

**CONCESSION AGREEMENT**

**BETWEEN:**

**«PIRAEUS PORT AUTHORITY S.A.»**,

**« PIRAEUS CONTAINER TERMINAL S.A.»**

**AND**

**«COSCO PACIFIC LIMITED»** ,

**\*\*\*\*\***

---

**CONTRACT OF CONCESSION OF THE PORT  
INSTALLATIONS OF PIERS II AND III OF THE  
CONTAINER TERMINAL FACILITY OF THE PIRAEUS  
PORT AUTHORITY («PPA S.A.»)**

**BETWEEN**

**THE CORPORATION UNDER THE NAME  
«PIRAEUS PORT AUTHORITY S.A.»**

**AND**

**THE CORPORATION UNDER THE NAME  
«PIRAEUS CONTAINER TERMINAL S.A.»**

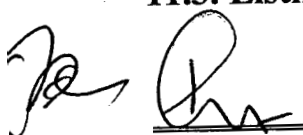
**AND AS A THIRD CONTRACTING PARTY  
THE COMPANY UNDER THE NAME  
«COSCO PACIFIC LIMITED»**

A handwritten signature in black ink, consisting of stylized, cursive letters, is located at the bottom left of the page. The signature appears to be a personal or official mark, possibly representing one of the parties mentioned in the contract text above.

## TABLE OF CONTENTS

INTRODUCTION .....	8
Section 1: .....	10
CONTRACTUAL DOCUMENTS, DEFINITIONS AND APPLICABLE ASSUMPTIONS .....	10
<b>1.1. Contractual Documents</b> .....	10
<b>1.2. Documentation Order of Precedence</b> .....	11
<b>1.3. Definitions</b> .....	12
<b>1.4. Assumptions</b> .....	17
<b>1.5. Legal Framework</b> .....	18
CONCESSION AGREEMENT .....	18
Section 2: .....	18
SUBJECT-MATTER OF CONCESSION CONTRACT .....	18
<b>2.1. The subject matter</b> .....	18
<b>2.2. New Container Terminal (NCT) installation area description</b> .....	19
<b>2.2.1. General description</b> .....	18
- In relation to Pier II	
- In relation to the eastern part of Pier III	
<b>2.2.2. Areas under concession and other infrastructure</b> .....	19
and superstructure	
<b>2.2.3. Exceptions</b>	
<b>2.3. Related agreements</b> .....	21
<b>2.4. Assignment of right to use and commercially exploit</b> .....	22
<b>2.5. Projects</b> .....	23
<b>2.6. Berthing manoeuvre harbour basin</b> .....	23
Section 3: .....	24
CONCESSION CONTRACT ENTRY INTO FORCE .....	24
DURATION OF CONCESSION .....	24
<b>3.1. Entry into Force of the Concession Agreement</b> .....	24
<b>3.2. Delivery of Premises to the Special Purpose Company-</b> .....	27
Commencement of concession contract .....	27
<b>3.3. Duration of Term of Concession</b> .....	28
<b>3.4. Adjustment of the Variable Consideration</b> .....	28
FINANCIAL TERMS .....	30
Section 4: .....	30
CONCESSION CONSIDERATION AND DEFINITION THEREOF .....	30
<b>4.1. Initial Consideration Instalment Payment</b> .....	30

4.2. Supplementary Consideration .....	30
4.3. Variable Consideration.....	30
4.4. Annual Fixed Consideration I.....	38
4.5. Annual Fixed Consideration II .....	38
4.6. Internal Rate of Return (IRR) .....	39
4.7. Explanatory Definitions.....	39
Section 5: .....	40
PAYMENT OF CONSIDERATION – FINANCIAL INFORMATION PROVIDED TO «PPA S.A.» .....	40
5.1. Initial Payment .....	40
5.2. Supplementary Payment .....	40
5.3. Variable Consideration.....	40
(a) <u>Monthly payments</u>	
(b) <u>Annual settlement</u>	
5.4. Annual Fixed Consideration I & II .....	42
5.5. «PPA S.A.» Financial information .....	42
(a) Accounts	
(b) Quarterly Statistical Report	
(c) Intermediate Financial Information	
(d) Supplementary Information & Explanations	
(e) Audit and Investigation conducted by PPA S.A.	
SECTION 6: PROJECT FINANCING.....	44
SECTION 7:.....	48
PRICING POLICY-SCHEDULE OF RATES -LEVIES.....	48
CONTRACTUAL OBLIGATIONS.....	48
SECTION 8:.....	49
GENERAL PROVISIONS .....	49
SECTION 9:.....	49
«PPA S.A.» OBLIGATIONS .....	49
SECTION 10:.....	51
OBLIGATIONS OF THE SPECIAL PURPOSE COMPANY (CONCESSIONAIRE).....	51
10.1. With respect to the operation of the New Container Terminal (NCT).....	51
10.2. With respect to the implementation of projects envisaged.....	53
SECTION 11:.....	54
SPECIAL PURPOSE COMPANY SHAREHOLDERS' OBLIGATIONS .....	54
11.1. Articles of Association non-amendment clause.....	54
11.2. Share transfer limitations.....	54
11.3. Listing on the Athens Stock Exchange.....	55



<b>11.4. Limitations imposed during the term of concession.....</b>	<b>55</b>
<b>NEW CONTAINER TERMINAL DEVELOPMENT STAGES – INVESTMENTS</b>	<b>56</b>
<b>SECTION 12: CONSTRUCTION OF WORKS .....</b>	<b>56</b>
<b>12.1. Pier (Pier) II upgrade.....</b>	<b>56</b>
(a) <u>Description</u>	
(b) <u>Timetable of implementation</u>	
<b>12.2. Construction and operation of eastern part of Pier III....</b>	<b>58</b>
(a) Description	
(b) Timetable of implementation	
<b>SECTION 13:.....</b>	<b>61</b>
<b>IMPLEMENTATION REQUIREMENTS.....</b>	<b>61</b>
<b>13.1. Permits.....</b>	<b>61</b>
(a) In relation to Pier II	
(b) In relation to the Eastern Part of Pier III	
<b>13.2. Design Studies.....</b>	<b>63</b>
(a) In relation to Pier II	
(b) In relation to the Eastern Part of Pier III	
<b>SECTION 14:.....</b>	<b>64</b>
<b>GUARANTEED CAPACITY .....</b>	<b>64</b>
<b>SECTION 15:.....</b>	<b>64</b>
<b>PROJECT CONSTRUCTION STUDY AND APPROVAL PROCEDURES.....</b>	<b>64</b>
<b>15.1. Pier II &amp; III Harbour Works Construction .....</b>	<b>64</b>
<b>15.2. Installations - Equipment .....</b>	<b>65</b>
<b>15.3. Building Permits.....</b>	<b>65</b>
<b>15.4. Procurement of quarry materials (aggregates).....</b>	<b>65</b>
<b>SECTION 16:.....</b>	<b>66</b>
<b>PROJECT CONSTRUCTION, SUPERVISION &amp; MANAGEMENT.....</b>	<b>66</b>
<b>16.1. Supervising Engineer .....</b>	<b>66</b>
<b>SECTION 17:.....</b>	<b>71</b>
<b>LETTERS OF GUARANTEE.....</b>	<b>71</b>
<b>SECTION 18:.....</b>	<b>72</b>
<b>PENALTIES .....</b>	<b>72</b>
<b>18.1. Construction .....</b>	<b>72</b>
(a) Pier II	
(b) Pier III	
<b>18.2. Assessment of penalties due during construction .....</b>	<b>74</b>
<b>18.3. Operation .....</b>	<b>74</b>
<b>18.4. Penalty Clause .....</b>	<b>75</b>

<b>18.5. General Provisions .....</b>	<b>75</b>
INSTALLATION OF THE SPECIAL PURPOSE COMPANY ON THE PREMISES OF NEW CONTAINER TERMINAL.....	75
SECTION 19: DELIVERY OF PREMISES AND INSTALLATION.....	76
<b>19.1. Installation procedure.....</b>	<b>76</b>
<b>19.2. Acquisition of familiarity with premises and Assumption of     Liability .....</b>	<b>77</b>
<b>19.3. Public Utility Networks.....</b>	<b>77</b>
RE-DELIVERY OF NEW CONTAINER TERMINAL .....	78
SECTION 20: RE-DELIVERY OF NEW CONTAINER TERMINAL BY THE SPECIAL PURPOSE COMPANY .....	78
<b>20.1. Upon expiry of contract duration .....</b>	<b>78</b>
<b>20.2. Due to Notice of Termination.....</b>	<b>79</b>
TERMINATION OF CONTRACT .....	79
SECTION 21: GROUNDS FOR TERMINATION BY «PPA S.A.».....	79
<b>21.1. General conditions of termination.....</b>	<b>80</b>
<b>21.2. Terms and Conditions of Operation violation.....</b>	<b>80</b>
<b>21.3. Project implementation Terms and Conditions violation .</b>	<b>81</b>
(a) In relation to Pier II	
(b) In relation to eastern part of Pier III	
SECTION 22: GROUNDS FOR TERMINATION BY THE SPECIAL PURPOSE COMPANY .....	83
SECTION 23: TERMINATION PROCEDURE AND CONSEQUENCES.....	83
SECTION 24: FINANCING INVESTOR RIGHTS .....	85
DELAY, TIMETABLE EXTENSION & FORCE MAJEURE CLAUSES.....	85
SECTION 25: DELAY & TIMETABLE EXTENSION CLAUSES .....	85
SECTION 26: FORCE MAJEURE CLAUSE.....	87
<b>26.1. Definition.....</b>	<b>87</b>
<b>26.2. Invocation procedure .....</b>	<b>87</b>
<b>26.3. Consequences.....</b>	<b>88</b>
OTHER PROVISIONS.....	89
SECTION 27: EMPLOYEES .....	89



SECTION 28: INSURANCE COVERAGE – REMUNERATION (SEVERANCE PAYMENT).....	90
SECTION 29: PORT INSTALLATIONS SECURITY PROVISIONS.....	93
SECTION 30: DUTIES .....	93
SECTION 31 – TRAINING OF PERSONNEL OF THE SPECIAL PURPOSE COMPANY – CERTIFICATION OF EFFICIENCY OF MECHANICAL EQUIPMENT OPERATORS OF THE SPECIAL PURPOSE COMPANY.....	94
SECTION 32: PROVISION OF INFORMATION .....	95
<b><u>FINAL PROVISIONS</u></b>	
SECTION 33: LAW APPLICABLE-DISPUTE SETTLEMENT.....	96
SECTION 34: CONTRACT FORCE DURATION .....	97
SECTION 35: NON-CESSION CLAUSE .....	97
SECTION 36: WAIVER CLAUSE.....	98
SECTION 37: CONFIDENTIALITY CLAUSE.....	98
SECTION 38: INDUSTRIAL AND INTELLECTUAL PROPERTY PROVISIONS	98
<b>38.1. Obligations of the Special Purpose Company during the term of Concession</b> .....	99
<b>38.2. Obligations of the Special Purpose Company subject to expiry or termination of Concession</b> .....	99
SECTION 39 : NOTIFICATIONS .....	100
To the PPA SA	
To the Special Purpose Company	
To COSCO Pacific Limited	
SECTION 40: CONTRACT LANGUAGE.....	101
<b>The Contracting Parties</b>	
<b>For the PPA SA</b>	
<b>For the Special Purpose Company</b>	

## INTRODUCTION

In the city of Piraeus this Tuesday, 25th day of the month of November 2008, the following contracting parties:

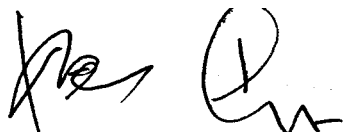
a) On the one part, the Corporation (Société Anonyme) under the name «Piraeus Port Authority SA», legitimately established in the City of Piraeus and legitimately, furthermore, represented, for the execution of the present agreement by Mr. Nicolaos Anastasopoulos, acting in the capacity of the latter as Managing Director thereof, specifically appointed for this purpose by virtue of Resolution No. 236/15-10-2008, passed by the Board of Directors of said Corporation (hereinafter referred to as «PPA S.A.»);

b) On the other part, the corporation (Société Anonyme) under the name «Piraeus Container Terminal SA», having its head offices in Piraeus, being legally represented for the signing of the present agreement by Dr. WEI Jiafu, by virtue of Resolution of the Board of Directors dated November 14, 2008 and of the special power of attorney no 105/2008 of the Public Notary of Athens Mr. Angelos Asimakopoulos son of Ioannis, hereinafter referred to as the «Special Purpose Company» or as the «SPC»; and

c) as a third party, the company under the name COSCO Pacific Limited, sole shareholder in the Special Purpose Company, having its head offices in the Bermudas and established in the Hong Kong S.A.R., of the P.R. of China, legally represented for the signing of the present agreement by Dr. WEI Jiafu, by virtue of the Resolution of the Board of Directors, dated October 29, 2008 and the special power of attorney, dated November 13, 2008, of the public notary of Hong Kong S.A.R. of the People's Republic of China, Anthony John Jex, which is affixed with the APOSTILLE certification No. 18399/2008 attached by the competent authority of Hong Kong S.A.R. of the People's Republic of China, according to the provisions of the Hague Convention of October 5, 1961;

collectively hereinbelow referred to as the « Parties»,

WITNESSETH:





**1. Whereas** this Concession Agreement corresponds in content to the terms and conditions set forth in the Invitation to Tender no. 2/2008, as issued, likewise, by «PPA S.A.», with reference to the procedure now performed. Said Invitation to Tender has been appended hereto, as Annex 1 of the present Concession Agreement and is incorporated herein. The Special Purpose Company hereby warrants and undertakes to provide full compliance with all requirements and preconditions enumerated by said Invitation to Tender.

**2. And whereas, furthermore,** PPA S.A. hereby declares and warrants that by Concession Contract concluded on February 13, 2002, , between the same corporation and the Greek State as amended by the amendment thereof dated November 19, 2008 (Government Gazette, issue no. 2372/ Bulletin B/21-11-2008) (Annex 9), it has acquired exclusive right to use and commercially exploit the Piraeus Port Area, with respect to which it has been, thereby, empowered to undertake all measures required for the development thereof in the most profitable manner,

**3. And whereas, furthermore,** with a view to the implementation of the rights accruing therefrom, as above described, PPA S.A. initiated an international open Invitation to Tender to the highest bidder, having specified, as criterion of eligibility for the appointment thereof, the highest bid offered for the concession of the right to use and commercially exploit the Piers II and III of the Piraeus Port Container Terminal, in consideration of, in part of a self-financed investment aimed at the furtherance of the development and the extension of the infrastructure and superstructure facilities currently available, and, in additional part, of a consideration of money payable to PPA S.A. As prescribed by the terms of the bidding procedure envisaged by the Invitation to Tender, the Concession Contract for Pier II and for the eastern part of Pier III of the Port of Piraeus Container Terminal has been awarded to the Special Purpose Company Shareholder member companies.

**4. And whereas, finally,** it is envisaged that the prominent position already acquired by the Port of Piraeus with regard to the carriage of both domestic and international cargoes will be developed, simultaneously allowing for the promotion of the importance and prestige afforded to the commercial section of the harbour of Piraeus, so as to augment the contribution thereof to the development of maritime commercial routes, as incorporated in the current economic environment.

5. By virtue of decision No. 274/2008 of the 7<sup>th</sup> Chamber (“*Klimakio*”) of the Supreme Audit Council (“*Elegtiko Synedrio*”) in combination with decision No. 284/2008 of the same Chamber of the Supreme Audit Council, it was decided that there is no impediment for the signature of this present Concession Agreement by the herein contracting parties.

**THEREFORE, THE FOLLOWING HAVE BEEN AGREED:**

**Section 1:  
CONTRACTUAL DOCUMENTS, DEFINITIONS AND APPLICABLE  
ASSUMPTIONS**

**1.1. Contractual Documents**

1. The present Concession Agreement is composed of this main agreement (consisting of sections 1 to 40) and the Annexes appended thereto.

2. The Annexes comprise the following documents:

Annex 1: The Invitation to Tender issued in February, 2008, with a view to the award and conclusion of the Concession Agreement contained hereinbelow, including annexes 1 – 14 thereto, and the explanatory information provided during the course of the bidding procedure.

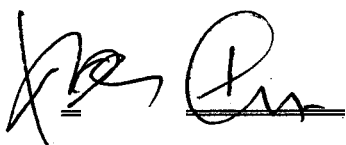
Annex 2: The offer (Bid) submitted by COSCO Pacific Limited.

Annex 3: The Project Performance – Implementation Timetable.

Annex 4: The Loan Agreements, to be annexed upon due execution thereof, as provided by Section 6, hereinbelow.

Annex 5: The approved Development Master Plan that is in force at the time of the execution of the present Agreement, with reference to the «PPA S.A.» harbour complex, in conformity to the terms and conditions of Resolution No. 01/24<sup>th</sup> November 2006 of the National Council for the Development of Ports.

Annex 6: The Topographic Plan of the New Container Terminal.

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned at the bottom left of the page.

Annex 7: The Delivery and Take-over Procedure with respect to the subject matter of the Concession.

Annex 8: The Protocol of the Installation of the Special Purpose Company in the New Container Terminal.

Annex 9: The Concession Contract concluded on February 13<sup>th</sup>, 2002, between the Republic of Greece and «PPA S.A.», as amended by the amendment thereof dated November 19, 2008 (Government Gazette, issue no. 2372/ Bulletin B/21-11-2008).

Annex 10: The Articles of Association of the SPC.

Annex 11: The Contract between «PPA S.A.» and MSC.

Annex 12: The Contract concluded, on August 9<sup>th</sup>, 2006, between «OSE S.A.» and PPA S.A., with respect to the concession of the necessary area for the transit of rail links and for the establishment of a harbour railway terminal at Neo Ikonio.

Annex 13: The Project's Final Design, to be appended to the present Contract upon approval thereof, as provided for by the provisions of Section 13.2 of the present Agreement.

## **1.2. Documentation Order of Precedence**

It is hereby expressly stipulated that the order of precedence between the individual items of contract documentation shall be as follows:

a) The concession agreement (main agreement) with its Annexes, excluding those expressly mentioned below.

b) The Invitation to Tender no. 2, dated February, 2008, including annexes 1-14 thereto and the explanatory information provided by PPA SA during the course of the bidding procedure (attached herein as Annex 1).

c) The Project Performance – Implementation Timetable (attached herein as Annex 3).

d) The Bid submitted by COSCO Pacific Ltd, under reference no 1/9-5-2008 (attached hereto as Annex 2).

### 1.3. Definitions

In this Agreement the following terms shall be defined as follows, unless proper textual construction/context otherwise dictate:

«**Special Purpose Company**» shall be deemed to denote the legal entity (Exclusive Purpose Corporation) constituted by the Company with the name COSCO Pacific Limited after the bidding procedure award, for the purpose of performance of the subject – matter envisaged by the present Concession Agreement;

«**License/Permit**» shall be deemed to denote any permit, license, consent, approval, approbation or authorization whatsoever, as required with reference to the Project's implementation, issued by any Department, Authority, or Public Company of the Greek Republic or State Undertaking respectively.

«**Awarding Authority**» shall be deemed to denote the Corporation under the name «Piraeus Port Authority S.A.» («PPA S.A.»).

Address: 10, Akti Miaouli, Postcode 18538

Tel.No.: 210 4550 250

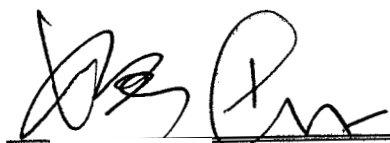
Fax No.: 210 4550 280

e-mail: ceo@olp.gr

«**Superstructure**» shall be deemed to denote the edifices and ancillary installations, including the mechanical equipment already available, or to be installed in the future, in the New Container Terminal (NCT).

«**Responsible Authority**» shall be deemed to denote any public authority, agent, individual or legal entity, which is part of the national Government of Greece or of any local or municipal authority, and which is competent with regard to the Operations, the Project, or the Project Premises.

«**Initial Payment**» shall be deemed to denote the sum payable by the Special Purpose Company to PPA S.A., by virtue of the provisions of section 4.1. herein.



«**Loan Contract**» shall be deemed to denote any contract, by virtue of the provisions of which, or in conformity to which, the Special Purpose Company is provided, or shall be provided in the future, with financial assistance/credit line intended for the Project (same being provided either in the form of a loan, or secured credit, or letters of credit or any other means whatsoever). Such contract shall be appended to Annex 4 of the present contract, as provided for by the provisions of Section 6, hereinbelow.

«**the State**» or «**the Greek State**», shall be deemed to denote the Hellenic Republic.

«**Bidding Procedure**» shall be deemed to denote the international open bidding procedure for award, to the highest bidder, of concession of Piers II and III of the Piraeus Port Container Terminal, conducted by PPA S.A., in conformity to the provisions of the Invitation to Tender dated February, 2008.

«**Invitation to Tender**» shall be deemed to denote the document issued by PPA S.A. as Invitation to Tender no. 2/2008 in February, 2008, titled «International Invitation to Tender by Award to the Highest Bidder for Concession of Piers II and III of the Container Terminal of the Piraeus Port Authority S.A.», with a view to attract potential prospective candidates eligible to submit offers for the award, thereto, of the present Contract of Concession, including Annexes 1 to 14, and all explanatory annotations provided by PPA SA during the course of the Bidding Procedure according to art. 79 of this Invitation to Tender.

«**Throughput**» shall be deemed to denote the number of containers, in TEU, handled through NCT Piers within the duration of the time unit employed. Such figure shall be estimated as the sum total, in TEU, of containers unloaded and loaded to/from the vessel concerned, within the period of one year. Containers transshipped shall count as two (2) distinct and separate gantry crane movements (cargoes unloaded and loaded).

«**Title of Concession**» shall be deemed to denote the right to use and commercially exploit Pier II and the eastern part of Pier III of the Port of Piraeus Container Terminal.

«**Right to Access**» shall be deemed to denote title/right to access and depart to and from, respectively, the area of the NCT, or any area or

areas therein comprised, with regard to the fulfillment of the provisions of the Contract of Concession.

«**Committed Investment**» shall be deemed to denote the own funds liable to be contributed or to be lent by the SPC's shareholders to the Special Purpose Company, in conformity to the provisions of Section 11.1 (2) hereof.

«**CPI**» shall be deemed to denote the Overall Consumer Price (Inflation) Index, as recorded on the 31<sup>st</sup> of December of each calendar year, and published by the Greek National Bureau of Statistics.

«**Guaranteed Capacity**» shall be deemed to denote the minimum annual capacity of the New Container Terminal, as same is determined by section 14 hereof.

«**Guaranteed Return**» means the sum of money that is listed per calendar year in Table 2 of section 4.3 hereof, which the Special Project Company warrants and undertakes to pay to PPA S.A. on an annual basis as minimum amount of variable consideration during the Concession period, as specifically provided for by the provisions of this Agreement.

«**Minimum Container Throughput**» shall be deemed to denote the minimum quantity of container units handled annually that the Special Purpose Company is under the obligation to achieve every calendar year throughout the term (duration) of this Agreement.

«**Container Handling Equipment**» shall be deemed to denote the existing equipment owned by PPA S.A., to be conceded to the Special Purpose Company, as specifically in detail enumerated in Annex 3 of the Invitation to Tender.

«**Supervisor**», or «**Supervising Engineer**» means the Project Implementation Management Department of the Piraeus Port Authority S.A., as specified by the provisions of Section 16.1 of this Agreement.

«**Harbour Railway Terminal**» shall be deemed to denote the railway cargo terminal to be established within the port of Piraeus by Hellenic Railways S.A. («**OSE S.A.**»), in conformity to the terms and conditions of the contract concluded between Hellenic Railways S.A. and the Piraeus Port Authority S.A. on August 9<sup>th</sup>, 2006, envisaged to occupy an area of 85.000 sq.m. (attached hereto as Annex 12), as said area is

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, positioned at the bottom of the page.

described on the plan attached hereto as Annex 6 under the following symbols: E2-Ψ-X-Φ-T-IB-IF-IA-B1-B2-E1-E2.

«**Project**» shall be deemed to denote any and all structures erected and equipment procured, as required for the operation, maintenance and commercial employment of the New Container Terminal undertaken by the Special Purpose Company by virtue of the terms of the present Concession Agreement.

«**Aggregate Revenue**» shall be deemed to denote the aggregate of the revenues arising from the totality of the fee-earning operations and services, respectively conducted and provided, at any given period of time, by the Special Purpose Company, pursuant to the relevant provisions of the Articles of Association thereof and within the subject – matter of the present Agreement, excluding any insurance indemnities that will be paid to the Special Purpose Company, as well as excluding any damages and/or the penalties to be paid by PPA SA or by any third parties to the SPC due to any reason whatsoever.

«**Annual Capacity**» means the maximum throughput achieved by means of employment, in full, of the totality of the premises and of the equipment afforded by the New Container Terminal complex, under normal operational conditions and during the period of one year, expressed as a function of the sum of the total number of Pier gantry cranes multiplied by the number of gantry crane statistical movements per hour, and, furthermore, multiplied by the amount of hours of regular daily operation, and, finally, multiplied by the number of days of regular operation per annum. The contracting Parties acknowledge that the quantity of gantry cranes, which are taken into account in the above calculations, shall be inclusive of any mobile gantry cranes.

«**Day**» shall be deemed to denote the period of a calendar day.

«**Day of Entry into Force**» shall be deemed to denote the date whereupon the Concession Agreement shall enter into force, as provided for by the provisions of Section 3 hereof.

«**Grounds of Justifiable Delay**» shall be deemed to denote any and all of the events enumerated or included in the provisions of Section 25 of this Agreement.

«**Grounds for Termination of Contract**» shall be deemed to denote any and all of the events, which are enumerated or described in the provisions of Sections 21 and 22 of this Agreement.

«**m**» shall denote the unit of one (1) metre of length.

«**New Container Terminal**» or «**NCT**» shall be deemed to denote the container terminal, comprising the existing Pier II to be upgraded, Pier III, to be constructed, and the area adjacent thereto, the exclusive use and exploitation of which is conceded to the Special Purpose Company, as well as the adjacent berthing manoeuvre sea area, which allows the safe mooring and service of ships, the use of which is accorded to the Special Purpose Company, according to the terms and conditions of this Concession Agreement.

«**PPA S.A.**» shall be deemed to denote the Piraeus Port Authority S.A., or the legitimate successors thereto.

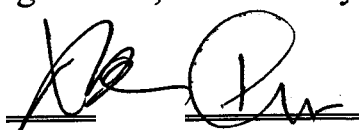
«**Final Study**» denotes all the plans and issues of the technical works of the present Agreement that will be drafted on behalf of the Special Purpose Company by advisors, who will be employed by the Special Purpose Company, according to the specifications of elaboration of studies of Part B of Presidential Decree 696/1974, as currently in force.

«**Concession**» means the granting of the exclusive right of use and exploitation of the New Container Terminal from PPA S.A. to the Special Purpose Company, according to the terms of the present Agreement and for the time period provided therein.

«**Concession Period**» shall be deemed to denote the period of the Concession Contract, provided in section 3 of this Agreement.

«**Pier III**» or «**Eastern Part of Pier III** » or «**Eastern Section of Pier III**» shall be deemed to denote the eastern part of Pier III, as the latter is delineated in the plan that is attached hereto as Annex 6, by employment of the following symbols: "KH-KΘ-Λ-ΛΑ-ΛΒ-ΛΓ-ΛΔ-Λ1-Λ2-Λ3-Λ4-Λ5 and A1-A-ΛΕ-Λ8-Λ7-Λ6-A2-B", which will be constructed by the SPC according to the terms hereof.

«**Oil Pier**» shall be deemed to denote the pier of Piraeus Port Area delineated by employment of the following symbols: Λ1-Λ2-Λ3-Λ4-Λ5-Λ6-Λ7-Λ8-ΛΕ-ΛΔ, in the attached plan of Annex 6 to the present Agreement, where today the oil installations are located at, which will be





moved on PPA's responsibility, according to the terms hereof, in order for the SPC to construct the Eastern Part of Pier III.

«Offer» shall be deemed to denote the technical proposal (Subfolder B1) and financial proposal (Subfolder B3) submitted, under reference number 1/9-5-08, by the third contracting party, COSCO Pacific Ltd, which is attached hereto as Annex 2.

«TEU» shall be deemed to denote twenty-foot containers subscribing to ISO standards.

«Infrastructure» shall be deemed to denote the immobile section of the terminal, which is comprised of piers, docks, wharves, and the adjacent land area of the NCT, and deemed to be inclusive of the utility network installations (electricity and water mains, rail tracks etc.) embedded therein. The Oil Pier service network installations are not included in the definition of Infrastructure.

«Funders of the Special Purpose Company» or « Funders of the SPC» means the banks and other credit institutions, which have entered into or which will enter into any loan agreements with the Special Purpose Company for the financing of the implementation of the Project, as will be appended to this Agreement as Annex 4 thereto.

#### **1.4. Assumptions**

1. In this Concession Agreement, and provided that the context thereof allows, any word indicative of the male gender shall be also deemed as denoting the respective feminine gender, as well as the corresponding neuter gender. Furthermore, wording indicative of the singular number shall also comprise the plural of the noun involved and vice versa. Finally, any wording denoting individuals shall be also deemed to comprise the legal entities involved.

2. Captions and titles are employed solely in order to provide assistance during reading and shall not be deemed to affect proper construction of this Concession Agreement.

3. All information provided, and all representations made by PPA S.A during the Bidding Procedure have been made with good faith (bona fide). The Special Purpose Company hereby acknowledges all such explanatory definitions and data or information provided to be fully satisfactory. Any error or omission encountered at any time, during the

course of the Concession Agreement, with respect to the data provided concerning the subject – matter of concession, shall not result, on the part of the Special Purpose Company, in any claim whatsoever accruing therefrom and directed against PPA S.A.

4. The Parties expressly acknowledge that any and all obligations, on the part of the Special Purpose Company with reference to the construction and commercial employment of Pier III shall only be limited to the eastern part of said Pier, a delineation whereof is contained in the plan drawing attached hereto as Annex 6, by means of the following symbols: “KH-KΘ-Λ-ΛΑ-ΛΒ-ΛΓ-ΛΔ-Λ1-Λ2-Λ3-Λ4-Λ5 and Α1-Α-ΑΕ-Λ8-Λ7-Λ6-Α2-Β”. Consequently, for all purposes related to the reference, in the present Agreement, of the Special Purpose Company’s obligations with respect to Pier III, said reference shall exclusively apply to the eastern part thereof, as hereinabove duly specified.

### **1.5. Legal Framework**

1. This Concession Agreement is entered into in conformity to the provisions of Act No. 2688/1999, relating to the «Conversion of the Piraeus and the Thessaloniki Port Authorities into Private Corporations (Sociétés Anonymes)», and to the Concession Agreement concluded, on February 13<sup>th</sup>, 2002, between the Hellenic Republic and PPA S.A., including the amendment thereto, dated November 19, 2008 (Government Gazette, issue no. 2372/ Bulletin B/21-11-2008).

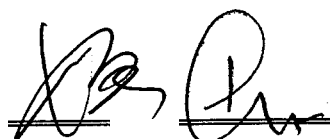
## **THE CONCESSION**

### **Section 2: SUBJECT-MATTER**

#### **2.1. The subject matter**

2.1 The subject matter of this Agreement comprises the following items:

a) The concession against a consideration of the New Container Terminal by PPA S.A. to the Special Purpose Company, as described in paragraph 2.2 of this Section, and more specifically, the granting of the exclusive right to use and commercially exploit the New Container



Terminal, in accordance with the provisions of paragraph 2.5 hereinbelow.

b) The self-financed execution by the Special Purpose Company of the works relating to the upgrade of Pier II and to the construction and operation of the eastern part of Pier III, as specifically provided for by the provisions of paragraph 2.5 of this Agreement.

## **2.2. New Container Terminal (NCT) installation area description**

### **2.2.1. General Description**

As a total, the area constituting the subject-matter of this Concession Agreement is comprised of the elements hereinafter specified:

#### **With reference to the installations of Pier II**

The existing areas of Pier II of the Piraeus Port Area, including all adjacent areas thereto, of a total surface (area) of 614.419 sq. meters, as delineated in Annex 6 hereto, including the existing edifices and superstructure facilities, which are described in paragraph 2.2.2 below.

#### **With reference to the Eastern Part of Pier III**

The area where today the Oil Pier is located at as well as the sea area delineated in the attached Annex 6 hereto by the employment of the following symbols: Λ1-Λ2-Λ3-Λ4-Λ5-Λ6-Λ7-Λ8-ΛE-ΛΔ, where the construction of Pier III is going to take place, in accordance with this Agreement.

### **2.2.2 Edifices and related infrastructure and superstructure installations ceded**

The following buildings and other superstructures and infrastructures are also conceded to the SPC:

1. All edifices and other installations and facilities adjunct thereto (electric power distribution substations, including the high-voltage distribution substation, which is located at the northern end of the New Container Terminal complex, all edifices, vehicle entrance and exit points, refrigerated container installations, network installations, empty

container stowage yards, dangerous or fragile cargo special - purpose installations, etc.)

2. All existing mechanical equipment, as enumerated in the list contained in Annex 3 (Mechanical Equipment) of the Invitation to Tender, and related information systems, including wireless communication network facilities, with respect to which PPA S.A. warrants that all relevant permits and approvals have been issued.

3. The Parties hereby mutually agree that should the Special Purpose Company:

(a) decline to retain possession of any element comprised in the equipment enumerated in Annex 3 of the Invitation to Tender, or

(b) express a will to replace it during the term of the contract, or,

(c) should such equipment be ascertained to be ineffective, as regards the Special Purpose Company's operational requirements, owing to the adoption, thereby, of incompatible technology

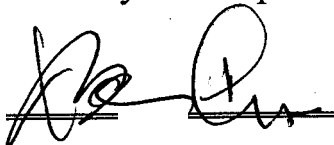
the items in question shall be re-delivered to PPA S.A., for disposition thereby at the former's sole discretion

4. All cost related to the removal of gantry cranes to be replaced, in accordance to the provisions contained in the Pier II Upgrade Schedule, shall be borne by the Special Purpose Company, exclusive of the cost related to the removal of any gantry cranes, which will be eventually sold out by PPA S.A., and exclusive, likewise and furthermore, of the cost incidental to gantry rails removal. Rails removed shall be delivered to PPA S.A. in order to dispose it at its discretion.

### 2.2.3 Exceptions

It is explicitly agreed that the following are excluded from the subject-matter of the present concession and therefore the use thereof is not hereby transferred to the SPC:

1. The area of the 85.000 sq.m., which has been provided, by virtue of the contract concluded on August 9<sup>th</sup>, 2006, between Hellenic Railways S.A. («OSE S.A.») and PPA S.A. (that is attached hereto as Annex 12) for the construction thereon of the Harbour Railway Terminal. Exclusively for the period of time that will be required for the completion



and setting into operation of the Harbour Railway Terminal, the Special Purpose Company shall be entitled to possess and use the above area and the installations existing thereat, including, indicatively only, the refrigeration equipment currently located thereat, in order to serve exclusively its own operational needs.

2. The premises currently housing the 5<sup>th</sup> Customs and Excise Department, the surface area of which amounts to 960 sq.m., located within the New Container Terminal complex, unless the Customs and Excise Department abovementioned should be relocated, in which case the Special Purpose Company shall be entitled to possess, use and commercially employ said area, with a view to the performance due, thereby, of contractual obligations and undertakings accruing thereto by virtue of the present contract, or subject to rental agreements concluded with third parties. Rental lease agreements concluded with third parties shall be allowed only subject to previous consent by PPA S.A., such consent extending both to appointment of lessee and to the amount of rent and the terms and conditions of the rental contract envisaged. Such consent shall only be provided on the condition that the Special Purpose Company shall pay PPA S.A. part of the rent to be agreed, equal to 75% of the amount thereof.

3. The licences for the use of the software programs: Navis, Oracle and Microsoft, that will be used by the Personnel of PPA SA for the support of the exploitation of Pier II during the time period of its operation by PPA SA's personnel, according to section 27 of the present Agreement are excluded and are not transferred to the Special Purpose Company.

### **2.3. Related agreements**

The existing contracts for the renting of offices and premises in the New Container Terminal and the leasing agreements for existing equipment, as are included in Annex 12 of the Invitation to Tender, and the existing agreement No. 59/2002 between PPA SA and Mediterranean Shipping Company (MSC) for the service of transshipment that is attached in Annex 11 of the present Agreement are also transferred to the SPC hereunder. It is expressly stated that any contracts relating to the Oil Pier are excluded from this concession. The Special Purpose Company hereby undertakes to perform these contracts, by virtue of substitution, in full, thereby, to all rights and liabilities of PPA SA arising under these contracts vis-à-vis the other parties in these contracts.

## 2.4. Assignment of right to use and commercially exploit

1. As sole beneficiary possessing title to exclusively use and commercially exploit the NCT, the Special Purpose Company shall be entitled, during the term of duration of the present Agreement, to exercise all powers relevant to the above rights, privileges and prerogatives, including the temporary transfer of rights to use of sections of the NCT area to third parties, as specifically set forth by the provisions and the limitations contained in the present Agreement, in conformity with, more particularly, to:

a) the provisions of Section 10 (undertakings pertaining to Special Purpose Company);

b) the applicable laws; and

c) the concession contract between the Greek State and PPA S.A., as will be in force,

in order to provide an integrated range of harbour services and facilities, in full conformity to the international standards applicable for similar installations, and in conformity to the manner prescribed by the Bid submitted during the Tendering Procedure.

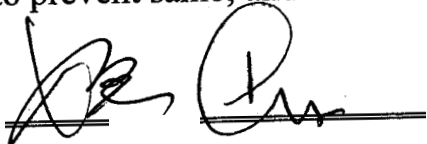
2. In the exercise of the rights to use and to commercially employ the NCT the Special Purpose Company undertakes to:

a. Provide, within the NCT, the total spectrum of harbour services and facilities expected of a modern port complex engaged in international commercial activities, and possessing of a comparable position of strategic importance, subject to specific provisions herein contained;

b. Ensure the financial viability and continuation of operation of NCT;

c. Implement and enforce all measures contributory to safety of navigation, safety of harbour installation users and safety and health of the Special Purpose Company's employees;

d. Conform to all environmental protection requirements approved, as well as to conform to all relevant licenses and permits issued. Also, to engage in any operation required in order to avert danger of pollution and to prevent same; and



e. To apply the orders of the appropriate authorities with respect to issues related to national security and to the maintenance of public order.

3. The Parties expressly acknowledge that title to use and commercially employ assigned to the Special Purpose Company may not be exercised against the Greek State, insofar as the latter engages in exercise of public power to implement state policy and to serve national security interests. Such exclusion shall, furthermore, be deemed to likewise apply insofar as the State intervenes during a state of emergency, or exercises powers of inspection and control granted thereby by virtue of statutory provisions and by virtue of the provisions expressly incorporated, to this effect, in the Concession Contract concluded between the Greek State and PPA S.A.

## **2.5. Projects**

### **a) Pier II installation upgrade**

The Pier II installation upgrade project comprises the total of works, constructions and equipment set out in detail in the Bid (Annex 2), so as to ensure proper function and commercial exploitation of the NCT in conformity to the provisions of the present Agreement.

### **b) Renovation and construction of buildings**

The Project comprises the renovation of the existing NCT Administration Building, as well as the construction of new edifices, located within the NCT area, electric power substations excluded, as set out in detail in the Bid (Annex 2), with a view to ensuring proper function and commercial employment of the NCT in conformity to the provisions of the present Agreement.

### **c) Construction and operational availability of the Eastern Section of Pier III**

The construction and operation of the eastern section of Pier III shall comprise all activities, constructions and provision of equipment described in detail in the Bid (Annex 2), so as to ensure proper function and commercial exploitation of the NCT according to the provisions of the present Agreement.

## **2.6. Berthing manoeuvre harbour basin**

In order to provide container ships with a means of swift and secure route towards the berths allocated for loading/discharge operations, and in order, furthermore, to provide assistance in the facilitation of said operations, the NCT complex shall be provided with a specific berthing manoeuvre harbour basin area will be used by both PPA SA and the Special Purpose Company. Said basin shall provide unimpeded traffic and by priority of arrival of vessels serviced by the NCT, in the manner provided for by the Port of Piraeus Regulations and, furthermore, by statutory regulation thereto applicable. No vessel may be permitted to occupy part of the harbour basin area abovementioned, unless the Special Purpose Company has previously received due notice to this effect, and subject to the authorization provided by the appropriate Coast Guard Authority. Notwithstanding the above, vessels may employ the harbour basin area abovementioned in order to maintain course in transit, i.e. as a thoroughfare, and to manoeuvre during mooring/weighing anchor, including ships berthing at PPA S.A.'s harbour facilities lying in adjacency to those comprised in the NCT Piers.

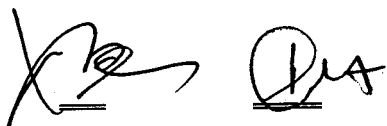
### Section 3: CONCESSION CONTRACT ENTRY INTO FORCE - DURATION OF CONCESSION

#### 3.1. Entry into Force of the Concession Agreement

1. This Concession Agreement shall not create any binding obligations prior to the lapse of the period set for the filing of an appeal against the decision of the Chamber ("*Klimakio*") of the Supreme Audit Council, which has determined that there exists no impediment for the signing of this Agreement, or in the event that such an appeal is filed, prior to the issue of the relevant decision thereon by the appropriate Section ("*Tmima*") of the Supreme Audit Council.

This Concession Agreement shall come into force upon the fulfilment, cumulatively and in conformity to the sequence prescribed below, of the following terms and conditions, in accordance with the specific provisions of the following paragraphs of this Article:

(i) Within a period of fifteen (15) days commencing upon the signing of the present Agreement and subject to the simultaneous return, by PPA S.A. to COSCO Pacific Limited, in the capacity thereof as third contracting party hereto, of the Letter of Guarantee deposited thereby during the Bidding Procedure, the SPC shall provide PPA S.A. with a Letter of Guarantee, of three-month duration, for the sum of Euro fifty million (€50.000.000), such Letter to be issued by a Bank or credit





institution rated, with regard to unsecured long-term financing as BBB+ or superior, as such standards of assessment/rating are employed by Standard and Poor's Corporation, or equivalent thereto, or as per the standards employed by Moody's Investor Services. Such Letter of Guarantee shall ensure the timely, as determined by the provisions of paragraph 3.1.2 below, payment by the Special Purpose Company to PPA S.A. of the initial installment of the sum of Euro fifty million (€50.000.000). After the expiry of the initial three-month period of its duration, and provided that the amount of (€50.000.000) of 3.1.2 has not been paid, the duration of this Letter of Guarantee will be extended on a monthly basis until the payment of this amount of (€50.000.000) is made. PPA S.A. shall return this Letter of Guarantee to the Special Purpose Company at such time as the latter should pay the former the abovementioned amount of Euro fifty million (€50.000.000), otherwise such Letter of Guarantee shall be presented for collection on the day following the expiry of the deadline prescribed by the provisions of paragraph 3.1.2, unless the extension of this deadline is agreed, in which case the validity of the Letter of Guarantee shall be extended up to the expiry of the agreed extension of this deadline.

(ii) Subsequently, the Concession Agreement shall have been ratified by the Greek Parliament and the Ratification Law shall have been published in the Official Gazette of the Greek Government. In the event that the Concession Agreement is not ratified by the Greek Parliament within a period of eight (8) months commencing upon the signing thereof, either party shall have the right to inform in writing the other party that it no longer wishes this Concession Agreement to become effective, whereupon the Concession Agreement will be terminated without prejudice or liability of either of the Parties to indemnify the other party, and PPA SA will return immediately to the Special Purpose Company the above mentioned Letter of Guarantee of the amount of (€50.000.000) referred to in paragraph (i) above.

(iii) The initial consideration payment of Euro fifty million (€50.000.000) prescribed for by the provisions of Section 4.1 hereinbelow shall have been paid to PPA S.A.

(iv) The Letters of Guarantee prescribed for by the provisions of Section 17 hereinbelow shall have been deposited with PPA S.A.

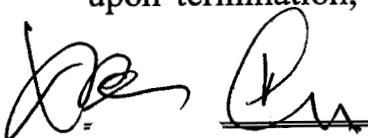
(v) The deeds related to the long-term Loan Contracts necessary (if required), prescribed for by the provisions of Section 6, hereinbelow, shall have been executed by all the parties thereto, subject, furthermore,

to all conditions precedent having been duly fulfilled, with the sole exception of the Entry into Force of this Concession Agreement, should such Entry into Force be determined as a condition precedent to the coming into effect of the long-term Loan Contracts.

2. The SPC shall pay to PPA S.A. the initial consideration sum of Euro fifty million (€50.000.000) within a period of fifteen (15) days commencing upon the notification, by the latter to the former, of the enactment by the Greek Parliament of the Law ratifying this Concession Agreement (and of the publication of said Law in the Official Gazette of the Greek Government), whereupon PPA S.A. shall be liable to return to the SPC the abovementioned Letter of Guarantee, issued on first demand and for the sum of Euro fifty million (€50.000.000).

3. Finally, within a forty (40) day period commencing upon notice in writing, by the latter, of the enactment by the Greek Parliament of the Law ratifying the Concession Agreement (and of the publication of said Law in the Official Gazette of the Greek Government) and, in any case, not earlier than 14 August 2009 (subject to the provisions below), the SPC shall be under the obligation: (i) to submit to PPA SA the Letters of Guarantee provided by section 17 of the present, (ii) to notify PPA S.A., that the Loan Agreements provided by the provisions of Section 6, hereinbelow, have been duly executed and will enter into force according their provisions. In the event that the loan agreements are signed earlier than August 14, 2009, the SPC may submit them to PPA SA together with the Letters of Guarantee provided by section 17 earlier than the abovementioned date. Upon reception, by PPA S.A., of the Loan Contract deeds, duly executed and in force, the instruments thereof shall be appended to the present Agreement as Annex 4 thereto, and the Loan Commitment Letter of Support submitted together with the Bid shall be returned to the Special Purpose Company.

4. In the event that the Special Purpose Company fails to comply with its obligations enumerated in paragraph 3 of this present as conditions precedent to Entry into Force of this Concession Agreement, within a period of fifteen (15) days commencing upon the date mentioned in the above paragraph (and subject to the deadline extensions that may be agreed between the Parties hereto in writing), PPA S.A. shall be entitled to notify in writing the Special Purpose Company that it no longer wishes this Concession Agreement to become effective, whereupon the same, i.e. the Concession Agreement, shall be henceforth deemed as having being terminated. The Special Purpose Company shall, upon termination, be liable to pay as penalty to PPA S.A., the sum of



Euro fifty million (€50.000.000), as to the amount of which both Parties acknowledge and accept that such sum is reasonably and fairly commensurate to the total of the damages to be suffered by PPA S.A. in such a case.

### **3.2. Delivery of Premises to the Special Purpose Company- Commencement of the Concession**

1. Upon proper and due discharge, by the Special Purpose Company, of the conditions precedent set forth by the provisions of paragraph 3.1, hereinabove, and subject to notice in writing to this effect being communicated by the Special Purpose Company to PPA S.A. within a period of fifteen (15) days from the date of the fulfillment of the last of the above conditions precedent, PPA S.A. shall deliver to the Special Purpose Company the area of the New Container Terminal, including the installations and equipment comprised therein, in the manner prescribed by the provisions of Annex 7, hereinbelow.

2. All formalities related to the delivery, by PPA S.A. to the Special Purpose Company, of the New Container Terminal complex and of the equipment and installations comprised therein must have been concluded by September 30, 2009 at the latest. The completion of this procedure shall be attested to by the signing of a Protocol to this effect between PPA S.A. and the Special Purpose Company, as provided for by the provisions of Annex 8 hereto.

3. In case of delay, on the part of PPA S.A., to deliver the NCT and the installations comprised therein beyond the date of October the 31<sup>st</sup>, 2009, PPA S.A. shall be liable to pay to the Special Purpose Company as a penalty the sum of Euro thirty thousand (€30.000) per calendar day, up to period of thirty (30) days in excess of the agreed deadline for the delivery of the NCT.

4. Upon expiry of the thirty-day period above agreed (i.e., on November 30<sup>th</sup>, 2009), the delivery of the NCT area by PPA S.A. to the Special Purpose Company shall be construed as *de jure* effective, whereupon the NCT operation by the Special Purpose Company, conducted by personnel provided by PPA S.A. shall be deemed to have commenced, as prescribed for by the provisions of Section 27, hereinbelow.

5. The term (duration) of the Concession, as determined by the provisions of paragraph 3.3, hereinbelow, shall commence upon the

takeover of the NCT area by the Special Purpose Company, in the manner prescribed for by the provisions of paras. 1 – 4 above. Such date shall, henceforward, be referred to as the «Date of the Commencement of the Concession» or, alternatively, as the «Commencement Date ».

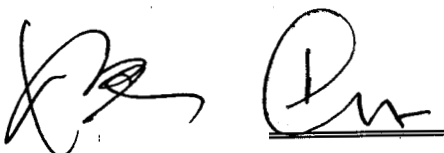
### **3.3. Term (Duration) of the Concession**

3.3.1. The initial term (duration) of the Concession shall extend over a period of thirty (30) years, commencing upon the Commencement Date. This initial term shall be mandatorily extended to thirty-five (35) years, such term likewise commencing upon the Commencement Date, subject to the condition that the Special Purpose Company shall have completed the execution of the harbour works of the Eastern Part of Pier III within the agreed time schedule, as such time schedule may be extended pursuant to the provisions of paragraph 2 of Section 25, below. Moreover, the initial term (duration) of the Concession will be further extended according to the provisions of paragraph 2 of section 25 below, in case the events, which are mentioned therein, occur.

3.3.2. Subject to the paragraph below, PPA SA maintains its right of unilateral extension of the Concession period for a further period of five years following a written notice that will be notified by PPA SA to the SPC at the latest within twenty four (24) months before the termination of the initial concession period, as it will be extended according to the provisions of paragraph 3.3.1 of the present section. In such case, the validity of the Good Performance Bond existing at the time of extension will be extended for an equal period and the variable consideration of the concession will be determined according to paragraph 3.4 below.

3.3.3. The term of this Concession may not exceed the duration of the concession contract between the Greek State and PPA S.A., that is to say, beyond a total period of forty-two (42) years. Consequently the term of this Concession will be extended by unilateral statement by PPA SA according to paragraph 3.3.2 for a five-year period provided that any extensions of that term due to any delays or due to any events of Force Majeure in accordance with Sections 25 and 26 hereof will allow the full 5-year extension of the term of this Concession. Should this not be the case, the duration of such extension of the term of this Concession by unilateral statement of PPA SA shall be adjusted accordingly.

### **3.4. Adjustment of the Variable Consideration of the Concession**



3.4.1. For the initial 35-year duration of the Concession, and irrespective of the reasons leading to the extension of the term of the Concession of para. 3.3.1 to 35 years, henceforward such 35-year period designated as «Term A», the following shall apply:

(i) The amount of the overall consideration due designated as «Variable Consideration» shall be calculated as a percentage of the Aggregate Revenue of the Special Purpose Company on an annual basis, in accordance with the figures of Table 1, comprised in Section 4, para.4.3 below.

(ii) The Annual Fixed Consideration I (of paragraph.4.4.below) and the Annual Guaranteed Consideration II (of paragraph 4.5 below) shall be subject to adjustment by application of the respective value of the Consumer Price Index, augmented by two additional percentage points, applicable to each year comprised in Term A.

(iii) The Guaranteed Consideration (GC) per annum, throughout the duration of Term A, shall be determined in accordance with Table 2, contained in Section 4, para.4.3 below.

3.4.2. For each year subsequent to the expiry of Term A, and, in any case, up to a maximum limit applicable annually, up to the 42<sup>nd</sup> year of concession («Term B»):

(i) The amount of the overall consideration due designated as «Variable Consideration», shall be expressed as a percentage of 24,5% of the Aggregate Revenue effected by the Special Purpose Company on an annual basis.

(ii) The Annual Fixed Considerations I and II shall be subject to adjustment by application of the respective rate of the Consumer Price Index, augmented by two additional percentage points, applicable to each year comprised in Term B.

iii) The Guaranteed Consideration (GC) per annum, throughout the duration of Term B, shall be determined in accordance with the following formula:

$$GC\ t = GC\ t-1 \times A,$$

Where :

t: denotes any given year comprised in Term B and

A: denotes the average annual fluctuation of Guaranteed Consideration during the three-year period immediately preceding the first year of Term B.

4.3. The term of the validity of all Letters of Guarantee provided by virtue of the provisions of the present Agreement shall be commensurably extended, both with regard to Term A and to Term B.

## **FINANCIAL TERMS**

### **Section 4:**

#### **CONCESSION CONSIDERATION AND DEFINITION THEREOF**

PPA S.A. is hereby granting to the Special Purpose Company the right to exclusively use and commercially exploit the New Container Terminal throughout the term of the Concession hereby envisaged against the consideration, which is determined on the basis of the provisions contained in the following paragraphs (that will be referred on the whole as the "Consideration" or as the "Financial Consideration").

##### **4.1. Initial Consideration Instalment Payment**

Such consideration corresponds to the amount of Euro fifty million (€50.000.000), as a fixed initial payment, to be paid to PPA S.A. by the Special Purpose Company as a condition precedent applicable to the Entry into Force of the Concession Agreement, as provided by Section 3.1 above.

##### **4.2. Supplementary Consideration**

Such consideration corresponds to the aggregate amount of Euro 700.000, payable, in cash, by the Special Purpose Company to PPA S.A. in five (5) annual equal installments of Euro 140.000 each, according to paragraph 5.2 below.

##### **4.3. Variable Consideration**

Such consideration shall be determined as an annual percentage of the Aggregate Revenue of the Special Purpose Company, in accordance with the following table.

