



Annex 2.

Compensation on termination

1. General provisions

1.1 All terms and definitions in this annex have the meaning given in Appendix 1 (definitions) to the agreement, unless otherwise specified in the text of this application.

1.2 Upon termination, the grantor agrees to pay compensation to the concessionaire in the manner and under the conditions specified in this appendix, with the individual features found in the direct agreement with donors.

[The composition of compensation upon termination is determined in accordance with the requirements of applicable law, funding agencies and commercial agreements on specific projects.]

2. Compensation for termination of the agreement before the date of financial close

2.1 In the event of termination of the agreement before the date of financial close on grounds related to the grantor, the grantor shall pay compensation to the concessionaire upon termination for the confirmed reasonable expenses of the concessionaire related to the concessionaire's performance of its obligations to achieve financial close.

2.2 In the event of termination of the agreement before the date of financial close on grounds related to the concessionaire, the concessionaire shall reimburse the grantor for reasonable and documented expenses arising from the non-occurrence of the date of financial close.

2.3 In the event of termination of the agreement before the date of financial close due to the occurrence of a force majeure event or other circumstances not due to the fault of any of the parties, the grantor shall pay the concessionaire compensation upon termination of 50 per cent of the reasonable and confirmed expenses of the concessionaire related to the concessionaire's fulfilment of obligations to achieve financial close.

3. Compensation for termination of the agreement after the date of financial close

3.1 In the event of termination of the agreement after the date of financial close on grounds related to the grantor and in connection with the occurrence of a special circumstance, the grantor shall pay the concessionaire compensation upon termination of:

(a) the amount of the principal debt raised by the concessionaire under the debt financing under the principal financing agreements, as well as the amount of interest on the principal debt

(b) the amount of fines, penalties, commissions and any other payments due to the financing entity under the basic financing agreements

(c) the amount of equity financing raised by the concessionaire, as well as the amount of interest, forfeits, fines, penalties and other payments payable by the concessionaire for equity financing, including the internal yield of investors, calculated using the following formula:

$$S = D + P_{eq}$$

where:

S is the amount provided for in paragraph c) subclause 3.1 Clause 3 of this appendix

D is the amount of equity financing attracted by the concessionaire

P_{eq} is the amount of interest, penalties, fines and other payments to be paid by the concessionaire in relation to equity financing, including the internal income of the investors

(d) the amount of expenses accrued by the concessionaire in payments to employees of the concessionaire in connection with dismissal for reasons related to the termination of the agreement

(e) the amount of expenses accrued by the concessionaire for the payment of losses and penalties in connection with the early termination of agreements with counterparties of the concessionaire concluded in order to fulfil the concessionaire's obligations under the agreement, including the concessionaire's expenses to compensate the contractor for materials purchased but not used, as well as structures fabricated but not mounted in accordance with the contract

(f) the amount of costs for the demobilisation and conservation of the object of the agreement (in the event that, on the date of termination of the agreement, work is carried out on [construction/reconstruction]).

3.2 In the event of termination of the agreement after the date of financial close on grounds relating to the concessionaire, the grantor shall pay the concessionaire compensation upon termination in the following amounts:

(a) the amount of principal debt raised by the concessionaire by way of debt financing under the principal financing agreements, as well as the amount of interest on the principal debt

(b) the amount of fines, penalties, commissions and any other payments due to the financing entity under the basic financing agreements

(c) the amount of costs for the demobilisation and conservation of the object of the agreement (in the event that, on the date of termination of the agreement, work is carried out on [construction/reconstruction]).

3.3 In the event of termination of the agreement after the date of financial close due to the occurrence of a force majeure event, the grantor shall pay the concessionaire compensation of:

(a) the amount of the principal debt raised by the concessionaire by way of debt financing under the principal financing agreements, as well as the amount of interest on the principal debt

(b) the amount of fines, penalties, commissions and any other payments due to the financing entity under the basic financing agreements;

(c) [[●] per cent] the amount of equity financing raised by the concessionaire, as well as the amount of interest, penalties, fines and other costs payable by the concessionaire for equity financing, including the internal yield of investors, calculated using the following formula:

$$S = D + P_{eq}$$

where:

S is the amount provided for in paragraph c) subclause 3.1 Clause 3 of this appendix

D is the amount of equity financing attracted by the concessionaire

P_{eq} is the amount of interest, penalties, fines and other payments to be paid by the concessionaire in relation to equity financing, including the internal income of the investors

(d) the amount of expenses of the concessionaire on payments to employees of the concessionaire in connection with dismissal for reasons related to the termination of the agreement

(e) the amount of expenses of the concessionaire for the payment of losses and penalties in connection with the early termination of agreements with the counterparties of the concessionaire concluded to fulfil the concessionaire's obligations, including the concessionaire's expenses to compensate the contractor for materials purchased but not used, as well as structures fabricated but not mounted in accordance with the contract

(f) the amount of costs for the demobilisation and conservation of the object of the agreement (in the event that, on the date of termination of the agreement, work is carried out on [construction/reconstruction]).

4. Compensation upon termination by agreement of the parties

4.1 The composition and amount of compensation at the termination of the concession agreement by agreement of the parties is defined in such agreement between the parties to terminate the concession agreement, but in any case not be less than [●].

5. The calculation of the amount of compensation on termination and the procedure for making payments

[Parties may determine more detailed procedures to calculate compensation on termination, including in respect of any of the parties to implement the corresponding calculation and in what time frame, as well as the terms and procedure for payment of compensation on termination. Additional conditions may also be incorporated into the direct agreements with donors.]

5.1 [●].