



LIMAK KOSOVO INTERNATIONAL AIRPORT PUBLIC PRIVATE PARTNERSHIP AGREEMENT

LIMAK KOSOVO INTERNATIONAL AIRPORT, JANUARY 2015

PUBLIC PRIVATE PARTNERSHIP AGREEMENT

PUBLIC PRIVATE PARTNERSHIP AGREEMENT

(is made as of August 12, 2010 by and between)

-THE REPUBLIC OF KOSOVO,

through its Public-Private-Partnership Inter-Ministerial Project Steering Committee,

and

-LIMAK KOSOVO INTERNATIONAL AIRPORT J.S.C.

office at Qyteza Pejton-Mbreti Zog 1 Br. 09, Pristina 10,000, Republic of Kosovo.

PUBLIC PRIVATE PARTNERSHIP AGREEMENT

CONTENT

- PRIVATE PARTNER RIGHTS
- CONCESSION FEE

PUBLIC PRIVATE PARTNERSHIP AGREEMENT

PRIVATE PARTNER RIGHTS

- Grant of Private Partner Rights

-The Grantor hereby grants to the Private Partner the exclusive right and imposes on the Private Partner the obligation, for the Term of this Agreement and subject to the terms and conditions of this Agreement, to

(i) operate, administer, manage, improve and maintain PIA, both airside and landside,

(ii) complete the design for, engineer, procure, finance, construct and complete the Airport Facilities on the Site,

(iii) collect, for deposit in the Gross Revenue Account, the Regulated Fees and Charges and the Commercial Fees and Charges, and

- Collect, for deposit in the Gross Revenue Account, all other revenue and income generated by the Project during the Term of this Agreement.

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GROSS REVENUE ACCOUNT

- The aggregate gross revenues in respect of such calendar year or part thereof deriving from Regulated Fees and Charges and Commercial Fees and Charges, as determined in Euros; provided that such gross revenues shall exclude :

- ANSP Fees, and
- CAA Safety Charge

levied by the Grantor or any Relevant Authority and any increase in any of the Regulated Fees and Charges that may, by the terms of this Agreement, be specifically excluded from the term Gross Revenues.

- any and all other amounts deposited during such calendar year or part thereof in the Gross Revenue Account, which amounts are not otherwise included in the calculation of aggregate gross revenues under sub clause (a) above, such as interest earnings, income and fees received in respect of Airport Developments and penalties and fines assessed for late payments of Regulated Fees and Charges and Commercial Fees and Charges

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CONCESSION FEE

Amount

The Private Partner shall pay to the Grantor an Annual Concession Fee in the following amounts and manner:

- Fixed Concession Fee
- Floating Concession Fee.

Payment

- First and second year starting from effective date the Annual Concession Fee shall be paid in one installment.

-From third and following years the Annual Concession Fee shall be paid in quarterly installments on the first Business Day in the months of January , April, July and October of each calendar year, or part thereof, during the Term of this Agreement.

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FIXED CONCESSION FEE

Two fixed concession fees shall be charged as follows:

- (i) Euros two million (€2,000,000) for the period which shall begin on the Effective Date and end on December 31 of the calendar year in which the Effective Date shall occur.

First year fixed concession fee payment 04 April 2011 - 2,000,000 Euro

- (ii) Euros two million (€2,000,000) for the first calendar year after the calendar year in which the Effective Date shall occur (the "First Calendar Year")

First fixed concession fee installment 2012 :	01 January 2012	500,000 Euro
Second fixed concession fee installment 2012 :	01 April 2012	500,000 Euro
Third fixed concession fee installment 2012 :	01 July 2012	500,000 Euro
Fourth fixed concession fee installment 2012 :	01 October 2012	500,000 Euro

First calendar year fixed concession fee payments 2012	Total	2,000,000 Euro
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FLOATING CONCESSION FEE

For each calendar year or part thereof following the First Calendar Year for the remainder of the Term of this Agreement, a percentage of Gross Revenues in respect of such calendar year or part thereof as follows [to be completed as per the Price Proposal]:

Calendar Year	Percentage
Second	18.00 %
Third	22.00 %
Fourth	23.00 %
Fifth	23.00 %
Sixth	23.00 %
Seventh	25.00 %
Eighth	28.00 %
Ninth	34.00 %

Calendar Year	Percentage
Tenth	37.00%
Eleventh	40.00%
Twelfth	46.00%
Thirteenth	51.00%
Fourteenth	52.00%
Fifteenth	53.00%
Sixteenth	54.00%
Seventeenth	55.00%
Eighteenth	55.00%
Nineteenth	55.00%
Twentieth	55.00%

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Limak Airport Gross Revenues 31.12.2014	32,431,457		
Bank Interest incomes	181,969		
Approach Fee	- 2,080,400		
Civil Aviation Authority Fees	- 1,368,322		
Kosto e sherbimeve (Utility Cost)	- 102,673		
	29,062,031		
Description	Amount	%	Concession fee amount 2014
Gross Revenue Base for Calculation	29,062,031	22%	6,393,647

Gross Revenue 31.12.2013	36,345,704		
Bank Interest incomes	261,365		
Approach Fee	-2,540,736		
CAA Fee	-1,612,470		
Utility Revenue	-39,206		
	32,414,657		
Description	Amount	%	Concession fee amount 2013
Gross Revenue Base for Calculation	32,414,657	18%	5,834,638

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Concession fee payments for year 2013		
Month	Description	Amount
1-Jan-13	First installment for year 2013	500,000
1-Apr-13	Second installment for year 2013	500,000
1-Jul-13	Third installment for year 2013	500,000
1-Oct-13	Fourth installment for year 2013	500,000
	Total payments 2013	2,000,000
3-Jan-14	Installment for year 2013	500,000
1-Apr-14	Installment for year 2013	500,000
1-Jul-14	Final Annual payment for year 2013(after official Deloitte Audit)	2,834,637
	Total payments 2014	3,834,637
	Total payments of annual concession fee year 2013	5,834,638

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	Gross Revenues for the Calculation of Concession Fee for the Year Ended December 31,2014		Second calendar year 22 %	TOTAL concession fee year 2014
	Gross Revenue Base for Calculation	29,062,031	22%	6,393,647
	Concession fee payments for year 2014			
0.1.10.2014	First installment for year 2014 (25 % of 2013 Concession Fee)			1,458,660
05.01.2015	Second installment for year 2014 (25% of 2013 Concession Fee)			1,458,660
Will be paid on 01.04.2015	Third installment for year 2014			1,458,660
				4,375,979
	Final payment will be paid Based on the Audit report for Concession fee calculation for year 2014 ; Amount due will be paid on Date 01. July 2015			2,017,668

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Official Audit Report indicating Concession Fee Calculation for 2013

— accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

— An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

— We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

— In our opinion, the financial information in the schedule of calculation of concession fee is true and fair in accordance with the audited financial statements for the year ended December 31, 2013 and basis of preparation as described in accordance with the Note A. Basis of Preparation.

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Official Audit Report indicating Concession Fee Calculation for 2013

Limak Kosovo International Airport JSC

Notes of the schedule of calculation of concession fee for the year ended December 31, 2013

SCHEDULE OF CALCULATION OF CONCESSION FEE AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2013

As described in the Section A – “Basis of Preparation” the below schedule of calculation of concession fee is prepared:

December 31, 2013

(a) Gross Revenue which is based upon the audit financial statements for the year ended December 31, 2013, the bank statement relating to the Gross Revenue Account and otherwise the requirements of the PPP Agreement	Euro 32,414,657
(b) a calculation of the annual Concession Fee for the year ended December 31, 2013	Euro 5,834,638

This schedule have been approved by the management of Limak Kosovo International Airport JSC on April 29, 2014 and signed on their behalf by:


Haldun Firat Kokturk
Chief Executive Officer


Alpay DOGUTEPE
Chief Financial Officer

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PAYMENT

- (a) Quarterly installments on the first Business Day in the months of January, April, July and October of each calendar year, or part thereof, during the Term of this Agreement
- (b) Notwithstanding the foregoing, the Annual Concession Fee for the period from the Effective Date to December 31 of the calendar year in which the Effective Date shall occur shall be paid, without set-off or any other deduction whatsoever, on the Effective Date
- (c) Quarterly installment of the Annual Concession Fee paid by the Private Partner to the Grantor on the first Business Day of each October, January and April during the Term of this Agreement shall equal twenty five *per cent* (25%) of the Annual Concession fee.
- (d) Annual Concession Fee due on the first Business Day of each July during the Term of this Agreement (commencing with the July falling in the calendar year immediately succeeding the First Calendar Year) shall equal the difference between the amount of the Annual Concession Fee set forth in the certificate of the Private Partner's auditor for the immediately preceding calendar year delivered to the Grantor.
- (d) Notwithstanding the foregoing, the installment of the Annual Concession Fee due on each Concession Fee Installment Date up to the Concession Fee Installment Date occurring in July of the calendar year immediately succeeding the First Calendar Year shall occur shall be equal to Euros five hundred thousand (€500,000)