Competent Authorities, not including however the Required Approval by the Contracting Authority.

“Necessary approval of the Contracting Authority” is any Certificate of Use, Approval, License, Approval, Permission or Authorization, provisional or final, required in connection with the Project and to be issued by the Contracting Authority, not including however the Required Approval.

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“Financial Model” is:

- a) the Financial Model presented in the Concessionaire's Bid; and
- b) after that date, the model updated in accordance with this Contract.

“Non-performance by the Contracting Authority” is any of the following events or facts:

- a. the expropriation, sequestration, temporary use by the Contracting Authority of a significant part of the assets of the Concessionaire or a Subcontractor or of the Concessionaire or shares/quotas of Concessionaire or Concessionaire Company;
- b. failure by the Authorities to refund VAT in favor of the Concessionaire on time and in accordance with the Law;
- c. transfer of the Contract to third parties by the Contracting Authority in violation of its provisions;
- d. a breach of the Contracting Authority's obligations under this Contract that makes impossible or significantly impedes the Concessionaire to perform the Works and/or Services for a period longer than 1 (one) month;
- e. any amendment to the Law that is unpredictable and that makes it impossible or significantly impedes the implementation of the Contract by the Concessionaire and / or damages its financial and economic interest under this Contract;
- f. any Unfavorable Government Material Action; and
- g. any obstacle, damage or impossibility of non-fulfillment of obligations under this Contract as a result of non-realization of Third Party Land/Land Expropriation, demolition of buildings in the Project Territory, or failure to submit Project Territory under the terms of this Contract.

“Non-performance by the Concessionaire” are the following conditions that occur due to the Concessionaire's fault and not as a result of actions or omissions by the Contracting Authority:

- a) Violation of the Concessionaire's obligations:
 - i. significantly affect the performance of Works and/or Operations Services; or
 - ii. significantly affects the ability of the Contracting Authority to fulfill its obligations under the Law and Contract; or
 - iii. significantly affects the use of the airport by the Contracting Authority and Users;
- b) Continued violations under the Contract;
 - i. At the conclusion of the bankruptcy proceedings, the final judgment of the Court granting the liquidation against the concessionary company related to insolvency;

- ii. Non-commencement of Works by the Concessionaire in accordance with the Project within 1 (one) Month from the Date of Commencement of Construction Works;
- iii. Abandonment of Works by the Concessionaire; Failure to comply with a date of completion of works within the deadline for those works, as specified in the works schedule as part of the Project Implementation;
- iv. Failure to Issue a Certificate of Use/Operation Permit for the Airport within the Deadline for the Certificate of Operation/Permit of use, if the Concessionaire is at fault;
- v. The Concessionaire does not initially and continuously make the Necessary Insurance under the Contract;
- vi. The Concessionaire violates the restrictions set forth in the Subcontracting Contract, Article 10 and/or
- vii. The Concessionaire violates the restrictions imposed on the transfer or change of control provided for in the Article 11 **“Change of Control”**.

“Month” is a calendar month during the Concession Period. A "Month" refers to a period starting on one day of a calendar month and ending on the day corresponding numerically to the next calendar month (excluding that day), unless there is a corresponding day numerically on the Month in which that period ends, that period will end on the last day of that calendar Month.

“Aerodrom’s manual” implies the manual that shall include all information on the aerodrome development area, facilities, services, equipment, aerodrome operation and maintenance procedures, organization and management, including the Operational Safety Management System (SMS) as set out in the Appendix 14 and the SARP of ICAO.

“Aerodrome Operation and Maintenance Manual” means the Manual containing details and plans not included in the aerodrome manual, setting out the details and procedures for the safe operation and maintenance of the airport, as well as the interaction with third parties.

“Airport Master Plan” is the airport master plan prepared by the concessionaire and submitted for approval to the Contracting Authority and/or other state entities under applicable law

“Qualifying Amendment to the Law” is:

- a) Discriminatory Amendment of the Law;
- b) Specific Amendment of the Law;
- c) An Amendment to the Law that occurs during the Construction Period or operation, and which results in a Capital Expenditure, or:

“Discriminatory Amendment of the Law” is the Change of Law, which applies specifically

- a) for the Project and not for similar projects;
- b) or to the Concessionaire / Concessionary Company and to no other Person; or for

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c) trade companies engaged in projects similar to the Project and to no other Person;

“Amendment to the Law” is the amendment of the Law that occurs after the date of signature of this Contract, not including the Predictable Amendments of the Law.

“Change by the Contracting Authority” is the change required by the Contracting Authority under the Contract.

“Change from Concessionaire” is the amendment proposed by the Concessionaire under the Contract.

“Predictable Amendment of the Law” is the Proposal for the Amendment of the Law, made thirty 30 (calendar days) prior to the Final Bid Submission Date to: a government bill or draft law submitted by the relevant ministry for consultation and made public, or notified to the Concessionaire;

“Specific Amendment to the Law” is an amendment to the Law specifically referring to the provision of Services or Works the same or similar to the Services and Works provided for in this Contract or the holding of shares / quotes of companies whose main activity is the provision of Related Services and Works or the same as the Services and Works provided for in this Contract.

“Cubcontract” is the Construction Subcontract and/or the Operating Subcontract

“subcontractor” is the Construction Subcontractor and / or Operation Subcontractor

For clarification, if the Works are performed by the Concessionaire, (i) the latter will not be considered a Subcontractor, and (ii) there will be no need for the Contractor to obtain the approval of the Contractor.

“Subcontracting operation” is the subcontract entered into for the operation of the airport or part of its services, with relevant changes and replacements made from time to time in accordance with this Contract.

“Subcontract Construction” is the subcontract entered into between the Concessionaire and the Construction Subcontractor for the performance of the Works or any part thereof, with the relevant changes and replacements made from time to time in accordance with this Contract.

“Construction Subcontractor” is the entity registered under the Law, with headquarters at the address stated in the NBC and represented by the Administrator or his legal representative, as a designated and duly authorized representative under the Construction Subcontract.

“Operating subcontractor” is the entity registered under the Law, with its registered office at the address stated in the NBC and represented by the Administrator or his legal representative, as a duly appointed and duly authorized representative under the Operating Subcontract.

“Force Majeure Event” is an event that is not within the control of the Parties and which cannot be foreseen by them and which results in the Party claiming to be unable to fulfill its obligations under this Contract (the "Affected Party"), including, but not limited to:

- a. any act of nature including, but not limited to, fire, flood, or any other natural disaster, such as earthquake, hurricane, tornado, or meteorite or other celestial body collision;
- b. strikes, occupation of territory, war, insurrection, protests longer than 48 (forty-eight) hours, revolution, civil war, armed conflict, state of emergency established by law, terrorism or embargo and civil unrest or disturbance of public order;
- c. ionizing radiation or chemical or biological contamination;
- d. explosions caused by supersonic equipment;
- e. nuclear explosion or radioactive contamination;
- f. any other case provided for in a provision of the Contract as such.

“Notice of Termination and/or Conclusion of the Contract” is:

- a. Notice of Non-Performance of Concessionaire Obligations;
- b. Notification of Non-Performance by the Contracting Authority; or
- c. Contract Termination Notice Due to Force Majeure Event.
- d. Notice of Termination of the Non-Performance Contract, as provided in the Contract.

“Contract Termination Notice Due to Force Majeure Event” has the meaning given to it by Article 31.

“Internal Rate of Return on Equity” is the internal rate of return on the Concessionaire's Capital Investments, as calculated in the Financial Model, including any changes it may make according to this Contract's provisions.

“Pavement Classification Number (PCN)” denotes a number expressing the asphalt holding power for unlimited operations.

“Project Implementation Unit” (PIU) is the body established, within 30 days from the date of entry into force of the contract, by the Contracting Authority to monitor the implementation of this contract.

“Potentially Hazardous Material” denotes any natural or artificial substance (solid or liquid or in the form of gas or steam) capable of causing harm to any human being or any other environmentally supported living organism or capable of destroying the environment or public

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health, or presenting a threat to public safety including, but not limited to: any pollutant and any hazardous, toxic, radioactive, harmful, corrosive or hazardous substance and all regulated substances, for which in any case compulsory or liable is imposed the applicable environmental law;

“Archaeological objects”denotes the meaning given in the definition "archaeological heritage" of Law no. 27/2018 “On Cultural Heritage and Museums”.

“Cultural Heritage Objects”denotes the meaning given in the definition of "material cultural heritage" of Law no. 27/2018 “On Cultural Heritage and Museums”.

“Temporary Objects”are all temporary structures and installations needed for the construction of the airport.

"Aerodrome Operator" denotes any legal or natural person operating or proposing to operate one or more aerodromes

"Operator" means any legal or natural person operating or proposing to operate one or more aircraft or one or more aerodromes.

“Partner”denotes according to the meaning given by the provisions of Law no. 9901, dated 14.04.2008 “On traders and commercial companies”, as amended or in accordance with the applicable Law of the country where the company is registered.

“ANSP” denotes air navigation service providers

“Party” has the meaning given at the beginning of the Contract.

“Party to the Contracting Authority”is separately the Contracting Authority and its employees, employees and agents and any subcontractor or Person employed or engaged by each of them (but not including the Concessionaire and the Concessionary Parties) as well as other relevant bodies that as case might be, assist the Contracting Authority in implementation of the Contract.

“Concessionaire Party”is separately the Concessionaire, the Concessionaire Company, the Subcontractor, the Concessionaire Representative, their officials, employees and agents and any Subcontractor or Person employed or engaged by any of them.

“Non-precision access track” means a track assisted by visual aids and a non-visual assistance, providing at least sufficient guidance for direct access.

“Affected Party”has the meaning given in the definition of Force Majeure Event.

“First Warning”has the meaning set forth in Article 38.3.1 of the Contract.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

“Second warning” has the meaning set forth in Article 38.3.2 of the Contract.

“The Concession Period” has the meaning set forth in Article 9 of the Contract.

“Defects Liability Period” means the period of 12 (twelve) months from the date of receipt of the Certificate of Preliminary Completion of Construction Works.

“Construction Period” are the periods within the period of validity of the Contract during which Construction Works are carried out under the Project Implementation.

“Contract Validity Period” is the period of time beginning with the Effective Date of this Contract and ending with the Date of Termination of the Contract, including any postponements provided for hereunder.

“Person” shall denote any individual, natural person, legal entity, business organization, partnership or organization of any kind provided for by the law or law of another country, including the Contracting Authority and the relevant authorities.

“Third party” shall denote any individual, natural person, legal entity, business organization that is not affiliated with any of the parties and does not include the affiliated company, as defined in this contract.

“Representative of the Contracting Authority” is the Person identified to act as a Contracting Authority Representative under the Contract.

“Representative of the Concessionaire” is the Concessionaire himself or a Person authorized in writing to represent it.

“NCASP” Is the National Civil Aviation Safety Program, in the sense of DCM no. 575, dated 10.02.2011, as amended

“Inherited Problem” is any claim, request or liability provided for by law arising out of an act or omission in connection with the construction or use made on existing parts of the airport prior to the Effective Date of the Contract.

“The Arbitration Process” has the meaning set forth in Article 53.3 of the Contract.

“Platform” denotes an area designed to accommodate aircraft for the purpose of boarding in and out passengers, loading in and out mail or cargo, fueling, parking or maintenance.

“Track” means a rectangular area designated on a ground aerodrome, prepared for landing and take-off.

“PRM” means Passengers with Restricted Mobility.

“Airport security fence perimeter” is the perimeter of an uninterrupted fence with relevant technical specifications (Airport Fence Road and Airport Security Perimeter) which encloses the concession area or near its perimeter. For the avoidance of doubt, such enclosures are not required along roads outside the Concession Area.

“Airport user” denotes the right to use the site for the purposes of the project without obstruction by a third party and without any monetary claim that may have been raised before the effective date or is any airline with regular or charter flights to and from the Airport.

“Project” is the set of activities related to the design, construction, operation, maintenance and transfer of the Vlora International Airport (VIA) by the Concessionaire to CA, as defined in the scope of this Contract under the Implementation Project and the performance of any part of the Works and Services during the Contract Validity Period and financing as provided by the Concessionaire in the concession procedure.

“Project Idea” has the meaning set forth in Article 20.2 of the Contract.

“Project Implementation” has the meaning set forth in Article 20.2 of the Contract.

“Proposals of the Concessionaire” are:

- a) Proposals for the Works of the Concessionaire; and
- b) Proposals for Concessionaire Operations Services.

“Works” are construction works, geotechnical works and any other work that may be required by the Company for the construction, operation and maintenance of the Vlora International Airport (VIA) according to the Airport Implementation Project and Master Plan, as may be amended from time to time in accordance with the Appendix (Airport Master Plan, Implementation Project and Construction Works)

“Uninsurable Risk” denotes an event or situation that is not covered or excluded under the general terms of insurance policy contracts offered in the Albanian insurance market by insurance companies licensed by the Appropriate Authority.

“RFF”– Rescue and Fire Fighting in accordance with the definition of the Chicago Convention.

“Road” denotes a surface road defined in the movement area, designed for the exclusive use of vehicles.

“Contract Security” is the required guarantee and presented in the required form issued by a commercial bank/insurance company as specified in the Contract, at the request of the Concessionaire and in favor of the Contracting Authority.

“Necessary Insurance” are the insurances identified and held in accordance with Annex 8.

“Third Party Liability Insurance” denotes the third party liability insurance that is part of the Necessary Insurance to be purchased and held pursuant to Article 36 and Appendix 8 to the Contract.

“Situation” includes all drawings, calculations, reports, etc., in electronic and hard copy format presenting updated approved factual evidence of construction to reflect the locations, sizes, construction materials and other details of the completed works, making links to specifications and tables.

“Geotechnical Emergency Situation” is the event of an unforeseen geotechnical phenomenon), which may adversely affect the Construction Work, operation of the Airport, in accordance with Contracting Authority Requirements.

“SMS”- Safety Management System Operation in Compliance with the Chicago Convention.

“SPRAD”- Standards and Practices Recommended by the Appendixes and Documents of ICAO

“Air Service” is a flight or series of flights for the carriage of passengers, cargo and/or mail for profit and/or rental purposes.

“Air traffic control services” during the Period of this Contract shall mean the provision by the Authority or the Competent Authorities of all services related to air traffic control at the airport in accordance with applicable laws, rules, regulations, policies, procedures, rules and regulations applicable to ICAO, including, without limitation, all necessary services;

- a) Pushing forward and maintaining a regular air traffic flow as well as preventing collisions between an aircraft and another aircraft or obstacles in the air or within the Airport Traffic Area, including "route control" and clearing the air traffic control.
- b) authorizing aircraft to continue under specific conditions by an air traffic unit, including, but not limited to, (i) radio connection to the Aircraft from the time the pilot requests engine start; and (ii) radio connection with the Plane until the pilot declares the engine on arrival (approach, landing),
- c) the provision of flight information services, including tips and useful information for the safe and efficient conduction of flights and air traffic unit information, in relation to a intended flight or part of an airplane flight,

- d) alerting appropriate organizations about aircraft in need of search and rescue assistance and assisting such organizations as necessary, and
- e) in general, the provision of flight information services, air traffic advisory services, air traffic control services, approach control services, ground control services, and meteorological services;

“Airport Services” for the duration of the period of this contract, denotes the provisions by the Concessionaire of the services listed in the Appendix 4.

“CFR Services” for the duration of this Agreement shall mean the provision by the Concessionaire and the Operator of accident services, firefighting, search and rescue, emergency medical and first aid services at the airport.

“Demolition of Buildings” denotes the destruction by the Concerned Authorities of the expropriated or unauthorized buildings located in the Project Territory not including post-demolition debris transportation costs which are in any event covered by the Concessionaire.

“Airport Users” means the airlines and other operators to whom the Concessionaire and the Operator shall provide Airport Services;

“Cause for Compensation” is:

- a. Breach by the Contracting Authority of any material obligations anticipated with this Contract that causes the Concessionaire to fail fulfilling its obligations under this Contract for a period longer than 10 (ten) Calendar Days;
- b. Failure by the Contracting Authority to make the building available and provide the Concessionaire with entry and exit in the building;
- c. Non-availability of flight feasibility data at Vlora airport to be obtained from Albcontrol (aeronautical study). This study should confirm the feasibility and capability of the flight at the airport;
- d. Non-commencement of procedures for purchases of equipment, from Albcontrol within 3 (three) months from the date of entry into force of this agreement.
- e. Connection of the concession area to the public infrastructure network.
- f. Non-construction of connecting road with Durrës-Morinë highway.
- g. the discovery of an Inherited Problem, which prevents the Concessionaire from fulfilling the obligations set forth in this Contract;
- h. the discovery of hazardous materials, not foreseen under the Contract that impede the Concessionaire from fulfilling its obligations under this Contract;
- i. the discovery of public infrastructure systems, not foreseen under the Contract, that prevent the Concessionaire from fulfilling the obligations set forth in this Contract;
- j. protests that causes the closure of the facility or the blocking of construction sites, or a portion thereof at any time after the date of entry into force of the contract;
- k. lack of authorizations and permits of the Authorities not at fault of the Concessionaire;

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

- l. non-performance by the Contracting Authority of the Expropriation procedures under the Contract, within 6 (six) months from the date of entry into force of the Contract, provided that such non-performance will hinder the continuation of the works by the Concessionaire;
- m. any other event or cause expressly anticipated for as a Cause of Compensation in this Contract.

“Cause of Mitigation” is:

- a. fire and explosion or any unpredictable event of extreme weather (taking into account the nature of the region and the dominant climate conditions in the region);
- b. accidental loss or damage to the Working or building;
- c. power shortages or failure, lack of fuel or transport, blockage of roads, ports, airports and telecommunications, or severe defects in machinery;
- d. Geotechnical Emergency Situation;
- e. delays in the proceedings due to excavation, removal or other works necessary incurred in connection with Archaeological Objects or those of the Cultural Heritage, the discovery of public infrastructure, detection of explosives, Force Majeure,
- f. strikes, employee abandoning the construction work, lowering of work pace or any other official or non-official dispute, insofar as these events take place throughout the relevant sector and not only at the Concessionaire or the Concession Party; at any time after the date of entry into force of the contract;
- g. as well as any other event provided for in the Contract as a Cause of Mitigation, provided that, for the purpose of waiving the termination of the Contract under section 30, such event shall not be caused by a voluntary breach by the Concessionaire (or a Concessionaire Party). and that such event has not been caused or assisted by the fault of Concessionaire's (or a Concessionaire's Party) act or omission.

“Repeated Violation” has the meaning set out in Article 38.3

“ATM” stands for Air Navigation Services and includes air traffic management, communication, electronic navigation and surveillance, meteorological services for air navigation and aeronautical information services

“Concessionary Company” is the Special Purpose Entity established by the Concessionaire to become a Party to this Contract as defined at the beginning of this Contract.

“Affiliated Company”, denotes any company that has control of that company, any company that is under the control of that company, or any subordinated company that has control of that company. Any holding-type company (which owns Shares/Quotas of other companies) exercising control over that company, any company over which control is exercised, any company directly or indirectly controlled by the same holding, or any controlled company of a holding company exercising control over that trading company.

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“Capital Expenditures” denotes expenses classified by the Law or generally accepted accounting principles as Capital Investments or Capital Expenditures.

“Expropriation” means any nationalization or expropriation of a Person's assets, or any measure or action which, taken separately or collectively, has the effect equivalent to the nationalization or expropriation.

“Marking” means a symbol or group of symbols appearing on the surface of the movement area to convey aeronautical information

“Taxation” is any tax, fee or payment levied under the Law from time to time, irrespective of whether or not it is levied until the Effective Date of the Contract.

“Concession fee” means the annual concession payment paid by the Concessionaire to the Contracting Authority in accordance with the terms and conditions set forth in Article 14.

“Terminal” is the terminal to be rehabilitated, operated and maintained by the concessionaire in accordance with the requirements set out in Appendix 3.

“Extra Ground” is the ground (regardless of its status, agricultural land, construction ground, meadow, etc.) that is permanently needed by the Concessionaire in addition to the Project Territory in order to deliver the Works and/or Services in accordance with the terms of this Contract.

“VAT” is the value added tax, as provided by law.

“The Government Material Adverse Action”, has the meaning set forth in Article 32 of the Contract.

“Full Calendar Year” is the period from January 1st to December 31st, including both these dates themselves.

“Project Market Value” calculated as follows:

Market value = A + B - C, wherein:

A = the present value of the estimated revenue that the concessionary company will collect for all services rendered.

B = any compensation payable to the Concessionaire under this Contract as a consequence of an event occurring prior to the Termination Date of the Contract.

C = (D1 – D2) + E + F + G, wherein:

D1 = the total cost as of the Termination Date of the Contract for the restoration of the Concession to the Standards and specifications provided for in this Contract.

D2 = damage from insurance that the Contracting Authority has cashed in about the restoration costs referred to in D1.

E = the net present value of the costs of using and maintaining the Concession, including Capital Expenditure from the Termination Date to the end of the Concession Period (without considering, in this sense, termination of the Contract beforehand) (excluding the costs of included in D1, above) based on the Financial Model with the latest updates.

F = amounts deposited or transferred to a spare account for debt pay off, held in the name or on behalf of the Concessionaire under the Financing Agreement, to guarantee the Liabilities to the Lenders.

G = any value, not included in letter "F" above, in cash or cash equivalents and other values that in the event guarantee the rights of the Lenders and that may be cashed in by the Lenders (either in a reserve account or in a form other) and in any event without double counting the performance guarantee made available following Article 8 of this Contract.

In terms of calculating the net present value, the discount rate is equal to the Internal Rate of Return on Capital of the base situation.

To avoid any doubt, when the computing yields a figure of a negative value, the market value of the Project is zero.

“PSA–Parking Space of an Aircraft” denotes a designated area on a platform to be used for parking an aircraft.

“Landing area” denotes that part of a movement area designed for landing or aircraft takeoff.

“Maneuvering area” denotes that part of an aerodrome to be used for takeoff, landing and towing aircraft, not including the platforms,

“The movement area” denotes that part of an aerodrome to be used for take off, landing and towing aircraft, consisting of a maneuvering area and a platform.

ARTICLE 2

INTERPRETATION OF THE CONTRACT

In this Contract, unless the context otherwise requires, shall apply the following interpretations:

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This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

- 2.1** A word used in the singular number includes even the plural number and vice versa. Reference to one gender includes even the other gender;
- 2.2** A “**Party**” refers to the Concessionary Company or the Contracting Authority, as the case may be;
- 2.3** Reference to a Law, an administrative act, an order or an instruction shall include a reference to that Law, administrative act, order or instruction as amended, added or reapproved from time to time, as well as any other regulation issued hereunder and for its implementation. The consequence of any such amendment, addition or re-approval of this Contract shall be settled in accordance with the Article s of this Contract;
- 2.4** Reference to a Person includes his descendants or Persons authorized by him under the Law;
- 2.5** Reference to any Article , paragraph or Appendix, unless expressly stated to the contrary, is a reference to that Article , paragraph or Appendix of this Contract;
- 2.6** References to this Contract or any other document contained therein shall mean a reference to any change / amendment or addition of this Contract, as may occur from time to time;
- 2.7** This Contract also includes its Annexes;
- 2.8** The titles and numerical order used for the Article s, paragraphs, subparagraphs, appendices and table of contents are for convenience of reference only and will not affect the interpretation of this Agreement;
- 2.9** A reference to each institution or decision-making body refers to the existing institution and decision-making body and if that institution or decision-making body ceases to exist, is restructured or shares responsibilities with other institutions or bodies, it refers to the successor institution or body or to the institution or body which inherits the existing responsibilities or which performs similar or same functions and purposes as the existing institution or body.
- 2.10** Unless the cases otherwise expressly provided in this Contract, in the event of a direct conflict between any provision of the main part of the Contract, any Annex or Documentation of the Tender Procedure, the order of priority shall be as follows:
- (i) this Contract;
 - (ii) its Annexes;
 - (iii) Bidding documents;
 - (iv) Documentation of the Tender Procedure;
- 2.11** Unless specifically provided for in the terms of this Contract, in the event of a direct conflict between any provision of this Contract and the Direct Agreement, the provisions of the Contract shall prevail.

ARTICLE 3

THE OBJECT OF THE CONTRACT

The object of this Contract is the award of concession /PPP “On the design, construction, operation, maintenance and transfer of Vlora International Airport (VIA) from the Concessionaire to CA”

ARTICLE 4

THE CONCESSIONAIRE AND THE CONCESSIONARY COMPANY

4.1 The Parties acknowledge that in accordance with the Law, as well as with the Documents of the Bidding Procedure, the Concessionaire has established the Concessionary Company to execute this Contract. The Concessionaire and the Concessionary Company are jointly responsible for the performance of the terms of this Contract.

4.2 Subject to the terms set forth in this Contract:

- a) The Concessionary Company shall have the exclusive right and obligation (i) to compile the Documentation of the final Project of the airport, after the aeronautical report has been made available by the appropriate authority; (ii) to carry out the Works according to the final Project of Implementation Project upon the approval by the Contracting Authority or the relevant Authority; (iii) to provide funding for the implementation of the Project Implementation; (iv) to carry out the operation and maintenance of the airport (to the extent specified in this Contract). (v) During the term of the contract, the Concessionaire has the exclusive right to exercise the rights of the Concessionaire stipulated in this contract in relation to this object.
- b) The Contracting Authority guarantees that it will not transfer or cede to any other person in any form, with or without remuneration, the rights of the Concessionaire or any of the obligations of the concessionaire under this contract, unless otherwise specified in the contract.
- c) The Contracting Authority is obliged (i) to make available to the Concessionary Company all the information, the Documentation, the assessments and the Project Idea necessary for the purpose of building, operating and maintaining the facility and compiling the Project Implementation, (ii) to perform all the obligations set forth in this Contract, (iii) to commit in order to support and assist the Concessionary Company in applying for and obtaining all the permits/ licenses regarding the Project, therefore the application shall be done according to the law in force; (iv) The Contracting Authority gives the Concessionaire the exclusive right and obliges it to perform the services specified in this contract during the term of the contract and under the terms of this contract (to finance, rehabilitate and complete on-site facilities, to operate, manage and maintain the facility) and (v) to collect

the fees under Annex 10 as well as lease fees for facilities which are allowed to be given for rent or other income allowed under this contract; and (vi) to fulfill the needs of construction, operation and maintenance of the facility and during the entire duration of the project, the Contracting Authority shall also grant the right of use to the concessionaire in relation to the ownership of the object of this contract.

ARTICLE 5

REFERENCES TO THE CONCESSIONAIRE AND THE CONCESSIONARY COMPANY

- 5.1** References to the Concessionaire in this Contract, except those in Article 3, Article 12.1.1, Article 12.1.2, which refer to both Parties, shall be considered as references to the Concessionaire only; and
- 5.2** The Parties agree that, in accordance with the Law and the Documents of the Bidding Procedure, the Concessionaire has established the Concessionary Company to execute this Contract, in place of the Concessionaire. The Concessionaire and the Concessionary Company are jointly responsible for the performance of the terms of this Contract.

ARTICLE 6

THE PRELIMINARY TERMS, THE DATE OF ENTRY INTO FORCE AND THE START DATE OF IMPLEMENTATION OF THE CONTRACT

6.1 The Date of Entry into Force

Upon its signature by the Parties and its approval by the Council of Ministers of the Republic of Albania, this Agreement shall enter into force upon the publication of the decision of approval in the Official Journal of the Republic of Albania (hereinafter “Date of Entry into Force”).

6.2 The rights and obligations of the parties under this contract are subject to the performance of the preconditions set forth in this contract. Preconditions must be performed by either party within the time limits specified in this Article , unless the parties agree to extend the time limit, or one party has waived in writing one or more of the preconditions, that shall be performed by the other party after the written approval for the waiver by the other party.

6.3 Despite the provisions of point 6.1 and taking into consideration the provisions of point 6.4, the obligation of the Concessionary Company to commence the Works becomes effective on the date on which the latter is performed under the terms mentioned below (“Start Date of the Contract Implementation”).

6.3.1 Submission of the Contract Guarantee by the Concessionary Company in accordance with Article 8;

6.3.2 Submission of the Project Implementation to Contracting Authority by the Concessionary Company within Months since the Date of Entry into Force;

6.3.3 Identification of Facilities subject to Expropriation if any by the Concessionary Company and the completion of the Expropriation procedures by the Contracting Authority, within 6 (six) months since the entry into force of the Contract, which are relevant to the implementation of the Project Implementation.

6.4 The maximum time limit for the performance of these terms shall be no more than months from the Date of Entry into Force of the Contract, unless the cases provided in Article 7 of this Contract.

6.5 The Concessionary Company, in its full discretion and after obtaining the consent of the Contracting Authority, under this Contract and the applicable law, may commence the Works. This shall not be deemed a waiver of the Concessionaire's rights under this Contract.

6.6 Other preconditions not subject to point 6.3 that shall be performed by the Contracting Authority:

6.6.1 The Contracting Authority shall guarantee the smooth possession of the Facility to the Concessionary Company upon the date of entry into force of this Contract.

6.6.2 The Authority guarantees that it has made the Albcontrol Aeronautical Study available

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

to Concessionary Company, a study which will evaluate the feasibility and possibility of flying at the airport.

- 6.6.3 The Authority guarantees the commencement of procedures for the provision of air navigation services for the departure and arrival of flights by Albcontrol within 3 to 6 (three - six) months upon the date of entry into force of this Contract. The services provided and the relationship between Albcontrol and the Concessionary Company will be regulated through the Letter of Agreement (LoA) prior to the date of the commencement of operation.
- 6.6.4 Approval of Project Implementation by the Contracting Authority within months from the submission date for approval.
- 6.6.5 All the required Approvals that need to be obtained by the Contracting Authority, under this Contract and the legislation in force, or before the Date of Entry into Force, shall be acceptable in form and content to the Concessionaire, within months.
- 6.6.6 The issuance of the required permits by the Contracting Authority and the support given to the Concessionaire in obtaining the permits by the Relevant Authorities, under this Contract and the legislation in force, aiming to enable the commencement of the implementation of the Project Implementation within months.
- 6.6.7 Selection of the Independent Engineer by the Contracting Authority, according to the provisions of this Contract, within months.
- 6.6.8 Submission of Project Territory by the Contracting Authority to the Concessionaire, in any case removes any obstacles that are posed to the commencement of Works, and the persons from there and from the Project Territory or all claims of the third parties for which the Authority is responsible. In order to avoid any doubt, the object is handed over to the Concessionary Company in its current state within 30 (thirty) days. The Concessionaire shall prepare all necessary documentation for the respective applications as well as it shall submit the applications to the responsible institutions for the purpose of obtaining the permits and the licenses, including the construction permit.

6.7 Start Date of the Contract Implementation

The start date of the contract implementation shall be considered the date of signature of the document of the commencement of the contract implementation by both parties after the performance of the preconditions set forth in Article 6 of this contract.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ARTICLE 7

NON-PERFORMANCE OF THE PRELIMINARY TERMS

7.1 In cases when the terms set forth in Section 6 have not been performed, the Parties shall meet to decide on a solution for the performance of the preliminary remaining terms.

7.2 If the preliminary remaining terms have not been performed yet **within months** from the proposed date, or within any other date to which the Parties agree in writing, this Contract will be terminated and:

7.2.1 In the event that the Contracting Authority does not perform with the terms and conditions relating thereto, the Contracting Authority shall pay the Concessionaire, as compensation agreed in advance, the costs of participation in the competitive/ tender procedure, as well as it shall unlock and return the Contract guarantee. The provisions of this paragraph do not exclude the Concessionaire from the right to claim compensation for any investment made up to that time, or other compensations, including those of financial agreements, which shall be imposed in accordance with this Contract. If the Concessionaire has other claims that will not be accepted by the Contracting Authority, then those claims will be subject to review and court decision.

7.2.2 However, in accordance with Article 15.1.3, the delay of the Contracting Authority to submit the Project Territory shall be considered according to the case as a Cause of Mitigation and/ or Cause of Compensation, either separately or together.

7.2.3 In case of non-performance of the preliminary terms by the Concessionaire, the Contracting Authority shall retain the Contract Guarantee as a compensation agreed in advance.

7.3 During the period between the data of entry into force of the contract and the start date of the contract implementation, the Contracting Authority commits to grant the Concessionaire access to the site in order to carry out the measurements and the tests as well as to perform other tasks which are necessary to fulfill the preconditions or to carry out other works. The Concessionaire is obliged to comply with all the safety facility standards in accordance with the legislation in force.

ARTICLE 8

THE CONTRACT GUARANTEE

8.1 The Concessionary Company shall submit the Contract Guarantee in a form that is acceptable

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

to the Contracting Authority in accordance with the provisions of points 8.1.1, and 8.1.3 of this Article (“**Contract Guarantee**”):

- 8.1.1 Upon the signature of the Contract, a guarantee is issued by an insurance company in the amount of% of the value of the Construction Works, according to the Project Idea submitted in the Bid, and this guarantee shall only be valid until the Start Date of the Contract Implementation.
- 8.1.2 (Seven) Work Days prior to the Start Date of the Contract Implementation and until the completion of works, it is issued a guarantee by a second level bank/an insurance company. The Amount of the Contract Guarantee for each year after the Start Date of the Contract Implementation shall be in the amount of% of the value of the Construction Works of that year, which shall be refunded to the Concessionary Company at the time of handing over of the successor guarantee pursuant to Article 8.1.3.
- 8.1.3 Upon the completion of the Works Period until the expiration of the Term of the Contract, the Concessionary Company shall, in order to fulfill its obligations under this Contract, submit the Contract Guarantee issued by a second level bank or insurance company in the amount of% of the value of the annual operating expenses provided for in the Financial Model, with the right to be renewed annually.

8.2 Contract Guarantee as presented above:

- 8.2.1 It is an instrument covering all obligations of the Concessionaire deriving from this Contract, and it is retained by the Contracting Authority in the event of non-performance of the Contract by the Concessionaire and the Concessionary Company;
- 8.2.2 Designates the Contracting Authority as the direct beneficiary; and
- 8.2.3 Upon the submission of the Contract Guarantee to the Contracting Authority, the latter shall examine it immediately upon the date of its submission, and if the Contract Guarantee is in accordance with the foregoing provisions, the Contracting Authority shall immediately accept and return the Bid Guarantee to the Concessionaire. In case the Bid Guarantee is not handed over to the Concessionaire by the Contracting Authority within a period of 10 (ten) Work Days from the date of submission of the Contract Guarantee, then the Contracting Authority shall pay a penalty in the amount of 0.1% of the value of the Bid Guarantee for each day of delay.

8.3 Execution of the contract guarantee

8.3.1 The Contracting Authority has the right to execute the contract security, to the extent provided in this contract, for:

- (i) Compensation for the damage caused by the Concessionaire to the Contracting Authority as a result of the non-performance of the Concessionaire regarding its obligations and guarantees provided for in this contract;
- (ii) Compensation for the damages and expenses caused by the Contracting Authority as the Contracting Authority exercises its right to intervene under this Contract;
- (iii) Performance of penalty payment that shall be paid by the Concessionaire provided for in this Contract;

8.3.2 The Contracting Authority has the obligation to notify the Concessionaire in writing of any performance of the contract security as well as of the reason of the performance. In case of the execution of the contract security by the Contracting Authority, the concessionaire shall, within 15 days from the date of the execution of the contract security, ensure that the contract security has the value it had at the time the contract security was executed and as required by this contract. The execution of the contract security by the Contracting Authority shall not exclude other legal means which belong to the Contracting Authority under this Contract.

ARTICLE 9

CONCESSION PERIOD

Unless the cases of premature termination of this Contract, in accordance with its terms, the Concession Period shall start from the date of entry into force of the Contract until the day of its **35th anniversary**. The calculation of the Concession Period shall not include periods in which implementation of this Contract has been delayed due to Force Majeure Events, Compensation/Mitigation Causes, or because the Contracting Authority has failed to perform its obligation under this Contract, which has had consequences or delays in the implementation of the project, therefore the time limit may be extended in accordance with the legal provisions set out in this Contract and the applicable legislation on concession.

ARTICLE 10

SUBCONTRACTS

During the performance of its obligations under this contract, the Concessionaire has the right to use and entrust the performance of one or more obligations and services under this contract to third

parties in the capacity of subcontractors. The Concessionaire is entirely responsible for the actions, delays and negligence of its subcontractors as well as that of the representatives and employees of the subcontractors as if it were the actions, delays and negligence of the Concessionaire itself.

The Concessionaire has the obligation to maintain a record of all subcontractors as well as a copy of all the contracts related to the subcontractors. These contracts are at least 30 percent of the total value of the concession contract in accordance with the applicable legislation on concession.

ARTICLE 11

CHANGE OF CONTROL

11.1 Notification of Changes

- 11.1.1 In accordance with the provisions of Article 32 of Law 125/2013, as amended, with the prior written consent of the Contracting Authority, the concession / public-private partnership contract may be transferred to a third party which meets the eligibility requirements, as set out in the Tender Documentation, under which the contract was originally awarded, unless these requirements refer to terms that are no longer necessary for the performance of the Contract, due to the fact that such obligations and requirements are already being fulfilled or realized by the previous concessionaire / private partner.
- 11.1.2 The Contracting Authority shall receive a written request from the Concessionaire for the approval of the CA for any transfer of shares/ quotas and control within the Concessionary Company and for any transfer of shares / quotas and control from any Shareholder to/ for an Affiliated Company to it, or to another Shareholder, or to /for an Affiliated Company of another Shareholder.

ARTICLE 12

GUARANTEES AND COMMITMENTS OF THE CONCESSIONAIRE/ THE CONCESSIONARY COMPANY

12.1 Guarantees of the Concessionaire / the Concessionary Company

The Concessionaire / the Concessionary Company declares, guarantees, and commits itself to the Contracting Authority that:

12.1.1 It is established and acts in accordance with the Law;

12.1.2 To its knowledge, no event has occurred that would have made the Concessionaire unable

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of performing its obligations and there is no fact or event that could lead to the non-performance of the Concessionaire's obligations; and

12.1.3 Upon the signing of this Contract, the Concessionaire or the Concessionary Company has not performed any action prohibited by the Law.

12.1.4 The Concessionaire further warrants, declares and commits itself to the Contracting Authority that, starting from the Date of Entry into Force:

12.1.5

- (i) Any commitment arising from the Project Documents represents a valid and enforceable commitment of the Concessionaire and each of the Project Documents is presented in the form required by law;
- (ii) The Project Documents have been prepared and their implementation and performance by the Concessionaire does not breach: Any Law, the Establishment Act or other internal documents of the Concessionaire; or the Obligations of the Concessionaire;
- (iii) No lawsuit has been filed against the Concessionaire and there is no pending litigation, arbitration or administrative proceeding or any other disagreement that is being resolved in any other way, and the Concessionaire has no information to its knowledge of any pending disagreement that needs to be resolved or a disagreement that may arise in the future, which may have an Essential Negative Effect.

12.2 Commitments of the Concessionaire / the Concessionary Company

12.2.1 General Obligation

The Concessionaire / the Concessionary Company shall:

12.2.1.1 Be aware of the rights that it shall obtain as well as it shall be aware of the nature and extent of the risks to be taken under this Contract; and

12.2.1.2 Collect, as far as possible, the necessary information which is legally available and accessible for the performance of its obligations under this Contract, if such information is available or it is made available by the Relevant Authorities, after being duly requested, including:

- (i) the information about the nature, location and condition of the Project Territory; and
- (ii) the information relating to the Archaeological Objects or Cultural Heritage Objects, areas of archaeological, scientific or natural interest, the conditions and opportunities offered by the site and the quality of the existing structures.

12.2.2 Without prejudice to the benefits (rights) of the Concessionary Company under this

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Contract, the Concessionary Company guarantees that:

- 12.2.2.1 It has inspected and controlled, as far as possible, the Project Territory and the surrounding areas and, where appropriate, all the other structures located throughout the Project Territory;
- 12.2.2.2 It has taken into account and used, as far as possible, the usual professional care as well as the professional methods applicable in Albania, and it is aware and it has been informed about the nature of climatic, hydrological, geological, ecological, environmental and general conditions of the Project Territory and its surroundings, (ii) the nature of the land and subsoil, including all sub-surface conditions; (iii) the form and nature of the Project Territory; (iv) the risk of damage or damage to the property adjacent thereto, or the risks affecting the Project Territory and the owners of such properties, (i) the nature of the materials (natural or non-natural) that shall be excavated, and (vi) the nature of the Project, the work, plants and materials that required for the Project.
- 12.2.2.3 The Concessionaire undertakes, at its own expense, the removal of all the structures, the buildings and other objects that impede the completion of construction work on site. In the event that any permit is required to remove the structures, buildings and objects that impede the performance of construction work on site, the Concessionaire shall, at its own expense, obtain such permits from the competent authorities. The Contracting Authority shall assist the Concessionary Company in obtaining the relevant permits. If the permits are under the competence of the Contracting Authority, then the Contracting Authority is obliged to provide, within the shortest possible time and within the legal framework, the permits, which are required for the removal of the structures in the designated areas of this project.
- 12.2.2.4 The Concessionary Company undertakes that it shall give access to the site to the Contracting Authority and to its representatives, in order to pursue the works of the Concessionaire and to ensure that the Concessionaire performs its obligations under the contract. The Contracting Authority is obliged to comply with all the safety standards and not to interfere with or interfere with the construction or operation of the facility.
- 12.2.2.5 The Concessionaire undertakes, at its own expense, to carry out all site measurements and site research that are needed for the construction work. The Contracting Authority is not responsible for the measurements, research and the related work performed by the Concessionaire.
- 12.2.2.6 The Concessionary Company agrees that any fossils, coins, other valuables and archaeological remains discovered at the site are owned by the Republic of Albania. In the event of the discovery of such an item at a location after the date of performance of the contract, the concessionaire shall immediately notify the Contracting Authority and

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grant the Contracting Authority or another competent authority access to the site to remove the item in question. The Concessionaire is obliged to follow the instructions of the Contracting Authority and the competent authority. If the discovered item is immovable, the concessionaire is obliged to allow the Contracting Authority or the competent authority to conduct the investigations required by law and to comply with the instructions of the Contracting Authority and the competent authority in this regard. The Contracting Authority is obliged to compensate the Concessionaire for all reasonable and documented expenses incurred to the Concessionaire as a result of the fulfillment of the obligations set forth in this point.

12.2.2.7 The Concessionary Company shall assign its representatives, who shall be the points of contact with the Contracting Authority and shall co-operate and coordinate with the PIU for the implementation of this Contract.

ARTICLE 13

WARRANTIES AND INFORMATION PROVIDED BY THE CONTRACTING AUTHORITY

13.1 Data made available

13.1.1 The Contracting Authority shall make available to the Concessionaire material, documents and certain data related to the Project and in the Project Territory, data and other matters that are or may be related to the Project and the Project Territory.

13.1.2 The Contracting Authority shall make reasonable efforts to make available to the Concessionary Company any other material that may be in its possession for the duration of the Contract, and which is of the kind that would have been made known if it existed at the time of making available of the existing data and which has an effect on the implementation of the Concession Contract by the Concessionary Company. Such additional material is considered as Available Data at the time they are given (but not before).

13.2 The rights and obligations of the Contracting Authority

The Contracting Authority guarantees that:

13.2.1 Has followed all legal procedures regarding the organization of the bidding procedure as well as of the selection of the Concessionaire and that it has consulted, followed and

observed the manuals, instructions and recommendations published by other authorities which are given the responsibility to oversee other sectors, subject to specific laws.

- 13.2.2 The organization of concession procedures, the selection and content of the Contract does not result in any breach of any agreement with third parties, any other Law of the specific sectors, manuals and recommendations given by other authorities under Special laws, of any international agreement, treaty or convention, to which the Contracting Authority and the Republic of Albania are parties or under which they have made commitments.
- 13.2.3 The Contracting Authority guarantees that in the case of works performed by a third party on the facility, the Concessionaire or the Concessionary company will not be liable for deficiencies, damages or effects of such Works on Works done by the Concessionary Company or changes or adjustments of the Project by the Concessionary Company, which may be necessary as a result of deficiencies, damages or effects of the work done by third parties.
- 13.2.4 The Contracting Authority guarantees that it will not take any action that will interrupt or hinder the performance of services, construction work, operation and maintenance of the facility, and the collection of fees by the Concessionaire, unless otherwise specified herein this contract. In the event of an unauthorized termination by the Contracting Authority, the Contracting Authority shall be obliged to compensate the Concessionaire for all costs, losses and lost profits incurred to the Concessionaire as a result of such termination.
- 13.2.5 The Contracting Authority guarantees the appropriateness of the Data made Available to the Concessionary Company, aeronautical study data and any other information provided to the Concessionaire or Concessionary Company.
- 13.2.6 The Contracting Authority shall guarantee that it will keep the Concessionary Company intact of any substantial changes that may affect its economic profitability as a result of project implementation in accordance with aeronautical study data. In order to avoid any doubt, and aiming at keeping the concessionary company intact, in the event of such a change, the parties shall sit in good faith to determine that the restoration of the economic stability of the concessionary company shall be effected by granting the right to the concessionary company to review service fees, in accordance with the concessionaire's financial performance indicators, submitted in competition.
- 13.2.7 For the entire duration of this contract, the Contracting Authority shall not be entitled to:
- (i) change the fees and set any fees, taxes or other payments for the facility and services, unless otherwise required in the contract, as well as in the legislation in force, and if they

do not affect the financial feasibility of the concessionaire, or (ii) interfere otherwise with the concessionaire's fee collection, unless otherwise provided by contract.

- 13.2.8 The Contracting Authority shall be obliged to: (i) ensure, for the entire duration of the Contract, the peaceful possession for the benefit of the Concessionaire; and (ii) ensure that it will not possess any part of the location after the contract date and it will not create rights in relation to the site or part thereof, except as provided in this contract.
- 13.2.9 The Contracting Authority has a duty to ensure that all roads that provide access to the site at the date of this contract are maintained in accordance with applicable law and standards. The Contracting Authority guarantees that it will ensure that all roads through which access to the facility is provided, will be open and usable for the entire duration of the contract, except in the event of a facility closure or suspension of works that may result from an emergency or force majeure event.
- 13.2.10 The Contracting Authority guarantees that it will make all possible efforts for reimbursement by the relevant VAT Authorities in favor of the Concessionaire in a timely manner and in accordance with the Law.
- 13.2.11 Until the Start Date of the Contract Implementation, the Contracting Authority shall not hold the Concessionaire responsible for any damage that may occur prior to the date of handing over of the object. The Concessionaire is not responsible or financially liable for any defects, or deficiencies in the operation of the airport, which should have been made known, but have not been published or previously made available by the Contracting Authority (These include connection of the airport with electricity, water, or sanitation supply network and are not limited to these).
- 13.2.12 The Contracting Authority commits itself to taking all appropriate steps and to provide all necessary concrete assistance and to maintain constant contact with the relevant, Central or Local Competent Authorities, which have the authority to issue relevant permits and licenses to the Concessionary Company, so that these authorities provide the Concessionaire/Concessionary Company with the relevant permits/licenses, in a timely manner and without delay with respect to the implementation of the Contract, as long as the latter has fulfilled its application obligations under the Law.
- 13.2.13 The Contracting Authority undertakes that it shall ensure the peaceful enjoyment of the rights granted to the Concessionaire on this Contract throughout the validity of this Contract.
- 13.2.14 The Contracting Authority, throughout the validity of this Contract, shall ensure non-infringement by third parties of the activity of the Concessionary Company and shall take all measures to resolve any problems that third parties may have with respect to the

implementation of this Contract, in particular regarding any Expropriation matters, if any, or other claims by third parties. Coverage of costs associated with these Expropriations, if any, under this Contract shall be borne by the Concessionaire.

- 13.2.15 The Contracting Authority shall guarantee to the Concessionary Company, on its own or when appropriate, in co-operation with other relevant Authorities, the peaceful enjoyment and access to the Project Territory or Site for the duration of this Contract, including the right to open, construct, use national or local access roads to the construction Site and/or use of these or other roads to the Site by the Concessionaire's vehicles free of charge, except for national toll roads, for which the concessionaire will make the relevant payments.
- 13.2.16 The Contracting Authority undertakes, for the duration of the Contract, to make its best efforts to assist the Concessionary Company in fulfilling and complying with its obligations under this Contract and not to create any obstacle to the Concessionary Company in respect of implementation of the Contract.
- 13.2.17 Notwithstanding any other clause of this Contract, the Contracting Authority in all cases shall cooperate in good faith and provide reasonable assistance to the Concessionaire or the Concessionary Company.
- 13.2.18 The Contracting Authority shall take all measures, in cooperation with the Authorities concerned, to provide the Concessionary Company with waste disposal sites related to Works to be carried out on the site in State-owned Land. This land shall be made available to the Concessionaire in the manner and procedure provided for in this contract for Additional Land. The Contracting Authority will cooperate with the Concessionaire to select these waste disposal sites so that (i) they are within reasonable distance from the Project Territory, so that the Concessionaire does not incur unreasonable additional costs for the transportation of waste (inert, soil, etc.) and (ii) not impede the approved development plans of the concerned Authorities having ownership of the land where the disposal is planned to take place. The cost of transportation and waste disposal will be borne by the Concessionaire.
- 13.2.19 The Contracting Authority shall make every effort to ensure that, after the Date of Signature of this Contract, the Concessionary Company is not subject to any new Taxes or Fees that any Relevant Authority or Contracting Authority may apply to the Concessionary Company because of the implementation of this Contract concerning the Works on Site. In order to avoid any doubt, this clause does not cover Taxes or Fees of a general nature and which apply to all entities in the Republic of Albania.

- 13.2.20 The Contracting Authority shall guarantee the standard conditions applicable to the use, by aircraft of each State, of all air navigation facilities, systems and equipment which will be provided by the Contracting Authority and the relevant Authorities for public use, and it shall also guarantee the safety in operation and enabling of Air Navigation, according to the Letter of Agreement (LoA) to be concluded between the Concessionaire and the Albcontrol Air Navigation Service Provider Society, prior to the start date of operation. All of these are set out in detail in Appendix 17.
- 13.2.21 The Contracting Authority, in cooperation with the concerned Entity, guarantees the provision of air navigation management and surveillance services in the Republic of Albania, in order to facilitate international air navigation, in accordance with the conventions and under the Letter of Agreement (LoA) to be concluded between the Concessionaire, and the Albcontrol Air Navigation Service Provider Society, prior to the start date of operation.
- 13.2.22 The Contracting Authority, in co-operation with the relevant Authorities, shall provide customs clearance facilities and immigration operational procedures for international transport of people and goods, in accordance with the legal practices and procedures recommended by ICAO. The relationship between the Concessionary Company and the relevant State Entities concerning these state services may be regulated by the relevant agreements.
- 13.2.23 The Contracting Authority shall guarantee the minimum income for a period of 10 years where the calculated minimum of guaranteed income is equal to the level of income for the first 10 years of operation, with which the total project NPV becomes 0. Also if the project revenue exceeds the projected level of revenue in the baseline scenario, then this will be split between the Contracting Authority and the Concessionaire in the ratio 50:50 in accordance with Appendix 18 to this contract.

13.3 Project Implementation Unit (PIU)

The Contracting Authority shall establish a Project Implementation Monitoring Unit within 30 (thirty) days of the date of entry into force of the Contract, throughout the period of this Contract, which shall serve as the Contracting Authority's representative and monitoring the implementation of the contract.

ARTICLE 14

PAYMENTS AND FEES

14.1 Regulated fees for Airport Services

- 14.1.1 The Concessionaire shall be authorized to determine Airport Service Payment by Airport Users and to keep Airport Service Payments during the Concession Term in accordance with Appendix 10 (Airport Service Payments). The Concessionary Company shall not charge any fees to Airport Users other than those expressly set forth in this Contract.
- 14.1.2 In setting the Payments for Airport Services, the Concessionary Company shall act in such a manner as not to be in conflict with the national and international legal obligations of the Republic of Albania, which complies with the Chicago Convention.
- 14.1.3 The Concessionaire shall collect the following taxes on behalf of the Government of Albania (which are otherwise collected by the Government of Albania in accordance with Applicable Law):
- Border Crossing Tax
 - and
 - other taxes/fees which may be imposed by the Government of Albania without prejudice to the rights of the concessionaire in case of legal changes.

By concluding this contract, the concessionaire is authorized to enter into special agreements with the competent authorities for tax/fee collection procedures in accordance with applicable legislation.

In such cases, the Concessionary Company shall be reimbursed for the possible administrative costs of such taxes and fees, and payments for the amounts collected on behalf of the Government of Albania shall be deposited on the last work day of the following monthly period, or as required by the Government of Albania in writing.

14.2 Periodic Assessment of Airport Service Payments (fees).

- 14.2.1 The Contracting Authority and the Concessionaire shall review Airport Service Payments every 3 (three) years during the Concession Period.
- 14.2.2 The Company may prepare and submit to the Contracting Authority and the concerned Authority for approval a proposal for changes in Airport Service Payments throughout the Periodic Review of Airport Service Payments. Proposals will be made from the documentation of the Argument for use and the calculations made.

14.3 Concession Fees

The Company shall pay in favor of the Contracting Authority a fee in the amount of of the profits distributed after theyear of operating for the entire duration of this Contract, each year.

CHAPTER 2 PROPERTY

ARTICLE 15

PROPERTY AND USE OF PROPERTY

15.1 Project Territory

- 15.1.1 The Contracting Authority declares that it will take the necessary measures to be the rightful owner of the Project Territory land where the facility is located, and shall hand over the Project Territory to the Concessionary Company prior to the Start Date of the Contract Implementation. Notwithstanding the provisions of this paragraph, the Contracting Authority shall allow the Concessionary Company to enter all parts of the Project Territory in order to check the conditions, or to take preliminary action to accelerate the commencement of construction works, starting on the date of the signature of the Contract.
- 15.1.2 The Contracting Authority guarantees that the Project Territory will be handed over to the Concessionary Company free from any liens or rights of third parties. Subject to Article 7.3, any breach by the Contracting Authority of this provision or the existence of the rights of third parties, shall be considered as the case may be, as a Cause of Mitigation and/or a Cause of Compensation, separately or jointly.
- 15.1.3 Ownership or other rights to all parts of the Project Territory belong to the Contracting Authority. The Contracting Authority agrees that, throughout the duration of the Contract, it will not transfer or remove any Project Territory or any portion thereof, or any interest therein, except in accordance with this Contract.
- 15.1.4 The costs and expenses of handing over the Project Territory and granting Concessionaire Rights shall be borne by the Concessionaire. The Contracting Authority agrees that any costs, damages, impediments or delays in the implementation of this Contract by the Concessionaire, as certified by the Independent Engineer, for reasons related to the Expropriations or control of the Project Territory by the Authorities or third parties shall be a Cause of Mitigation and/or Cause of Compensation, except where such delay is caused by actions or inactions of the Concessionary Company. The Contracting Authority guarantees

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that within the current fence of the airport, there is no facility for which the expropriation procedure was not carried out. Despite this, the concessionaire has no financial obligation for expropriations within the current fence of the airport.

15.1.5 On the Date of Termination of the Contract, the Concessionaire shall return to the Contracting Authority all Project Territory in accordance with the provisions of this Contract.

15.1.6 The Project Territory shall not be used by the Concessionaire for any other purpose other than as provided in this Contract in compliance with the applicable requirements of the Law and the terms of this Contract.

15.1.7 All Costs or Taxes (if any) for registration of ownership, or use of Project Territory at the Local Offices of the State Cadastre Agency and/or other costs arising from legal acts or bylaws, in respect of the registration of ownership of this land or its use, shall be borne by the Contracting Authority.

ARTICLE 16

“ARCHEOLOGICAL OBJECTS” OR “OBJECTS OF CULTURAL HERITAGE”

16.1 In the event of the discovery of any Archaeological or Cultural Heritage Object in the Project Territory, after the date on which the Contracting Authority has handed over the Project Territory to the Concessionary Society, or in cases where excavation for Archaeological or Cultural Heritage Objects has begun before signature of this Contract and not completed at the time of submission of the Project Territory, the Concessionary Company, as the case may be:

16.1.1 Immediately notifies the Contracting Authority as well as other relevant Authorities and takes all necessary steps required by Law to an operator carrying out works in connection with the Archaeological Object or Cultural Heritage Object.

16.1.2 Takes such steps as may be required by law from any of the Authorities concerned, which may include termination and non-completion of Works that may obstruct excavation of the Archaeological object or Cultural Heritage object, or which may have any consequence on the Archaeological Object or Cultural Heritage Object in any way; and

16.1.3 Takes all reasonable steps to preserve the Archaeological Object or Cultural Heritage Object in the same position and condition as it was found.

16.2 Non-Causing Delays

- 16.2.1 The Concessionaire shall make every reasonable effort to ensure that he or his Subcontractors in charge of the Works make every effort to ensure that there is no need for an extension of the termination period (by reorganizing the Program or otherwise) as a result of excavations related to the Archaeological Object or Cultural Heritage Object discovered prior to or during the Works.
- 16.2.2 If there is any delay in the completion of the Works as a result of excavations for the discovery or removal of the Archaeological Objects or Cultural Heritage Objects, or any other necessary work performed in connection with the Archaeological Object or Cultural Heritage object discovered either prior to the handing over of the Project Territory (where such work has not been completed prior to the handing over of the Project Territory), or which has been discovered after the handing over of the Project Territory, the Concessionaire is entitled to benefit from a Cause of Mitigation. If the delay is more than Work Day/s, then this delay will be a Cause of Compensation.

16.3 Supervision/Monitoring and Action Plan

- 16.3.1 The Relevant Authorities as well as any Person acting on behalf of each of them, have the right to enter and exit the Project Territory for the purpose of investigating any object defined under Article 16.1, giving written notice to the Concessionaire at least Work day/s ahead. If the authorities above have formulated a plan to deal with the Archaeological Object or Cultural Heritage Object and/or any excavation associated with it, the Concessionary Company undertakes to provide the necessary and commercially reasonable assistance to implement it. The Contracting Authority, as well as the Relevant Authorities and their Authorized Persons, shall act and make every effort not to hinder the Concessionary Company in the performance of its duties under this Contract.
- 16.3.2 The Concessionaire shall comply with the terms of any decision of any Relevant Authority with respect to Archaeological or Cultural Heritage Objects. Excavations will be carried out under the supervision and with the participation of the Contracting Authority, as well as of any Responsible Authority or any Person acting on their behalf.

16.4 Ownership of archaeological or cultural heritage objects

All Archaeological or Cultural Heritage objects are the property of the Republic of Albania.

ARTICLE 17

HAZARDOUS MATERIALS

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

17.1 In the event of the discovery of any hazardous, toxic, or contaminated material or substance beneath, above and/or in the Project Territory, the Concessionaire:

- a) immediately notifies the relevant Authority and the Contracting Authority; and
- b) takes all necessary steps to ensure the safety of people and property.

17.2 The Contracting Authority, in cooperation with the Concessionary Company, shall take all necessary steps to remove and/or neutralize such materials or substances (in accordance with the Approvals, Standards and the Law). For the purpose of removing and/or neutralizing such materials or substances, the Concessionary Company shall allow the concerned Authority to enter the Project Territory and apply the relevant Authority's instructions.

17.3 If during the Works, the Concessionaire discovers in the Project Territory any hazardous, toxic or contaminated material or substance that (i) has not been brought into the Project Territory by the Concessionary Company or any Concessionaire, or (ii) the Concessionary Company was not able to identify or detect them prior to the date of signature either from the Available Data, or from the Project Territory naked eye investigation and the investigation of any external signs on the surface, then the discovery of such unpredictable, hazardous, toxic or contaminated materials or substances in the event of damage or delays to the Concessionary Company shall be considered accordingly as Cause of Mitigation and/or Cause of Compensation, separately or together.

ARTICLE 18

NECESSARY PERMITS

18.1 Existing permits and necessary approvals of the relevant contracting authority/authorities

- 18.1.1 The Contracting Authority shall grant to the Concessionary Company all necessary permits and approvals of the Contracting Authority, in accordance with the provisions of applicable national law, which are available and within the competence of the Contracting Authority, and shall make every effort so that the Relevant Authorities act the same with the permits and approvals which are within the competence of these authorities, immediately after the application of the Concessionary Company, in order for the latter to commence and complete the Works in accordance with the Project Implementation.
- 18.1.2 In the event when the Contracting Authority or a Relevant Authority fails to grant the necessary permit or approval in due time, with a view to commencing and continuing the Works in accordance with the Project Implementation, then this shall be deemed, as appropriate, as a Cause of Mitigation and/ or Cause for Compensation, separately or jointly, unless the Concessionary Company has failed to comply with the relevant legal requirements and formalities.
- 18.1.3 In the event when an existing permit or necessary approval of the Contracting Authority or of a Relevant Authority is removed, revoked, amended (not upon the request of the Concessionary Company), suspended or otherwise declared invalid due to a wrongful act or of an omission that did not result from the actions and/or omissions of the Concessionary Company, then this shall be considered, as appropriate, Cause of Mitigation and/or Cause for Compensation, either separately or jointly.
- 18.1.4 The Contracting Authority shall be responsible for applying for and obtaining all the permits granted in its name and for its account. The supporting documentation for such applications is prepared by the Concessionary Company. The latter shall be responsible for applying for and fulfilling all legal requirements and formalities required to obtain all the additional permits and approvals (if necessary after initial permits and approvals) required by the Contracting Authority or the Relevant Authorities, only in cases when the application and/or provision of such additional permits or approvals is done on behalf of and for the account of the Concessionary Company, or additional documentation must also be submitted on behalf of the Concessionary Company. The Contracting Authority guarantees and is committed that it will make every effort to support the Concessionary Company for being provided with all the necessary permits and approvals, and shall make every effort to ensure that, depending on the compliance of the Concessionaire with all legal requirements and formalities, permits are issued and approved by the Relevant Authorities. In the case when additional permits or approvals are granted in the name of and on account of the Contracting Authority, the Concessionary Company shall, as far as possible, be responsible for preparing the requisite requirements for the Contracting

Authority to apply for such permits and approvals. In case the Concessionary Company delays in fulfilling its obligations under this Contract, caused by the failure to grant or delays in issuing such permits and approvals by the Relevant Authorities or the Contracting Authority, not to the fault of the Concessionary Company, then such delays may constitute a Cause of Mitigation and in case of added costs, a Cause for Compensation.

ARTICLE 19

INDEPENDENT ENGINEER

19.1 Appointment

19.1.1 Within _____ days, as of the date of entry into force of this Contract, the Contracting Authority shall prepare the tender documentation required for the selection of the Independent Engineer. Such documentation shall include but not be limited to:

- (i) The scope of work of the Independent Engineer, i.e. the terms of reference which will be based on what is included in Annex 11;
- (ii) Criteria on which the Independent Engineer will be selected; and
- (iii) Key terms of the contract regarding the appointment and duties of the Independent Engineer, according to the key duties set out in Annex 11.

19.1.2 The Contracting Authority shall contract the Independent Engineer within 6 (six) months of the Effective Date of this Contract and his/her selection shall be in accordance with the Albanian Law on Public Procurement.

19.2 Duties and Authority of the Independent Engineer

19.2.1 Duties

The duties of the Independent Engineer shall be set forth in the contract for the Independent Engineer, but neither the appointment nor engagement of the Independent Engineer, nor the exercise or non-performance of such duties by the Independent Engineer shall in any way relieve the Concessionaire of any liabilities or any of its obligations under this Contract.

19.2.1.1 The Independent Engineer fulfils its reporting obligations to the Contracting Authority and to the Concessionary Company directly and simultaneously;

19.2.1.2 The scope of services and extent of the rights and obligations of the Independent Engineer shall be in accordance with the Contract, which shall contain the major obligations of the Independent Engineer set forth in Annex 11;

- 19.2.1.3 The Independent Engineer shall provide his/her services, at any time and under all circumstances, in accordance with the provisions set forth herein and the contract on the Independent Engineer and shall do so impartially and independently;
- 19.2.1.4 Prior to resolving a dispute, the Independent Engineer shall give the Contracting Authority and the Concessionary Company the opportunity to express their opinion on the matter;
- 19.2.1.5 The Concessionary Company shall have the right to consult with the Independent Engineer regarding all aspects of any matter relating to the Works or any Capital Repairs.
- 19.2.1.6 The Concessionary Company shall have the right to request from the Contracting Authority initiation of the procedures for terminating the Contract of the Independent Engineer, or replacing the Independent Engineer in the event of any breach of the provisions of the Contract or the Contract of the Independent Engineer by the latter, as well as in the event of unjustified and recurring obstacles by the Independent Engineer against the Concessionary Company in fulfilling the latter's obligations under this Contract.
- 19.2.1.7 If, during the term of the contract, the need arises that the contracting authority shall contract again an independent engineer for a specified period, as provided for in this contract.

In case the Contract of Independent Engineer is terminated earlier by the Contracting Authority, the latter shall notify the Concessionary Company in advance.

19.2.2 Authority of the independent engineer

- 19.2.2.1 Both Parties agree to accept as final and binding any decision taken by the Independent Engineer upon the proper execution of his authority under the Contract of the Independent Engineer, unless otherwise agreed in the Agreement on the Independent Engineer.
- 19.2.2.2 Upon receiving from the Independent Engineer the reports or documents with information, the Contracting Authority shall have the right to submit to the Concessionary Company its opinions thereon.
- 19.2.2.3 If this Contract requires the Independent Engineer to give its decision, opinion, consent, approval or determine the appropriate measures, subject to point 19.2.2.4 below, such decision, opinion, consent, approval or determination of the appropriate measures by the Independent Engineer shall be binding for the relevant Party, which should act accordingly.
- 19.2.2.4 If either Party is dissatisfied with the decision, opinion, consent, or measures ordered by the Independent Engineer, then such Party shall notify the other Party within

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15 (fifteen) Work Days from the receipt of the relevant notice by the Independent Engineer, provided that under no circumstances, the Concessionary Company shall have the right to suspend, stop or otherwise interrupt the Works during the process of resolving such a dispute, with the exception of works directly affected by such dispute as well as other works or whose completion or performance depends directly on the outcome of the resolved dispute. In case one of the Parties is dissatisfied with the decision of the Independent Engineer, Article 53 shall apply.

19.2.2.5 In order to avoid any doubt, the Concessionary Company shall not be liable for failure of fulfilling any of its obligations or its responsibilities, if such failure arises due to the fact that the Independent Engineer has failed to fulfill its obligations in accordance with this Contract and the Contract of the Independent Engineer.

19.2.2.6 If the Independent Engineer is not appointed at the time specified in this Article , or if his activity in accordance with this Contract and the Contract of the Independent Engineer is suspended, prohibited or abandoned for any reason, or when within 6 months of his appointment as the need arises, the Parties agree that the Contracting Authority or any person authorized/appointed by him shall carry out the function of the Independent Engineer until the latter is appointed or replaced.

19.3 Inspection, surveillance and reporting

19.3.1 The Independent Engineer conducts inspections to verify and monitor the completion of Works by the Concessionary Company according to the Project Implementation.

19.3.2 During the Construction Period, the Independent Engineer shall control and supervise the Works. Such control shall include the monitoring of the activity at each stage of the work, in order to ensure that the Works are being carried out in accordance with the quality requirements of the Contracting Authority, the Standards, and in accordance with the approved Project Implementation.

19.3.3 The Independent Engineer shall have the right to attend meetings on the progress of the Works, which shall be held between the Concessionary Company and the Construction Subcontractors, and to receive relevant notice regarding the time and place of such meetings.

19.3.4 The Concessionary Company/Concessionaire agrees and undertakes to:

- a) ensure that the Independent Engineer is given sufficient access to the Project Territory and to other facilities in which it is being rehabilitated or where some of the Construction Works are being carried out at any time for the purpose of monitoring the Construction Works; provided, however, that the Independent Engineer or his representatives shall, as appropriate, be subject to, and shall comply with, the applicable protection and security

procedures generally applied by the concessionaire to individuals who have been granted access to the facility.

- b) ensure that the Independent Engineer is given, after reasonable notice and during normal business hours, access to such persons and documents, which the Independent Engineer seeks on reasonable grounds;
- c) provide any assistance and access to any equipment and materials that may reasonably be required by the Independent Engineer;
- d) permit the Independent Engineer, with prior notice of one (1) Business Day, to formally inspect, control, investigate or otherwise test every aspect of the Construction Works and their progress, provided that the Independent Engineer makes every effort to minimize any unnecessary disruption of the construction works;
- e) not interfere with or otherwise hamper the performance of the duties and obligations of the Independent Engineer under this Contract or the Contract of the Independent Engineer; and
- f) promptly correct any defects, errors, delays or other failures identified by the Independent Engineer.

19.4 Cost

Costs incurred related to the selection, appointment and employment of the Independent Engineer shall be borne by the Contracting Authority.

19.5 Term

The Initial Contract of the Independent Engineer shall be entered into for a period up to the expiration of the Defects Liability Period (the Works Guarantee Period as provided in this Contract). Thereafter, each Contract of the Independent Engineer shall be for at least a maximum period provided by the Albanian legislation on public procurement.

19.6 Replacement

Should the Independent Engineer resign, or otherwise be replaced, a new Independent Engineer shall be appointed in accordance with Article 19.1.

CHAPTER 3

DUTIES OF THE CONCESSIONAIRE

ARTICLE 20

AIRPORT MASTER PLAN, IMPLEMENTATION PROJECT AND REAL IMPLEMENTED PROJECT

20.1 Airport Master plan

- 20.1.1 The Concessionary Company is obliged to prepare the Airport Master Plan according to the work program, within _____ calendar days from the date of signing this contract, in accordance with applicable legislation and international standards.
- 20.1.2 The Concessionary Company shall have the right to review the Airport Master Plan every 5 (five) years after the Start Date, in accordance with technological, financial, technical and other developments, in compliance with the applicable legislation and international standards. The revised Airport Master Plan is submitted for approval to the Contracting Authority through an independent Engineer.
- 20.1.3 The Contracting Authority shall make comments regarding the airport master plan, if any, and shall communicate them to the Concessionary Company within..... Calendar Days. The Contracting Authority's comments relate only to cases where the master plan is not in compliance with the applicable legislation and international standards.
- 20.1.4 The Contracting Authority shall approve or reject the approval of the revised Airport Master Plan and/or Project Implementation on the basis of the recommendations of the Independent Engineer or other state entities within..... Calendar days, from the date of its submission by the concessionaire. If the Contracting Authority does not grant approval or rejection within _____ calendar days, the approval shall be deemed to be given in a tacit form.
- 20.1.5 If the Contracting Authority rejects the revised Airport Master Plan on the basis of the recommendations of the Independent Engineer, it shall not delay the response and shall argue and justify it in each case. Any delay or cost incurred by the Concessionaire or the Concessionary Company as a result of the delay of the Contracting Authority shall be deemed as appropriate Cause of Mitigation and/or Cause for Compensation, either separately or jointly.

20.2 Project Implementation

- 20.2.1 The Contracting Authority shall provide the Concessionary Company with the object and other information relating to the Project ("Project Idea"). The Project Idea is part of the Tender Documentation. The Concessionary Company has the right to modify the Design and Construction Schemes when designing the Project Implementation.
- 20.2.2 The final Detailed Project shall be considered herein as the Project Implementation (hereinafter referred to as the "Project Implementation "), and shall become an integral part of this Contract. In case of non-compliance with the Project Idea, the approved Project Implementation shall have priority.
- 20.2.3 The Concessionary Company shall develop the Project Implementation and shall ensure that all the detailed final design Construction Schemes in the framework of the Project Implementation are in accordance with the requirements of the Contracting Authority and

the Relevant Authority and the rules set forth in the relevant legislation. The Concessionary Company submits the Project Implementation to the Contracting Authority within..... Months from the Effective Date of the Contract. The Contracting Authority shall notify the Concessionary Company about the decision taken by the latter.

- 20.2.4 The Concessionary Company shall design the Project Implementation in a manner consistent with the Project Idea, its technical specifications, its bid, applicable legislation and airport construction standards pursuant to ICAO Annex 14 and the Airport Master Plan. The works' Project Implementation cannot be changed without agreement between the parties following written consultation on the proposed/necessary changes, in accordance with the Project Idea. The Concessionary Company shall ensure that the design requirements of the airport in addition to the architecture and infrastructure requirements shall also include the necessary security measures in accordance with the NCSAC, both during the design phase of new facilities and in the cases of expanding existing facilities. . (ICAO SARPs 3.2.3 Annex 17).
- 20.2.5 The Contracting Authority shall be entitled to refuse or request amendment to the project implementation only if it does not comply with the applicable legislation, technical specifications and airport construction standards as set out in Annex 14 of ICAO and the Airport Master Plan. In any case, these changes shall not exceed of the value of the project implementation.
- 20.2.6 If the Contracting Authority rejects the main construction project in whole or in part, the Concessionaire shall be obliged to elaborate on the main project and submit the improved project to the Contracting Authority for approval within the deadline set by the Contracting Authority.
- 20.2.7 Any Project Implementation documentation created by the Concessionary Company based on a detailed final design scheme shall be submitted to the Contracting Authority for approval. The latter shall provide its comments on the Project Implementation Documentation, if any, and shall communicate them to the Concessionary Company within calendar days. The Contracting Authority's comments are related only to cases where the Project Implementation is not in compliance with the requirements set forth in Article 20.2.4.
- 20.2.8 In the event when the Contracting Authority submits comments, then within calendar days from their receipt, the Parties shall meet to discuss the comments provided. The Concessionary Company has calendar days to regulate the Project Implementation in accordance with the comments and submit the Regulated Project Implementation to the Contracting Authority. Upon submission by the Concessionary Company, the Contracting Authority has a term of..... calendar days from the Project Implementation Delivery Date to approve the latter.
- 20.2.9 In the event when the Contracting Authority is not expressed within a term of..... Calendar days, then, the approval shall be deemed granted.
- 20.2.10 The Concessionary Company should begin construction no later than..... Months from the date of approval of the Project Implementation by the Contracting Authority.

20.2.11 The Concessionary Company shall ensure that the Notice of Termination will be issued no later than months from the Start Date, unless otherwise stated herein.

20.3 Real Project Implementation

Immediately after the completion of the construction works and the signature by both parties of the certificate of completion of the construction works, the Concessionary Company is obliged to submit the design of the facility actually implemented to the Contracting Authority. Acceptance of the project of the constructed facility actually implemented by the Contracting Authority shall not relieve the concessionaire of its obligations under this contract.

ARTICLE 21

DEVELOPMENT AREA AND PROTECTED AREA

21.1 Development Area

21.1.1 In cases when the construction and installation of the aeronautical infrastructure required for the Project cannot be constructed within the Concession Area, then the construction or installation shall be carried out in the Development Area. The procedures for this expropriation will be followed by the Contracting Authority and the related payments will be covered by the Concessionaire.

21.1.2 The Contracting Authority shall ensure that:

- a) The Development Area shall be free from any structure, building or similar construction obstructions that are necessary for the operation of the Airport according to the operating safety and security restrictions.
- b) Any urban planning in the area shall take into account the Airport Master Plan and development and construction restrictions under this Contract. In order to avoid any doubt, the prior approval of the concessionary company shall be obtained in each case.
- c) No authorization shall be given to third parties to use or build in the Development Area, which may interfere with the performance of the primary or secondary radar system and/or facilities, or be in violation of any operating safety and security restrictions as detailed in Annex 14 to ICAO and/or other similar Conventions or in violation of the rights of the Concessionary Company under this Contract.

21.2 Airport Protected Area and Construction Restrictions

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

- 21.2.1 Airport Protected Area and Construction Restrictions shall be redefined in accordance with the approved Airport Master Plan and shall be approved by the Contracting Authority and other responsible entities within _____ calendar days from their submission by the Concessionary Company.
- 21.2.2 The Contracting Authority shall ensure that the Airport Protected Area shall at all times be free from any structures, buildings, facilities, roads or other obstructions to airport operating safety, in line with Aviation operating Security and safety restrictions of ICAO Annexes 2, 6, 8, 14, 17.

ARTICLE 22

FACILITY MANAGEMENT UNTIL ITS DELIVERY AND RECEIVING THE CERTIFICATES

22.1 Unauthorized Persons

The Concessionary Company shall take all precautions in order not to allow unauthorized persons to enter the Project Territory. While carrying out a Site Activity during the Construction Periods, the Concessionaire may enclose these areas to prevent unauthorized persons from entering the Project Territory. The Concessionary Company undertakes all precautions to (i) maintain its personnel and equipment within the Project Territory, (ii) commit that each of its Subcontractors takes all the necessary precautions to maintain their personnel and equipment within the Project Territory and (iii) prevent them from accessing adjacent lands unless necessary for the completion of the tasks specified in the Contract.

22.2 Removal of Waste

The Concessionary Company shall keep the Project Territory free from unnecessary waste or obstacles and shall store or remove any equipment, Temporary Objects or redundant material. The Concessionary Company cleans or removes from the Project Territory any waste, remains or temporary work that is no longer required for the Project.

22.3 Quality Management

The Concessionary Company shall develop and implement quality control and assurance systems, in accordance with the Standard, at each stage of the Project Implementation. The Concessionary

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Company undertakes that each of the Subcontractors shall comply with the same Standards.

The Concessionaire will be granted the certificates for (a) ISO 9001 Quality Management System, (b) ISO 10002 Complaints Management System and (c) ISO 14001 Environmental Management System related to the airport prior to the second year of the Date of Entry into force of the contract. Certificates must be valid throughout the duration of the contract.

22.4 Quality Control

The Contracting Authority, or any institution or Person designated by the Contracting Authority, shall, on a frequent basis, at its own discretion, at its own expenses, carry out a review of the quality control procedures of the Concessionary Company and of the Subcontractors to ensure that the obligations are fulfilled under this Contract.

22.5 Completion of Works

Completion of airport works means that:

- a) Construction to commence operation has been completed; and
- b) The inspection and/or delivery (issued by the Relevant Authority) are provided.

22.6 Technical Delivery and/or Post-Completion Inspection

Not less than calendar days prior to the date when the Concessionary Company anticipates that the Works are to be completed, the latter shall notify in writing the Independent Engineer and the Contracting Authority. The Concessionary Company provides the Independent Engineer with the Project Documentation as per the agreed technical submission procedure along with additions, if any, to the Construction Schemes updated with the relevant changes made during construction, for inspection purposes (drawings/real status). This procedure is implemented by the Independent Engineer, Contracting Authority, Concessionary Company, Construction Subcontractor and any appropriate Relevant Authority, which is invited or whose presence is required by Law. The Concessionary Company attaches to the above mentioned written notice the Certificate of the Independent Engineer, which confirms that the Works have been completed and have been fully met.

22.7 Provision of Certificates of Use

22.7.1 The Concessionary Company shall apply for any Certificate of Use and the Contracting Authority shall be obliged to provide the necessary assistance for its issuance. If the Concessionary Company has fulfilled all the obligations under this Contract, it shall be

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- provided with the Certificate of Independent Engineer, as specified in clause 22.6.
- 22.7.2 The Concessionary Company shall immediately notify the Contracting Authority about the date of inspection of the Project Territory by the Relevant Authority. The Contracting Authority may participate in any inspection carried out by any relevant Authority to determine whether a Certificate of Use may be issued.
- 22.7.3 If the Contracting Authority does not grant the Certificate of Use within the period provided for by the law, although the Independent Engineer and the Contracting Authority have not filed any objections to the Works and on the other hand, no further actions are required to be taken in order to complete the Works, provided that:
- a) The Concessionaire has fulfilled its obligations under this Contract and the relevant provisions of the Law when applying for a Certificate of Use; and
 - b) During the official inspection by the Contracting Authority prior to the application for the Certificate of Use, the Authority has not filed any objection in accordance with the Law identifying that the obligations or conditions required for the issuance of the Certificate of Use have not been fulfilled;
- then this will be deemed as appropriate a Cause of Mitigation and/or Cause for Compensation, either separately or jointly.
- 22.7.4 The Concessionaire shall be responsible for the development, implementation, certification and validation of the Airport Certificate in accordance with the applicable legislation, all required Authorizations and international standards.

ARTICLE 23

DEFECTS

23.1 Liability for Defects

- 23.1.1 Without prejudice to any other rights of the Contracting Authority under this Contract, the latter shall have the right to require the Concessionary Company to repair any Defects in its Works at its own expenses, in accordance with this Contract, during the relevant period of its defects liability ("Defects Liability Period").
- 23.1.2 The Concessionary Company shall be responsible for and shall perform as soon as practicable any construction, repair or other works required as a result of a Defect, except as otherwise provided herein.
- 23.1.3 Upon completion of a Work, in accordance with Clause 22.6, the Independent Engineer certifies that such Work has been performed in accordance with the Standards as per the Project Documentation. In cases when such Works are not completed in accordance with the Standards, the Concessionaire is required to perform other Works until their completion.

To avoid any doubt, the Concessionary Parties throughout the Concession Period and its phases shall not be liable for Defects resulting from a Cause for Compensation, Cause of Mitigation or Force Majeure Event.

23.2 Defect Repair Procedure

23.2.1 If a Defect is identified during the Airport Operation Period, the Concessionaire shall rectify the Defect/Defects. The project/actions for eliminating the defect will be approved in advance by the Independent Engineer. The cost of repairing the Defects will be borne by the Concessionaire.

23.2.2 The Concessionaire at any time:

- a) Performs the Works and Services so as not to deteriorate a Defect and;
- b) As soon as it becomes aware of a Defect, makes every reasonable effort to mitigate the consequence of that Defect; and
- c) Takes all steps to minimize the consequences of any known Defects.

The Concessionaire shall notify the Contracting Authority and the Independent Engineer within..... Calendar days of becoming aware of or finding a Defect and thereafter shall provide the Contracting Authority and the Independent Engineer with any further information regarding such Defect. The Independent Engineer, based on this information, shall give his opinion within a reasonable time, regarding the application of measures for its repair.

23.2.3 No later than Calendar Days after being notified or finding a Defect, the Concessionaire shall submit to the Contracting Authority and the Independent Engineer a proposal for repairing the Defect. No later than..... Calendar days following receipt of the Concessionaire's proposal, the Contracting Authority shall either approve it in writing, or shall suggest the appropriate changes to the Concessionaire's proposal.

23.2.4 If the Contracting Authority deems that it needs more time to consider the proposal, the additional deadline shall be notified in writing to the Concessionaire, but this additional deadline may not be more than Other Calendar Days. If the Contracting Authority fails to respond to the Concessionaire's proposal, then the proposal shall be deemed approved.

23.2.5 If the Contracting Authority suggests changes to the Concessionaire's proposal, the Concessionaire shall within _____ calendar day of receiving the suggested changes, submit the proposal to the Independent Engineer, who shall immediately make a final decision for the proposal. The decision of the Independent Engineer shall be binding on the Parties, unless one of the Parties rejects thereto, in accordance with Article 53, within _____ calendar days from the receipt of the Independent Engineer's Decision.

ARTICLE 24

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

AERODROM OPERATION

From the date of completing the construction works and receiving the certificate of use under Article 22.7 above, the concessionary Company shall be entitled to apply to the relevant authority for airport certification in accordance with the requirements of Law No. 10040 dated 22.12.2008 “Air Code of the Republic of Albania”, as amended, and its bylaws issued pursuant to it.

Upon receipt of the airport certificate, the concessionary Company is obliged, at its own expenses, to operate the facility and provide the services as specified herein and the annexes thereto.

24.1 Aerodrome Services

Starting from the date of implementation of this Contract, unless the parties otherwise agree, the Concessionaire is obliged to ensure, or to insure, at its own costs and expenses, the Airport Services (as set forth in Annex 4), throughout the duration of this Contract in compliance with the Standards, Operations and Maintenance Manual, Key Performance Indicators, Airport Emergency Plan, Environmental Management Plan, applicable legislation and conditions. In addition to any closure or suspension of operations under clause 16.1 or which may result from the effects of any Emergency, Force Majeure, the Concessionaire agrees to ensure that the airport shall be open and operational throughout the duration of this contract. The Concessionary Company is obliged, at its own expense, to provide all the permits, approvals, authorizations, certifications and licenses needed to perform the services. The Contracting Authority is obliged to assist the concessionary company for obtaining such permits.

24.2 Ground Services

24.2.1 The Concessionary Company shall provide ground services for any and all flights arriving and departing from the airport.

24.2.2 Access to the market of ground processing services shall be in accordance with the legislation in force.

24.3 Security Perimeter

The Concessionaire shall at its own costs and expenses, maintain an adequate perimeter enclosed by barriers and controls, inside and around the facility, in accordance with the applicable laws, rules, regulations and decrees including also the Standards of Annex 17, Doc 30 of ECAC and national ones.

24.4 Equipment

- 24.4.1 The Concessionaire shall, at its own costs and expenses, order, provide and maintain the equipment in order to function properly, in a sufficient quantity and quality and in accordance with the national requirements which are needed by the Concessionaire to prepare the Airport Services, including but not limited to: Airport Security Services, CFR Services and Health Services, in accordance with the Standards, Operations and Maintenance Manual, Airport Security Program, Contingency Plans, Key Performance Indicators, Airport Emergency Plan, Environmental Management Plan and in accordance with applicable legislation.
- 24.4.2 The Concessionaire shall, at its own costs and expenses, ensure and maintain in good working conditions, the visual auxiliary equipment in accordance with national requirements and ICAO SARPs as required in connection with the provision of Air Traffic Control Services by the Competent Authority.

24.5 Emergencies

- 24.5.1 The Concessionary Company is obliged to develop a "Contingency Management Plan", in accordance with the legislation in force and the approved standards, Annex 14 attached hereto. The contingency management plan shall be drafted and submitted for approval to the Contracting Authority no later than 18 (eighteen) months after the date of entry into force of this contract. Its approval or revision by the parties shall be in accordance with Article 20.1.2, 20.1.3, 20.1.4, 20.1.5 of this Contract.
- 24.5.2 The Concessionary Company agrees that any competent authority may take any actions it deems necessary to prevent or respond to an emergency, which may include the closure of the facility or the suspension of facility operation. The Concessionaire is in charge to provide in good faith and with due diligence all the support that may be required by the competent authority.

Throughout the Period of this Contract, the Concessionary Company should coordinate with the Operator and the Responsible Authorities in order to maintain, to review and implement an Airport Emergency Plan and shall be responsible for coordinating all activities in the event of an Emergency. The Concessionary Company acknowledges and agrees, however, that any Competent Authority may take such steps as may be necessary to mitigate or prevent any Emergency (including, but not limited to, closing or suspending airport operations as a result of Emergency or Airport Emergency Plan).

24.6 Public and operational services

Throughout the term of the contract, the concessionary company is obliged, at its own

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expenses and in accordance with the law, to ensure that the facility is continuously supplied and in sufficient quantity with (i) drinking water, (ii) electric power, (iii) wastewater collection services, and (iv) Telecommunications services.

To avoid any doubts, the Contracting Authority is responsible for supplying the Concession Area with electric power from the electric network. The Contracting Authority is responsible for supplying with water the nearby area up to the Concession area from the hydro/water network. In the event that the Government does not timely intervene to supply with energy, water, or provide sewage services, the concessionaire may do so at its own expenses, for which it is entitled to be compensated from the Contracting Authority. These conditions constitute a cause for compensation, a cause of mitigation, either separately or together.

The Concessionary Company is obliged, at its own expense, to provide all the services for fire prevention, fire fighting, medical and rescue services, as well as facility security

24.7 Facility

- 24.7.1 The Concessionary Company shall be liable to develop the "Environmental Management Plan", pursuant to the applicable legislation and approved standards, annex 13 to this contract. The Environmental Management Plan shall be drafted and submitted for approval to the Contracting Authority not later than 9 (nine) months after the date of entry into force of this Contract. Its approval or revision by the parties shall be in accordance with Section 20.1.2, 20.1.3, 20.1.4, 20.1.5 of this Contract.
- 24.7.2 The Concessionary Company shall be liable to take all necessary actions and as required by law to protect the environment in the project site / territory and to limit any damages, obstacles and risks that may be caused to private persons and property by environmental damages and other harmful effects to the environment resulting from the operation of the facility. The Concessionary Company is not liable to third parties for any noise that may be caused by the operation of the facility provided that the noise is within the levels permitted by law. To avoid any doubt, the Concessionaire shall not be liable to third parties for the noise emitted by aircraft.
- 24.7.3 The Concessionaire shall ensure that air emissions, surface and current discharges and the handling or disposal of any waste coming out of the airport during the Period of this Agreement shall be in compliance with the applicable legislation and the Environmental Management Plan.
- 24.7.4 /state . The Concessionaire shall not be liable for any Pre-existing Environmental Condition and shall be solely responsible for any material adverse effects on the environment or pollution or any material harmful to health resulting from the airport after the Implementation Date of the Contract. .
- 24.7.5 The Concessionaire shall ensure that all, his subcontractors, licensors, exclusive sellers and lessees comply with the Environmental Management Plan and all applicable laws,

rules, regulations and decrees relating to the Environment regarding the activities undertaken at the airport.

24.8 Personnel and Trainings

The Concessionaire shall at his own cost and expense:

- a) To hire at the airport, or promote employment or otherwise hire, a number of persons trained and experienced enough to operate the airport, provide Airport Services and operationalize any Airport Development; all in accordance with ICAO (International Civil Aviation Organization) Standards, ECAC, “NCASP” (National Civil Aviation Safety Program), Key Performance Indicators, Environmental Management Plan and Operation and Maintenance Manual, Airport Security Program and Contingency Plans;
- b) Provide regular and continuous professional training and programs to all employees or other personnel engaged by the Concessionaire in compliance with the Standards.

24.9 Operating Period

- 24.9.1 Operating Period begins after the completion and issuance of the Certificate of Use, which certifies that the Works have been carried out as per the Project Implementation submitted by the Concessionaire (hereinafter "Operation Phase"), as well as the issuance of the Certificate of Operation.
- 24.9.2 The Concessionary Company shall provide Operating Services, throughout the period contemplated for Operation, in compliance with the airport certificate issued by the Responsible Authority and the Operations and Maintenance Manual pursuant to Annex 12 and in accordance with all standards and national and international applicable requirements.
- 24.9.3 In providing Operation and Maintenance Services, the Concessionary Company shall make all reasonable efforts necessary to ensure that it does not operate in such a way that adversely affects the operation of the airport and its traffic.

24.10 Commercial Airport Services

The Concessionaire shall be obliged to provide or promote all necessary services, reasonable for the safe and continuous operation of the airport including but not limited to the provision of facilities and commercial airport services such as::

- a) Food and beverages
- b) Banking services and foreign exchange bureaus
- c) Advertising and publicity
- d) Retail and / or duty free goods
- e) any other services normally provided at international airports, which are not otherwise provided by the Contracting Authority

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ARTICLE 25

MAINTENANCE

- 25.1**If the Concessionary Company does not perform the maintenance in the required form and standard, the Contracting Authority shall be entitled to require compliance with this obligation in accordance with the standards set forth in Annex 12.
- 25.2** The Concessionary Company shall maintain a register of incidents, including violations, events and acts of unlawful interference with aviation security, including the date and time of the incident, the description of the incident, and the actions taken by the concessionaire regarding the incident, including reporting obligations to the CAA “Civil Aviation Authority” and / or the National Incident and Accident Investigation Authority.
- 25.3** Starting at any time after the Date of entry into force of the Contract Implementation, but not later than calendar day from the start of the Airport Operation Phase under the Project Implementation submitted by The Concessionaire Company, in compliance with the requirements of the Operations and Maintenance Manual as set out in Annex 12 (part of this Contract), prepares and submits to the Contracting Authority all Programs related to Airport Maintenance Management (hereinafter “Maintenance Plan”).
- 25.4** Within Calendar Days after receiving from the Contracting Authority the Airport Maintenance Plan by the Concessionaire Company, the Contracting Authority through the CAA responsible authority, shall approve the Maintenance Plan or make any observations or recommendations in compliance with Annex 12 (the "Operation and Maintenance Manual"). If there are any objections and / or recommendations by the Contracting Authority, the latter together with the submission of objections and / or recommendations shall set a date for the Concessionary Company to meet between the Parties to discuss the Plan and any comments and / or recommendations of the Contracting Authority. The Concessionary Company undertakes that it will carefully and confidently evaluate any submissions carried out by the Contracting Authority regarding the Maintenance Plan. Within calendar days after the meeting and within calendar days from the date of receipt of any comments or recommendations by the Contracting Authority , it shall send to the Contracting Authority the final version of the Maintenance Plan and in the event of disregard of the Contracting Authority's remarks and recommendations it shall also send an explanatory report on the reasons for not taking it into consideration. The final version sent by the Concessionary Company shall be considered as final and no further approval by the Contracting Authority is required.
- 25.5**The Parties shall develop a Maintenance Plan in collaboration with the Independent Engineer.
- 25.6**Any need for a subsequent amendment to the Maintenance Plan by the Concessionaire shall follow the same procedure and deadline as for its initial approval, pursuant to the preceding section.

ARTICLE 26

AMENDMENTS TO THE OPERATING AND MAINTENANCE MANUAL

- 26.1**The Concessionary Company may propose to the Contracting Authority an amendment to the Operating and Maintenance Manual pursuant to Annex 12. Within calendar days after receipt of proposals for amendment, the Contracting Authority itself, either through the Responsible Authority, approves the proposals or submits its observations or recommendations in a written form.
- 26.2**If there are any remarks and / or recommendations by the Contracting Authority, the latter shall, together with the submission of remarks and recommendations, set a date for the Concessionary Company to meet between the Parties, in order to discuss proposals for amending the Operating and Maintenance Manual, remarks and recommendations of the Contracting Authority.
- 26.3**The Concessionary Company shall carefully and confidently evaluate any submission made by the Contracting Authority or the Responsible Authorities with regards to the Operating and Maintenance Manual.
- 26.4**Within Calendar Days after the meeting and within Calendar Days from the date of receipt of any observations or recommendations by the Contracting Authority, the Concessionary Company submit for revision to the Contracting Authority the revised version of the proposals for amending the Operating and Maintenance Manual based on the Contracting Authority's remarks and recommendations.
- 26.5**The Authority shall respond to the new proposal within a period of Calendar Days from the date of submission of the amended proposal. If the Contracting Authority does not respond to or approve the Concessionary Company's proposal, then the current Operating and Maintenance Manual shall continue to be in force.
- 26.6**The Parties may continue to discuss and negotiate any necessary amendments to the Operating and Maintenance Manual until being approved by the Contracting Authority .

ARTICLE 27

THE OPERATIONS OF THE CONCESSIONARY COMPANY DURING THE OPERATION STAGE

- 27.1**The Concessionary Company undertakes (and commits that each Subcontractor and its employees will take) all necessary actions to operate and maintain the airport in such a way in order to ensure:
- a) Continuous and safe use of the airport on a 24-hour basis, except in the event of Force Majeure events, accidents or other events that render it unusable;
 - b) Compliance with the Operating and Maintenance Manual / Permits, provided and in accordance with the Operations and Maintenance Services requirements set by the Contracting Authority as well as the Concessionary Company Operation Standards and Proposals as proposed by

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- the winning bid.
- c) Acts as soon as possible on, other emergencies or incidents, as provided in the Operating and Maintenance Manual (s);
 - d) Except in the event of an emergency or an unforeseen event, the Concessionaire shall provide to Users and the Contracting Authority, as far as possible, the necessary warnings for any event affecting their use of the airport.
 - e) When a Maintenance, Repair or other Works deems it as necessary the termination or suspension of the use of the airport, or its closure for a period of time, the Concessionaire shall grant (i) to the Contracting Authority, (ii) the concerned Authority, and (iii) any interested Party and all Affected Users, by available means, prior notice of such a case, except in cases of emergency or minor disturbance. In the event of an emergency, or a minor disturbance at the airport, no advance notice is required, however, as soon as possible, but within a reasonable time, the Concessionaire Authority shall provide the Contracting Authority and any relevant Authority with the explanations of the event in question.
 - (f) The Concessionary Company shall, at all times, make reasonable efforts to minimize or avoid any disturbances to airport traffic.

27.2 The Concessionaire shall be responsible for the safety and operation of aviation in the Concession Area. The Government of Albania shall be responsible for public safety in and outside the Concessionaire Area.

27.3 The Concessionaire shall prepare a security plan as part of the Airport Security Program, under the Air Code and PKSAC, no later than days before the date of commencement of operations and shall be submitted to the Contracting Authority and Responsible Authority.

27.4 The Concessionaire shall prepare an operational safety plan, an integral part of the Aerodrome Manual and Operations Manual, no later than days before the date of commencement of operations. and must be submitted to the Contracting Authority and the Responsible Authority.

27.5 In the event that the Concessionaire decides to subcontract (delegate) aviation or security activities in operation in the Concession Area, the Concessionaire shall do so in full compliance with this Contract and all applicable legislation and precondition of approval of this delegation by the Contracting Authority or other state entities. The company selected by the Concessionaire shall be responsible for applying to obtain and maintain all authorizations and approvals required for conducting activities related to operational safety or civil aviation safety.

27.6 All staff engaged in aviation or airport security operations, and staff engaged in operations in the airspace, shall be subject to specific recruitment and training and certification procedures in accordance with the National Civil Aviation Safety Program pursuant to the applicable domestic law and international convention obligations. No person or subcontractor may undertake activities related to aviation security and / or airport operating security in the Concession Area without the prior approval of the Concessionaire and the CAA, pursuant to this Contract and all applicable laws in force.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ARTICLE 28

OTHER SERVICES

28.1 Fuel Plants and Supply Services

Concessionaire shall be responsible for refueling services at the airport and shall ensure that adequate fuel storage and refueling services are available at all times during the term of this contract. Fuel supply services must meet the supply requirements in accordance with the legislation in force and this contract as well. The Concessionaire shall ensure that supply services meet all relevant standards and comply with all applicable norms and laws. The Concessionaire may provide the above services directly or through third party service providers.

Contracts and Leases

- 28.1.1 The Concessionaire may contract its Affiliates or any other Person for the provision of any or all of the Airport Services or Airport Developments and may lease any part of the Facility to any of its Affiliates or any other Person to perform any or all Airport Services or Airport Developments or other activities. Any such lease may include all or part of the terminal, building or structure situated thereon, with the exception of airport spaces and buildings (i) reserved for the armed forces of the Republic of Albania, (ii) reasonably required by any Relevant Authority or any other Person Authority to perform any of the Government Services.
- 28.1.2 Unless the Concessionaire agrees otherwise in a written form, any previous contract or lease shall be subject to termination.
- 28.1.3 None of such contracts or leases or any amendment exempts the Concessionaire from any of its obligations with respect to such Airport Services under this Contract;
- 28.1.4 The Concessionaire shall ensure that the commercial terms of any such contract or lease or amendment are in accordance with the applicable law in force.

CHAPTER 4

SPECIAL EVENTS

ARTICLE 29

Cause for Compensation

- 29.1 If, as a result of a Cause for Compensation:
- a) The Concessionary Company delays in realizing the Works under the Program; or
 - b) the Concessionaire is not able to fulfill its other obligations under this Contract; or

- c) The Concessionary Company incurs or will incur costs that would not have been incurred, or have not generated or will not generate income that would otherwise have been generated if such a Cause for Compensation had not occurred.

The Concessionaire / Concessionary Company may claim one, some or all of the following benefits, as the case may be, in the form of:

- i) An extension of the scheduled date of preliminary termination of construction work for the delay suffered by the Concessionary Company under its schedule;
- ii) Exclusion from the fulfillment of its obligations to the extent that they are affected by the occurrence of the Cause of Compensation;
- (iii) The right to compensation; and / or
- iv) Failure to apply the provisions for termination of the Concessionaire / Concession Obligation Contract to the extent that the Cause for Compensation has caused its interruption or contributed materially to it.

29.1 When the delay in complying with the aforementioned notice deadlines is not caused by the Concessionaire or is caused for reasons not dependent on the Concessionaire, the Concessionary Company shall provide benefits under Section 29.1 above, in the event that it has notified the Contracting Authority and the Independent Engineer of the its claim to receive any of these benefits without undue delay, but no later than the maximum:

29.1.1 calendar days after the Concessionaire has received notice of the occurrence of the Cause of Compensation; and

29.1.2 not later than calendar day following the submission of the notice referred to in section 29.2.1 above:

- a) Provide the Contracting Authority and the Independent Engineer with a complete and detailed explanation of the Cause for Compensation and the benefits claimed;
- b) In the case of a delay, it has notified the Contracting Authority and the Independent Engineer of the approximate duration of such delay;
- c) It has notified the Contracting Authority and the Independent Engineer of any other relevant information relating to the Cause for Compensation; and
- d) It has notified the Contracting Authority and the Independent Engineer of the

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expected loss of revenue, or of an increase in costs resulting from a Cause for Compensation, provided that complete information is not available within calendar days from the date of giving notice under Section 29.2.1, the Concessionaire shall send a notice stating all available data and any calendar days after submitting this notice with further information to the Contracting Authority and the Independent Engineer; and

- e) It has proved to the Independent Engineer that:
 - a) The cause for Compensation has or will result in the deferment of Works, the non-fulfillment of other obligations of the Concessionaire, the increase of costs, or the non-generation of revenue by the Concessionaire; and
 - b) The Concessionaire has made all efforts, if the Cause for Compensation left reasonable opportunity for the Concessionaire to attempt, which may be reasonably required by the Concessionaire, to prevent or mitigate the consequences of the Cause for Compensation. In order to avoid any doubts, the claimed benefit corresponds only to the consequences of the Cause for Compensation, which could not have been prevented or mitigated by the Concessionaire by making such reasonable efforts.
- 29.1.2 If the Concessionaire has fulfilled the obligations set forth in Section 29.2 and the Independent Engineer has made a notice stating that a Cause for Compensation has occurred and that the Concessionary Company shall be relieved of its responsibility for failure to fulfill its obligation, in accordance with Article 29.1,
- a) When appropriate, the scheduled date of completion of construction works is postponed for a period of time determined by the Independent Engineer, but not less than the period of delay caused by the Cause of Compensation; and / or
 - b) If the Concessionary Company incurred, or incurs additional expenses, or incurred a loss of income that it would not otherwise have incurred / generated, it had not occurred such a Cause for Compensation, the Contracting Authority shall reimburse the Concessionary Company for such expenses and / or loss of income in order to return the Concessionary Company to a state that is neither better nor worse than before. The amount of such reimbursement shall, to the extent possible, be determined by the use of the Financial Model or factual situations; and / or
 - c) The Contracting Authority does not exercise its right of Early Termination of the Contract due to the Concessionaire's failure to fulfill its obligations caused by the Cause for Compensation; and / or
 - d) The Contracting Authority offers the Concessionary Company the option of

exempting from its obligations arising from this Contract, which are determined by the Independent Engineer,

provided that, unless the Concessionary Company or the Contracting Authority agrees to a written notice made by the Contracting Engineer, pursuant to this Article , any disputes shall be settled pursuant to Article 53. The written notice of the Independent Engineer shall be binding on the Parties, unless one of the Parties objects thereto within Calendar Days from the date of notification of the Independent Engineer of the occurrence of a Cause for Compensation, in accordance with the following procedure:

Within..... calendar days of the Party's opposition, the Parties shall hold a first meeting with the Independent Engineer, in order to discuss in detail the arguments of the Parties and the Independent Engineer regarding the Cause for Compensation. The parties shall hold a total of meetings with a time span of calendar days from each other. At the end of the meetings the Independent Engineer shall come to a final decision which is binding on the Parties unless they decide to apply Article 53 of this Contract. The Parties agree that, if the Contracting Authority decides to refer to the Arbitration Process under Article 44 of this Contract to resolve the disputes arising under this Article , then until the Court has rendered a decision, the Concessionaire shall have the right, but not the obligation, to suspend further completion of Construction or Operation.

29.2 See this provision of Section 29.2, the Concessionaire does not provide the Contracting Authority and the Independent Engineer with information up to one of the deadlines provided, it does not receive free of the aforementioned uses as a result of the Cause for Compensation.

29.3 The Concessionaire shall be obliged to notify the Contracting Authority and the Independent Engineer immediately if it becomes aware of any other information and / or material regarding the Cause for Compensation, and shall notify the Contracting Authority and the Independent Engineer of the details of such information, that are new or indicate that the information previously provided has been materially incorrect .

ARTICLE 30

Cause of Mitigation

30.1 When as a result of a Cause of Mitigation:

30.1.1 The Concessionary Company is not able to complete the Works in order to be able to obtain a Preliminary or Final Certificate of Use, by the scheduled preliminary termination date or the scheduled termination date; or

30.1.2 The Concessionary Company is not able to fulfill any of its obligations under this Contract; Then

The Concessionary Company may provide the following benefits, as the case may be, in the form of:

- i) Postponement of the Scheduled Preliminary Termination Date or the Scheduled Completion Date in accordance with the delay caused to the Concessionaire under its Schedule; and / or
- ii) Mitigation from its obligations or postponement of their implementation, insofar as they have been affected by the occurrence of the Cause of Mitigation; and / or
- iii) Upon granting of a Certificate of Use / Concession Act, in the case of a Cause of mitigation as a result of which the Concessionaire is unable to fulfill all or part of its obligations under this Contract, for a period longer than weeks, or due to any other valid reason, which has caused a delay of more than Months (period which includes any Cause of Mitigation that occurs prior to the issuance of the Certificate of Use, after approval / confirmation by the Independent Engineer, benefits from the non-application of the provisions for termination of the Contract due to Non-compliance by the Concessionary Company to its obligations, insofar as Non-compliance by the Company of the liabilities arisen as a result of a Cause of Mitigation, or if such a cause has contributed substantially.

30.2 Except cases when the delay in complying with the foregoing notice deadlines has not been caused by the Concessionaire or has been caused for reasons not dependent on the Concessionaire, the Concessionaire shall provide such benefits only in circumstances when he:

30.2.1 Has notified the Contracting Authority and the Independent Engineer of its request to grant any of these benefits without delay, but not later than the maximum of; and

30.2.2 Not later than calendar days after submission of the notice under the section 30.2.1 above:

- a) Provide the Contracting Authority and the Independent Engineer with a complete explanation of the Cause of Mitigation and the benefits claimed;
- b) In the event of a delay caused by the Cause of Mitigation, it has notified the Contracting Authority and the Independent Engineer of the estimated duration of such delay; and

- c) It has notified the Contracting Authority and the Independent Engineer of any other relevant information, provided that, if complete information is not available within calendar days of giving notice under Section 30.2.1, the Concessionaire shall send a notice to the Contracting Authority and the Independent Engineer to submit all available information and subsequently to provide further information to..... calendar days after the submission of this notice; and

30.2.3 He has proved to the Independent Engineer that:

- a) The Cause of Mitigation has resulted in the postponement of the Scheduled Termination Date, or the failure to comply with other obligations of the Concessionary Company; and
- b) The Concessionary Company has made all reasonable efforts, subject to the Cause of Mitigation, that the Concessionary Company may reasonably be required to prevent or mitigate the consequences of the Cause of Company. In order to avoid any doubts, the claimed benefit corresponds only to the consequences of the Cause of mitigation, which could not have been prevented or mitigated by the Concessionary Company.

30.3 If the Concessionary Company has fulfilled the obligations provided for in Article 30.2, and the Independent Engineer has provided a written notice stating that a Cause of Mitigation has occurred, and determines the appropriate assistance to be given to the Concessionaire pursuant to this Section 30.3, then:

- a) When applicable, the relevant date scheduled for the preliminary termination shall be extended by a period of time that shall be determined by the Independent Engineer, but not shorter than the period of delay caused by the Cause of Mitigation; and
- b) the Contracting Authority does not exercise its right to terminate the Contract prematurely due to Failure by the Concessionaire / Concessionary Company to comply with its obligations under this Contract caused by the Cause of Mitigation; and
- c) The Contracting Authority exempts the Concessionary Company from its obligations under this Contract, which are determined by the Independent Engineer, provided that, unless the Concessionary Company or the Contracting Authority disagrees with the written notice given by the Independent Engineer, pursuant to this Article , any disputes shall be settled in accordance with the following procedure:
 - (i) Within..... calendar days of receiving the Independent Engineer's written notice, the Parties shall hold a first meeting together with the Independent Engineer to discuss in detail the arguments of the Parties as well as the Independent Engineer regarding the cause for compensation.
 - (ii) The Parties shall hold a total of meetings with a time span of Work Days from each other. The Independent Engineer shall come up with a decision which is binding upon the Parties unless they decide to apply Article 53 of this Contract. The Parties agree that, if the Contracting Authority decides to refer to the Arbitration Process under Article 53 of this Contract to resolve the dispute arising under this Article , then until the Court has rendered a decision, the Concessionaire

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shall have the right, but not the obligation to suspend further performance of the Construction or Operation.

30.4 Except as provided in Article 29.2, in the event that the Concessionaire does not provide the Contracting Authority and the Independent Engineer with one of the terms provided for in this section, it shall not receive any of the foregoing benefits deriving from the Cause of Mitigation until it submits such information within the time limit specified in Section 30.2.

30.5 The Concession Company shall be obliged to notify the Contracting Authority and the Independent Engineer without justified delay in the event that it becomes aware of any other material information regarding an unforeseen Cause of Mitigation and shall notify the Contracting Authority and the Independent Engineer of the details of a such information, which is new or indicates that the information previously provided has been materially incorrect .

30.6 In the event that a Cause of Mitigation, or its consequences, continue to remain such that:

- a) Subject to Article 30, the delay in the issuance of the Preliminary Certificate of Completion or Certificate of Completion exceeds Months; or:
- b) Pursuant to Article 30, the Concessionary Company is not able to fulfill all or part of its obligations under this Contract for a period exceeding Months ,

Both Parties shall meet to find a satisfactory solution to such prolonged Causes of Mitigation. If both Parties do not agree to continue the benefits of the Cause of mitigation within calendar days, either Party may terminate this Contract in compliance with Article 53.

- c) In the event that the Cause of Mitigation described in section (d) of the definitions in the Cause of Mitigation, continues, or its consequences continue to remain such that:
 - i) Delay in issuance of Certificate of Use exceeds Month; or
 - ii) The Concession company is not able to fulfill all or a significant portion of its obligations under this Contract for a period exceeding Months,

Both Parties will meet to find a satisfactory solution to such Causes of Mitigation. If both Parties do not agree to continue the benefits for the Causes of Mitigation within calendar days, either Party may terminate this Contract pursuant to Article 53 of this Contract. In order to avoid any misinterpretation, non-approval, or rejection must be justified on the basis of the object and obligations of this contract.

ARTICLE 31

FORCE MAJEURE EVENT

- 31.1** Neither Party shall have the right to sue the other Party for breach of its obligations under this Contract due to a Force Majeure Event and to the extent that a Force Majeure Event prevents it from performing its obligations.
- 31.2** When a Force Majeure Event occurs, the Affected Party shall notify the other Party without reasonable delay. The notification shall include details of the impact of this event on the obligations of the Affected Party and any proposed action to mitigate its consequences.
- 31.3** Without reasonable delay, upon such notice, the Parties consult each other in good faith and make reasonable efforts to agree on appropriate conditions to mitigate the effects of the Force Majeure Event and to facilitate the subsequent performance of the Contract.
- 31.4** When the Parties do not agree to such conditions within Months from the date of commencement of the Event caused by the Force Majeure, and such Force Majeure continues, or its consequences continue to be such that the Affected Party is unable to fulfill all or most of its obligations under this Contract, either Party may terminate this Contract by giving prior notice days before the other Party ("**Notice of Termination for Force Majeure Events**"). The Concessionary Company shall be entitled to receive Contract Termination Compensation due to the Force Majeure Event.
- 31.5** If as a result of an Event caused by a Force Majeure:
- The Concession company is not able to carry out the Works in order to be able to obtain the Certifications, Certificate of Use and relevant approvals regarding the completion of the Works regarding the terms provided in the Project, by the date specified in the Works Execution Schedule ; or
 - The Concession Company is unable to fulfill any of its other obligations under this Contract; then

The Concessionaire shall receive a benefit in the form of:

- An extension of the scheduled completion date of the relevant Works section in accordance with the delay suffered by the Concessionaire under its Schedule;
- Exemption from its obligations insofar as they are affected by the Force Majeure Event;
- In the event of an Event caused by Force Majeure, which causes delays with respect to a particular portion of the Works, their termination or issuance of a Certificate of Use, and cause of extra costs not anticipated by the Final Design , can claim a Cause for Compensation;

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- (iv) The exemption from the termination of the Concessionaire's Fault Contract insofar as the non-compliance is caused or materially affected by the existence of the Force Majeure Event.

31.6 The Concessionaire may claim such benefits only in circumstances where it has notified the Contracting Authority and the Independent Engineer of its request to grant any of these benefits without reasonable delay, but in any event not later than the maximum:

- (i)) calendar days after the Concessionaire has become aware of a Force Majeure Event; or
(ii) Calendar Days after the event caused by the Force Majeure Event.

31.7 If as a result of a Force Majeure Event, the Contracting Authority is unable to fulfill any of its obligations under this Contract, then the Contracting Authority may receive a benefit in the form of:

- a) Exemption from its obligations insofar as they are affected by the Force Majeure Event;
b) Excluding the Contracting Authority from the termination of the Contract insofar as the non-compliance is caused or materially affected by the existence of the Force Majeure Event.

The Contracting Authority may claim such benefits only in circumstances where it has notified the Concessionaire and the Independent Engineer of its request to grant any of these benefits without undue delay, but in any event not later than the maximum:.....

- (i)calendar days after the Concessionaire has become aware of a Force Majeure Event; or
(ii) work days after event triggered by Force Majeure Event.

ARTICLE 32

Unfavorable Government Material Action

32.1 An “Unfavorable Government Material Action” means cases where, after the date of signing this Contract, the Contracting Authority or any other relevant local or central Authority has taken or fails to take any action of any nature, or fails to fulfill its obligations under this Contract or pursuant to Law (other than actions or omissions taken by the Contracting Authority to mitigate the effects of a breach by the Concessionary Company), the effect of which directly or indirectly affects the Concessionary Company and / or directly provokes or indirectly any current or potential unfavorable change in the Concession Company's expenses or income (including but not limited to Taxes), or its economic and financial position, including, but not limited to, and / or or:

- a) Failure by the Contracting Authority or any other Relevant Authority to perform any legally binding duties on them or to execute or enforce any legal rights of the Concessionaire; and / or
- b) the acts or non actions of the Contracting Authority or any other State authorities which, in their entirety, indicate an unwillingness of the Authority to comply with this contract, or to create circumstances that would lead to the breach of the contractual obligations by the concessionaire .
- c) an Amendment to the Law which, after the application of the provisions of the Amendment to the Law in compliance with this Contract, still unfavorably affects the ability of the Concessionaire to undertake, perform and complete the Works or service of the Airport Operation, as well as its whole implementation of this Contract.

Unless an event could be prevented or overcome by the affected Party through the exercise of reasonable care as would be exercised by a discreet person under similar circumstances.

32.2 If any Unfavorable Government Action occurs, the Concessionaire shall notify the Contracting Authority in a written form, by giving the reasonable details of such action and its potential economic consequences for the Concessionaire. The Contracting Authority shall have a deadline of not more than work days, from the date of receipt of this written notice, to make every possible effort to rectify the situation. , which restores the general economic condition of the Concessionaire to what it would have been if this Unfavorable Government Material Action had not occurred. If the Contracting Authority does not affect its remedy within this time limit, the Parties shall consult within calendar days after the expiration of this period with a view to achieving a mutually acceptable solution to the situation.

32.3 Në In case a mutually satisfactory solution to the situation is not fully possible to give a daily calendar period of ,it shall be recommended:

- (a) a necessary adjustment or payment and / or extension, which may be fair and justified in the light of the circumstances; and / or
- b) a fair and reasonable monetary mitigation based on the circumstances; and / or
- c) an extension of the Concession Period.

then, the Concessionaire may (i) continue the implementation of its obligations under the Contract by considering the unfavorable Government Material Action as a Cause for Compensation, or (ii) terminate the Contract in compliance with the clause for early termination of the Contract for Non-compliance of the Contracting Authority, without any liabilities or damages, or cost to the Concessionaire, in the event that any other remedy provided for in this Contract will not be sufficient to place the Concessionaire in an equivalent economic position compared to the position in which it was located , prior to the occurrence of the unfavorable Government Material Action, taking into consideration the Concessionaire's continuing rights and obligations under this Contract, the Project and any other agreement provided for in this Contract. Any Unfavorable Government Material Action shall be deemed to be a breach of the Contract by the Contracting

Authority and the Concessionaire shall be entitled to receive all compensation and remuneration provided in this Contract and the applicable law in force for the termination of the Contract.

CHAPTER 5

ARTICLE 33

AMENDMENT TO THE LAW

33.1 If an Amendment to the Law occurs and it is not a Qualitative Amendment to the Law and requires the Concessionary Company to amend the Design, Quality or Volume of Works or Services, the Concessionary Company shall submit a proposal for amendment pursuant to section 33.2.

33.2 If a Qualifying Amendment to the Law occurs, or is expected to occur soon, either Party may notify the other Party and the Independent Engineer in a written notice of the possible effects of such an amendment, specifying:

33.2.1 If an exemption from fulfillment of obligations is requested, including the obligation to reach the scheduled termination date;

33.2.2 Any necessary changes to the Works or Operating Services that are caused or resulting from such Qualifying Amendment to the Law;

33.2.3 If any change is required to the terms of this Contract or other Project Documents;

33.2.4 Whether the implementation of the Qualifying Amendment to the Law will directly result in increased costs or loss of the Concessionaire's revenue;

33.2.5 Any Capital Expenses required to effect the Qualifying Amendment to the Law, or which may be spared;

33.2.6 Any Necessary Approval Required to Implement a Qualifying Amendment to the Law; and

33.2.7 The manner in which the Qualifying Amendment to the Law may affect prices charged by suppliers for the Services, including companies operated by the Concessionaire Shareholders, or their Affiliates.

33.3 If, as a result of a Qualifying Amendment to the Law:

33.3.1 The Concessionary company is not able to complete the Works in order to be able to obtain the relevant certifications regarding the completion of the construction work by the scheduled date for its completion;

33.3.2 The Concessionary company is not able to fulfill any of its obligations under this Contract; or

33.3.3 The Concessionary company incurs or will incur costs that would not otherwise have been incurred, or have not generated or will not generate any revenue that it would otherwise have incurred if such a Qualitative Amendment to the Law did not occur;

The Concessionary Company may provide a benefit in the form of:

- 33.3.4 Properly postpone the scheduled completion date of the Works, which shall be appropriate and sufficient to complete the Works;
- 33.3.5 Necessary Amendments to Project Documents to Consider and Reflect Qualifying Amendments to the Law;
- 33.3.6 Right to compensation; and / or
- 33.3.7 Failure to apply provisions for the unilateral termination of the Concessionaire's Failure Contract if it has notified the Contracting Authority and the Independent Engineer of such claims within a time limit not exceeding work days from the entry into force of the amendment of the Law.

The parties will meet to discuss the effects brought about by the Qualifying Amendment to the Law within Work Days of its adoption and will strive to reach an agreement within Work days from their meeting.

ARTICLE 34

CHANGES IN WORKS OR SERVICES

34.1 Changes Required by the Contracting Authority

34.1.1 The Contracting Authority may request changes to the Project Implementation, Works or Operating Services (including a change in the extent of the Services) through a written request submitted to the Concessionaire ("Notification of Changes by the Contracting Authority"), specifying the details of the change required by the Contracting Authority in compliance with this Contract. Any requested and proposed changes must be reconciled and agreed with the Concessionaire in advance. The Parties shall agree on the costs of changing, if any, before the commencement of works or Services to effect such changes.

34.1.2 The Contracting Authority shall not be entitled to:

- a) A requirement that construction works subject to the Concession of this Contract, or Operations Services, be provided in a manner that is inconsistent with the applicable legislation, as set forth in the Project Implementation;
- b) Changes that threaten or would seriously threaten the health or safety of Persons;
- c) Changes that would profoundly change the nature of the Project Implementation, including the nature of the risks and Standards;
- d) Changes that do not belong to the rights of the Contracting Authority;
- e) Changes that would require Additional Land or Extra Land (and such Extra Land is not provided or financially afforded by the Contracting Authority); and
- f) Changes that would cause the revocation, suspension or alteration of any necessary existing approval, or require a new consent / permit necessary and where it is unlikely that the Concessionary Company could obtain the approval of necessary, within the time

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limit proposed for the implementation of the change proposed by the Contracting Authority; and

- g) Changes that would constitute costs and expenses that in total exceed the value of Euro for the Concessionary Company, thus putting at risk the Concessionary Company and the Project, except in cases when the Contracting Authority undertakes immediate coverage of costs .

34.1.3 In the Notice of Changes, the Contracting Authority shall provide:

- a) Sufficient details of the change required by the Contracting Authority in order for the Concessionary Company to be able to carry out a change assessment, valued at the costs of the Project Implementation;
- b) Data on the costs of change required by the Contracting Authority. In any case, the costs of the requested change shall be carried out by the Contracting Authority;
- c) The time limit within which the Concessionaire shall provide the Contracting Authority with a response and the estimated change in the costs and revenues of the Project, but any such deadline shall not exceed Work Days after the submission of Contracting Authority's request for change;
- d) The opinion of the Independent Engineer regarding the reasonableness of the Contracting Authority's proposal.

34.1.4 The Concession shall submit an answer as soon as possible but in any event no later than the deadline set out in the Contracting Authority's Notice of Change, which may not be less than Work days.

34.1.5 Upon the agreement of the parties to the amendments proposed by the Contracting Authority, the latter shall immediately make available the appropriate compensation fund. The concessionaire has no obligation to effect these changes unless the fund is made available.

34.2 Amendments Proposed by the Concessionaire

34.2.1 The Concessionary Company may propose amendments to the Works or Services by submitting a written notice to the Contracting Authority ("Notice of Changes by the Concessionaire").

34.2.2 In the Notice of its Amendments Proposal, the Concessionaire shall declare:

- a) The nature of the amendment proposed by the Concessionaire in sufficient detail to enable the Contracting Authority to evaluate the proposal in a qualified manner;
- b) If it is necessary in respect of the amendment required by the Concessionary Company to settle its obligations under this Contract, and if such amendment by the Concessionary Company is likely to cause delays in the scheduled date of the end of the construction period ;

- c) An explanation of the reasons for which the Concessionary Company is seeking an amendment;
- d) An explanation of the expected effect of the change required by the Concessionary Company including the additional costs to be borne by the Contracting Authority and the Concessionary Company
- e) If necessary, the date on which the Contracting Authority is obliged to confirm whether it accepts or rejects the proposal.

34.2.3 The Contracting Authority appreciates in good faith the notification of the Concessionary Company for amendment, taking into account all relevant circumstances, including but not limited to:

- a) The potential impact of the change required by the Concessionary company on the execution of the Works, the operation and maintenance of the airport, and the risk of unfavorably affecting its performance;
- b) The potential impact of the amendment required by the Concessionary company on the relationship between the Contracting Authority and third parties;
- c) Independent Engineer's Opinion on the Reasonableness of the Concessionaire's Proposal;
- d) The potential impact of the change required by the Concessionary company on the state of the Airport after the termination date; and
- e) The potential impact of the change required by the Concessionary Company on the risks and costs borne by the Contracting Authority.

34.2.4 The Parties shall discuss within.....Work Days the Concessionaire Change Notice and the Contracting Authority may propose further amendments and accept or reject the proposal for change by the Concessionaire, arguing the reasons for refusal, provided that the Contracting Authority does not reject an amendment proposed by the Concessionaire, where such an amendment is required as a result of an Amendment to the Law or when such an amendment is necessary as a result of a Force Majeure Event, Cause for Compensation or Cause of Mitigation, as provided in the relevant provisions of this Contract.

34.2.5 If the Contracting Authority receives the Notice of Change from the Concessionaire, the Parties agree to the necessary amendments to the terms of this Contract and other Project Documents.

CHAPTER 6

ARTICLE 35

LIABILITY INDEMNIFICATION AND INSURANCE

35.1 Indemnification Liability and Commitment

Prior to the beginning of the Works, the Concessionary Company shall commit to compensate the damage, loss or indemnification request of the Contracting Authority or any other Party of the Contracting Authority regarding any losses or requests approved with final judicial decision as regards the fulfillment of obligations of the Concessionary Company under this Contract, or any other act or omission of the Concessionary Company, except for circumstances where, and in the amount of, the indemnification request being submitted due to:

- a) Intentional acting or omission or carelessness on the part of the Contracting Authority or the Party of the Contracting Authority or any third party;
- b) The violation of this Contract or the Law by the Contracting Authority, as well as violation by the Relevant Authorities;
- c) A third party request, fully relating to a period prior to the Date of Entry into Force of this Contract;
- d) Acts on the part of the Concessionary Company based on the instructions of the Contracting Authority's Representative and in cases when the representative of the Contracting Authority shall be notified by the Concessionary Company through a written notice that acts on the basis of these instructions shall cause a loss or a indemnification request according to this Article ;
- e) Rehabilitation, operation or maintenance according to the provisions of this Contract, the Law and the existing permits, and certified by the Relevant Authorities.

35.2 In particular, the Concessionary Company shall undertake to compensate any damage, loss or indemnification request of the Contracting Authority or any Party of the Contracting Authority, as a result of:

- a) A compensation right resulting from the death or personal harm of any Contracting Authority Party, or any third party, during the Works, when the responsibility of the Concessionary Company shall be established by final judicial decision;
- b) A compensation right resulting from any damage caused to the property of any Contracting Authority Party, User, or third party, when the responsibility of the Concessionary Company shall be established by final judicial decision, except for in circumstances where this request may be a result of an act or omission or carelessness of the Contracting Authority or any Party of the Contracting Authority.

35.3 The Contracting Authority, pursuant to the Article s of this Contract, shall fully and effectively indemnify, and will prevent any possible damage to the Concessionary Company from any third party claim arising from events or omissions or any other circumstance related to the Airport, which may date prior to the Date of Entry into Force of this Contract, except when such requests shall be brought about by negligent acts or omissions of the Concessionary Company or any of its employees, agents and contractors thereof, or by any infringements on

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

the part of the Concessionaire regarding the obligations set forth under this Contract. The obligation of the Contracting Authority to indemnify the Concessionary Company, as provided for under this Article s, shall be reduced proportionally to the level of damages, losses, costs and expenses suffered as a result of negligent acts or omissions by the Concessionary Company or any of its employees, agents and contractors.

ARTICLE 36

NECESSARY INSURANCE

36.1 Necessary Insurance

- 36.1.1 The Concessionary Company shall purchase and hold the Necessary insurance based on the conditions defined in Annex 8 and Article 36 (**"Necessary Insurance"**). The Concessionary Company shall submit to the Contracting Authority the proposed conditions for the Necessary Insurance for the latter's review and approval, at least _____ work days prior to the purchase of such Necessary Insurance. The Contracting Authority, at any time within _____ work days, shall have the right to request amendments to the proposed conditions of the Necessary Insurance (reasonably), in the event of these conditions not reflecting the requirements of Annex 8 or this Article .
- 36.1.2 The Concessionary Company shall purchase and hold the Necessary Insurance mandated by Law, and it shall also ensure that its Subcontractors purchase and hold this Necessary Insurance.
- 36.1.3 The Concessionary Company shall bear the expenses for the payment of the Factual Insurance Costs, premiums related to the Necessary Insurance and insurances required by Law, and it shall also bear the risks related to deductibles and/or surpluses or insufficiencies of the insurance amount. Whether the Concessionary Company shall be obligated to purchase the risk insurance set forth under this Contract or not, shall not impinge on the Party bearing the financial consequences of such risk.

36.2 Conditions and Terms of the Mandatory and Necessary Insurance

36.2.1 Mandatory and Necessary Insurance:

- a) Shall be purchased through an insurance company;
 - b) Shall not impinge on the indemnification requests submitted by the Contracting Authority;
 - c) Shall provide at least _____ calendar days prior to the written notice regarding the cancellation, non-renewal or amendment that should be sent to the Contracting Authority;
- and

- 36.2.2 The Concessionary Company shall submit an indemnification request to be covered under the Insurance available to the Concessionaire, in order to reduce the value amount of each request made by the Concessionary Company to the Contracting Authority, based on this Contract. The amount requested by the Concessionary Company to be indemnified by the Contracting Authority, based on this Contract, including and in relation to any Compensation Cause, Relief Cause and Force Majeure Event, shall be the final amount after the deduction of the amount effectively granted to the Concessionary Company based on the Necessary Insurance and/or any other insurance it holds.
- 36.2.3 Each Party shall avoid acting, or shall undertake all reasonable acts, in order to prevent situations that may result in the refusal of the Mandatory and Necessary Insurance payment by an insurer for an indemnification request based on any Necessary Insurance held by the relevant party alone or in partnership with others, or held by an additional insured Party.

36.3 Documentation

The Concessionary Company shall provide to the Contracting Authority:

- 36.3.1 Upon request, a copy of all insurance policies related to the Mandatory and Necessary Insurance (including any and all other information requested by the Contracting Authority regarding these insurance policies) and the Contracting Authority shall have the right to review them during regular working hours.
- 36.3.2 Evidence that the payable premiums in accordance with the insurance policies, related to the Necessary Insurance, are paid and that the necessary insurance is fully valid, in compliance with this Article and Annex 8; and
- 36.3.3 As soon as possible, yet prior to or on the renewal date, a provisional insurance document related to the Mandatory and Necessary Insurance, if applicable.

36.4 Non-purchase and Non-holding of the Mandatory and Necessary Insurance

- 36.4.1 Should the Concessionary Company be found in violation of Article 36.1, the Contracting Authority shall require that the Concessionary Company immediately present fully valid Mandatory and Necessary Insurance. Should the Concessionaire be found in violation of this Article, the Contracting Authority may pay all premiums required to maintain the validity of the insurance defined in Article 36.1, or it may purchase its own necessary insurance and, in each case, the Contracting Authority shall have the right to receive payment for these amounts by the Concessionaire via a written request.
- 36.4.2 No provision of this Article shall force the Concessionary Company to purchase such insurance regarding an Uninsurable Risk, unless the cause for a risk having become uninsurable is due to an act or omission of the Concessionary, or any Party of the Concessionaire thereof.

36.5 Uninsurable Risk

In the event of an Uninsurable Risk, it shall be subject to agreement negotiations between the Parties.

36.6 Construction and Entry Payment

All amounts obtained from the insurance, in accordance to the relevant physical damage policy, shall be used to build the damaged parts of the airports covered under insurance or for their compensation.

36.7 Construction Plan

Should an indemnification request be made in accordance with a physical damage policy:

36.7.1 As soon as possible, yet within _____ calendar days after receipt of the request, the Concessionaire shall submit to the Contracting Authority a plan (“**Construction Plan**”), drafted by the Concessionaire, for the performance of the required Works (“**Construction Works**”), which shall be subject to the relevant request(s) in accordance with Article 36.7.2;

36.7.2 The Construction Plan defines:

- a) the identity of Construction Subcontractors or Maintenance and Operation Subcontractors; and
- b) the proposed conditions and deadlines, within which the Construction Works should be completed;

36.7.3 that, within _____ calendar days following receipt of the proposed Construction Plan, the Contracting Authority shall notify the Concessionaire regarding whether the Contracting Authority approves of the identity of the Subcontractor assigned to complete the Rehabilitating Works set forth in the proposed Construction Plan; and

- a) acting reasonably, shall require additional information; or
 - b) shall accept or reject the conditions and deadlines of the proposed Construction Plan, depending on the included commentary of the Contracting Authority (which may offer a proposal regarding the changes requested by the Contracting Authority);
- In order to decide whether it should give its approval on the basic issues of Article 36.7.3, the Contracting Authority shall act reasonably.

36.7.4 Should the Contracting Authority not approve, or comment on any part of the proposed Construction Plan, then, in the notice it shall make based on Article 36.7.3, it shall set out

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

its reasons and comments with sufficient details, in order to provide the Concessionaire with the opportunity to understand the nature and scale of comments and to assess whether the Contracting Authority may have rejected the Plan on unreasonable grounds. The Concessionaire shall change the Construction Plan and resubmit it to be reviewed by the Contracting Authority pursuant to Article 36.7.3, and should the plan be rejected once more, each Party may refer the case to the Independent Engineer for final decision; and

- 36.7.5 Should the Contracting Authority not submit its notice, as set forth under Article 36.7.3 within ____ calendar days following receipt of the proposed Construction Plan, or should the Contracting Authority not reasonably request any further information from the Concessionaire within ____ calendar days following receipt of the proposed Construction Plan, it shall be considered that the Contracting Authority has rejected the proposed Construction Plan. In the event that the proposed Plan shall be considered rejected by the Independent Engineer, the Parties shall meet to discuss the proposed Construction Plan within ____ calendar days at the latest following the Concessionary's request for such meeting and after receipt of further information by the Contracting Authority, as appropriate. The approval or rejection of the Contracting Authority for the proposed Construction Plan in the aforementioned meeting shall abide by the provisions of Article 36.7, and should the Contracting Authority reject the plan once more, then each of the Parties may refer the case to the Independent Engineer for final decision.

CHAPTER 7

PROVISIONS ON THE CONCLUSION AND EARLY TERMINATION OF THE CONTRACT

ARTICLE 37

PROPERTY HANDING-OVER AND CONTRACT TERMINATION

- 37.1 The Concessionary Company shall hand over the object to the Contracting Authority on the End Date of this Contract, in good and functional condition, maintained within the Standards set forth in the Project and without any encumbrance. Following the handing-over, the Concessionary Company shall no longer be responsible for future airport operation, maintenance and damage repairs.

- 37.2 Within ____ years prior to the Validity Period of the Contract, the Concessionary Company shall:

- 37.2.1 Perform the initial inspection for the handing-over, in order to assess the condition of the

object and undertake the required measures for the purpose of drafting the plan regarding Capital Investments, should they be necessary, as well as all other works that shall be agreed upon by the Parties.

37.2.2 Within _____ months prior to the handover, in coordination with the Independent Engineer, shall prepare a preliminary plan on handing-over assessment, which shall be used to determine the airport operation and maintenance progress for the remainder of the term.

37.2.3 The preliminary handing-over inspection shall identify any regulatory Works that may be necessary, in order to ensure that the object shall be within required Standards and the handing-over requests on the Contract End Date, as well as the assessed costs for performing these Works.

37.3 The Parties shall negotiate regarding the steps and procedures to be followed at the time of asset handing-over to the Contracting Authority.

ARTICLE 38

EARLY CONTRACT TERMINATIONS AND COMPENSATION

38.1 Early Termination

38.1.1 Aside from the conclusion of this contract on its End Date, the Parties may terminate this Contract pursuant to the provisions set forth under this Article .

38.1.2 The Parties shall agree that the Contract may be terminated or renounced, in accordance with the causes defined under the provisions of this Article and the conditions set forth in the applicable legislation for concessions.

38.1.3 The early termination of this Contract shall be done without infringing on the rights and obligations of the Parties, wherever set forth under this Contract, or those that shall apply after the Contract End Date due to their nature.

38.2 Non-performance by the Concessionaire

38.2.1 Pursuant to Article 38, 38.2.1 and 38.3, in the event of non-performance by the Concessionary Company, the Contracting Authority shall notify the Concessionary Company to correct its non-performance (**“Correction Notice”**), by providing a description of the non-performance by the Concessionaire and a correction period of no less than _____ calendar days following receipt of Correction Notice by the Concessionary Company. The Contracting Authority, following the notices and non-performance by the Concessionaire, shall have the right to terminate this Contract effective immediately by submitting a written notice to the Concessionaire (**“Notice of Non-performance of Obligations by the Concessionaire”**).

38.2.2 Pursuant to paragraphs (a), (d), (e), (g), (h), (i), wherein the definition of this Non-performance as set forth in Article 1 may be found, and prior to submitting the Notice of Non-performance of Obligations by the Concessionaire to the Concessionary Company, the Contracting Authority shall notify the Concessionary Company to correct its non-performance (“**Correction Notice**”), providing a description of the non-performance by the Concessionaire and a correction period of no less than _____ work days following receipt of Correction Notice by the Concessionary Company.

38.2.3 The Contracting Authority may not submit a Notice of Non-performance to the Concessionaire:

- a) Should the Concessionaire correct the non-performance within the given date in the Correction Notice; or
- b) In the event of Non-performance by the Concessionaire, as set forth under paragraphs a, b(ii), (iii), (iv), (v), (vi) of the definition of this Non-performance under Article 1, within the correction period determined in the Correction Notice, should the Concessionaire submit to the Contracting Authority an acceptable plan on the correction of Non-performances by the Concessionaire, and should the Concessionaire, without any further delay, begin the implementation of the plan in accordance with its conditions.

38.2.4 Should the Concessionaire, in any event, not realize the corrective plan accepted by the Contracting Authority pursuant to Article 38.2.3, the Contracting Authority may submit a second Correction Notice to the Concessionaire, wherein it requires that the plan be realized within a reasonable deadline and should the plan not be realized within this given deadline, the Contracting Authority shall submit to the Concessionaire the Notice of Non-performance of Concessionaire Obligations and this Contract shall be terminated on the Non-performance Notice submission date to the Concessionaire. In such event, the Contracting Authority shall have the right to request the execution of the Contract Guarantee.

38.3 Continued violations

The Contracting Authority shall have the right to terminate this Contract due to continued violations, should the following conditions be met (“**Continued violations**”):

38.3.1 In the event that the Concessionaire may have violated the same obligation under this Contract on at least 2 (two) occasions every _____ consecutive months, the Contracting Authority shall notify the Concessionary Company in writing (“**First Warning**”), noting:

- a) The violated obligation; and

- b) The penalty amount to be paid in accordance with Annex 10;
- c) This being the First Warning as set forth under this Contract; and
- d) This being a violation of this Contract which, should it be repeated, may result in the early termination of the Contract;

38.3.2 Should the identified violation continue for a period longer than ____ work days, or if it repeats at least ____ times during a period of ____ consecutive months after receipt of the First Warning, the Contracting Authority may notify the Concessionaire in writing (“Second Warning”), noting:

- a) The violated obligation;
- b) This being the Second Warning as set forth under this Contract; and
- c) This being a violation of this Contract which, should it be repeated, may result in the early termination of the Contract and execution of the Contract Guarantee;

38.3.3 Should the identified violation continue for a period longer than ____ work days, or if it repeats at least once during a period of ____ consecutive months after receipt of the Second Warning, the Contracting Authority shall notify the Concessionaire on the occurrence of a Continued Violation and in such event, the provisions of Non-performance of Obligations by the Concessionaire shall apply, in accordance with Article 38.2.

38.4 Non-performance of Obligations by the Contracting Authority

38.4.1 In the event of Non-performance of obligations by the Contracting Authority, the Concessionaire shall have the right to terminate this Contract via a preliminary notice regarding the non-performances of the Contracting Authority (“**Notice of Non-performance by the Contracting Authority**”).

38.4.2 In the event of Non-performance by the Contracting Authority, prior to submitting the Notice of Non-performance of Obligations to the Contracting Authority, the Concessionaire shall notify the Contracting Authority to correct its non-performance (“**Correction Notice**”), which shall contain a description of the non-performances by the Contracting Authority and a correction period of no less than ____ calendar days following receipt of Correction Notice by the Contracting Authority.

38.4.3 The Concessionaire may not submit a Notice of Non-performance to the Concessionaire:

- a) Should the Contracting Authority correct the non-performance within the date given in the Correction Notice; or

- b) In the event of Non-performance by the Contracting Authority, within the correction period determined in the Correction Notice, should the Contracting Authority submit to the Concessionaire an acceptable plan for the correction of Non-performances by the Contracting Authority and should the Contracting Authority, without any further delay, begin the implementation of the plan in accordance with its conditions.

38.4.4 Contract End Date:

- a) In the event of a Non-performance by the Contracting Authority, as set forth under paragraph (c) of Article 1 of the definition of this non-performance, (Non-performance by the Contracting Authority), the end date shall be the submission date of the Notice of Non-performance by the Contracting Authority; or
- b) In the event of other Non-performances by the Contracting Authority, the end date shall be a date no later than ____ work days after submitting the Notice of Non-performance by the Contracting Authority to the Contracting Authority.

38.4.5 In the event of a Non-performance by the Contracting Authority, as set forth under paragraph (a) of Article 1 of the definition of this non-performance (Non-performance by the Contracting Authority), the Contracting Authority may prevent the renunciation consequences and this Contract shall not conclude on the date set out in the Notice of Non-performance by the Contracting Authority should the Contracting Authority correct the Non-performance on its part within ____ calendar day following receipt of the Non-performance Notice from the Concessionaire.

ARTICLE 39

CONTINUATION OF OBLIGATIONS UNTIL CONCLUSION

The Parties shall continue fulfilling their obligations under this Contract, regardless of any notice of termination or non-performance, and until the conclusion of this Contract shall enter into force in accordance with the provisions of Article 38 and 40.

ARTICLE 40

TRANSFER OF ASSETS AND RIGHTS FOLLOWING THE CONCLUSION OF THE CONTRACT

On the Contract End Date:

- 40.1** All rights and obligations of the Concessionaire regarding the Project shall end and the Contracting Authority shall assume and take the rights and obligations of the Concessionaire for the airport. In the event that these rights shall be held by the Contracting Authority pursuant to other provisions of this Contract, for transferring of rights, the Contracting Authority shall ensure reasonable access and usage of the object required by the Concessionaire, in order for the latter to remove the personnel, staff, equipment and machinery;
- 40.2** Should the termination notice be given prior to issuing the Certificate of Use, the Parties shall agree on the handing-over of the constructed object to the Contracting Authority, which shall take them over (including temporary Works), and they may also discuss regarding the possible taking-over of Concessionaire's equipment and tools by the Contracting Authority in order to complete the Works, with due compensation of their book value costs;
- 40.3** The Concession rights granted to the Concessionaire in accordance with this Contract (aside from the rights expressly determined to continue following the end of this Contract), including the obligation of the Concessionaire to operate the airport, shall automatically terminate ;
- 40.4** The Concessionary Company shall hand over to the Contracting Authority the Operational and Maintenance Manuals, along with all other documents and data related to the implementation of the Project and the data updated during constructions, to the scale of their finalization at the moment of termination, or otherwise the blueprints in their current state;
- 40.5** The Concessionaire shall cooperate and help the Contracting Authority to ensure the transfer of airport operation and maintenance to a third contracting party assigned by the Contracting Authority for the purpose of using and operating the object after the Contract End Date.

ARTICLE 41

COMPENSATION AMOUNTS

41.1 Contract Termination Compensation

- 41.1.1** Should this Contract be terminated early, following submission of early termination notice pursuant to Article 38, the Concessionaire shall have the right to be receive the Contract Termination Compensation amount in accordance with this Article .
- 41.1.2** All payable Contract termination amounts under this Article , shall comprise a payment due to an obligation arising from this Contract. The Parties shall consider the right to receive the Contract Termination Compensation amount as the sole request of the Concessionaire to the Contracting Authority regarding the early termination of this Contract, Financing Agreements and Project Documents, unless stated otherwise in this Contract.
- 41.1.3** The Parties shall agree that the right to early termination and Contract Termination

Compensation amount, or, as applicable, the right to payment deduction, is a sufficient resolution of the mutual requests regarding to the early termination of this Contract, any Financing Agreement and Project Documents, and for any cause resulting in the early termination of the Contract, unless expressly stated otherwise in this Contract.

41.2 Contract Termination Compensation due to Non-performance by the Concessionaire

41.2.1. In the event that this Contract may be terminated due to Non-performance, it shall be done so pursuant to Article 28.2. The Contracting Authority shall pay to the Concessionaire the amount of Contract termination, calculated in accordance with this Contract.

41.2.2. Pursuant to Article 41, the Contracting Authority shall pay to the Concessionaire an amount equal to the sum of:

- a) The Liabilities to Lenders, and
- b) The Project Market Value determined in accordance with the definition provided in Article 1.

41.2.3. All amounts considered for determining the Contract Termination Compensation amount shall be calculated in nominal terms to current prices. The Contract Termination Compensation amount shall be regulated in the moment of payment, in order to account for the expected inflation plus an additional 1 (one)% for the period between the calculation date and the payment date, as set forth under this Contract.

41.2.4. All disputes arising in relation to the calculated or determined amounts in accordance with this Article , shall be resolved pursuant to Article 53 on dispute resolution.

In order to avoid all doubt, when calculating the Contract Termination Compensation amount due to Non-performance by the Concessionaire, the Contracting Authority shall have the right of first use of the Contract Guarantee, in order to abide by the provisions of this Article .

41.3 Contract Termination Compensation due to Non-performance by the Contracting Authority

Should this Contract be terminated early due to Non-performance by the Contracting Authority, the latter shall pay to the Concessionaire the amount calculated in accordance with the “Contract Termination Compensation due to Non-performance by the Contracting Authority” definition in Article 1, without excluding any further compensation for damages suffered by the Concessionaire, to which it is entitled pursuant to the provisions of the Law in place.

ARTICLE 42

COMPENSATION CALCULATION AND PAYMENT

42.1 Tax Balancing

42.1.1 Should the Concessionaire receive a Contract Termination Compensation amount excluding the applicable tax, due to the application and payment of a tax (aside from those payable by the Concessionaire throughout the regular process of work, which are unrelated to this Contract), to the compensation amount for Contract termination in the event of non-performance by the Contracting Authority, the Contracting Authority shall thereof pay to the Concessionaire an additional amount equal to the value of the Tax applied to the compensation sum, in order for this tax to not be borne by the Concessionaire, as long as this Tax may not have already been calculated and included in the relevant Contract Termination Compensation amount beforehand. As per the above, the Concessionaire shall receive the compensation amount for the damage suffered by it, which shall include all taxes/fees incurred when the Concessionaire paid them.

42.1.2 Unless expressly agreed otherwise under this Contract, the Contracting Authority shall not use any amount (due to the Concessionaire as Contract Termination Compensation) payable in accordance with Article 42.3 (however not a Contract termination payment as set forth under Article 42.2), if as a result of such compensation/withholding, the amount actually paid to the Concessionaire in relation to the Contract termination shall be less than the unpaid Liabilities of the Concessionaire to the Lenders. In respect of the above, the Contracting Authority may compensate all sums owed to it by the Concessionaire with the Contract termination amount, unless not agreed otherwise in this Contract and so far as this shall be allowed under the Law.

42.2 Payment Method

42.2.1 Should the Contracting Authority and the Concessionaire not come to an agreement within _____ work days regarding the payment of the Contract termination amount by the Contracting Authority in installments agreed upon with the Concessionaire, the former shall bear the obligation to pay the Contract termination amount in an account determined by the Concessionaire, starting from:

- a) The Contract Termination Date; and
- b) The resolution date of all disputes arising in regards to such Contract termination amount.

42.2.2 In the events defined under Article 41.2 and 41.3, the Contracting Authority may elect to pay all Obligations to Lenders in installments, which are part of the Contract Termination Compensation amount, and the Contracting Authority shall determine the amounts and dates of installments, on the condition that:

- a) The date and amount of each installment shall, at the very least, make possible the payment of Lenders in accordance with the Financing Agreements, should the early termination had not happened;

42.2.3 The entire Contract Termination Compensation amount, including interest, shall be paid no later than the last payment date of required amounts under the Financing Agreements;

- a) Parts of the Contract Termination Compensation amount, the payment dates of which may have been postponed (not paid on time), shall produce interest equal to the amount determined in the Financing Agreements, starting from the Contract End Date, whereas the Contracting Authority may prepay the remaining Contract Termination Compensation amount percentage in full at all times, on the condition that this shall be done on the appropriate installment payment date and with prior notice to the Concessionaire by at least _____ work days; and
- b) The full Contract Termination Compensation amount shall be paid as soon as it may be possible, taking into consideration the available funds of the Contracting Authority and all reasonably expected possibilities for the Contracting Authority to receive funds for the payment in full of the Contract Termination Compensation amount as soon as it may be possible and without it posing cause for unjustifiable extension and grave infringement of the Legal right of the Concessionaire to receive the amount owed.

42.2.4 Should the Contracting Authority not manage to pay any of the determined installments under Article 42, the Concessionaire may request the immediate payment of the remaining Contract Termination Compensation amount, including the incurred interest, by submitting a written notice within _____ work days from the date of becoming aware of this.

42.2.5 Regarding the payments to be made by the Contracting Authority pursuant to this Contract, should the Euro currency be no longer in use, the calculations shall be done in the USD currency, based on an exchange rate equivalent to the exchange rate on the Date of Entry into Force.

42.3 Information Required for Determining the Compensation Amount

In order to determine the Contract Termination amount, the Contracting Authority may refer to each document provided by the Lender regarding the Liabilities to Lenders. The Contracting Authority shall not be obligated to pay Liability to Lenders to an amount that shall be more than the amount determined in the document provided by the Lenders, wherein the Liabilities to Lenders are defined.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ARTICLE 43

CONTRACTING AUTHORITY INTERVENTION

43.1 Should the Contracting Authority have reasonable data that there may be:

- a) a serious threat to the life, health or safety of People or the safety of the airport;
- b) a serious threat to the property or environment; or
- c) a violation of the duty provided for by the Law;

in relation to the Works, operation and maintenance of the Airport or the provision of Services, the Contracting Authority shall have the right to reasonably intervene in the works, operation or provision of services in order to mitigate such threat.

43.2 The Parties shall come to an agreement within _____ months following the Date of Entry into Force of this Contract on the procedure that shall be followed should the Contracting Authority wish to exercise its rights under this Article , pursuant to the proposal of the Concessionaire. The Concessionaire shall have the right to receive compensation for the damage and loss that may be caused due to the intervention of the Contracting Authority.

CHAPTER

10

FINAL PROVISIONS

ARTICLE 44

CONFIDENTIALITY

44.1 The Parties shall have the obligation to maintain the confidentiality of the provisions under this Contract, the Annexes to this Contract and Project Documents, as well as of all other data created or kept pursuant to this Contract, which shall be provided for by Law as “trade secrets”.

44.2 This Article shall not be applicable should the information made available to the Parties:

- a) Be disclosed to the appropriate Parties and in the appropriate scale required for the fulfillment of obligations under this Contract;
- b) Be usually available, except for when it may be secured as a result of the violation of obligations under this Contract;
- c) Be in compliance with the procedure set forth in Article 53, on dispute resolution;
- d) Be required by public title and/or securities market regulatory Law or Rules;
- e) Be disclosed to professional advisers of the Concessionaire;

- f) Be disclosed to the Lenders or their advisers and securities advisors; and
- g) Be required for the execution of a Judicial order or a regulatory order by a Relevant Authority.

The provisions and obligations set out in this paragraph shall continue being applicable following the conclusion of this Contract.

ARTICLE 45

CONCESSIONAIRE DATA

The Concessionaire shall keep and store complete data regarding the object, including but not limited to, data on factual or estimated costs of airport operation and maintenance and the provisions of Works and Services, as well as construction, use and financing costs for the whole duration of the Contract.

ARTICLE 46

INTELLECTUAL PROPERTY RIGHTS

46.1 License for Contracting Authority

The Concessionary Company shall grant, and if it does not have such rights, shall undertake to make reasonable efforts to provide the Contracting Authority with the rights to all objects of intellectual property required for the performance of Works, operation of the facility/object and delivery of Works and Services:

- a) Free of charge (except for fees for intellectual property licenses set by third parties in connection with software usually provided on a commercial basis);
- b) For the operation of facility and delivery of Works and Services;
- c) For an unlimited period of time from the commencement of use of the Intellectual Property facilities for Works, Airport or Services;
- d) Not exclusively with respect to independently created Intellectual Property objects/facilities and licensed for use solely under this Contract, or exclusively where Intellectual Property objects/facilities are separately created for the performance of this Contract; and
- e) For the purpose of implementation of this Contract (other than commercially provided software) in a transferable manner, so that the Contracting Authority may grant the right to use intellectual property objects/facilities to Other Persons or to fully transfer its right to another Person.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

46.2 The Concessionaire shall pledge to indemnify the Contracting Authority for the damage caused to it or the Contracting Authority parties as a result of claims made by the latter regarding the use of intellectual property objects/facilities taken by the Concessionaire in accordance with this Contract.

ARTICLE 47

TRANSFER

47.1 Except as expressly permitted under this Contract and on the basis of the rights (interests) on the guarantee, no Party shall be entitled to assign any of its rights to a third party without the consent of the other Party. Notwithstanding the foregoing, the Contracting Authority may authorize other state entities, within its control, to exercise some of its rights under this Contract, provided that the Contracting Authority shall notify the Concessionaire of such authorization and shall not give rise to any additional obligations to the Concessionaire as a result of such authorization.

47.2 The Contracting Authority shall recognize and acknowledge the loan insurance interests and guarantees that the Concessionaire has provided to the Lenders in accordance with the Financing Agreements and any transfer of rights and obligations under this Contract that may stem from the execution of these instruments shall be accepted by the Contracting Authority.

ARTICLE 48

CONTRACT LANGUAGE

This Contract is drafted in **Albanian and English language**, in 4 (four) equivalent copies.

ARTICLE 49

NOTICES

49.1 Method and Address of Notices

49.1.1 All written communications made under this Contract or any other communication in relation to this Contract, by either Party shall be sent to the other Party in one of the following ways:

- a) Personal delivery of written communication;
- b) by fax; and/or
- c) by mail or courier service.

49.1.2 The written communication shall be sent to the parties to the following addresses:

a) If sent to the Contracting Authority:

Address: Rruga “Abdi Toptani”, Nr.1 Tiranë

Web:<http://www.infrastruktura.gov.al>

To: Ministry of Infrastructure and Energy

B) If sent to the concessionary company:

Address: Administrative Unit

Tel:

Email:

To: VLORA INTERNATIONAL AIRPORT

49.2 Deadline of Answers

Except as otherwise expressly provided for in the Contract, the parties shall agree that when a notice or request requires the response, approval, refusal or reasoning of the other Party, the Party that has received the notice or request shall state in writing its position within Calendar days, providing the relevant arguments. Any delay or cost incurred against the Concessionaire or the Concessionary Company as a result of the delay of Contracting Authority shall be individually or jointly considered, as appropriate, a Cause of Relief and /or Compensation Cause.

ARTICLE 50

SEVERABILITY

If any provision herein is or becomes invalid or unenforceable, such invalidity or non-enforceability shall be without prejudice to the other provisions of this Contract. The parties shall

undertake to replace the invalid and unenforceable provision as soon as possible with another valid and enforceable provision, the content of which is similar to the invalid or unenforceable provision.

ARTICLE 51

DATA PROTECTION

51.1 If personal data are processed according to Law no. 9887, dated October 10, 2008, "On Personal Data Protection", as amended, in the course of the implementation of this Contract, the Concessionaire shall comply with any and all provisions of this Law and, if such consent of data subject is required, such consent shall be taken so that personal data may be provided to the Contracting Authority. Violation of the Law on management of personal data by the Concessionaire shall be considered a breach of this Contract and the Concessionaire shall be solely responsible for the violation of Law.

51.2 The Contracting Authority shall not disclose to any third party (except public entities) any of the confidential data part of the Concessionaire's Bid, without the Concessionaire's consent.

ARTICLE 52

GOVERNING LAW

This Contract is regulated by the applicable laws in the Republic of Albania.

ARTICLE 53

ESCALATION AND SETTLEMENT OF DISPUTES

53.1 Negotiations in Good Faith

If a dispute arises between the parties with respect to the interpretation or application of any provisions of this Contract, such dispute shall be firstly referred to the representatives of the Parties for resolution as follows:

- a) In the event of a dispute, it shall be notified in writing to the other party by the party initiating it, stating its authorized representative who will deal with the dispute;
- b) The other party shall respond to the notice of the first party within Working Days, stating its authorized representative who will deal with the dispute;
- c) The Representatives of the parties are persons, who have not materially participated in the events which preceded the dispute;
- d) The representatives of the parties shall negotiate the dispute in good faith and with a view

of resolving it in a manner that best meets its spirit and purpose and,
If the representatives of the parties fail to agree on a dispute settlement within 18 (eighteen) calendar days from the date of the dispute, either Party may bring the dispute to trial before the Technical Expert (as hereunder defined) in accordance with Article 53.2 Technical Expert.

53.2 Technical Expert

53.2.1 Within Working days after the expiry of term set out in Article 53.1, either party may refer the dispute in writing to the Technical Expert, who will act as a preliminary mechanism for the settlement of disputes of technical character, whose decision shall be binding on the parties, in case they will not reject it within the term set and agreed upon by the parties.

53.2.2 The Technical Expert will be appointed by consent of the Contracting Authority and the Concessionary Company within months from the Entry into Force of the Contract and will be a person with relevant qualifications and experienced in the type of construction of Works and related projects (**“Technical Expert”**). The appointment of Technical Expert may be terminated by mutual agreement between the Concessionary Company and the Contracting Authority.

53.2.3 The conditions of the Technical Expert's fee/pay, including the fee/pay of any other expert whom the Technical Expert consults, shall be set when agreeing on the terms of the appointment. The Contracting Authority and the Concessionary Company will each be responsible for paying half of this fee/pay.

53.2.4 If any of the following conditions apply, respectively:

- a) The parties fail to agree on the appointment of Technical Expert by the date specified in point 53.2.2 or
- b) If the Technical Expert refuses to act or is unable to act as a result of death, incapacity, disability, resignation or termination of appointment and the Concessionary Company and the Contracting Authority fail to agree on the appointment of a replacement person within calendar days after the date on which the Technical Expert is unable to act for one of the above causes;

then either Party may submit an application to the Technical Expertise Centre of the International Chamber of Commerce in Paris, France, for the appointment of an expert in accordance with its rules. This appointment will be final and binding. Costs that may be required in relation to the appointment of a Technical Expert by this Centre shall be borne by the Contracting Authority and the Concessionary Company, each paying half thereof.

53.2.5 The parties shall make available to the Technical Expert all additional information, access to the Project Territory and such facilities as the Technical Expert may require to take a decision on this dispute. The Technical Expert shall be deemed not to act as arbiter.

- 53.2.6 Within 60 (sixty) calendar days after receipt of the request for a decision by the Technical Expert, or within such other period as may be proposed by the Technical Expert and approved by the Parties, the Technical Expert shall take its decision, which shall be reasoned and in writing. Except as the Parties otherwise agree, unless the Technical Expert takes his / her decision within 60 (sixty) calendar days after the filing of application, either Party may proceed in accordance with the procedures of Article 53.3.
- 53.2.7 If either Party is dissatisfied with the decision of the Technical Expert, that Party may, within 20 calendar days after notification of the decision, give notice to the other Party, showing its non-consent and aim to initiate arbitration under Article 53.3. , with ‘**Notice of Refusal**’. The Notice of Refusal shall state that it is provided under this Article and shall specify the issue under discussion and the ground(s) for refusal. Except as provided for in this Article , neither Party shall be entitled to commence arbitration unless a Notice of Refusal has been given in accordance with this paragraph.
- 53.2.8 If the Technical Expert has rendered his decision on a matter in dispute by the Parties and no Notice of Refusal has been given by either Party within 20 Calendar Days following the decision of the Technical Expert, then the decision shall become final and binding on the Parties.
- 53.2.9 Where either Party has given a Notice of Refusal, the parties shall agree to make efforts to amicably settle the dispute before the commencement of arbitration. However, unless the Parties otherwise agree, the party that issues a Notice of Refusal in accordance with the above paragraph, shall institute arbitration within Calendar Days from the day on which the Notice of Refusal was issued, even if no efforts for a friendly settlement are made.

53.3 Arbitration

- 53.3.1 Where the dispute is not resolved by negotiations pursuant to Article 53.1, either Party may submit the dispute to the Arbitration Process under the Arbitration Rules of the International Court of Arbitration (“International Chamber of Commerce - ICC”). Each Arbitration Process initiated in accordance with that Article (“**Arbitration Process**”) will take place with the attendance of a panel of arbiters composed of three arbiters (“**Court**”), of whom 1 (one) is appointed by the Contracting Authority, 1 (one) by the Concessionaire. The third arbiter is appointed by other arbiters and shall serve as Court President. The Court decision shall be final, binding and non-appealable for the parties.
- 53.3.2 The venue of arbitration isand arbitration language is
- 53.3.3 The Court shall apply terms/conditions of this Contract and provisions of Laws used from time to time.
- 53.3.4 The court has the right, within the scope of a legal dispute to be settled, to take decisions on interim measures.

53.4 Disputes with institutions in the field of Taxes and Customs

Disputes and conflicts between the concessionary company and institutions operating in the field of taxes and customs shall be settled by the competent court of the Republic of Albania.

ARTICLE 54

CONTRACT AMENDMENTS

This Contract may be amended by written amendments signed by both Parties, except for Article 3, Article 9, Article 12, Article 13, Article 38, Article 52, Article 53, which may be amended by the signature of the Parties and approval of the Council of Ministers.

ARTICLE 55

COST AND EXPENSES OF PARTIES

Unless otherwise provided for in this Contract or in any other Project documents, each Party shall bear all costs incurred in relation to the implementation of this Contract and its amendments.

ARTICLE 56

CONFLICT OF THE CONTRACT WITH OTHER AGREEMENTS

If the provisions of this Contract are at variance with the provisions of another agreement or contract between the Parties to this Contract with respect to the same subject, irrespective of whether such agreement has been made before or after the signing of this Contract, this Contract shall always prevail.

On behalf of the Contracting Authority

Ministry of Infrastructure and Energy

Name:

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

Deputy Minister

Representative by Proxy

Date:

On behalf of the Concessionary Company:

“.....”

Name:

Date:

ANNEX 1

PROJECT LOCATION/TERRITORY AND DATA MADE AVAILABLE BY THE
CONTRACTING AUTHORITY

CONCESSION AREA

The Concession Area includes certificates registered with Vlora Local Office of the State Cadastre Agency, which will become integral part of the present Contract.

OTHER DATA MADE AVAILABLE BY CONTRACTING AUTHORITY

ANNEX 2

PROJECT DOCUMENTS

ANNEX 3

DRAFT IDEA, DRAWINGS, LAYOUTS AND SCHEDULE OF WORKS/SERVICES ACCORDING TO THE BID SUBMITTED IN TENDER PROCEDURE

DRAFT

ANNEX 4

AERODROME SERVICES

Part A. Services of the Contracting/Relevant Authority

The Contracting/Relevant Authority will be obliged to provide the following services in the airport:

1. Air Navigation Services, which are provided in aerodromes for the departure and arrival of flights.
2. Providing, maintaining and operating the navigation assistance and other Air Traffic Control equipments (including the air navigation system in ownership and maintained by the relevant air service provider, such as the control tower and ANSP dedicated offices, the radar and instruments of landing systems (ILS); the localizer and the antenna for road crossing, distance measuring equipment (DME); The very high frequency and any direction Doppler line (D-VOR), and the supply with the necessary energy for the navigation equipments and low voltage communication installments.
3. Flight Information services and the Flight Planning Office.
 - A. Flight Informative services and giving advice and useful information for the safe and efficient flights.
 - B. The Navigation Plan is related to providing relevant information for air traffic units concerning a certain flight or a part of an airplane's flight.
4. Information Services and Emergency Action in case of Aviation Accidents and crises management. The service provided for the relevant organization related to the airplanes which need search and rescue assistance and assisting such organizations as necessary.
5. Meteorological Services.
6. Services of the Border and Migration Police.
7. Immigration Services.
8. Customs and Agricultural Inspection Stations.
9. Zoning, the accordance with safety and aeronautical regulations outside the object.

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10. Safety Regulations. The Authority will have the responsibility to define the rules and regulations for implementation in Albania, related to the securing the airport and providing the concessionary with the relevant provisions for safety services at the airport.
11. Safety Regulations, as defined by the amended law 10040 “Air Code of the Republic of Albania”
12. Investigation of Aviation Incidents and Accidents.
13. Providing the licenses and other authorizations for the airport required by law.

Part B. Airport Services

With the exception of Governmental Services, the Concessionary will be obliged to provide or encourage the provision of all the necessary rational services for the safe and continuous operation of the airport, including without limitation the provision of the following objects and services.

1. Safe and calm airport operation (with the exception of Governmental Services).
2. ARFF and CRF Services, including accidents, putting out fires, fire rescue, search and rescue, emergency medical services and ANP assistance.
3. Safety services (as defined in the Agreement), including the provision of personnel and human scanning equipment (including passengers and crew), cabin baggage, granary, cargo and post baggage. Conducting safety controls at the entrance for non-passengers and the objects they carry, examining the vehicles and airplane safety in accordance with SARPs, ECAC Dok.30 and national requirements, baggage and cargo.
4. Managing airport security and illegal interventions (ICAO Dok 8973) and managing the operational safety system in accordance with ICAO DOC 9859.
5. Emergency Management.
6. The control of vehicles and airplane mobility.
7. The assignation of seats, the planning and establishment of exits, in accordance with the legislation in force.
8. Services of airplanes land processing , which include, without limitation to:
 - Administration and surveillance services;
 - Passenger processing;

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- Baggage processing;
 - Goods and post processing;
 - Airplane processing in VQA (ramps) (such as airplane pushing and pulling, marshals guiding, establishing the necessary equipment for the airplane processing, uploading and downloading goods, passenger boarding and landing, etc;
 - Airplane services such as internal and external cleaning) and cabin warming and cooling.
 - services in the airplane's mobility platform;
 - supplying the airplanes with oil and fuel;
 - land transport of passengers, baggage, cargo and post;
 - supplying airplanes with catering service;
 - removing contaminated water and waste from the airplane;
 - supplying airplanes with drinking water;
 - Supplying the airplane with electricity during their stay in the ramps;
 - supplying goods without custom taxes;
9. Maintaining and cleaning the track and providing and maintaining track systems and signs including the airport, parking lot and track lighting (with the exception of the air navigation system which is in ownership and is maintained by the provider of the air navigation system).
 10. Operating and maintaining systems of information disclosure, baggage system and baggage trolleys.
 11. Operating, maintaining and cleaning public and limited areas (including bathrooms) and removing garbage and waste.
 12. Treating, registering and controlling travelers departure and their baggage or/and cargo (including storage) and transferring travelers, their baggage and cargo in and out the airplane.
 13. Parking lot for the airport staff and travelers and other people who visit it in their daily jobs and providing services related with the parking of vehicles.
 14. Products for consumers (with or without customs) and services for the staff and/or other people who visit the airport, by providing the adequate service for the travelers and visitors during every schedule period of commercial flights.
 15. General information services for travelers and/or for other people who visit the airplane;

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16. Providing screens for the disclosure of flight information and allocating desks for airline registration to enable the effective use of registration desks, including systems of regular use (CUTE);
17. Operating and maintaining systems for traveler's airplane boarding and landing, including vehicles to enable distance boarding; boarding and landing of the travelers with disabilities and the uploading and downloading of goods.
18. Operating and general maintenance and airport repair, including Travelers terminals, green areas (including services for landscape decorations), road system, spaces for vehicle parking (including traffic signs and services).
19. Providing adequate offices for airlines and supporting offices.
20. Maintaining offices for the provisions of Governmental Service.
21. Providing wastewater treatment (including surface water: water leakage) and the removal of waste.
22. General administrative and managerial functions necessary for the operation of the airplane, such as billing and collecting.
23. Providing operational readiness for the airport as defined by the ICAO Airport Service Manuals.
 - a. The operation, maintenance and substitution for long periods of time of all objects within the airport;
 - b. Inspecting and testing the surface of the airport;
 - c. Land and air control in visual equipment;
 - d. Objects and operations for bad weather;
 - e. Reducing volatility from birds;
 - f. Managing platforms and their safety;
 - g. Controlling land noise;
 - h. Separating airport areas and controlling the removal of obstacles;
 - i. Managing accidents and incidents of airplanes in coordination with the Relevant Authorities;
 - j. Airport Emergency Plan; and
 - k. Emergency Center of Airport control;

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24. Medical Services)
25. Facilitations (aids)
26. Examining baggage staff , travelers, visitors, vehicles and goods;
27. Developing, operating and maintaining the baggage sorting system
28. Providing assistance for operating flights and systems for crew support;
29. Maintaining and general repair of the airport
30. Managing and operating VIP and CIP spaces;
31. Managing the Airport Central System for Managing Information and intertwined infrastructures, Providing exclusive data on the aerodrome, with data intertwined with Services of Air Traffic Control, Information of flights in and out of the airport for air companies, Travelers and other utilizers.
32. Managing and administrating hired personnel for the concessionary and allowing entry controls and all the personnel within the Airport Safety.
33. Coordinating all Airport activities, including the founding and administration of all coordinating commissions for the utilizers, regulators and different Airport stakeholders.
34. Environmental management and monitoring;
35. Airport Marketing and line development.
36. Airport Commercial Services, such as
 - a) Food and drinks
 - b) Banking services and exchange
 - c) Advertisement and publicity
 - d) Retail of goods free of duties (Duty Free)
37. Every other service regularly submitted in international airports, that otherwise its not a service provided by the Contracting authority.

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ANNEX 5

Key PERFORMANCE INDICATORS

(Annex presented by the Concessionary Company and regulated according to the dispositions of this contract)

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 6

PROJECTION

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 7

THE FINANCAL PATTERN PRESENTED IN THE TENDER

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 8

INSURANCE REQUIRED (NEEDED)

Part 1. - Insurance for the period of construction works.

Minimum insurance requirements

The Concessionaire endows and maintains insurance as defined below throughout the construction period of the concession facility by insurers and reinsurers acceptable to the Contracting Entity.

Insurance against all CAR / EAR hazards of construction & assembly works:

- Coverage, for the entire period foreseen for carrying out the works as well as provision ones, if any, as well as for capital or final works, plus the guarantee period for construction works;
- Amount of insurance indicated in the policy, not less than the estimated value for realization of the contracted works;
- Insured person Contractor and subcontractors or contractor suppliers related to the works of the concession facility;
- The CAR / EAR policy must include a Third Party Liability Coverage Section, with a minimum liability limit of not less than EUR for insurance events and not less than EUR throughout the insurance period .
- General
 - a) The potential damages are paid in the currency agreed by the parties in determining the insurance amount in the policy. Normally, the currency specified in the concession contract is also the currency of the insurance policy;
 - b) Insurers forfeit all regression rights against parties designated as "insured person" in the insurance policy. For the purposes of this clause "right of regression", it will be considered that the Insurer has issued separate policies for each party involved in the "insured person" in the policy;
 - c) The amount of any potential compensation will be calculated at the total cost of replacing the item partially or completely damaged and includes any material provided free of charge to the Concessionaire;
 - d) The insurance policy also covers the coverage caused by incorrect project design;
 - e) The deductible parts and the annexes specified in the insurance policy, in relation to each event and for each risk covered (defined), are determined according to the best practices in the country of issue of the insurance policy.

Part 2. -Insurance in the period of operation.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

Minimum insurance requirements

The Concessionaire is obliged to provide and maintain effective insurance policies during the entire period of the concession utilization that enable at the end of the term of the Concession to return the working and maintained concession facility to the Contracting Authority .

1) Covering all risks of material damage "All risks" or all risks of the concession facility;

- Coverage of all tangible and intangible assets of the concession facility, such as buildings, Machinery & Equipment, Installation of all equipment inventory, including machinery breakdowns that enable the normal operation of the concession facility;
- Additional risks are also covered which require special premiums such as vandalism, terrorism and sabotage, civil unrest, strikes and demonstrations;
- The amount secured, in accordance with the asset inventory values, but in no case less than the replacement value of each asset, which enables the replacement of any partially or totally impaired item;
- Deadline, the entire period set for the duration of the concession;
- Insured person, Concessionaire and Procuring Entity with the quality of co-insured;
- Insurers forfeit all rights of recourse against parties designated as "insured person" in the insurance policy. For the purposes of this clause "right of regression", it will be considered that the Insurer has issued separate policies for each party involved in the "insured person" in the policy;
- The deductible portions specified in the insurance policy, in respect of each event and for each risk covered (peril), are determined in accordance with the best practice in the insurance policy issuing country.

2) Insurance of GTPL – General Third Party Liability,

The subject of this contract is the legal relationship in which the insurer, within the limits of the indemnity and in accordance with these insurance conditions, by virtue of the court's decision to impose legal liability on the Insured, compensates him with the payment of the insurance premium on his part, for:

- Compensation for loss and damage to third parties, including the Insured' legal costs and expenses for the protection of his interests during the trial, caused by unforeseen and unexpected events (accidents) in the premises where the Insured activity is carried out, which has consequences in:

Third party health, which means physical injury, illness or death of any person who is not a party to this insurance contract (harm to people);

Third-party items, which means physical damage or destruction of property owned by any person or entity not party to this contract (damage to the items).

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- Compensation limit; not less than EUR 2,000,000. for an insurance event and not less than EUR 2,500,000. throughout the insurance period.
- Sub-limit for each person: EUR 20,000;
- Insured person, Concessionaire and Procuring Entity in the capacity of co-insured;

3) *Other insurances.*

The Concessionaire pursuant to the legal provisions of Law No. 10076, dated. 12.02.2009 "On Insurance of Responsibility of the Transport Sector" is obliged to enter into contracts for the use of the object of concession only with air transport operators that comply with the legal obligations in force in the Republic of Albania, as defined in the above Law and consist of:

- Obligation to be Insured by the Owner and Users of the Aircraft, Law 10076 dated 12.02.2009, Article s 4 & 5,
- Insurance of Passengers from Accidents in Public Transport, Law 10076 dated 12.02.2009, Article 17 / dh;
- Liability Insurance of Aircraft Owners for Damages Caused by Third Parties - Law 10076 dated 12.02.2009, Article 48/1, for aircraft registered in the Republic of Albania; and Law 10076 dated 12.02.2009, Article 48/8, for aircraft registered outside the territory of the Republic of Albania.
- Liability Limits for Aircraft Coverages are set out in Law 10076 dated 12.02.2009, Article 49.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 9

TENDER DOCUMENTATION

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 10

SERVICE TARIFF PLAN

FEES AND INCOME FROM FEES

Vlora Airport rates are:

- Landing Costs
- Parking
- International Pax Fee
- Security Fee
- Ground Handling
- Communication Services
- Border Crossing tax

Vlora Airport revenues are generated by:

- Aviation Services Revenue
 - Passenger Service Fee Revenues
 - Storage Cargo Revenues
 - Security Charge Revenue
 - Landing Revenues
 - Parking Revenues
 - Lighting Revenues
 - Ground Handling Revenues
 - Cargo Charge Revenues
- Income from other non-aviation services
 - Retail income
 - Car parks and access income
 - Rental income
 - Marketing Revenues
 - Food & Beverage

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

ANNEX 11

MAIN DUTIES OF INDEPENDENT ENGINEER

Role of Independent Engineer

Independent Engineer (IP) is contracted by the Contracting Authority (CA) to manage and improve certain aspects of the Concession Contract, primarily with regard to the Concessionaire's verification of the Contracting Authority's Technical Requirements (Investor Requirements, IK).

In general, the role of the Independent Engineer should be expanded to cover functions for which the Contracting Authority is not fully equipped.

The independent consulting engineer is required to provide expertise in all areas of the Concession without exception. Every aspect of the Concession's performance must be subject to certification based on its Quality Systems and auditing as to the quality of the Concessionaire's results with quality assured and audited. For this reason, and in support of the functions to be performed by the Independent Engineer, it must provide sufficient staff with the appropriate knowledge of the field. At a minimum, the staff of the Independent Engineer should include the following specialties:

- Chief Engineer
- Material Engineer
- Geologist Engineer
- Geo-technician Engineer
- Structural Engineer
- Signaling Engineer
- Environmental Engineer
- Electronic Engineer
- Surveying Engineer
- Inspector for Occupational Safety and Health

The role of the Independent Engineer is the independent certification of tasks in accordance with the requirements and that any task is done through quality assurance / quality control of the Concessionaire, as may be required from time to time, in accordance with the Executive Directives of the Contracting Authority to confirm and / or correct performance.

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The independent engineer oversees and controls, through its Quality Systems, the Concessionaire's performance. The independent engineer conducts quality control audits as needed (based on the statistical variance of the Concessionaire's performance) to confirm the Concessionaire's certificate of compliance.

If the Certificate of Independent Engineer for the task of the Concessionaire, both for the Concessionaire and for the Contracting Authority, says that there is a failure, then the Concessionaire's Quality Systems must dictate that the task be corrected / repeated.

In more detail, the Independent Engineer undertakes the following functions:

I-General Functions

1. conducts general controls, audits and assists in evidence or investigations in relation to Works or Services, having at all times unlimited freedom to enter any territory or workplace where materials are manufactured, subject to following all relevant security procedures;
2. Supervises the Concessionaire's completion of the provisions of the Concession Contract, with the relevant adjustments permitted by the Contract, and immediately informs the Contracting Authority and the Concessionaire if any non-compliance is found;
3. has unlimited freedom of access to the Project Territory at any reasonable time throughout the Contract Period in order to perform its functions;
4. has the right to enter into any property used by the Concessionaire for the execution of the Works and Services, to control their completion by the Concessionaire pursuant to the Contract;
5. has the right, at any time, to enter Project' workplaces or materials to pursue the fulfillment of obligations by the Concessionaire;
6. has the right to call the parties to the meeting, when he / she deems it reasonable to resolve legal or technical economic problems that conflict with the implementation / performance of the contract.
7. has the right to attend meetings where the monthly or other progress is discussed regarding Works and / or Services and receive timely notice of such meetings from the Concessionaire;
8. has the right to request and obtain copies of all drawings, links, specifications and appendices, after any modification made to them by the Concessionaire;
9. has the right to ask the Concessionaire to rectify any defects in the fulfillment of its obligations under the Contract and to assess how far those defects have been remedied;
10. has the right to ask the Concessionaire to remove from the Project Territory any Agent or employee of the Concessionaire or any Subcontractor at any level, as the case may be, in the opinion of the Independent Engineer, violating or incapacitated or negligent in the proper

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performance of duties relating to the Project, or whose presence is considered undesirable in the Project Territory;

11. consults with the Parties on any matter relating to Works and Services;

12. provide reports or information to the Contracting Authority,

13. consider repealing or negatively impacting all or some of the Project Documents and gives its objection to this if necessary;

14. whenever required to provide a decision, opinion or consent or to express its conviction or approval or to take other actions that may affect the rights and obligations of the Parties involved (the "Finding"), unless otherwise provided, the Independent Engineer shall make this Finding as soon as practicable and in any case within the time limit set forth in the Concession Contract and / or the Contracting Authority's Requirements in the matter in question and shall communicate any comments that may be made to this Finding within the relevant deadline;

15. Provides inadmissible evaluation for reports that are based on erroneous information or data or are inconsistent with this Contract;

16. has the right to view, audit and obtain copies of the Concessionaire's records at any time;

17. changes the address after notifying the Parties involved.

II-Special Functions in relation to the Aspects of the Requirements of the Contracting Authority and the Concession Contract

Quality management system

1. Approves and provides comments on the Quality Control Manual for Operation and Maintenance.

2. Oversees and audits the Concessionaire's quality management system and related quality plans, including those of its designers, subcontractors and suppliers, at intervals that the Independent Engineer deems reasonable.

3. Reviews quality documentation in accordance with required standard.

4. Approves and comments on relevant Quality Systems developed by the Concessionaire prior to the commencement of any portion of the Works or Services and their updates during the Contract Validity Period.

5. Participates together with the Concession Project Manager in the formal and scheduled controls of service levels developed and implemented by the Project Implementation Unit.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

Operation and Maintenance

1. Approves and provides comments on the draft detailed version of:

- Quality control manual for operation and maintenance
- Health and life protection manual for operation and maintenance
- Manual operation and routine maintenance
- Control or monitoring manual or manuals
- Environmental management plan

22. Agrees, reviews the annual updates, and approves changes to specific provisions on operation and maintenance requirements that are part of the Operations and Maintenance Manual.

3. Examines and approves the justification presented by the Concessionaire for deviation from response times due to severe weather conditions.

4. Approves (together with the police) the range of services in the event of an accident.

5. Approves or comments on the Plan in response to force majeure or other serious situations.

6. Receives reports and records from the Concessionaire on situations of force majeure or other serious situations.

7. Consults with the Concessionaire regarding the final resolution of force majeure or other serious situations, depending on their type.

8. Approves the detailed draft version, final version and annual maintenance plan updates during the Concessionaire's winter.

9. Agrees and approves the use of similar or improved technologies to be used for topographic measurement.

10. Receives quarterly reports from the Concessionaire detailing the work done in the last quarter or that is proposed for the future.

11. Advises on additional investigations to be carried out with regard to existing geotechnical conditions and possible urgent risks.

12. Identifies jointly with the Concessionaire the repairs to be performed under the responsibility of the Contracting Authority.

13. Approves the additional time required for repairs in accordance with this concession contract, if requested by the parties.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

14. Approves and audits the program to be implemented by the concessionaire in accordance with the provisions of this concession contract.

15. Agrees and reviews annually the program updates to be implemented by the concessionaire pursuant to the provisions of this concession contract.

16. Approves the changes made to the envisaged programs that will be implemented by the concessionaire in case the envisaged objectives are not achieved.

Control, monitoring and management systems

1. Advises on the time allowed for defect repairs where such repairs are necessary and cannot be completed within the agreed timeframe of the parties.

2. Provides advice and guidance on the controls of structures in relation to the fulfillment of Albanian and European standards and the good practice of the economic sector, as well as the structure management system.

3. Approves the detailed project proposal for the development and utilization of inventory and infrastructure management systems.

4. Approves / confirms the demonstration of the good functioning of inventory and infrastructure management systems.

5. Approves management systems with a purchased license.

- Capital Works and Capital Repairs

- 1. Coordinates and oversees the Capital Works and / or Capital Repairs undertaken by the Contracting Authority and / or the subcontractor of the Contracting Authority during the Concession period, to which the Concessionaire shall place.

- 2. Provides (additional) recommendations on the design standards to be used in the new proposals as well as in the preparation of all major final design projects of the elements of Capital Works from the Concessionaire.

- 3. Approves the complete set of design standards for each element of the Works that the Concessionaire has prepared prior to the commencement of any final major technical project.

- 4. Confirms its approval of the written draft proposal upon agreement.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

- 5. Reviews and approves additions and changes to the accepted project proposal submitted by the Concessionaire as annexes, prior to the commencement of the work, regarding the aspects of the works affected by the annex in question.
 - 6. Controls the effect of temporary objects on the permanent structure (but does not control temporary objects).
 - 7. Examines the validity of the project and verifies the certificates of all temporary facilities.
 - 8. Reviews and approves (or rejects) the complete final design for Capital Works elements that should include complete evidence of the approved project.
 - 9. Requires and uses design manual as full supporting text and efficient working document.
 - 10. Comments on and approves the work program for the technical projects submitted by the Concessionaire for all the elements that constitute Capital Works.
 - 11. Reviews the submitted project proposals, in consultation with the Contracting Authority. Upon completion of the review, the Independent Engineer:
 - approves the material submitted,
 - provides conditional approval requiring revisions to be made and included in the drafts of the work, or
 - partially or completely rejects the material if it finds that the technical design does not meet the Contracting Authority's technical requirements and / or design criteria.
1. Reviews the technical sketches of the submitted works. Upon completion of the review, the Independent Engineer:
- approves the material submitted,
 - partially or completely rejects the material if it finds that the technical project does not meet the Contracting Authority's technical requirements and / or design criteria or with comments made by the Independent Engineer as part of the conditional approval of the project proposal.
2. Monitors works in accordance with the Concession Contract.
3. Obtains and approves the plan for managing the construction of Capital Works for all Aspects of Capital Works.
4. Approves the detailed design and construction program submitted by the Concessionaire.
5. Approves monthly progress reports and program updates as required.
6. Participates in the annual consultation and approval process regarding the execution of Works on the basis of predetermined start and end dates (or conditional start and end dates, as appropriate).

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

Performance management and evaluation

1. Monitors and reports on the Concessionaire's performance against contractual requirements based on Monthly / Annual Performance Reports, Operation and Maintenance Manual, Airport Construction Plan, Quality Systems and Environmental Management System providing the necessary management information.
2. Undertakes technical audits of factual works.
3. Undertakes technical audits of the Services and Works monitored by the Concessionaire's dedicated quality control unit.
4. Has the right to increase, at the Concessionaire's expense, the level or frequency of monitoring, auditing, testing, and inspecting the facility and the Concessionaire's compliance with its obligations under this Contract, to the extent that the Contracting Authority or the Independent Engineer considers it appropriate, under the Concession Contract.

Return

1. May be instructed by the Contracting Authority to carry out an inspection of the facility to ascertain whether or not the Concessionaire is meeting the requirements of this Contract and in particular whether the Requirements for Return within the Validity Date will be fulfilled.
2. Reviews and approves the assessment plan for the return prior to the commencement of any work by the Concessionaire.
3. Consults with the Concessionaire about updating the assessment plan for the return as needed to reflect changes to the project conditions or the assessment methodology as determined by the Contracting Authority or the person designated by him.
4. Reviews and approves detailed testing and inspection procedures as required by the contract.
5. Coordinates with the Concessionaire all aspects of the renovation works for the return.
6. Receives documentation from the Concessionaire stating that the Concessionaire has complied with the instructions and has completed the obligations for any remedies as required by Albanian legislation regarding those areas where action has been taken.
7. Assists the Concessionaire in conducting the final Return Survey in order to determine what remediation work is left to be done.

Other functions:

1. Certifies that additional land is required by the Concessionaire to fulfill its obligations under this Contract.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

2. Provides opinion on the Subcontractor's claims and any related documents. Approves and comments on the original Concessionaire Program (or additions and changes thereto).
3. Performs the technical delivery procedure upon preliminary completion.
4. Checks and certifies that the Works required for the safe operation of the airport have been completed.
5. Evaluates the outcome of the technical submission procedure and ascertains whether the Concessionaire has complied with all Contracting Authority requirements for the works, or informs the Concessionaire of any objections.
6. Consults the Concessionaire aiming to reach an agreement on the measures required to be taken in order to achieve the fulfillment of the Contracting Authority's requirements in the event of any objection.
7. Performs the technical delivery procedure upon completion.
8. Checks and certifies that the Works have been completed and that the conditions set out in the Preliminary Certificate of Completion have been fulfilled.
9. Determines what additions and changes should be made to the Operating and Maintenance Manuals if the Parties do not agree on appropriate additions and changes.
10. Determines whether any defect, breach and / or non-compliance has occurred and the timing of remedy in the event of a dispute between the Contracting Authority and the Concessionaire regarding the defects identified and required to be remedied.

11. Is informed and acts as necessary in accordance with the Concession Agreement in respect of compensation events.

12. Evaluates the evidence provided by the concessionaire in relation to compensation events.

13. Is informed and acts as required in accordance with the Concession Agreement in respect of events of relief from obligation.

14. Evaluates the evidence provided by the concessionaire as to the events of relief from the obligation.

15. Is informed and acts upon as necessary in accordance with the Concession Agreement regarding force majeure events.

16. Assesses the evidence given by the concessionaire in relation to force majeure events.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

17. Notifies in writing of the potential consequences of a qualitative change to the law that has been or will be made very soon.

18. Is provided with a complete and detailed explanation and evidence regarding the Qualifying Change of the law and the benefits claimed, the precious duration of the delay concerned, any relevant information pertaining to the Qualitative Change of the law and the loss of the relevant expected revenue or cost increases arising from the qualifying change of law.

19. Gives an opinion on the reasonableness of the Concessionaire's proposals in the Notice of Change.

20. Provides decision making in accordance with the Clause on Covert Defects.

ANNEX 12

OPERATION AND MAINTENANCE MANUAL

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)

ANNEX 13

ENVIRONMENTAL MANAGEMENT PLAN

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)

ANNEX 14

EMERGENCY MANAGEMENT PLAN

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)

ANNEX 15

REPRESENTATIVES OF THE PARTIES

a) The representative of the Contracting Authority

The Contracting Authority Representative is a person authorized to represent the Contracting Authority in connection with the performance of this Contract.

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

The Representative of the Contracting Authority is the head of the Project Implementation Unit, established by the Contracting Authority for the purposes of implementing this Contract, or another person designated by the Contracting Authority.

The Contracting Authority shall have the right to replace its Representative, to whom it shall notify the Concessionaire in writing.

The actions or instructions of the Representative of the Contracting Authority, as hereinafter provided, shall be deemed to be the actions or instructions of the Contracting Authority, unless the Contracting Authority notifies the Concessionaire in advance that a particular action or instruction is not a Contracting Authority's action or instruction.

Any request to provide information or documents to the Contracting Authority under the Contract is a requirement that such documents be made known to the Contracting Authority Representative unless the Contracting Authority notifies the Concessionaire of another person to whom Such documents must be sent.

When sent to the Contracting Authority:

Address: Rruga “Abdi Toptani”, Nr.1 Tiranë

Web:<http://www.infrastruktura.gov.al>

To: Ministry of Infrastructure and Energy (Project Implementation Unit)

a) The Concessionaire's representative

The Concessionaire Representative is a person authorized to represent the Concessionaire in connection with the implementation of this Contract.

The Concessionaire may replace its Representative by sending a written notice to the Contracting Authority at least 10 (ten) business days in advance.

The actions or instructions of the Concessionaire Representative, to the extent provided herein, shall be deemed to be the actions or instructions of the Concessionaire unless the Concessionaire notifies the Contracting Authority in advance that a particular action or instruction is not the action or instruction of the Concessionaire.

For “.....” ltd

When sent to the Concessionaire:

Address:

Tel:

This draft contract may be amended, in accordance with the bidding procedure documents, with a view to adapting to the winning bid and the negotiations between the Authority and the most successful bidder.

e-mail:

To: VLORA INTERNATIONAL AIRPORT

ANNEX 16

MASTERPLAN

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)

ANNEX 17

AIRCRAFT SYSTEMS

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)

ANNEX 18

GUARANTEED MINIMUM INCOME AND INCOME DIVIDEND

(Appendix presented by the Concessionary Company and regulated by the provisions of this contract)