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THE GOVERNMENT OF ALBANIA

- and -

HOCHTIEF AIRPORT GmbH

DEG- DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT mbH

ALBANIAN-AMERICAN ENTERPRISE FUND

CONCESSION AGREEMENT

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THIS AGREEMENT (the "**Agreement**") is made between:

- (1) **GOVERNMENT OF ALBANIA** (the "**Government of Albania**"), represented by the Ministry of Economy of the Republic of Albania and the Ministry of Transport and Telecommunications of the Republic of Albania collectively the "**Authorised State Organ**" and
- (2) **HOCHTIEF AirPort GmbH, DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT mbH, ALBANIAN-AMERICAN ENTERPRISE FUND** (each a "**Consortium Member**")

WHEREAS:

- (A) Under Article 9 of Albanian Law no. 7973 "*On Concessions and Participation of Private Sector in Public Services and Infrastructures*" dated 26 July 1995 (as amended, the "**Concession Law**"), the decision of the Council of Ministers of the Republic of Albania (the "**Council of Ministers**") titled "*On Approval of the Program and Documentation of the Project for the Implementation of the Concession Contract for the International Airport "Mother Teresa", Rinas, Tirana*" dated 5 June 2003, and the decision of the Council of Ministers titled "[●]" dated 27 January 2004, the Authorised State Organ is authorised to execute this Agreement in the name of and on behalf of the Government of Albania.
- (B) The Company (as defined below) shall as soon as practicable after its incorporation, become party to this Agreement by entering into a deed of accession substantially in the form of Schedule "**Deed of Accession**" as such Deed of Accession is to incorporate the signed copy of this Agreement as its integral part.
- (C) The Authorised State Organ has agreed to enter into, in the name of and on behalf of the Government of Albania, this Agreement with the Company for the granting of a concession (as further described in Clause 2.1, the "**Concession**") to the Company under the Applicable Law;
- (D) The Government of Albania enter into this Agreement, and the Company will enter into this Agreement, in order to set out the terms and conditions under which the Company will be entitled, *inter alia*, (a) to design, finance, install, construct, commission, maintain, operate, manage and develop the New Terminal and other New Facilities in the Concession Area; (b) use and refurbish the Existing Terminal, the Existing Terminal Site, the Related Assets and the Concession Area; (c) own the New Facilities; (d) enjoy Usufruct rights for a period of at least twenty (20) years related to the Existing Terminal, the Existing Terminal Site, the Related Assets and the Concession Area; and (e) enter into contracts for the purchase of any assets, perform its obligations and exercise its rights under this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement in addition to the terms defined elsewhere in the Agreement:

- "Access Road Report"** shall have the meaning ascribed to it in Schedule [●].
- "Additional Obligations"** shall have the meaning ascribed to it in Clause 4.4.
- "Aerodrome Manual"** means a document (or a set of documents) which contain all of the Airport particulars, operating procedures and plans as required by the relevant State Entity and as described in ICAO Doc 9774 AN/969 Appendix 1.
- "Airport Maintenance and Operations and other Manuals"** means a document (or a set of documents) which contain particulars and plans not otherwise included in the Aerodrome Manual, but required for the purposes of safe and effective operation and maintenance of the Airport and its infrastructure and for interfaces with third parties.
- "Affiliate"** means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under common control with, such Person, or any other Person controlled, directly or indirectly, by the same Person or otherwise, directly or indirectly, connected through shareholdings.
- "Agreed Derogations"** mean the derogations from the terms and conditions of the Concession, as agreed in writing from time to time between the Company and the Authorised State Organ.
- "Agreed Operation Cost Portion"** means that proportion, determined for the purpose of the periodic review of the Airport Charges based on the reasonable financial projections of the Company, of the total operating, taxation and service of capital costs of the Company, which is in respect of the operating costs of the Company for the purpose of fulfilling the Core Obligations and, to the extent applicable, the Additional Obligations.
- "Agreed Technical Design"** Means the technical design as agreed between the Company and the Authorised State Organ, having, the features set out in Schedule "Agreed Technical Design".

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| <i>“Airport”</i> | means “Mother Teresa” International Airport, near Tirana, Republic of Albania. |
| <i>“Airport Access Road”</i> | means the existing road from the T-junction on the Vore to Frushe-Kruje road to the Airport. |
| <i>“Airport Charges”</i> | mean any and all of the Landing and Take-off Charges, the Ground Handling Charges for passenger and cargo, the Passenger Charges, and the Cargo Charges. |
| <i>“Airport Circulatory Road”</i> | mean the roads, adjacent to the Phase A Car Parks, the Phase B Car Parks and the New Terminal, to be constructed by the Company in accordance with the requirements set out in Schedule “Airport Access Road, Airport Circulatory Road and Phase A Car Parks” |
| <i>“Airport Concession Law”</i> | means the law ratifying this Agreement to be enacted by the Albanian People’s Assembly in form and substance set out in Schedule “Airport Concession Law”. |
| <i>“Airport Perimeter Security Fence”</i> | means a continuous fence having the specifications described in Schedule “Airport Perimeter Fence” enclosing the airside areas of the Airport and positioned at or close to the perimeter of the Concession Area. For the avoidance of doubt, such fences are not required along the roads outside the Concession Area. |
| <i>“Airport Rights”</i> | mean any privilege or right to be granted under this Agreement, or any franchise, lease or other right or sub right granted by the Company for the exploitation of or otherwise in relation to any privilege or right granted under this Agreement. |
| <i>“Airport User”</i> | means any airline with scheduled or chartered flights to and from the Airport. |
| <i>“Airside Perimeter Road”</i> | means the continuous paved road of the specification described in Schedule “Airside Perimeter Road” which runs inside (airside) of the Airport Security Perimeter Fence encircling the Concession Area and linking to the main apron and certain other facilities such as nav aids within the Concession Area. |
| <i>“Albanian Civil Code”</i> | Means the Law No. 7850, dated 29 July 1994 “The Civil |

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| | Code of Republic of Albania", as amended from time to time. |
| "Albanian CPI" | means ... |
| "Albanian Generally Accepted Accounting Principles" | Means the accounting principles prescribed by the Applicable Law for the preparation of financial statements by Albanian companies for statutory reporting purposes. |
| "ANTA" | Means the Albanian National Air Traffic Agency or any successor thereof. |
| "Applicable Law" | means the Constitution of the Republic of Albania and any applicable national or municipal statute, ordinance, decree or other law, of the Republic of Albania |
| "Assets at Handover" | means the assets of the Company to be transferred to the Government of Albania at the Handover Date, in accordance with Clause [28]. |
| "Authorisations"² | means a consent, permission, licence, authorisation, approval or certificate: (a) the issue or renewal of which is the responsibility of the Government of Albania or any State Entity (b) and which is required for the exercise of the Company's rights and obligations under this Agreement, including but not limited to the Authorisations set out in Schedule "Authorisations" |
| "Authorised State Organ" | shall have the meaning ascribed to it in the introductory heading (1). |
| "Average Official Exchange Rate" | means the average official exchange rate of the last five working days prior to the presentation of the Company of its review of the Airport Charges and published by the Bank of Albania in accordance with Applicable Law |
| "Bank of Albania" | means the central bank of the Republic of Albania dealing with the monetary policy and regulatory matters in the financial sector of the Republic of Albania |
| "Border Tax on Exit" | shall mean the border tax chargeable pursuant to the Applicable Law |
| "Breakage Cost" | means the cost of breaking funding and hedging arrangements (but only if the hedging undertaken by the Company is in form of interest rate swaps established and performed under the ISDA documentation) of the Senior |

Lender and third party Subordinated Lender.

- Business Day*** means a day during which business is conducted in the Republic of Albania, with the exception of public holidays and week-ends.
- “Capital Cost”*** shall mean the estimated cost prepared by the Company for the purposes of Clause 4.8.
- “Cargo Charges”*** shall mean the cargo charges set out in Schedule “Airport Charges”.
- “Certified Senior Debt”***³ means the Senior Debt of the Company which has been notified by the Company to the Authorised State Organ and approved and acknowledged as such in writing by the Authorised State Organ.
- “Certified Subordinated Debt”*** means the Subordinated Debt of the Company which has been notified by the Company to the Authorised State Organ and approved and acknowledged as such in writing by the Authorised State Organ.
- “Change in Law”*** means the enactment, passing, commencement, revoking, overturning, modification, amendment or abrogation of Applicable Law, including any change in the rates of any of the Taxes, which comes into force after the date of this Agreement or any change in the interpretation or application of any of the foregoing by any State Entity.
- “Chicago Convention”*** means the 1944 Chicago Convention, as amended and/or supplemented from time to time; and references to an "Annex" to the Chicago Convention shall mean such Annex as amended and/or supplemented from time to time.
- ["Civil Code"]*** means law no. 7850 "*The Civil Code of the Republic of Albania*", dated 29 July 1994, as amended from time to time.]
- Note : see definition « Albanian Civil Code »***
- “Commencement Date”*** shall have the meaning ascribed to it in Clause 3.5.
- “Committed Equity Funding”*** shall have the meaning ascribed to it in Schedule “Committed Equity Funding”.
- “Company”*** means a company to be incorporated under the Applicable Law, which sole business purpose is carrying out of the activities related to this Agreement.

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| <i>“Company Precedent”</i> | <i>Condition</i> shall have the meaning ascribed to it in Clause 3.2. |
| <i>“Company Event of Default”</i> | shall have the meaning ascribed to it in Clause [27.1]. |
| <i>“Company Event”</i> | <i>Termination</i> shall have the meaning ascribed to it in Clause [25.4]. |
| <i>“Company’s Bond”</i> | <i>Performance</i> shall have the meaning ascribed to it in Clause [14.2]. |
| <i>“Concession”</i> | shall have the meaning ascribed to it in Recital (C). |
| <i>“Concession Area”</i> | means the area, a map of which is set out in Schedule “Description of the Concession Area” and showing the area covered by the Project. |
| <i>“Concession Fee”</i> | shall have the meaning ascribed to in Clause 2.5. |
| <i>“Concession Law”</i> | shall have the meaning ascribed to it in Recital (A). |
| <i>“Concession Period”</i> | has the meaning ascribed to it in Clause 2.2(a). |
| <i>“Conditional Transfer”</i> | means any agreement and/or instrument to be entered into between the Company, the Authorised State Organ, the Consortium and the Lender whereby any and all rights and obligations of the Consortium and/or an Affiliate of the Consortium and the Company under this Agreement shall be assigned and/or novated to the Lender. |
| <i>Not Found</i> | |
| <i>“Confiscatory Expropriation”</i> | means any act by the Government of Albania or a State Entity after the Commencement Date of this Agreement, intending to deprive or depriving the Company of any of its rights in respect of this Agreement and/or the Concession Area. |
| <i>“Connected Contract”</i> | means, at any time and from time to time, any contract or arrangement entered into between, on one hand, the Company (or any Person controlled by the Company) and, on the other, any Shareholder (including any Affiliate or such Shareholder) or any shareholder of the Person controlled by the Company (including any Affiliate of such Shareholder). |
| <i>“Connected Person”</i> | means any party to a Connected Contract other than the Company and/or any Person controlled by the Company. |

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| “Consortium Member” | has the meaning ascribed to it in the introductory heading (2). |
| “Consortium Member Event of Default” | shall have the meaning ascribed to it in Clause [27.5]. |
| “Construction Works” | means the construction works to be carried out by the Company as set out in Schedule “Agreed Technical Design” and the Updated Airport Master Plan in accordance with Clause 6.1 (a). |
| “Contractors” | mean any other company contracted by the Company, or sub-contracted by a Person contracted by the Company, for the purpose of refurbishment, construction, management or development of the Existing Terminal, the Existing Terminal Site and Related Assets and the New Facilities, |
| “Contracts” | mean the contracts between Mother Teresa Airport Sh.A and other Persons. |
| “Conventions” | means international and EU conventions, protocols and regulations of the airport, air-traffic control and airline industries to which the Republic of Albania is a signatory or is otherwise bound by. |
| “Core Obligations” | shall have the meaning ascribed to in Clause 4.3. |
| “Cost of Equity” | means the target internal rate of return of the Shareholder’s Equity set at 19% p.a. |
| “Council of Ministers” | shall have the meaning ascribed to it in Recital (A). |
| Council of Ministers Decision” | shall have the meaning ascribed to it in Recital (A). |
| “Deed of Accession” | shall have the meaning ascribed to it in Recital (B). |
| “Default” | means a failure by a party to perform any of its obligations under this Agreement which is not due to a Force Majeure Event or covered by a Permitted Time Extension. |
| “Designated Airline” | means the airline(s) benefiting from the traffic rights granted under Applicable Law and/or bilateral and/or multilateral agreements entered into and ratified by Republic of Albania. |
| “DM” | means the lawful currency of the Federal Republic of |

Germany until 31 December 2001

- “Effective Date”** means the date on which the parties to this Agreement and the Company shall have entered into the Deed of Accession.
- “Eligible Change”** means the right of the Government of Albania to require the Company to provide such additional works and services related to the Concession which fall outside the scope of the Concession, *provided that* such change does not require expenditure exceeding Euro 25,000 in any year during the Concession Period. In the event that such additional works and services cause delay in achieving an Obligation Required Date, such Obligation Required Date shall be extended by the period of delay.
- “Environmental Regulation”** means the environmental regulations and standards in effect as of the date of this Agreement in the Republic of Albania and as set out in Schedule “Codes, Standards, Regulations and other Publications” and Schedule “Operational Management/Environmental Management”.
- “Equity”** means any class of shares subscribed and paid in, and/or Subordinated Debt extended, by the Shareholders to the Company.
- “Euro” or “EUR”** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
- “Existing Airport Master Plan”** means the master plan for the Airport prepared by Spiekermann GmbH & Co. in June 2000 and approved by the Council of Ministers Decision no. 475, dated 17 August 2000.
- “Existing Assets”** means the fixed and moveable assets existing at the Commencement Date audited by a qualified Auditor and to be duly transferred and listed in an inventory to be signed by both parties on Commencement Date as per Schedule “Existing Asset List”.
- “Existing Terminal”** means the passenger terminal building at the Airport at the Commencement Date. For the avoidance of doubt, the reference to the “Existing Terminal” shall include the reference to the “Refurbished Existing Terminal”, as appropriate.

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| <i>“Existing Terminal Site”</i> | means all such sites and properties, where the Existing Terminal is located and any land and rights or way or other rights related to the Existing Terminal which are necessary for the operation and maintenance of the Existing Terminal by the Company. |
| <i>Note: check if superfluous</i> | |
| <i>“Facilities”</i> | means such equipment, installations or structures at the Airport as listed in Schedule [●]. ¹ |
| <i>Note: check if superfluous</i> | |
| <i>“Financing Documents”</i> | means the loan agreements or any related documents to be entered into between the Company and the Lender, for the purposes of providing the requisite financing or refinancing in relation to the Project and shall include any guarantee, indemnity or other similar agreement to be entered into by the Company with any Person in connection with these agreements. |
| <i>“Financial Closing”</i> | means the date on which (a) the Financing Documents have become effective, and (b) the Company has immediate access to funding under such Financing Documents. |
| <i>“Financial Year”</i> | means the period commencing each year on 1 January and ending on the following 31 December. |
| <i>“Force Majeure”</i> | means the occurrence of any of the events listed in Clause [24.1] and "Force Majeure Event" shall be construed accordingly. |
| <i>“Fuel Operating Company”</i> | means any fuel operating company organised and existing under the laws of the Republic of Albania. |
| <i>“GDCA”</i> | means the civil aviation authority of the Republic of Albania, established in accordance with and carrying out the duties and responsibilities ascribed to it in any Applicable Law. |
| <i>“Generally Accepted Accounting Principles”</i> | means, collectively, the Albanian Generally Accepted Accounting Principles and the International Accounting Standards. |
| <i>“Good Industry Practice”</i> | means the Standards set forth in Schedule "Codes, Standards, Regulations and other Publications", and in |

¹ NOTE: To be refined after receiving Operation Schedule and after agreeing on the Event of Default Clause.

respect of matters not covered by such Schedule, the practices, methods, Standards and procedures conforming to Applicable Law and generally followed in the air transport and airport management industry with respect to the design, construction, operation and maintenance of airports, which can be reasonably expected from a skilled and experienced airport operator under the same or similar circumstances.

- Government of Albania*** shall have the meaning ascribed to it in the Applicable Law.
- "Government of Albania Conditions Precedent"*** shall have the meaning ascribed to it in Clause 3.2.
- "Government of Albania Event of Default"*** shall have the meaning ascribed to it in Clause [27.2]
- "Government of Albania Termination Event"*** shall have the meaning ascribed to it in Clause [25.4].
- "Government Services"*** ***Provided*** means the services provided by the Government of Albania during the Concession Period set out in in Schedule "Government Provided Services".
- "Ground Handling Charges"*** means the ground handling charges as set out in Schedule "Airport Charges".
- "Ground Movement and Related Services"*** means services conventionally provided at civilian airports in Europe to aircraft (whether moving or stationary), passengers, baggage and goods on the ground or in respect of the passengers of such aircraft.
- "Handover Date"*** means the date on which the Concession Period expires or the date of receipt of a duly served Termination Notice.
- "ICAO"*** means the International Civil Aviation Organisation formed by the Chicago Convention or any successor thereof.
- "Implementation Period"*** means the period specified in Schedule "Additional Obligations - Trigger Events and Timetable", in the column entitled "Implementation Period" and row relating to the relevant obligation.
- "Independent Engineer"*** shall have the meaning ascribed to it in Clause [6.3(g)].
- "Independent Review"*** shall have the meaning ascribed to it in Clause [19.3].
- "Independent Review"*** shall have the meaning ascribed to it in Clause [9].

Committee

“Initial Senior Debt”

means the Senior Debt of the Company which has been committed by the Lender on the date of the Financial Closing.

Initial Subordinated Debt

means the Subordinated Debt of the Company which has been committed by the Lender on the date of the Financial Closing.

“Insolvency Event”

means, in relation to a Person, any of the following events:

- (a) an assignment by that Person for the benefit of its creditors as a whole (excluding, for the avoidance of doubt, any assignment by way of Security in favour of the Lender);
- (b) a petition or application by that Person to any tribunal for the appointment of an administrator, in respect of itself or any substantial part of its property;
- (c) commencement by that Person of any judicial or other legal proceedings by reason of its insolvency under the bankruptcy procedures as provided in Applicable Law
- (d) issuance of a decree or order adjudging that Person insolvent and/or bankrupt; or
- (e) commencement against that Person of such insolvency or bankruptcy procedures referred to in paragraph (c) above which shall remain undischarged for sixty (60) days.

“Intellectual Property Rights”

means all patents, design rights, copyrights, trade marks, service marks, trade names and all other intellectual property rights of any nature whatsoever throughout the world whether registered or unregistered and including all applications and rights to apply for any of the same.

“International Financing Reporting Standards” or “IFRS”

means the accounting standards specified by the International Accounting Standards Board from time to time.

“Junior Revenue Share”

means an amount to be calculated and payable by the

Company to the Government of Albania annually at the specified level of priority in the cash-flows of the Company,

- “Junior Revenue Share Percentage”** means, for each year during the Concession Period, the percentage set out in Schedule “Junior Revenue Share”.
- “Landing and Take-off Charge”** means the landing and take-off charge set out in Schedule “Airport Charges”.
- “Lek”** means the lawful currency of the Republic of Albania.
- “Lender”** means the lender or lenders under the Financing Documents or under any arrangement for the refinancing of debt extended to the Company under the Financing Documents, which lender can be either the Senior Lender of the Subordinated Lender.
- “KfW-Loan”** means the loan agreement, dated 11 May 1996, entered into by the Republic of Albania (as borrower), Albtransport Sh.A. (as sub-borrower) and succeeded by Mother Teresa Airport Sh.A.) and Kreditanstalt für Wiederaufbau, in the amount of DM 48 million, for the purpose of certain reconstruction works at the Airport and the payment of foreign exchange costs.
- “Maintenance Program”** means the maintenance program to be kept by the Company in the form specified in Schedule “Operational Management”⁸.
- “Material Adverse Change”** means, in relation to a Person: (i) a material adverse change in the condition (financial or otherwise), business, operations or assets of the relevant Person, or (ii) a material adverse change in the ability of the relevant Person to perform any of its obligations under this Agreement or any other agreement related to the Concession to which it is a party, and if the Person is the company, then the determination of whether a Material Adverse Change has occurred or is reasonably likely to occur shall be made in respect of the company itself and the company and all of its Affiliates taken as a single enterprise.
- “Material Breach”** means a breach by the Company or by the Government of Albania (including any State Entity) of any of its obligations under this Agreement, which is likely to cause, in the opinion of the affected party (and, in the case of disagreement between the parties, subject to Clause 35 (Dispute Resolution), a Material Adverse Change and which
- No Reference Found**

the Company or the Government of Albania (as the case may be) has failed to cure within the relevant cure period.

- “Military Area”** means the area or areas marked as military area on the map set out in Schedule “Description of Concession Area”.²
- “Military Operations”** means any activity carried out by the [armed forces] either of the Republic of Albania or any other country at the invitation of the Republic of Albania, which activity may be performed either in the Concession Area or outside the Concession Area (but having the affect of constraining civilian aviation activity at the Airport).³
- “Minimum Performance Levels”** means the levels of performance of airport operating and related activities by the Company specified as such in Schedule “Performance Standards”
- “Mortgage”** shall have the meaning as determined by Applicable Law.
- “Mother Teresa Airport Sh. A.”** means a joint stock company organised and existing under the laws of the Republic of Albania, wholly owned by the Republic Albania, which company is a legal successor of Albtransport Sh.A.
- “New Access Road”** means the road to be designed, constructed, commissioned, by the Company in accordance with the requirements set out in Schedule “New Access Road”
- “New Administration Offices”** means the administration offices to be located in the Refurbished Existing Terminal and provided, operated and maintained by the Company in accordance with the requirements set out in Schedules “Existing Terminal” and “Phase A of the New Terminal and New Administration Offices”.
- “New Air Cargo Centre”** means the new air cargo centre to be designed, constructed, commissioned, operated and maintained by the Company in accordance with the requirements set out in Schedules “Existing Terminal” and “Phase A of the New Terminal and New Administration Offices”.
- “New Bridge”** means the new bridge on the existing Airport Access Road to be designed, constructed, commissioned by the Company in accordance with the requirements set out in Schedule

² GoA and Halcrow to review.

³ GoA and Halcrow to review.

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| | ”Airport Access Road, Airport Circulatory Road, Airport Roads and Phase A Car Parks”. |
| “New Facilities” | means, collectively, the New Access Road, New Administration Offices , the New Air Cargo Centre, the New Bridge, the New Fuel Facilities and the New Terminal. |
| “New Fuel Facilities” | means the new fuel facilities to be designed, constructed, commissioned, operated and maintained by the Company in accordance with the requirements set out in Schedule ”New Fuel Facilities”. |
| “New Terminal” | means the new terminal to be designed, constructed, commissioned, operated and maintained by the Company in accordance with the requirements set out in Schedules ”Phase A of the New Terminal and New Administration Offices” and “Phase B of the New Terminal and Phase B of Car Parks”. |
| “Obligation Required Date” | shall have the meaning, in respect of each Core Obligation, ascribed to it in Schedule ”Penalties for Non-Compliance with the Core Obligations”. |
| “Ordinary Shares” | means ordinary shares of the Company. |
| Other Airport Charges | means all other charges levied by the Company for the provision of other services related to this Agreement that shall not be subject to the provision of Clause 20. |
| “Passenger Charges” | means the passenger charges set out in Schedule ”Airport Charges”. |
| “Person” | means any individual, corporation, firm, partnership, joint venture, association, organisation, trust, state, the Government of Albania, any State Entity or any agency, authority, central bank, department, legislature, minister, ministry, official or public or statutory Person (whether autonomous or not) of any state (in each case, whether or not having separate legal personality). |
| “Phase A Car Parks” | shall have the meaning ascribed to it in Schedule ”Airport Access Road, Airport Circulatory Road, Airport Roads and Phase A Car Parks”. |
| “Phase A of the New Air Cargo Centre” | shall have the meaning ascribed to it in Schedule ”Phase A of the New Air Cargo Centre”. |

- “Phase A of the New Terminal”** shall have the meaning ascribed to it in Schedule “Phase A of the New Terminal, New Administration Offices”.
- “Phase A New Terminal Opening Date”** means the date on which Phase A of the New Terminal as described in Schedule “Phase A of the New Terminal, New Administration Offices” is opened for passenger use with all applicable Facilities being available for use, all in compliance with the applicable Standards.
- “Phase B Car Parks”** shall have the meaning ascribed to it in Schedule “Phase B of the New Terminal and Phase B of Car Parks”.
- “Phase B of the New Air Cargo Centre”** shall have the meaning ascribed to it in Schedule “Phase B of the new Air Cargo Centre”.
- “Phase B of the New Terminal”** shall have the meaning ascribed to it in Schedule “Phase B of the New Terminal and Phase B of Car Parks”.
- “Phase B New Terminal Opening Date”** means the date on which Phase B of the New Terminal as described in Schedule “Phase B of the New Terminal and Phase B of Car Parks” and incorporating Phase A of the New Terminal is opened for passenger use with all applicable Facilities being available for use, all in compliance with the applicable Standards.
- “Potential Airport User”** means a duly established airline company that has evidenced its interest to commence flights to the Airport during the Concession Period.
- “Prior Debt Amounts”** means the amounts to be paid from time to time by the Company in connection with principal and interest under the KfW Loan, in accordance with Schedule “KfW Prior Debt Amounts”.
- “Project”** means the design, financing, construction, commission, maintenance, operation, management and development of the Airport, which includes, *inter alia*, (i) ownership by the Company of the New Facilities and the enjoyment and the exercise by the Company of Usufruct relating to the Concession Area, the Existing Terminal, the Existing Terminal Site and Related Assets, and such New Facilities which cannot be owned by the Company, (ii) design, construction and installation of the New Facilities, (iv) refurbishment and maintenance of the Existing Terminal, the Existing Terminal Site and Related Assets, the New Facilities and the Concession Area, (iii) transfer of all

applicable rights related to the New Facilities to the Government of Albania or to an entity appointed by the Government of Albania from time to time on the expiry of or on termination of the Concession Period, (iv) entering into contracts with third parties, and (v) the billing and collection of payment from third parties on the account of the Airport Charges.

“Project Implementation Unit” means the body to be formed by the Authorised State Organ in accordance with Applicable Law and this Agreement. Such body being responsible for the supervision of the Concession, shall be assisted by the Independent Engineer as defined in Schedule “Independent Engineer”.

“Proposal Period”

Note: deleted from relevant Schedule

“Qualified Engineer” means a qualified professional engineer with up-to-date international experience in the airport industry, appointed by the Authorised State Organ for the purpose of monitoring compliance of design, engineering and building works of the Company’s Additional Obligations as set out in Schedule “Additional Obligations”.

“Quarter Date” means each of 1 January, 1 April, 1 July and 1 October

“Refurbished Terminal” **Existing** means the Existing Terminal having been improved and modified for the use and to the standards specified in Schedule “Existing Terminal”.

“Related Assets” means, with respect to the Existing Terminal, any related fixed, movable and immovable assets that are owned by the Government of Albania or any State Entity.

“Relief Event” means any of the following events:
(a) a terrorist attack;
(b) an outbreak of a contagious disease declared as such by the World Health Organisation;

in both cases not falling under Clause 24.1 but *provided that* such event directly causes a reduction in the passenger traffic at the Airport (measured on a basis of quarters, each ending on the Quarter Date, as applicable) of more than 5% as compared to the average of the corresponding quarters in the two (2) years period preceding the occurrence of the

event.

- “Restricted Zone”** means the area of land delineated red on the plan in Schedule “Restricted Zone,” which is subject to restrictions on aerial obstructions and land use as defined in Clause ... and shown in Schedule “Description of Concession Area”.
- “Required Expropriation”** **Land** means the expropriation by the Government of Albania of the land required for the New Access Road, New Bridge, Runway Extension and the Concession Area to the extent required as shown in Schedule [●].
- “Revenue Share”** means the Junior Revenue Share calculated and paid by the Company to the Government of Albania on an annual basis, in arrears.
- “Runway Extension”** shall have the meaning ascribed to it in Clause 4.8. and Schedule “Airside Infrastructure.”
- “Runway Extension Proposal”** means the proposal for the Runway Extension to be prepared by the Company following receipt of the Runway Extension Request.
- “Runway Extension Request”** means a request for a runway extension submitted to the Company, as further specified in Clause 4.8, which request, *inter alia*, shall include a specification of the intended new aircraft to be introduced, routes and destinations, frequencies and forecast passenger and cargo loads as described in a minimum five years committing business plan.
- “Security Interest”** means any Mortgage, pledge, charge, privilege, priority, hypothecation, encumbrance, assignment, lien, attachment, set-off or other security interest of any kind or any other agreement or arrangement having the effect of conferring security upon or with respect to, or any segregation of or other preferential arrangement with respect to, any present or future assets, revenues or rights, including, without limitation, any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy.
- “Senior Debt”** means any kind of senior debt obligations of the Company.
- “Senior Debt Service”** means any amounts due to a Senior Lender in respect of principal, interest or fees on the Senior Debt of the Company under the Financing Documents.
- “Senior Lender”** means any provider of Senior Debt to the Company under

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| | the Financing Documents. |
| <i>“Services”</i> | shall have the meaning ascribed to it in Schedule “Operational Management”. |
| <i>“Shareholders”</i> | means any Consortium Member and any Affiliate of any Consortium Member until the Deed of Accession is entered into, and thereafter, any Person who subscribes for Equity and/or any assignee or transferee of any of the above. |
| <i>“Standards”</i> | shall have the meaning ascribed to it in Schedule “Codes, Standards, Regulations and other Publications”. |
| <i>“State Entity”</i> | means any ministry, department, institution, administrative, civil or military authority of any nature whatsoever or any local government body and any corporation, public organisation or other entity owned or directly or indirectly controlled by, or operating for the account or benefit of any one or more agencies of the Government of Albania. |
| <i>“Strategic Investor”</i> | means HOCHTIEF AirPort GmbH, a limited liability company organised, existing and operating under the laws of the Federal Republic of Germany, or such other Person as the Government of Albania may agree from time to time, which strategic investor meets the requirements set out in Schedule “Strategic Investor”. |
| <i>“Subordinated Debt”</i> | means the debt obligations of the Company other than the Senior Debt. |
| <i>“Subordinated Lender”</i> | means any Lender of the Company other than the Senior Lender]. |
| <i>“Substituting Entity”</i> | shall have the meaning ascribed to it in Clause 31. |
| <i>“Taxes”</i> | mean all forms of present or future taxation, duties, imposts, levies, rates, deductions, charges, compulsory loans and withholdings whatsoever (by whatever name called) imposed, assessed or charged by any State Entity including any penalties and interest relating thereto. |
| <i>“Technical Requirements”</i> | means the technical requirements set out in Schedule “Technical Requirements”. |
| <i>“Termination Notice”</i> | means a written notice served in accordance with this Agreement, terminating this Agreement, which, , shall set forth as a minimum the reason for the termination. |

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| “Trigger Event” | means, for a particular Additional Obligation, the trigger event as set out for that Additional Obligation in the table in Schedule “Additional Obligations – Trigger Events and Timetable”. |
| “UNCITRAL Rules” | Arbitration means the arbitration rules of the United Nations Commission on International Trade Law, as amended from time to time. |
| “Updated Airport Master Plan” | shall have the meaning ascribed to it in Schedule “Master Planning and Facilities Planning”. |
| “Usufruct” | shall have the meaning ascribed to it by the Applicable Law. |
| “Visa Tax” | shall have the meaning ascribed to it by the Applicable Law |
| “Vital Government Services” | Provided Means the provision of the services by the Government of Albania during the Concession Period with regard to Air Traffic Control, Border Police, including Immigration/Emigration and Fire Rescue Services. |
| “Voting Shares” | means Ordinary Shares or any other shares of the Company carrying the right to vote in a general meeting of Shareholders. |

1.2 Interpretation

- (a) In this Agreement, unless the contrary intention appears, a reference to:
- (i) "assets" includes properties tangible or intangible, revenues and rights of every description;
 - a "month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last day in that calendar month;
 - a "party" refers to each of the Company, the Consortium (including any Consortium Member), the Government of Albania where applicable; and
 - a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (ii) (iii) a Person shall include its successors and permitted assignees or transferees;
- (iv) any Clause, paragraph or Schedule is, except where expressly stated to the contrary, a reference to such Clause, paragraph, or Schedule of this Agreement;
- (v) this Agreement or any other document, contract or agreement shall include a reference to each permitted variation of, or supplement to, this Agreement and such document, contract or agreement as amended, varied or supplemented from time to time;
- (vi) this Agreement refers to this Agreement together with the Schedules hereto; and
- (b) Where the context requires words importing the singular shall include the plural and vice versa.
- (c) Headings shall be ignored in construing this Agreement
- (d) In the event of any conflict between any provision of this Agreement and the Schedules, the hierarchy of the documents will be as follows:

Note: WT to insert

2 GRANT OF CONCESSION

2.1 Grant of Concession

- (a) The Government of Albania, represented by the Authorised State Organ, hereby grants to the Company the sole and exclusive rights during the Concession Period to carry out the design, financing, construction, commission, maintenance, operation, management and development of the Airport, in particular the rights to:
 - (i) design, finance, operate, construct, commission, maintain, manage and develop the New Terminal, which will be capable of future extension;
 - (ii) manage, operate and maintain all airside and infrastructure (except air traffic control), but including Ground Movement and Related Services;
 - (iii) operate and upgrade cargo facilities and ground handling, including, without limitation, the New Facilities;
 - (iv) upgrade taxiways and maintain the runway and the Runway Extension, including the design, financing, operation, construction, commissioning, maintenance, management and development of this infrastructure under the conditions set out in Clause 4.8 and Schedule "Airside Infrastructure";

- (v) design, finance, operate, construct, commission, maintain, manage and develop the Phase A Car Parks and the Phase B Car Parks;
 - (vi) design, finance, operate, construct, commission and maintain other buildings, infrastructure and utilities in the Concession Area as required for the performance of this Agreement;
 - (vii) maintain specified roads in the Concession Area and to design, finance, construct and commission the New Access Road and to replace the existing bridge on the road which leads to the Airport with the New Bridge;
 - (viii) relocate the existing secondary radar if required in connection with the Project and in agreement with ANTA;
 - (ix) operate and maintain the Existing Terminal and to refurbish the Existing Terminal in accordance with Schedule "Existing Terminal";
 - (x) exclusive rights for commercial development in the Concession Area and the Restricted Zone (if land in such Restricted Zone is acquired by the Company);
 - (xi) undertake actions with respect to all other future facilities as set out in the Updated Airport Master Plan; and
 - (xii) exclusive rights to market the Airport and to enter into contracts directly with the Airline and Airport Users in accordance with this Agreement, Applicable Law and the agreements between the Republic of Albania and other countries.
- (b) For the avoidance of doubt, the Concession shall not include the following:
- (i) activities related to the Military Operations and Military Facilities;
 - (ii) operation of the air traffic control and air traffic management, including the right to operate control towers and operations centre; and
 - (iii) activities related to the design, finance, construction, completion, commission, maintenance, operation, management and development of the new air traffic control tower.

2.2 Duration

- (a) The Concession is granted for a period of twenty (20) years starting on the Commencement Date (the "**Concession Period**"). The Concession Period may be extended:
- (i) as agreed in writing between the parties (to the maximum extent permissible under Applicable Law); or
 - (ii) by a period of Force Majeure exceeding two (2) months, in accordance with Clause [24.5]; or
 - (iii) by the time required for the effecting of the Eligible Change.
- (b) Not earlier than the fifth anniversary of the Commencement Date and not later than twelve (12) months prior to the end of the period of twenty (20) years referred to in sub-section (a) above, each of the Authorised State Organ and the Company may, by a written notice to the other party, initiate the negotiation process on the matter of extension of the period for which the Concession is initially granted.

2.3 Exclusivity

- (a) The Concession shall be exclusive and the Company shall have the sole and exclusive right to exercise the rights under the Concession.
- (b) The Government of Albania shall not, and shall cause the Authorised State Organ and any State Entity not to, enter into or purport to enter into any agreements of whatsoever nature with third parties which grant or purport to grant any of the rights under the Concession and in particular the rights identified in Clause 2.1 to a third party or to take any measures including the conclusion of contracts which may adversely affect the exclusive rights granted to the Company under this Agreement.
- (c) The Government of Albania shall, and shall cause the Authorised State Organ and any State Entity to, ensure that, during the Concession Period, all international civil flights to and from the Republic of Albania shall take off from, or land to, the Airport.
- (d) (c) The Government of Albania shall ensure that, during the Concession Period, no new/other international airport for commercial (cargo and passenger) flights shall be licenced, authorised and operated in the Republic of Albania, with the exception of emergency landings⁴. Nothing in this Agreement shall restrict the use of any airport in the Republic of Albania for the purpose of providing humanitarian relief or emergency assistance in times of catastrophe or civil emergency in the Republic of Albania or neighbouring territories.
- (e) (d) The Company shall not, either directly or indirectly, engage in any activity or carry out any business that shall jeopardise the terms and conditions of this Agreement.

⁴ NOTE: The implications to be discussed.

2.4 Collateral Rights

The Government of Albania, in granting the Concession, grants to the Company as an integral and inextricable part of the Concession, the right, power and authority to carry out the design, financing, construction, commission, maintenance, operation, management and development of the Airport and the right, power and authority to do all such things as may be reasonably necessary to give effect to the Company's obligations under this Agreement.

2.5 Authorisations

- (a) Except as expressly provided in this Agreement, the Company will not be required to seek the consent of the Authorised State Organ or any other State Entity to perform any of the above actions, *provided that* the Company shall be obliged to notify any competent and relevant State Entity of any such actions, where appropriate. To the extent that the Authorised State Organ is not entitled to confer to the Company such powers without the prior issue of any additional form of authorisations, consents and approvals, the Government of Albania shall ensure that the Authorised State Organ and any other State Entity shall grant such authorisations, consents and approvals defined in this Agreement without delay.
- (b) The Government of Albania undertakes that each and every State Entity and the Bank of Albania shall accept the copy of this Agreement published in the Official Gazette as conclusive evidence for the granting of the required Authorisations, consents and approvals defined in this Agreement.

2.6 Concession Fee

The Company shall pay a concession fee (the "**Concession Fee**") to the Government of Albania for the rights and privileges granted in this Agreement in the amounts and manner set out in Schedule "Concession Fee".

2.7 Airport Concession Law

Unless otherwise provided herein, this Agreement, subject to its ratification by the Airport Concession Law, shall prevail over any relevant legislation of the Republic of Albania as from the date such Law becomes effective.

3. CONDITIONS PRECEDENT

3.1 Company Conditions Precedent

Subject to Clause 3.5, the obligations of the Government of Albania under this Agreement (other than Clause [33] (Confidentiality)) shall be subject to the receipt by the parties hereto of the notice of fulfilment, referred to in Clause 3.4, and to the fulfilment by the Company of the following conditions:

- (a) unless waived (in full or partly) by the Government of Albania in writing, the representations and warranties of the Company and the Consortium Members under this Agreement shall be true and correct in all material respects as if made on the Commencement Date, as such is to be confirmed by letters in the form of Schedule “Representations and Warranties;
- (b) save to the extent that receipt has been waived in writing by the Government of Albania, the Government of Albania has received the documents and instruments listed below:
 - (i) evidence that the Concession Fee has been fully paid; and
 - (ii) evidence that the Company has been duly established under the laws of the Republic of Albania and in accordance with this Agreement, and has been duly authorised to enter into the Deed of Accession and the Financing Documents;
- (c) unless waived (in full or partly) by the Government of Albania in writing, the Company has obtained binding commitments under the Financing Documents (which have been duly executed) for the financing of its obligations under this Agreement which shall include, but without limitation, (i) the loan agreement to be concluded between the Lender and the Company, (ii) a confirmation by each Consortium Member of their funding commitments as set out in Schedule “Committed Equity Funding” (iii) [●], and (iv) [●], as such commitments are to be confirmed by letters in the form of Schedule [●];
- (d) unless waived (fully or partly) by the Government of Albania in writing, the Company has obtained binding and satisfactory commitments for the provision of insurances from reputable insurers, as such commitments are to be confirmed by letters in the form of Schedule [●];
- (e) unless waived (fully or partly) by the Government of Albania in writing, the Company and each of the Consortium Members shall be in compliance with all of their respective obligation under this Agreement and under Financing Documents, as such commitments are to be confirmed by letters in the form of Schedule [●]; and
- (f) unless waived (in full or partly) by the Government of Albania in writing, each of the Consortium Members shall have subscribed and paid in to the Company its portion of the Committed Equity Funding in accordance with the Schedule “Committed Equity Funding”

3.2 Government of Albania’s Conditions Precedent

Subject to Clause 3.5, the obligations of the Company under this Agreement (other than Clause [33] (Confidentiality)) shall be subject to the receipt by the parties hereto of the notice of fulfilment, referred to in Clause 3.4, and to the fulfilment by the Government of Albania of the following conditions:

- (a) unless waived (in full or partly) by the Company in writing, the representations and warranties of the Government of Albania under this Agreement shall be true and correct in all material respects as if made on the Commencement Date; as such is to be confirmed by the letter of the Authorised State Organ in the form of Schedule [●];
- (b) save to the extent that receipt has been waived in writing by the Company, the Company shall have received the documents and instruments listed below:
 - (i) a legal opinion dated the day before the Commencement Date from of the Minister of Justice of the Republic of Albania in form and substance satisfactory to the Company to the effect that this Agreement is valid, effective, binding and enforceable under any Applicable Law, that this Agreement has been duly executed by the Authorised State Organ and that the execution, delivery and performance of this Agreement has been duly ratified by the People's Assembly of the Republic of Albania, and that the ratification of this Agreement by means of the Airport Concession Law by the People's Assembly of the Republic of Albania are valid, effective, binding and enforceable under the Applicable Law; furthermore, such legal opinion shall confirm that the Applicable Law recognises the choice of English Law as governing law and that any arbitral award rendered by the International London Court of Arbitration is enforceable within the territory of the Republic of Albania or in any other jurisdictions where the Republic of Albania is subject to.
 - (ii) evidence that all Authorisations listed in Schedule "Authorisations" have been granted to the Company and are effective for the entire Concession Period;
 - (iii) evidence, in the form of Schedule [●]; that the ownership title over land in the Concession Area has been duly transferred to the Government of Albania;
 - (iv) Evidence in the form of Schedule [●] certificate that Usufruct in favour of the Company related to the Concession Area and related immovable, fixed and movable assets under the Applicable Law for a period of twenty (20) years, has been duly registered and perfected with the Registry of Immovable Properties;
- (c) unless waived (fully or partly) by the Company in writing, the Company has been granted exemption, to be effective and in full force and effect as from the incorporation of the Company until the date falling twenty (20) years after the Commencement Date, from payment of taxes as set out in clause 36.14.
- (d) unless waived (fully or partly) by the Company in writing, the Government of Albania and each State Entity shall be in compliance with all of their respective obligations under this Agreement, as such compliance is to be confirmed by letters in the form of Schedule [●];

- (e) unless waived (fully or partly) by the Company in writing, the Government of Albania shall ensure that any procurement of goods, works and Services to be utilised by the Company shall not be subject to any Applicable Law related to public procurement, or alternatively the Government of Albania shall take any measure to that effect and provide sufficient evidence as the Company may reasonably require that such exemption is binding and valid; and
- (f) unless waived (fully or partly) by the Company in writing, the Government of Albania shall ensure that the Company is the beneficiary of easements and compulsory rights of way in the Concession Area established and created under Applicable Law and such enjoyment of easements and compulsory rights of way shall not cause any compensation or payment to the landowner or any other party enjoying property related rights in consideration of the establishment and creation of such easements and rights.
- (g) unless waived (fully or partly) by the Company in writing, the Government of Albania shall provide the Company with evidence in the form of Schedule [] that no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or any State Entity having jurisdiction over the matter that restrains, prohibits or declares illegal the consummation of the transactions contemplated herein, and
- (h) unless waived (fully or partly) by the Company in writing, the Government of Albania shall provide the Company with evidence in the form of Schedule [] no action, suit, inquiry or proceeding shall have been instituted or threatened by any State Entity having jurisdiction over the matter that seeks to restrain, prohibit or declare illegal the consummation of the transaction contemplated herein.

3.3 Reasonable endeavours to satisfy

The Company shall use all reasonable endeavours to procure satisfaction of the conditions listed in Clause 3.1 (the "**Company Conditions Precedent**"). The Government of Albania shall and shall cause the Authorised State Organ to use all the respective reasonable endeavours to procure satisfaction of the conditions listed in Clause 3.2 (the "**Government of Albania Conditions Precedent**").

3.4 Notice of fulfilment

On the date that a party to this Agreement becomes aware that any of its own conditions in Clauses 3.1 and 3.2 have been satisfied, it shall promptly give notice in writing thereof to the other parties.

3.5 Commencement Date

Notwithstanding Clauses 3.1 and 3.2, the Company shall not be subject to any of its obligations under this Agreement (other than Clause [33] (Confidentiality), Clause [35] (Dispute Resolution) and Clause [37] (Governing Law)) earlier than the date

falling [two (2)] days after both the Company Conditions Precedent and the State Conditions Precedent have been fulfilled or waived and the notice of fulfilment has been received by the other parties (the "**Commencement Date**").

3.6 Failure to satisfy Conditions Precedent

- (a) If the Commencement Date does not occur on or earlier than six (6) months from the date of signing of this Agreement, or such later date as the parties may agree due to failure by the Company to meet the Company's Condition Precedent, the Government of Albania shall have the right to terminate this Agreement by giving a Termination Notice to the Company or the Consortium, if the Company has not acceded, and, following the service of such Termination Notice, the parties shall have no further rights or obligations under this Agreement (other than such rights and obligations that by their express terms survive termination of this Agreement under Clause [33] (Confidentiality), Clause [35] (Dispute Resolution) and Clause [37] (Governing Law)).
- (b) If the Commencement Date does not occur on or earlier than six (6) months from the date of signing of this Agreement, or such later date as the parties may agree, due to failure by the Government of Albania to meet the Government of Albania Conditions Precedent, the Company or the Consortium, if the Company has not acceded, shall have the right to terminate this Agreement by giving a Termination Notice to the Government of Albania. Following the service of such Termination Notice, the parties to this Agreement shall have no further rights or obligations under this Agreement (other than such rights and obligations that by their express terms survive termination of this Agreement under Clause [33] (Confidentiality), Clause [35] (Dispute Resolution) and Clause [37] (Governing Law)).

4. RIGHTS AND OBLIGATIONS OF THE COMPANY

4.1 Rights of the Company

The Company shall be entitled, in addition to any other rights arising from the granting of the Concession, to:

- (a) hire or engage such Persons as the Company may deem necessary to provide advice with respect to the design, financing, construction, commission, maintenance, operation, management and development of the Existing Terminal, the Existing Terminal Site and Related Assets and the New Facilities, including accountants, engineers, lawyers and other professionals and specialists;
- (b) set its own employment policy in accordance with the Applicable Law;
- (c) perform such other acts as it considers necessary for the Company to carry out the Project, to comply with its obligations and to exercise its rights under this Agreement;

- (d) extension of time equal to any period of delay in expropriation of the Concession Area and relief from payment of penalties (for non-compliance with the Core Obligations and the Additional Obligations) caused by:
 - (i) the Government of Albania's delay in expropriation of the Concession Area, or
 - (ii) claims arising from expropriation of the Concession Area, or
 - (iii) claims relating to the expropriation of the Concession Area.

For the avoidance of doubt, the Company shall have the right to exercise these entitlements only if it made all reasonable efforts to mitigate the effects of the Government of Albania's delay in the expropriation of the Concession Area. All claims arising in respect of the Expropriation of land or of safeguarding of the Restricted Zone shall be dealt with by the Government of Albania, unless caused by gross negligence or wilful misconduct of the Company; and

- (e) procure goods and Services from any source, by direct negotiation not withstanding any provision to the contrary contained in any applicable related to public procurement.
- (f) optimise the financing structure of the Company during the Concession Period (including any debt refinancing), *provided that* such optimisation does not increase the liability of the Government of Albania on the termination of this Agreement and does not interfere with the debt to Equity ratio of the Company during Phase A Construction Works
- (g) change if deemed appropriate the shareholding structure, increase or reduce shares within the Consortium, subject to the application of Clause [●].
- (h) extension of time equal to any period of delay in relation to any archaeological findings in the Concession Area affecting the fulfilment of the Core Obligations and Additional Obligations and relief from payment of penalties (for non-compliance with the Core Obligations and the Additional Obligations) caused thereby.

For the avoidance of doubt, the Company shall have the right to exercise these entitlements only if it made all reasonable efforts to mitigate the effects of such archaeological findings on the fulfilment of Core Obligations and Additional Obligations.

4.2 General Obligations of the Company

The Company shall:

- (a) perform, and shall bear all costs and expenses associated with the performance of, the Core Obligations and the Additional Obligations, in accordance with Good Industry Practice and subject to any Agreed Derogations in force;

- (b) not make investments other than for prudent cash management purposes and in the categories of financial instruments approved by the Government of Albania;
- (c) maintain open book accounting in accordance with the Generally Accepted Accounting Principles and provide the Government of Albania, upon request, with the access to the composition of its costs and management and financial accounting records and analyses;
- (d) unless otherwise provided in this Agreement, apply for, obtain and maintain all authorisations (other than the Authorisations,) necessary for the performance of its obligations under the Concession
- (e) ensure that developments in the Concession Area are duly notified to all statutory publications under Applicable Law, including for example AIP's, Notams, and similar;
- (f) implement procedures and modifications to passenger flow in the New Terminal to ensure compliance with passenger segregation regulations specified in the Schengen Agreement;
- (g) ensure that all necessary survey and geo-technical information has been obtained in relation to the performance of the Core Obligations and the Additional Obligations;
- (h) maintain bank accounts in the Republic of Albania or abroad in whatever currencies; and buy and sell foreign currencies, in accordance with Applicable Law;
- (i) prepare financial accounts in accordance with the Generally Accepted Accounting Principles and have them regularly audited by a firm of qualified auditors of good standing and repute in accordance with Applicable Law;
- (j) ensure its activities within the Concession Area and the Concession Area itself comply in all respects with the Environmental Plan as described in Schedule , "Operational Management", Environmental Management" including, without limitation, the undertaking of Environmental Assessments in accordance with EC Directive - 85/33 EEC (as amended by Council Directive 97/11/EC), subject to any Agreed Derogations in force. For the avoidance of doubt, the Company shall not be liable for any contamination and related environmental effects existing in the Concession Area prior to Commencement Date;
- (k) ensure that the Persons duly indicated by the DGCA shall have access to the Concession Area, subject to applicable safety standards set out in Applicable Law;
- (l) keep secure the Concession Area at all times during the Concession Period, including, without limitation, to procure and equip security personnel for this purpose. For the avoidance of doubt, in case of Force Majeure, the

Government of Albania shall provide such additional police and military personnel and equipment as required to ensure security in the Concession Area;

- (m) prepare and provide to the Government of Albania the information and documentation set out in Schedule "Periodic Reporting"
- (n) ensure that the agreements or arrangements entered into by its ordinary Shareholders are of such nature that no such agreement or arrangement shall require or cause any ordinary Shareholder of the Company or any other Person to act in a manner contrary with this Agreement or the Articles of Association of the Company or require or cause any Director of the Company to act in a manner contrary to the best interests of the Company; and
- (o) ensure that: (i) there shall occur no redemption with respect to Equity before the Phase A New Terminal Opening Date[, and (ii) any redemptions with respect to Equity of the Strategic Investor for additional five years thereafter.
- (p) ensure and procure that each agreement entered into by the Company in connection with the Concession contains provisions that would entitle the Government of Albania or a nominee of the Government of Albania to step into such agreement at the Government of Albania's discretion, in place and substitution of the Company in the event of the termination of this Agreement pursuant to the provisions of this Agreement⁵;
- (q) co-operate with the Independent Engineer, the Qualified Engineer and the Independent Review Committee as they may reasonably require for the performance of their respective rights and obligations under this Agreement;
- (q) (r) appoint, supervise, monitor and control the activities of the Contractors under their respective agreements as may be necessary;
- (s) not to place or create nor to permit any Contractor or other Person claiming through or under the Company to create or place any Security Interest over all or any part of the facilities related to the Project, or on any rights of the Company therein, save and except as expressly set forth in this Agreement;
- (t) be responsible for safety, soundness and durability of the facilities constructed and refurbished by the Company in relation to the Project, including all structures forming part thereof and their compliance with all the requirements set out in this Agreement; and
- (u) generally co-operate with the Authorised State Organ and the Project Implementation Unit in the interest of the proper implementation of the Project.

⁵ The Government of Albania is currently considering the scope and nature of its step-in rights into the major sub-contracts the Company will enter into for the purpose of the Concession. The Republic of Albania is hereby preserving its right to introduce in the Concession Agreement the appropriate wording related to its step-in rights.

4.3 Core Obligations of the Company

The core obligations (the "**Core Obligations**") of the Company are to:

- (a) operate the Airport for civilian aviation purposes, including to keep the Airport operational and available for use at all reasonable times;
- (b) provide the Updated Airport Master Plan in accordance with the requirements set out in Schedule "Master Plan and Facilities Planning";
- (c) design, construct, operate and maintain the Phase A of the New Terminal in accordance with the requirements set out in Schedules "Phase A of the New Terminal" and "Operational Requirements for New Terminal";
- (d) refurbish, operate and maintain the Existing Terminal in accordance with the requirements set out in Schedule "Existing Terminal" ;
- (e) design, construct, operate and maintain Phase A of the New Cargo Centre in accordance with the requirements set out in Schedule "Phase A of the New Cargo Centre";
- (f) upgrade the taxiways and maintain the runway, apron and taxiways, in accordance with the requirements set out in Schedule "Airside Infrastructure";
- (g) complete and maintain the Airport Perimeter Security Fence in accordance with the requirements set out in Schedule "Airport Perimeter Road and Airport Security Fence";
- (h) design, construct and maintain the Airside Perimeter Road in accordance with the requirements set out in Schedule "Airport Perimeter Road and Airport Security Fence";
- (i) provide reliable electric power supplies to the Airport in accordance with the requirements set out in Schedule "Utilities/External Electrical Supplies". For the avoidance of doubt, the Government of Albania shall be responsible for the supply of electric power from the grid up to the Concession Area;
- (j) provide water supplies to the Airport in accordance with the requirements set out in Schedule "Utilities/Water Supply". In the event of introduction of a national water grid by the Government of Albania, the parties shall negotiate in good faith on the provision of water from such grid to the Concession Area.
- (k) provide, operate and maintain a sewerage treatment and disposal system in accordance with the requirements set out in schedule "Utilities/Sewage System";
- (l) design, construct, operate and maintain the Airport Circulatory Roads and Phase A Car Parks in accordance with the requirements set out in Schedule "Airport Access, Circulatory Road, Phase A Car Parks";

- (m) provide at the Airport at all times, fire and rescue equipment and facilities in accordance with the requirements set out in Schedule "Fire and Rescue";
- (n) provide and maintain the airfield ground lighting in accordance with the requirements set out in Schedule "Airfield Ground Lighting";
- (o) remove obstructions from the airfield strip in accordance with the requirements set out in Schedule "Airsides Infrastructure";
- (p) design, construct, operate and maintain the New Fuel Facilities in accordance with the requirements set out in Schedule "New Fuel Facilities" including the right to enter into sub agreements;
- (q) maintain the Concession Area in accordance with the requirements set out in Schedule "Operational Requirements";
- (r) provide the New Administrative Offices in the Existing Terminal in accordance with the requirements set out in Schedule "Existing Terminal";
- (s) design, construct and commission, the New Access Road in accordance with the requirements set out in Schedule "Airport Access Road"; and
- (t) design, construct and commission the New Bridge as set out in Schedule "Airport Access Road, Airport Circulating Road, Airport Roads and Phase A Car Parks".

4.4 Additional Obligations of the Company

The additional obligations (the "**Additional Obligations**") of the Company are to:

- (a) design, construct, operate and maintain the Phase B of the New Terminal in accordance with the requirements set out in Schedule "Phase B of the New Terminal and Phase B Car Parks";
- (b) design, construct, operate and maintain the Phase B Car Parks in accordance with the requirements set out in Schedule "Phase B of the New Terminal and Phase B Car Parks";
- (c) design, construct, operate and maintain Phase B of the New Air Cargo Centre in accordance with the requirements set out in Schedule "Phase B of the New Air Cargo Centre"; and
- (d) design, construct, operate and maintain the Runway Extension and related works in accordance with the requirements set out in Clause 4.8 and the requirements set out in Schedule "Airsides Infrastructure"

4.5 Application and Review of the Additional Obligations of the Company

- (a) After the occurrence of a Trigger Event, and within the relevant Proposal Period, the Company shall submit a proposal (including, technical details,) to the Authorised State Organ. Unless the Authorised State Organ issues, within ten (10) days of receipt of the proposal, an objection notice (substantially in form of Schedule “Objection Notice”), the proposal shall be deemed approved and the Company shall fulfil the approved Additional Obligation within the applicable Implementation Period, or such other Implementation Period as agreed in writing between the Company and the Authorised State Organ. The Authorised State Organ may only issue such an objection notice if, in their reasonable opinion, the proposal is not in compliance with the terms of this Agreement.
- (b) If, in the reasonable opinion of the Company, and provided that the Company is not in breach under any of its obligations under this Agreement and any of the Financing Documents, the Company's fulfilment of an Additional Obligation has a direct impact on its ability of the Company to pay the Senior Debt Service in the next two (2) years, the Company may require an independent review (by a qualified independent consulting firm) of the economic and financial implications for the Company of complying with such Additional Obligation. On the basis of the results of such independent review, the parties shall negotiate in good faith a revised implementation schedule and/or specification of such Additional Obligation.

4.6 Obligations of the Company Regarding Related Programmes

The Company will co-operate with GDCA,/ANTA, including their respective advisors and contractors in relation to the development, construction and operation of the following works:

- (a) the new air traffic control tower and the operations centre; and
- (b) air traffic service equipment, doppler very high frequency omni-directional range/distance measuring equipment (DVOR/DME), instrumental landing system (ILS) and the relocation of the secondary radar;
- (c) flight testing and calibration of aircraft procedures;
- (d) installation of new or replacement equipment by GDCA or the ANTA, as applicable, and the calibration and flight testing of such equipment;

In order to effect such co-operation, the Company shall, subject to receipt of prior notice and to observance of applicable safety requirements, provide GDCA or the ANTA (including their advisors and contractors), as applicable, with the access to the relevant parts of the Concession Area under control of the Company to carry out their duties.

In order to effect such co-operation, the Government of Albania shall ensure that, during the Concession Period, ANTA observes the requirements set out in Schedule “ANTA”.

4.7 Obligations of the Company Regarding the Existing Terminal and New Terminal

The Company shall ensure that the Existing Terminal and the New Terminal are managed and operated at all times in accordance with Good Industry Practice, subject to any Agreed Derogations in force. In particular, the Company shall ensure that:

- (a) the Facilities are available for use in the New Terminal from the Phase A New Terminal Opening Date until the Handover Date;
- (b) the Existing Terminal is operated in accordance with Schedule “Operational Requirements” until the Phase A New Terminal Opening Date;
- (c) the management and operations plan is prepared and incorporates the Aerodrome Manual and the Airport Maintenance and Operations and other Manual as its part;
- (d) the ventilation and air conditioning systems in the Existing Terminal and the New Terminal are operational in areas in use when such areas are in use (subject to normal maintenance requirements);
- (e) vehicles and other passenger movement systems can move departing passengers from the New Terminal or the Existing Terminal (as applicable) to their aircraft and move arriving passengers from their aircraft to the New Terminal or the Existing Terminal (as applicable);
- (f) fire and safety vehicles and emergency equipment are ready and adequate for the scale of activities at the Airport, in compliance with applicable regulations, and that such emergency vehicles and equipment have at all times free access to the Concession Area, runway, taxiways, apron, the Existing Terminal (if applicable) and the New Terminal;
- (g) maintain in public areas legible and easily understood signs in Albanian and English languages and incorporating clear internationally recognised symbols;
- (h) advertising signs and other fittings do not obstruct the Airport information signage;

4.8 Runway Extension

- (a) If the Company shall receive a Runway Extension Request submitted by the Authorized State Organ, an Airport User or a Potential Airport User, the Company shall prepare and submit a Runway Extension Proposal, not later than ninety (90) days after receipt of such Runway Extension Request, to the Independent Review Committee. The Independent Review Committee shall give its recommendation to the parties regarding the Runway Extension Proposal. Such Runway Extension Proposal shall include:
 - (i) technical proposals for the Runway Extension, including the land required to be acquired, associated strip, lighting systems and related taxiways;

- (ii) a procurement proposal based on competitive procurement procedures and including cost estimates confirmed as reasonable by the Qualified Engineer, such procurement proposal to include two (2) per cent of estimated Capital Cost (excluding contingency) supervision fee for the Company. No other fee shall be payable to the Company in respect of the Runway Extension, save for the applicable increase of the Airport Charges; and
 - (iii) a financial proposal based on the most favourable debt financing available to the Company and approved by the Lender, an agreed rate of return on Equity, and including any proposed increase in the Airport Charges, any proposed change in the Revenue Share and any proposed extension of the Concession Period.
- (b) The Company shall not be obliged to produce more than one (1) Runway Extension Proposals in any twelve (12) months during the Concession Period. Upon receipt of the recommendation by the Independent Review Committee on such Runway Extension Proposal, the Government of Albania shall, and shall ensure that any State Entity shall, review it and, not later than [sixty (60)] days of its receipt, decide upon it. If the Government of Albania or the competent State Entity fails to reach decision within such time limit, the Government of Albania or the competent State Entity, as applicable, shall be deemed to have approved such Runway Extension Proposal.
- (c) Notwithstanding anything to the contrary in this Agreement, the Runway Extension shall be subject to prior Required Land Expropriation, (including the lighting system beyond it) and the external perimeter road routed around the Runway Extension area (including the lighting system beyond it).
- (d) The Government of Albania and the Company shall review the Airport Charges and revise them if so agreed, all in accordance with the approved Runway Extension Proposal. The Company shall commence construction of the Runway Extension not later than three (3) months after the approval of the Runway Extension Proposal, *provided that* all necessary authorisations have been obtained by the Company and that all land required for the construction of the Runway Extension has been expropriated by the Government of Albania.

5. OBLIGATIONS OF THE GOVERNMENT OF ALBANIA

Notwithstanding any other provision to the contrary contained in this Agreement or any other obligation to be performed by the Government of Albania under this Agreement, and the Government of Albania shall, and shall cause the Authorised State Organ to:

- (a) obtain, provide, renew or extend all Authorisations as set out in Schedule "Authorisations";
- (b) provide the Company with such assistance as the Company may reasonably require in relation to the obtaining, renewal or extension by the Company of

- all other authorisations required for the exercise of the Company's rights and obligations under this Agreement;
- (c) provide the Company with data and information relevant to the fulfilment of the Company's obligations under this Agreement and/or which is required for the purpose of the management, operation and development of the Project and inform the Company of any changes or additions thereto and provide copies to the Company as and if reasonably required;
 - (d) ensure that the Company is granted at no cost or liability all rights of way, easements and other property rights and real rights as may be required for the Company to carry out its obligations under this Agreement (for the avoidance of doubt, no compensation or fee will be due by the Company under Applicable Law to owners of land or their successors, or any other State Entity);
 - (e) provide, upon request by the Company, at no cost and without unreasonable delay to the Company such information, documents and records relating to or connected with the Project that the Authorised State Organ has in its possession, and which the Company requires in order to fulfil its obligations under this Agreement;
 - (f) ensure that no State Entity takes or permits to be taken any action that would prevent or interfere with the implementation of the Project, the efficient operations of the Project or the performance by the Company of the terms of this Agreement including of the exercise by the Company of its right to transfer funds and payments freely and without undue delay in accordance with Applicable Law;
 - (g) provide the Company's and the Consortium's employees and Contractors with all relevant visas and documents for entry into the Republic of Albania and insofar as relevant necessary residence permits; and
 - (h) generally co-operate with the Company in good faith in the interest of the implementation of the Project and further the implementation thereof;
 - (i) except when expressly provided so in this Agreement, not interrupt the design, construction, completion, commissioning, maintenance, financing, operation and management of the Airport by the Company;
 - (j) comply with international treaties and the European Union regulations (including those relating to the open sky policies) in order to maximise the level of air services to and from the Republic of Albania;
 - (k) ensure that Applicable Law, insofar as necessary for the performance of rights and obligations under this Agreement, is in compliance with the international conventions (including, without limitation, the Chicago Convention) and the European Union rules and regulations;
 - (l) ensure that uniform conditions are applicable to the use, by aircraft of every state which acceded to and ratified the Chicago Convention, of all air

navigation facilities which may be provided by the Government of Albania for public use for the safety and expedition of air navigation;

- (m) provide facilities for customs and immigration operational procedures affecting international navigation in accordance with the practices established or recommended from time to time and based on the Chicago Convention;
- (n) provide adequate police presence at the Airport;
- (o) ensure the provision in the Republic of Albania of radio services, meteorological services and other air navigation facilities in order to facilitate international air navigation;
- (p) adopt and put into operation appropriate system of communication procedures, codes, markings, signals and lighting and other operational practices and rules;
- (q) prepare and publish all necessary aeronautical maps and charts required by operators for the use of the Airport;
- (r) ensure that no part of the Restricted Zone shall be incorporated in any city planning and no Authorisation shall be granted to use, build, or construct any construction or installation in the Restricted Zone. If so requested by the Company, any existing structure or new structure affecting security and safety or in conflict with the commercial rights of the Company under this Agreement shall be demolished at no cost to the Company by the Government of Albania on basis of Applicable Law.
- (s) ensure that nothing in this Agreement shall be deemed to constitute a transfer of enterprises to the Company under Applicable Law related to employment and employment benefits;
- (t) supply electric power from the grid up to the Concession Area.
- (u) negotiate in good faith with the Company on the provision of water from a national grid to the Concession Area in the event of the introduction of such a grid by the Government of Albania;
- (v) ensure that during the Concession Period no other airport shall be licensed and authorised as a commercial international airport (passenger and cargo) and shall operate international traffic (passenger and cargo) with the exception of emergency landings.
- (w) ensure that the Airport shall be permitted to be operational 24 hours a day without any limitations and restrictions of any kind⁶.
- (x) [procure that this Agreement is duly legalised by a notary public on the date of this Agreement in accordance with Applicable Law and also register the same with the Real Estate Registry in accordance with the Applicable Law and

⁶ Subject to discussion.

provide the Company, promptly after the date of this Agreement with satisfactory evidence of such registration.] Note: could be moved into Conditions Precedent.

6. DESIGN AND CONSTRUCTION

6.1 Technical Requirements and Updated Airport Master Plan

- (a) The Company shall ensure that the Construction Works, the design, construction, completion and commissioning of the Airport, including any Eligible Change, and all works, materials, equipment, systems and procedures involved in relation thereto shall conform to and be in accordance with the Agreed Technical Design, the Technical Requirements, the Updated Airport Master Plan, the Standards and all Applicable Laws.
- (b)
- (b) No Agreed Technical Design may be amended, modified or departed from, other than by agreement between the Parties following a correspondent recommendation of such proposed amendment, modification or departure by the Independent Review Committee.

6.2 Design

- (a) The Company shall ensure that, with the effect from the date the relevant materials and documents came into existence, it will either have full and unencumbered ownership of Intellectual Property Rights in the design drawings and other materials and documents brought into existence by or on behalf of the Company for the purposes of the Project or will have an irrevocable, royalty free, non-exclusive and transferable licence, carrying the right to grant sub-licences and to copy, reproduce, modify, translate and use all such design drawings, materials and documents for any purpose connected with the Project.
- (b) Neither the submission of any drawing or document pursuant to this Agreement or otherwise, nor its approval or disapproval, not the raising of queries on, or the making of objections to or the making of comments, suggestions or recommendations on the same by any Person other than the parties shall prejudice or affect any of the Company's obligations under this Agreement, which shall not be relieved, absolved or otherwise modified in any respect.

6.3 Construction

- (a) The Company shall be responsible for carrying out, completion and commissioning of the Construction Work and shall assume all costs and all risks of the Construction Work in accordance with this Agreement. The obligations of the Company shall include, *inter alia*:
 - (i) carrying out, completion and commissioning the Construction Work in accordance with: