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**INFORMATION REGARDING TO THE PROCEDURE FOR THE GRANTING OF A  
CONCESSION FOR THE FINANCING, DEVELOPMENT THROUGH THE  
CONSTRUCTION AND RECONSTRUCTION, MAINTENANCE AND MANAGEMENT OF  
THE INFRASTRUCTURE OF JSC AIRPORT NIKOLA TESLA BELGRADE AND THE  
PERFORMANCE OF THE ACTIVITY OF AIRPORT OPERATOR**

The procedure for the granting of a concession for the financing, development through the construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and the performance of the activity of airport operator was, in accordance with provisions of the Law On Public Private Partnership And Concession ("Official Gazette of RS" no. 88/11, 15/16 and 104/16), initiated on 10/02/2017 with the publication of the Public invitation in the Official Gazette of the Republic of Serbia no. 9/2017 an on the web page of ANT ( [www.beg.aero](http://www.beg.aero)).

The Grantors of the Concession are the Republic of Serbia and JSC Airport Nikola Tesla Belgrade (hereinafter: Public body).

The procedure for granting of a concession is implemented in accordance with Article 20, Paragraph 3 in relation with Article 10 Paragraph 1 of the Law on Public Private Partnership and Concession ("Official Gazette of the Republic of Serbia", no. 88/2011, 15/2016 and 104/2016) (hereinafter referred to as the "PPP Law"), as well as Article 41a of the PPP Law and the Decree on the Manner of Concession Granting in Phases ("Official Gazette of the Republic of Serbia", no. 1/2017), the Law on Air Transportation ("Official Gazette of the Republic of Serbia", no. 73/2010, 57/2010, 93/2012, 45/2015 and 66/2012), as well as with the Law on Management of the Airports ("Official Gazette of the Republic of Serbia", no. 1/2017 ).

In accordance with provisions of the law, the procedure is conducted by the Experts' Team established by the Conclusion of the Government of the Republic of Serbia and the Supervisory Board of AD Aerodrom Nikola Tesla Beograd.

Initiation of the procedure followed making the Concessions Act to which the Government of the Republic of Serbia gave its consent in the Conclusion dated 09/02/2017.

The subject matter of the concession is the financing, development through the construction and reconstruction, maintenance and management of the infrastructure of ANT and the performance of the activity of airport operator at the Airport.

The activity of airport operator is qualified as an activity of general interest within the meaning of Article 11, Paragraph 1, Point 7 of the PPP Law and Article 4, Paragraph 7 of the Law on Management of Airports. Under Article 4, Paragraphs 1-5 of the Law on Management of Airports, the activity of airport operator consists of strategic, organizational and financial planning, technology transfer, planning related to human resources, work organization and the implementation of control in order to establish and coordinate performance of the Airport services, creating conditions for the provision of the Airport services that are provided by the airport operator at the Airport and coordinating other services provided at the Airport by different service providers, whereby:

- (i) Strategic, organizational and financial planning, technology transfer, planning related to human resources, work organization and the implementation of control refers to the creation of conditions for optimal use, development, refurbishment and maintenance of the Airport infrastructure, the planning, design, construction and maintenance of the Airport and Airport infrastructure in a way that allows take off, landing and aircraft movement, provision of Airport services and ground handling services in accordance with safety regulations at the Airport area;
- (ii) Establishment and coordination of Airport services refers to the creation of conditions for a safe and secure air transport, the work of fire and rescue services or fire and rescue security, emergency medical assistance or medical security, as well as measures to reduce the risk of the presence of birds and other animals at the Airport or its surrounding and preventing accidental or deliberate unauthorized persons access to the area of the Airport, which is not public, according to the Law on Air Transport;
- (iii) The services offered at the Airport by the airport operator include all airport services in the field of operation and management of Airport infrastructure, coordination and control over the provision of Airport services by third parties, as well as services that are provided by the airport operator in accordance with the Law on Air Transport;
- (iv) Coordination of other services provided at the Airport by different service providers includes coordinating ground handling services and other services provided by the airport operator or third parties.

For the performance of the public contract with elements of concession (hereinafter referred to as: the "**Concession Agreement**"), the bidder selected as the preferred bidder at the end of the Procedure (hereinafter: the "**Selected Bidder**") will set up a special purpose vehicle registered and existing in accordance with the laws of the Republic of Serbia (hereinafter referred to as: the "**SPV**") as prescribed in Article 15 of the PPP Law, all in accordance with the Company Law of the Republic of Serbia ("Official Gazette of the Republic of Serbia" No. 36/2011, 99/2011, 83/2014 and 5/2015) hereinafter referred to as: the "**Company Law**"), to which ANT shall transfer the valid license for use of the Airport, in accordance with provisions of Article 19 of the Law on Management of Airports and Article 112 of the Law on Air Transport.

The Concession Agreement will be entered into between: on the one hand, (i) the Republic of Serbia, represented by the Government of the Republic of Serbia, and (ii) ANT, as the grantors of the concession, and on the other hand, (iii) the Selected Bidder (either the selected single bidder or the members of the selected bidding consortium) being shareholder(s) of the SPV, and (iv) the SPV established by the Selected Bidder in the concession granting procedure in order to perform the Concession Agreement as concessionaire.

The place of performance of the concession activity is at the Airport in Surčin, in Belgrade.

The duration of the Concession Agreement shall be twenty-five (25) years, starting from the commencement date of the Concession Agreement, such date to be determined in accordance with the Concession Agreement.

For the performance of the Concession Agreement, the right to use the Airport infrastructure, including immovable property (buildings and land) and movable property of ANT, for performing the activity of airport operator, shall be granted to the SPV and such right of use shall be handed back to ANT upon expiry of the concession.

The procedure for granting of the concession shall be implemented in accordance with Article 20 Paragraph 3 in relation with Article 10 Paragraph 1 of the PPP Law, as well as Article 41a of the PPP Law and the Decree

The Procedure shall be organized in two (2) phases:

- a. the first phase of the Procedure during which bidders submit non-binding bids (hereinafter referred to as "**Phase 1**") and
- b. the second of the Procedure during which bidders submit binding bids (hereinafter referred to as "**Phase 2**")

The prequalification phase was completed on 15/03/2017 by the Decision of the Public body which acknowledged a status of Qualified participants of Phase 1 to 25 out of total number of 27 Applicants for acquiring the right to participate in the Phase 1 of the Procedure.

Subsequently the Phase 1 was conducted and Data room was opened where the Qualified participants carried out inspection of the documentation provided for this Phase, based on which on 30/05/2017 they submitted the Applications for non-binding bids.

After expert assessment carried out by the Experts' Team, supported by the appointed Adviser led by investment bank LAZARD SAS Freres, France, on 20/06/2017 the Public body adopted the decision acknowledging 5 bidders to qualify for participation in Phase 2 (Qualified Applicants for Phase 2).

The Phase 2 lasted from 20/06/2017 until 08/12/2017 and it was completed by submission of Applications for binding bids from 4 Qualified participants of Phase 2, as follows:

- CONSORTIUM MERIDIAM EASTERN EUROPE INVESTMENTS S.A.S., FRANCE, ZURICH AIRPORT INTERNATIONAL AG, SWITZERLAND И EIFFAGE S.A., FRANCE
- CONSORTIUM GMR INFRASTRUCTURE LIMITED, INDIA AND TERNA S.A. (TOURIST TECHNICAL AND MARITIME SOCIETY ANONYMOUS), GREECE
- VINCI AIRPORTS, FRANCE
- CONSORTIUM INCHEON INTERNATIONAL AIRPORT CORPORATION, REPUBLIC OF KOREA, IC ICTAS ALTYPI YITIRIMLARI VE ISLETME A.S., TURKEY AND VTB CAPITAL INFRASTRUCTURE HOLDINGS LIMITED, CYPRUS

Expert assessment of submitted binding bids is in progress.

Throughout the concession horizon a Concessionaire shall pay concession fee to AD Aerodrom Nikola Tesla Beograd, which will be paid to all shareholders, as a dividend and/or

dividend, depending on the content of an accepted selected bid, in accordance with the Company Law.

Before award of the Concession Agreement, to which the Government of the Republic of Serbia gave the consent, a Shareholder Assembly of AD Aerodrom Nikola Tesla Belgrade will be held in accordance with Article 470 of the Company Law referring to disposal of major assets .

Upon fulfilment of all preconditions from the Concession Agreement, all the contracts of AD Aerodrom Nikola Tesla Beograd on the current activity, as well as on employment and work engagement of all persons will be transferred to a concessionaire.

Bearing in mind that AD Aerodrom Nikola Tesla Beograd will remain the owner of its assets and that all new property constructed by a concessionaire, as well as the equipment purchased during the concession horizon will be returned to AD Aerodrom Nikola Tesla Beograd and on the basis of the scale of capital investment which concessionaire will make during concession horizon in accordance with the Minimal technical requirements, decrease of share value is not predicted.

**Acting Director General**

**Chief Executive Officer**



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**Saša Vlasisavljević, BSc. (Eng)**