



PORT OF ZADAR AUTHORITY
Gaženička cesta 28 A
23000 Zadar

CONCESSION CONTRACT

for the provision of services to passengers with use and maintenance of ports infrastructure facilities and ports superstructure on the port area open for public transport of particular (international) economic interest to the Republic of Croatia – port Gaženica, Zadar

concluded between

CONTRACTING AUTHORITY: PORT OF ZADAR AUTHORITY

and

CONCESSIONAIRE:

ZADAR, _____ 2018.

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PORT OF ZADAR AUTHORITY Zadar (City of Zadar), Gaženička cesta 28A, MBS: 01284649, PIN: 03457471323, represented by director ROBERT ŠKIFIĆ, PIN:23175245651, Zadar, 112. Brigade 1, as Contracting authority (further: Contracting authority),

and

_____, _____, _____, _____,
_____,
(name/company name of economic operator) (seat) (business address) (MBS)
(PIN)
represented by _____, _____, _____, _____,
(name and surname of legal representative) (PIN) (residence) (address)
as concessionaire (further: concessionaire)

TAKING INTO CONSIDERATION

- (a) that, pursuant to Article 48. of Maritime Domain and Seaports Act ("Official Gazette" no. 158/03, 100/04, 141/06, 38/09, 123/11, 56/16) and Decision on founding of port of Zadar authority ("Official Gazette" no. 19/97, 67/02, 132/06, 127/07, 155/13, 83/15) Contracting authority is founded for management, construction and use of a port open for public transport of a particular (international) economic interest for Republic of Croatia Gaženica – passengers port;
- (b) that Contracting authority pursuant to and in accordance to regulations of Maritime Domain and Seaports Act ("Official Gazette" no. 158/03, 100/04, 141/06, 38/09, 123/11, 56/16) and the Concession Act ("Official Gazette" no. 69/17) conducted an open bidding procedure for the award of a concession for providing port activity services defined in article 65 of Maritime Domain and Seaports Act ("Official Gazette" no. 158/03, 100/04, 141/06, 38/09, 123/11, 56/16) meaning: reception and directing vehicles for the purpose of loading and unloading vehicles from provided port facilities, embarkation and disembarkation of passengers using port's transshipment equipment and providing other economic services to passengers;
- (c) that by the Decision of the Governing Council for the concession award from _____ the Concessionaire's tender is selected as the most economically advantageous tender.
- (d) that the Decision on concession award from the point (c) is enforceable and that the standstill period is over;

that Concessionaire has delivered to the Contracting authority the guaranties for contract enforcement.
- (e) that the rights and obligations from the Concession shall be obtained pursuant to the Concession contract

THE PARTIES AGREED ON THE CONTENT OF THE CONTRACT AS FOLLOWS:

PART I.

GENERAL PROVISIONS

1. INTRODUCTORY NOTES

Article 1.

This contract is concluded based on Decision on concession award for providing services _____ CLASS: _____ REG. NUMBER: _____ from _____, and in accordance with a draft which is integral part of the Concession documentation in the concession award procedure, published in the Official Gazette of the European Union number: _____ and Electronic bulletin of public procurement in Republic of Croatia number: _____.

Rights and obligations from the Concession described in paragraph 1. of this Article are obtained in accordance with the Contract.

Article 2.

Attachments and addendums to this Contract are the integral part of the Contract and are legally binding as if they were disclosed in the main part of the Contract.

The feasibility study made by the Concessionaire is integral part of this Contract and its obligations are legally binding as if they were disclosed in the main part of the Contract.

When regulations of the Contract refer to the Contract, they refer on the wording of the Contract, on the attachments and the Feasibility study in a part regarding the Concessionaire's obligations.

Article 3.

For the issues which are not regulated by this Contract, Maritime Domain and Seaports Act ("Official Gazette" no. 158/03, 100/04, 141/06, 38/09, 123/11, 56/16), Concession Act ("Official Gazette" no. 69/17) and Civil Obligations Act ("Official Gazette" no. 35/05, 41/08, 125/11, 78/15) shall be appropriately applied.

Article 4.

Words and notions which are used in this Contract, and that have gender meaning, equally include male and female gender, irrespectively of the gender in which a word was used.

2. DEFINITIONS

Article 5.

Terms used in this contract have further meaning:

"Contracting authority" means the Port authority Zadar;

“Concessionaire” means an economic operator elected as a tenderer with the most economically advantageous tender, who has been awarded a concession on the contracting authority’s decision and has signed the concession agreement.

“Luka Gaženica” means the port open to public traffic of particular (international) economic interest for the Republic of Croatia Gaženica – the passenger port, which was selected by the Regulation on classification of ports open to public traffic in the area of the Zadar County (“Official gazette” No. 29/13, 49/13, 135/14);

“The port area of the port Gaženica” means a part of the maritime demesne within the borders of the port area as defined by the Decision on founding of the Port of Zadar Authority (“Official Gazette” No. 19/97, 67/02, 154/03, 132/06, 127/07, 155/13, 83/15);

“Concession scope” means a part of a port area of the port Gaženica on which concessionaire has been awarded a concession.

“Terminal” means a part of the port area of the port Gaženica under the concession scope consisting of:

1. property and port infrastructure facilities used for boarding and disembarking of passengers and vehicles in international liner shipping (waiting area, pre-boarding waiting area, terminal area, waiting area for personal vehicle examination, pre-custom waiting area)

2.-Terminal main building

Marked with red colour on the graphical record of the concession scope, as indicated in the attachment to this Concession document.

“Terminal main building” means a port superstructure facility placed within the concession scope with the purpose of boarding and disembarking passengers and vehicles in coastal liner shipping; passengers and vehicles in international liner shipping; passengers in international cruise liner shipping; including access bridges (skyway), everything as defined in the Concession Document;

Whenever a term “Terminal” is mentioned in the provision of the contract, the “terminal main building” should be included in the meaning, unless it is excluded by the wording of the provision.

“Parking lot” means a part of the port area of the port Gaženica placed within the concession scope, outside the terminal which consists of maintained and fenced area with no more than 300 parking places marked with horizontal signals in accordance with the technical requirements defined by the law, with explicit purpose of multiday parking for passengers in international occasional maritime transport, marked with orange mark on the graphical record of the concession scope attached to the Concession document.

“Costal Liner Shipping” means a transport of passengers, cargo and vehicles in internal waters and territorial waters of the Republic of Croatia, performed on the previously established lines according to publicly disclosed shipping schedule terms and price list.

“International liner shipping” means a transport of passengers, vehicles and cargo with a RO-RO ships, which connects the Port Gaženica with a port outside of the Republic of Croatia, performed on previously established lines.

“Occasional international shipping” means a transport of passengers, including baggage, with foreign cruising ships (cruiser) which sail into the port Gaženica as a departure port (“home port”) or sail into the port Gaženica in transit.

“RO-RO ship” means a passenger ship which can load or disembark vehicles from the ship or on the ship.

“Legal regulations” means laws and regulations of the central and regional units of the Central State Administration, Local and Regional authority’s regulations, regulations of the legal entity with public authority, general acts of the Contract authority and other regulations which regulate the Concession in the Republic of Croatia when the Contract is performed.

“Contract addendum” means a written contract which changes or amends this Concession contract and which is accepted and signed by both parties after the enforceability of the decision on changing/amending of the Decision on concession award.

3. LANGUAGE OF THE CONTRACT

Article 6.

This contract is formulated on the Croatian and the English language.

In case of the differences in versions, the Croatian version shall prevail.

4. CONTRACT INTERPRETATION

Article 7.

Provisions of this contract shall be interpreted as they read.

In the case of a dispute in interpreting the regulations on rights and obligations of the parties arising from this Contract and the subsidiary application of the enacting norms of the law regulating mandatory relations, the disputed provisions shall be interpreted in a more favourable way for the Contracting authority.

For the interpretation of the Contract only the text of its provisions shall be interpreted. Titles, sketches and tables which are used in this contract shall not in any manner prejudice the content of norms stipulated in the Articles of the Contract.

Deadlines determined in the Contract are determined in days, months and years.

When the deadline is determined in days, a day of a notice delivery, will not be calculated in the deadline. A day of the event from which the deadline is counted, will not be calculated in the deadline. Deadline should be counted from the next day of the delivery and the event.

When the deadline is determined in months, or years, the deadline expires on that day of the last month, or year, which by the number matches the day when the deadline begun. If there is no such day in the last month, deadline expires on the last day of the month.

If the last day of the deadline is on public holiday or Sunday, the deadline expires on the first next day.

Deadlines are determined according to Gregorian calendar.

PART II

CONCESSION

1. SUBJECT- MATTER OF THE CONCESISON

Article 8.

With this contract Contracting authority is awarding to the Concessionaire the exclusive right for providing port services which are defined in Article 65 of Maritime Domain and Seaports Act ("Official Gazette" no. 158/03, 100/04, 141/06, 38/09, 123/11, 56/16) meaning: reception and directing of vehicles for the purpose of loading and unloading vehicles from provided port facilities, embarkation and disembarkation of passengers by the use of transshipment equipment and providing other economic services to passengers.

Exclusive right from the paragraph 1 of this Article presumes that during the duration of this contract Contracting authority shall not assign the rights to the third parties to carry out the same or equivalent activities within the scope of Concession.

Article 9.

The type of services that Concessionaire is authorized to provide to passengers which are covered by the concession subject from the Article 8. of this contract are:

1. PORT'S MAIN SERVICES

- reception and directing vehicles with purpose of loading and disembarking from maintained port areas serving for the international liner shipping purposes.
- reception and directing passengers using port's transshipment equipment serving for the international liner and occasional shipping purposes
- loading and unloading a baggage
-

2. OTHER ECONOMIC SERVICES

- providing other economic services in function to the main services, especially but not explicitly:
 - organizational services and parking charge services
 - selling travel tickets services
 - hospitality services of preparing and serving food, drinks and beverages, except accommodation services
 - rental services for cars, motorcycles, scooters and bicycles
 - tourist agencies services, except organizational services for acceptance and transfer of the passengers by bus;
 - wireless internet services
 - Other services for selling the goods or providing secondary services (e.g. souvenir shop, post office etc.)

Services described in the para 1. point 1. and para 2. subpoint 1. (Organisational services and parking fare collection services) may be provided only to the international liner maritime traffic passengers and to the international occasional liner maritime traffic passengers.

Services described in the para 1. point 2 (except subpoint 1.) may be provided only to the coastal liner maritime traffic passengers, the international liner maritime traffic passengers and the international occasional liner maritime traffic passengers.

When during the performance of the contract it appears necessary to provide other services regulated in the Art 5 of this contract, which are not listed in this subsection, the contracting authority and the concessioner may conclude the addendum to the contract without conducting a new awarding concession procedure, pursuant to Art 62. of the Concession Act ("Official Gazzete" No. 69/17).

Concessionaire is obliged to start performing services from this Article within 180 (hundredand eighty) days from the entering into force of this Contract.

2. THE CONCESSION AREA

Article 10.

Area that is given into concession is the part of port area of the port Gaženica within the scope of the concession.

The scope of the concession covers:

1. Terminal, including the Terminals main terminal building
2. Marine waters along the operational coast of the Terminal
3. Parking Lot

and is marked in the graphical plan of the Port's area in Attachment 1 which is the integral part of this Contract.

Costal part of the port area covers a part of the real estate parcel number 10806/6 land named "KOLOVARE LUKA" total surface area of 295555 m² registered in the land register file number 15884 cadastral district 335193 Zadar.

Maritime demesne is registered on a costal part of the real estate.

Sea is considered a Maritime demesne according to the law.

Scope of the area from this Article makes a unique functional connection through which are conducted processes of embarkation and disembarkation of passengers, directing vehicles for loading and unloading, providing services to the passengers within the process of reception and directing and the process of supervision and control of movement of passengers and vehicles.

If it appears necessary during the execution of this contract, which contracting parties will evaluate regularly every fifth year of its execution, to extend the scope of the concession in order to support the development of international liner maritime traffic and international intermittent maritime traffic, contracting parties can change the scope of concession by concluding an addendum to this contract without the implementation of the new concession awarding procedure, everything in accordance to Article 62. of Concession Act ("Official Gazette" no. 69/17).

3. DURATION OF THE CONCESSION

Article 11.

The Concession Contract is the fixed-termed contract in duration of 20 (twenty) years.

The period for which the concession is awarded cannot be extended except in the cases subscribed by Concession Act ("Official Gazette" no. 69/17) or this Contract.

Duration of this Contract can be extended by concluding an addendum to this contract for the period during which Concessionaire for the reason of force majeure was not able to enforce the rights from this Contract, except if the terms for termination of contract are fulfilled due to force major, in accordance with regulations from Part XV of this Contract.

This Contract can be terminated before the expiration of the deadline on which is concluded in accordance with regulations from Part XVI of this Contract.

PART III.

POSSESSION OF THE CONCESSION SCOPE

1. TERMINAL

1.1. TERMINAL PROPERTY HANDOVER

Article 12.

Contracting authority shall no later than six months from the day of conclusion of this contract hand over to the Concessionaire the possession of Terminal in the current state.

Contracting authority guarantees that he will hand over to the Concessionaire a legitimate, true and honest possession of the Terminal.

Concessionaire shall take the possession of Terminal in the current state. Concessionaire is obliged to, no later than within ten days from the day of the receipt of the invitation to take over the possession of Terminal from Contracting authority, respond to the invitation and to take over the possession. Concessionaire shall not unduly delay the surrender of the property.

The record shall be composed about the handover of possession. In the record shall be determined the state of ports infrastructure facilities as well as the list of build-in devices and equipment purchased and installed by the Contracting authority.

Article 13.

Concessionaire shall take over the possession of the Terminal for the execution of this Contract. During the possession Concessionaire is free to use ports infrastructure facilities, devices and equipment, all to the extend which is sufficient for the execution of this contract. Abovementioned includes especially, yet not exclusively: installing, lifting, restoring, repairing and changing of devices and equipment.

Installing, repairing or changing of devices and equipment on the Terminal with a function of docking and protection of vessels (e.g. fenders, bits, and similar), safety of navigation (e.g. port lights and similar) as well as environment protection is submitted to prior consent of the concessionaire.

Article 14.

Contracting authority guarantees that Concessionaire will, with the handover of possession, be able to enjoy peaceful and uninterrupted possession until the termination of this Contract.

Contracting authority is obliged to protect Concessionaire from the third parties' requests which would deny or restrict the right of Concessionaire to the peaceful and uninterrupted possession, which covers especially, yet not exclusively: denying the rights of third parties to the possession of the port area, ports infrastructure facilities and port superstructure, devices and transshipment equipment which was installed by the Contracting authority; denying the right of ownership or other proprietary rights on the devices and transshipment equipment which was installed by the Contracting authority; denying the foreclosure or insurance of devices and transshipment equipment which was installed by the Contracting authority.

Obligations of Contracting authority in the protection of rights and interests of Concessionaire to enjoy peaceful and uninterrupted possession do not apply in case when they are denied because of the legal actions undertaken by the Concessionaire or a third party based on legal transaction with the Concessionaire (e.g. sub-concessionaire, subcontractor, shipman and similar)

Article 15.

Upon termination of this contract, Concessionaire is obliged to return the possession of the Terminal free of people and Concessionaire's goods.

If Concessionaire does not act as defined in previous paragraph, the Contracting authority is obliged to directly enforce the foreclosure for the purpose of fulfilling the non-monetary claim – handover of the ports area in the possession of Contracting authority according to regulations from Part XI. Section 3. of this Contract.

1.2. PUBLIC ACCESS FOR ALL USERS TO THE TERMINAL

Article 16.

Pursuant to this Contract the Concessionaire does not acquire the right of exclusion of maritime domain which represents port area of general use.

Concessionaire is obliged, during the entire duration of this Contract, to ensure that the ports infrastructure facilities are open to public and to service users.

Article 17.

Concession does not exclude the right of Contracting authority to, on the ports infrastructure facilities on the Terminal, award the concession to other economic entities, whereby the subject of concession must be different from the subject of concession from this Contract.

Exceptionally, Concession contracts with the same or similar concession subject as the one from this Contract which are in force at the time of conclusion of this Contract will last until the expiration of the deadline on which they are concluded.

Concessionaire is obliged to enable to the other concessionaire's execution of the Concession contract with the different concession subject on the ports infrastructure facilities on the Terminal. Concessionaire towards other concessionaires cannot enforce the right to compensation or other claims due to the condition that other concessionaires carry out the activities in the port area within the scope of the concession.

Article 18.

Nothing from this contract can restrict the right of Contracting authority to determine the order of ships entering the port as well as the place of the berth for the ships on the piers and on the operational coast of Terminal, in accordance with legal regulations.

1.3. EQUIPPING THE TERMINAL

Article 19.

Concessionaire is obliged to maintain port infrastructure facilities on the Terminal in a way that is suitable for performing the services which are the subject of this Contract.

Concessionaire is obliged to maintain port infrastructure facilities by organizing traffic, which covers especially, yet not exclusively: marking of pavement traffic lanes in the waiting area and in the waiting area before boarding and in the waiting area before the customs; marking of the pedestrian traffic lanes, horizontal and vertical signalization.

Concessionaire is obliged to equip the ports infrastructure facilities with fire protection equipment, occupational safety equipment, intervention equipment for sudden sea pollution and with other equipment in accordance with legal regulations which subscribe terms, which ports opened for the public transport, classified in that category, must satisfy, regulations on fire protection, regulations on occupational safety, regulations on environmental protection and other legal regulations.

1.4. MAINTENANCE OF THE TERMINAL

Article 20.

Concessionaire is obliged for the duration of this Contract, starting from the takeover of the Terminal, to take care of the maintenance of the Terminal at his own expense and at his own risk.

Maintenance is carried out due to detrition of the objects, devices and equipment by regular use or force majeure.

Under maintenance from the paragraph 1. of this Article, it is considered the regular maintenance of ports infrastructure facilities as well as the regular and extraordinary maintenance of prefabricated objects, built-in devices, transshipment equipment and other equipment on the Terminal.

Regular maintenance of ports infrastructure facilities covers regular cleaning, repairs due to regular use, restoration of traffic lane visibility and horizontal signalization as well as replacement of vertical signalization.

Regular and extraordinary maintenance of prefabricated objects, built-in devices, transshipment equipment and other equipment covers repairs and replacements of prefabricated objects, devices, transshipment equipment and other equipment or any of their

parts which, due to regular use detrition, force majeure, material decay or other reasons, become useless.

Concessionaire is obliged to, no later than until the end of November of the current calendar year, make the Maintenance plan of the Terminal, equipment and ports infrastructure facilities for the next calendar year which will include description of works from the paragraphs 2. to 4. of this Article which shall be carried out in that calendar year, and deliver it to the Contracting authority for approval.

Obligation from the prior paragraph does not exclude Concessionaires obligation to, aside from the Maintenance plan during calendar year, carry out the necessary works on emergency recoveries and interventions.

If the Concessionaire omits to take measures to maintain the Terminal in appropriate condition, and especially if he does not carry out the planned investments in accordance with the Maintenance plan of the Terminal, Concessionaire agrees that those measures and investments can, directly or through third parties, carry out Contracting authority at the expense of the Concessionaire. In that case, Concessionaire cannot make grounded objection to Contracting authority on the amount of the costs of the taken measures and investments.

Actions of maintenance of devices and equipment on the Terminal which are in function of docking and protection of vessels (e.g. fenders, bits, and similar), safety of navigation (e.g. port lights and similar) as well as environment protection is submitted to prior consent of the concessionaire.

Article 21.

Contracting authority is obliged to repair the damage on the ports infrastructure facilities caused by force majeure and maintain the depth of the sea in front of the costal wall of the piers at the depth fit to dock RO-RO ships and cruise ships.

Article 22.

Concessionaire is obliged to carry the costs of delivered public utilities and other services on the Terminal.

Under the services from the previous paragraph are especially considered, yet not exclusively, if it is applicable: supply of portable water, wastewater drainage, collection and transport services of solid and liquid waste, electricity supply services, gas supply services, supply of telecommunication services, public utility charge.

Contracting authority guarantees that until the handover of the possession all the debts are settled based on the maintenance of the Terminal and that Concessionaire won't be in any way, responsible for eventual claims originated from the maintenance of the Terminal and that Concessionaire won't be, in any way, responsible for eventual claims, originated from the maintenance of ports area before taking the possession by the Concessionaire.

Concessionaire agrees that all the obligations based on management and maintenance of Terminal which have occurred after the entry into the possession of ports area, charge the Concessionaire.

Article 23.

Concessionaire is obliged to transfer from the Contracting authority on himself delivery of public utilities and other services from Article 22. of this Contract.

Contracting authority agrees with the transfer from previous Article.

When the contracts for providing certain services cannot be transferred on Concessionaire in accordance with paragraph 1. of this Article, Concessionaire agrees that Contracting authority shall, within fifteen days from the receipt of the delivery invoice for the mentioned service, transfer the invoice on the Concessionaire.

Contracting authority shall for the duration of this Contract, if needed, for the benefit of Concessionaire, make reasonable efforts to secure undisturbed and uninterrupted provision of public utilities and other services to all the ports infrastructure and superstructure facilities, which are required for the orderly delivery of Concessionaires services.

The responsibility of the Contracting authority for the quality of public utilities and other services and the possible termination in delivery is excluded.

1.5. TERMINALS WORKING HOURS

Article 24.

Working hours of Terminal is a time during which Contracting authority, Concessionaire and other economic operators who provide port's services or carry out other port activities in function of port Gaženica enable the users access to their services.

Concessionaire is obliged during the working hours to enable the users and other service providers availability of their services which are the subject of concession from this Contract.

Terminal's working hours are determined by the Contracting authority's general act which regulates order in the port.

Contracting authority shall, before delivering the Act from the previous paragraph, request the Concessionaire's opinion on proposed Terminals working hours and, in good faith, consider his suggestions and remarks.

2. REGULATIONS ON MARITIME WATERS

Article 25.

Maritime waters along with the Terminals operational cost and docks includes maritime parts of ports area, the Port areas as determined in Article 10 of this Contract.

Concession scope from the paragraph 1 of this Article is in function of reception of ships on which the service, that is the subject of this Contract, is provided.

Concessionaire on maritime aquatic in scope of concession only acquires the right to carry out the services which are the subject of this concession.

The right, from the previous Article, does not reduced or limit main rights of Contracting authority to dispose of the maritime aquatic of the port.

3. TERMINAL MAIN BUILDING

3.1. TERMINAL MAIN BUILDING MANAGEMENT

Article 26.

Concessionaire, by this Contract, acquires the right and obligation to manage the Terminals main building.

Concessionaire is obliged to manage the Terminal main building with the care of a good master.

Under the management is considered disposition of business premises in the Terminals main building (further: Building), as well as maintenance of common parts of the Building.

While managing the Building, Concessionaire is especially obliged:

- to assure the distribution of electrical energy and portable water
- to assure wastewater drainage
- to assure heating and cooling of business areas and common parts of the building;
- to assure daily cleaning of the business areas and common parts of the building;
- to assure daily cleaning of sanitary spaces;
- to assure daily safe keeping of the building through video surveillance and security guard from economic entities authorized for the activities of private protection
- to assure routine and periodical maintenance of the building and its parts;
- to assure routine and periodical maintenance of equipment in the building
- to assure the building from basic risks with the Assurance company

Concessionaire is obliged to cover the costs of Building management and activities from the previous Article.

Concessionaire can transfer the costs of Building management of the building parts which include on the sub-concessionaire for the Building parts that are business areas given to sub-concession, on the sub-concessionaire for sub-concession.

Concessionaire may regulate with a sub-concessionaire by a special contract, the issue of participation in the costs of maintenance of common parts of the building (waiting areas, sanitary areas and similar).

Regulations of paragraph 7 of this Article do not apply on the Contracting authority and public administration bodies.

Article 27.

Concessionaire is obliged to secure that all the business areas are in function, and that the common parts of the building are available to passengers at any time.

Building and business premises working hours are determined by Concessionaire with the prior consent of the Contracting authority, within the working hours of the Terminal from the Article 24. of this contract.

Concessionaire is obliged to secure, during the working hours, availability of business premises and common parts of the building to passengers, sub-concessionaire and other building users.

Concessionaire is obliged to secure the information desk for the availability of information to the passengers during working hours.

Article 28.

Terminal main building is port's superstructure facility which is built for the purposes of domestic and international traffic.

Terminals main building is organized according to the functional principle in the way that the zones are determined in function of:

1. Liner costal maritime traffic;
2. International liner maritime traffic and international periodical maritime traffic;
3. Public services and office spaces for public services.

The purpose of certain parts as well as business areas of the Terminal main building is determined in the Facilities Catalogue from the Attachment no.2. which is integral part of the Contract (further: the Facilities Catalogue).

If during the execution of this contract appears to be necessary, which shall be assessed by the Contracting parties if required, to change the scope of individual zones for the purpose of more efficient management of services and areas in the building, contracting parties can change the scope of concession by concluding an addendum to this contract without the implementation of the new concession awarding procedure, everything in accordance to article 62. of the Concession Act ("Official Gazette" no. 69/17).

Concessionaire has free access to the business areas and the parts of the Building in function of liner costal maritime traffic marked "K" in the Facilities Catalogue. Purposes of certain business areas marked with "K" is determined according to the purpose from the Facilities Catalogue, and they can be, with a prior consent of Contracting authority, reassigned for other activities of Concession subject.

Office areas at the Building floor, in the function of the liner costal maritime traffic, Concessionaire is obliged to assign, without compensation, for the use to the Contracting authority and to the Port Authority of Zadar, without compensation.

Concessionaire has free access to business areas and parts of the Building in function of international liner and periodical maritime traffic marked with "TR" and with "CR" in the Facilities Catalogue. Purposes of certain business areas marked with "TR" and "CR" are determined according to the purpose from the Facilities Catalogue, and they can be, with a prior consent of Contracting authority, reassigned for other activities of Concession subject.

Business areas and parts of the Building in function of the international liner and periodical maritime traffic with other marks, deter a purpose determined in the Facilities Catalogue.

Parts of the Building in function of public services – border crossing – as well as the areas in public function on the floor as stated in the Catalogue of areas is obliged to cede, without compensation, to the public administration bodies competent for states borders and custom services.

Concessionaire is obliged to offer the Office areas marked with "P" and the office areas marked with "C" for sub-concession to entities from paragraph 1. of this Article.

Article 29.

Concessionaire is obliged to offer the Business areas of the Building marked with “D” in a function of the liner costal maritime traffic for sub-concession, to the shipowners who provide public transportation in the liner costal maritime traffic based on concession awarded by the Costal liner maritime traffic agency.

Concessionaire is obliged to offer the Office areas marked with “P” and office areas marked with “C” for sub-concession to entities from paragraph 1. of this Article.

Concessionaire is free to regulate the relationship from paragraphs 1. and 2. of this Article based on a commercial basis.

When the persons from paragraphs 1. and 2. of this Article do not accept the offer to use the business areas and to conclude the sub-concession contract, the Concessionaire is authorized to freely use business areas as well as, with a prior consent of Contracting authority, reassigned them for other activities of concession subject.

3.2. FURNISHING OF THE TERMINAL BUILDING

Article 30.

Concessionaire is obliged to arrange the Terminals main building in a way suitable for providing services which are subject-matter of the Concession Contract.

Concessionaire is obliged to purchase and install devices and equipment in Terminal main building as defined in the Attachment no. 4. of this Contract.

After getting into possession and after the purchase and installation of devices and equipment from the Attachment no. 4. of this Contract, yet before the start of providing services, the Contracting authority and the Concessionaire shall make the list of equipment which was purchased and installed by the Concessionaire and stipulate it in a record.

By signing the record, if contracting parties, explicitly in writing form, do not point out the remarks on the state and quality of the equipment, it will be considered that the equipment which Concessionaire has purchased and installed is identical with the one from the Attachment no. 4. of this Contract and that there are no objections to the material defects.

When during the execution of this Contract appears necessary to change the list of equipment which should be purchased and installed, for the purpose of more efficient use of business areas and common parts of the Terminals main building, contracting parties can the list of equipment defined in Attachment no. 4. of this Contract modify by concluding the addendum to this contract without conducting a new concession awarding procedure, all in accordance with Article 62. of the Concession Act (“Official Gazette” no. 69/17).

Contracting parties shall evaluate this if it will be needed.

3.3. TERMINAL BUILDING MENTENANCE

Article 31.

Concessionaire is obliged to maintain functional the Terminals main building, the build-in devices and equipment.

Concessionaire is obliged, at his own expense and responsibility:

- conduct the works of everyday maintenance, and especially, yet not exclusively: repair the installations, repairs small damages on the Building, replace lightning fixtures, paint walls etc.;
- conduct the works of everyday maintenance of equipment, and especially, yet not exclusively: replace worn-out devices, maintain the air conditioning, maintain the video surveillance, maintain electronic informational panels etc.;

Concessionaire is obliged periodically, at least once a year, make the inspection of the Building, the build-in devices and equipment in order to record defects which need to be repaired.

Article 32.

Concessionaire is obliged by the end of November of the current calendar year, make the Maintenance plan of the Terminals main building for the next calendar year which shall include description of works defined in Article 31. of this Contract which shall be carried out in that calendar year, and deliver it to the Contracting authority for approval.

Obligation from the prior paragraph does not exclude Concessionaires obligation to, aside from the Maintenance plan of the Terminals main building, during calendar year carries out the necessary works on emergency recoveries and interventions.

If the Concessionaire omits to take measures to maintain the Terminals main building in appropriate state, and especially if it does not carry out the planned investments in accordance with the Maintenance plan of the Terminals main building, Concessionaire agrees that those measures and investments can directly or through third parties, carry out Contracting authority at the Concessionaire's expense. In that case, Concessionaire cannot make grounded objection to Contracting authority on the amount of the costs of the taken measures and investments.

Article 33.

If otherwise is not regulated in the regulations from this Contracts Section, on the maintenance of Terminals main Building in appropriate way are applied regulations from chapter 1.4. of this part of the Contract.

4. PARKING LOT

Article 34.

Concessionaire acquires the rights and obligations to manage the Parking lot.

Maximum Capacity of the Parking lot is 300 parking places.

Parking lot can be used for the explicit purpose of providing organisational services and parking charging for multiday parking for passengers in international occasional maritime transport. Concessioner is only allowed to provide parking services to the previously mentioned passengers.

Exceptionally, the Concessionaire is obliged to assign, on the request of the Contracting authority, 5% of maximal capacity of parking lot to the Contracting authority for the needs of its workers. The Concessionaire is not allowed to charge the Contracting authority for use of previously defined parking places. Contracting authority shall aim that request from this

paragraph burdens the Concessionaire in a least possible extent, for peak loads of the need for parking spaces for the passengers in international periodical maritime traffic.

Before the beginning of activities on the Parking lot, Concessionaire is obliged to bring arranged surfaces of Parking lot to its purpose by putting fences around them and marking parking spaces according to technical conditions determined in legal regulations which apply to this activity.

Concessionaire is obliged to specially mark enough parking spaces for personal vehicles of the users of accessibility sign in accordance with Ordinance of the Ministry of Health.

Concessionaire is obliged to purchase and install devices and equipment for automatic charge of parking and maintain them functional and in order.

Article 35.

Regulations from the sub-section 1.4. shall be accordingly applied to this subsection.

PART IV.

CONCESSIONAIRE'S RIGHTS AND OBLIGATIONS

1. CONCESSIONAIRE'S MAIN OBLIGATIONS

Article 36.

Concessionaire is obliged to fulfil the obligations from this Contract.

Concessionaire is especially obliged to:

- make investments according to the Feasibility study in given deadlines, yet no later than five years after the Contract entered into force;
- implement measures and conduct actions necessary for protecting general good, i.e. public good, and protecting the nature and cultural goods prescribed in legal regulations.
- secure that the Terminal's infrastructure facilities are in any time available for use of passengers and other port users;
- secure availability of all services within the subject of the Concession to the passengers, directly or through the sub-concessionaire;
- secure availability of information to the passengers and all necessary help to the passengers during embarkation and disembarkation in Terminals main Building
- secure the tickets sale service;
- secure and maintain clean sanitary spaces, with enough hygienic supplies for passengers;

Article 37.

Concessionaire is obliged to secure to the passengers availability to the port infrastructure facilities of the Terminal. The access has to be safe, possible at any time and under any weather conditions.

Exceptionally from paragraph 1 of this Article, availability of services which are provided by the Concessionaire can be suspended in cases of: force majeure; while conducting safety measures; while conducting measures on order of the Contracting authority or public administration bodies; while maintaining the Terminal.

Article 38.

Concessionaire is obliged to, in accordance with legal regulations on surveillance of states border, conduct security inspection of passengers (metal detector) in international traffic as well as security inspection of luggage (X-ray examination) through the authorized economic operator who carries out works of private security in accordance with Private Security Act ("Official Gazette" no. 68/03, 31/10, 139/10).

Economic operator from previous paragraph must demonstrate the suitability to pursue the professional activities on the Terminal by being award a concession for providing services of private protection as well as having the approval of competent public administration bodies in accordance with regulation from previous paragraph.

Article 39.

Concessionaire will manage the Terminal and Parking lot and conduct business in the usual way, opened for all economic operators and is obliged to abstain from any dishonest or discriminatory practice against any of economic operator who is a user of services that are the subject of the concession.

Regulation from previous paragraph does not interfere in the Concessionaires rights to the application of selective rate and approval of the discount in accordance with Article 51. of this Contract.

Concessionaire is obliged to enable in Terminals main Building uninterrupted performance of embarkation and disembarkation of passengers in liner costal maritime traffic.

2. IMPLEMENTATION OF THE FEASIBILITY STUDY

Article 40.

Concessionaire's Feasibility study attached to the tender is an integral part of this Contract and the obligations which are included in the Feasibility study are the Concessionaire's obligations from this Contract.

Planned passenger and vehicle traffic from the Feasibility study which the Concessionaire in the Feasibility study has committed to achieve, as well as deadlines within he has committed to achieve it, are defined by this Contract.

Article 41.

Concessionaire commits to the Contracting authority that within three years from the expiration of calendar year in which this Contract came into force and in further five years in accordance with measures and activities elaborated in the Feasibility study, it will achieve planned passenger and vehicle traffic in Port Gaženica as follows:

YEAR	NUMBER OF PASSENGERS AND VEHICLES IN INTERNATIONAL LINER MARTIME TRAFFIC	NUMBER OF PASSENGERS AND VEHICLES IN INTERNATIONAL PERIODICAL TRAFFIC (CRUISERS)
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	NUMBER OF PASSENGERS	NUMBER OF VEHICLES	NUMBER OF PASSENGER IN DEPARTURE PORT	NUMBER OF PASSENGERS IN TRANSIT
2021.				
2026.				

Article 42.

Achieved traffic of passengers and vehicles from article 41. of this Contract is determined by the Contracting authority based on the Concessionaire's report on achieved traffic of passengers and vehicles in the concerned year and based on Contracting authority's records and the records made by the public administration bodies competent for safety navigation.

Concessionaire is obliged to, report form the paragraph 1 of this article, for concerned year, deliver to Contracting authority no later than until 30th April of next year.

Passenger and vehicle traffic from article 41. of this Contract is determined for concerned years no later than until 30th June of next year.

Article 43.

Realization of planned number of passengers and vehicles from Article 41. of this Contract is contracted as essential component of this Contract and non-compliance to this condition on the Concessionaires part is contracted as a cause for termination of this Contract.

Contracting authority can unilaterally terminate this Contract if:

1. realized traffic of passengers and vehicles for the year in reference or any following year would be for twenty or more percentage points (20%) smaller than planned;
2. realized traffic of passengers and vehicles would be for the year in reference and two following successive years smaller than planned;

Planned traffic of passengers and vehicles is determined in Article 41. of this Contract.

Realized traffic of passengers and vehicles is going to be determined in accordance with Article 42. of this Contract.

3. WORKERS

Article 44.

Concessionaire is independent when deciding on extent and organization of professional and technical services as well as employment of workers.

During the selection of workers Concessionaire shall take care that they are qualified and professionally competent for the jobs they will perform.

Concessionaire's obligation is to apply legal regulations on work as well as to take care of realization of worker's rights from working relationship, including the freedom of union organization.

In relation to workers, Concessionaire is obligated to comply with the regulations on safety on work.

This Contract does not obligate Contracting authority to offer a job to dismissed workers or to pay them on any grounds.

PART V.

PORT FEE RATES

Article 45.

Concessionaire is authorized to gain profit from provided services defined in Article 9. of this Contract pursuant to the Concession contract.

Profit from provided main port services defined in Article 9. paragraph 1. point 1. of this Contract, Concessionaire gains in accordance to the published Tariff on Port rates.

Profit from other economic services defined in Article 9 paragraph 1. point 2. of this Contract, Concessionaire gains based on issued invoices.

Article 46.

General infrastructure fees charged in Port Gaženica belongs to the Contracting authority.

Concessionaire is informed on the height of ports fees in port Gaženica as well as with the right of Contracting authority to independently determine ports fees.

Ports fees are not the subject of this Contract.

Nothing from this Contract can limit or restrict the right of Contracting authority to independently determine the height of ports fees.

1. PORT FEE RATES

Article 47.

Concessionaire determines following rates:

1. Port rates for embarking and disembarking of the passengers in international occasional passenger transport;
2. Port rates for embarking and disembarking of luggage, including security examination (X-ray examination) in international periodical passenger traffic;
3. Port rates for security examination of passengers in international periodical passenger traffic (metal detector) and their luggage (X-ray examination) in international periodical passenger traffic;

4. Port rates for reception and directing of vehicles for embarkation and disembarkation in international liner maritime traffic;

Concessionaire is free to determine the height of port rates, yet they cannot be higher than the highest amount of the port fee subscribed by the Contracting authority.

Contracting authority is obligated to determine the highest port rates in the amount not lesser than the amount of port rates for the same or similar services in other ports on the Adriatic sea.

Concessionaire is obliged to publish port rates at least thirty days before their applicability.

The rates are considered published once when they are published on the Concessionaire's or the Contracting authority's web-site.

Article 48.

Every second year, starting from the entry into a force of this Contract, Concessionaire is authorized to propose to Contracting authority modification of the highest amount of the rates of ports fees which are subscribed by Contracting authority.

Proposition for modification of highest amount of the rates of ports fees is submitted to the Contracting authority until the end of November of current calendar year for the next calendar year. Concessionaires proposition must be explained by commercial reasons. Commercial reasons in sense of this paragraph are maintenance of profitability and competitiveness of the Concessionaire.

Contracting authority shall accept the Concessionaire's proposal taking into the consideration Concessionaire's justified requests for achievement of a reasonable profit.

Contracting authority shall not accept the Concessionaires proposal if its goal is to remove or reduce the operational risk in the use of services which are the subject of concession. Operational risk includes risk of demand or risk of supply or both.

Operational risk from previous paragraph means the risk of the exposure to markets conditions of the Concessionaire. Contracting authority cannot guarantee to the Concessionaire that in normal working conditions, directly or indirectly, he will return the invested funds or the costs of the services, which are the subject of the concession, that have occurred.

Article 49.

Contracting authority can, to ensure competitiveness within the Gaženica port, if it assesses objective circumstances that indicate uncompetitive nature of the port, lower the height of the tariff in total or selectively, considering possibilities of the authorized concessionaire to adjust business to lower tariff.

Article 50.

Concessionaire is authorized to charge port fees from the service users directly or through other person to whom it has entrusted to charge port fees based on business deal in accordance with legal regulations.

Concessionaire is authorized to charge port fees in domestic currency, and exceptionally in foreign currency, in accordance with legal regulations.

Article 51.

In accordance with legal regulations, Concessionaire can, by concluding a business deal with economic operators, approve selective discounts and reductions on port fees considering personal commercial reasons.

Commercial reasons from previous Article cannot be discriminatory and must be determined based on objective criteria which especially, yet not exclusively include: passengers traffic; duration of business relation; frequency of sailing into the port and similar.

Selective discounts and reductions of port fees must be specifically shown in the Concessionaire's accounts.

Selective discounts and reductions of port fees must be submitted to the Contracting authority no later than within thirty days from their applicability.

Selective discounts and reductions of port fees will not be considered when determining the basis for the variable part of the concession fee.

Article 52.

All the billing costs of port fees are charged from the Concessionaire.

2. PROFIT FROM OTHER ECONOMIC SERVICES

Article 53.

Profit from other economic services defined in Article 9 paragraph 1 point 2 of this Contract Concessionaire achieves based on price of goods and service fees provided to the users.

Prices and fees from previous paragraph must be highlighted on price lists which are published on the places of delivery of goods and services.

Price lists must be published no later than at the beginning of the working hours on the day on which their application begins.

PART VI.

CONTRACTING AUTHORITY'S RIGHTS AND OBLIGATIONS

1. CONTRACTING AUTHORITY'S BASIC RIGHTS AND OBLIGATIONS

Article 54.

Contracting authority has the right and obligation to monitor and supervise the execution of this contract.

Contracting authority especially has the right to:

- monitor the quality of services which are the subject of this contract;
- intervene with the Concessionaire to assure the adequate quality of service;
- monitor Concessionaires business compliance with Contracting authority's general acts;
- receive remarks and suggestions from the users of the port services who are the subject of this Contract;
- synchronize Concessionaires work with the work of other concessionaires in the port;
- collect natural and financial indicators related to the provision of services which are the subject of this Contract and publish them

Contracting authority has other rights and obligations contained in this Contract.

2. PROVIDING SERVICES TO THE SHIPS

Article 55.

Contracting authority is obliged to secure, to the ships sailing into the port Gaženica, directly or through the other Concessionaires provision of following services:

1. mooring and unmooring of ships
2. ports pilotage
3. tugging and pushing
4. supply of the ship

Contracting authority shall secure equal access to the services from paragraph 1. of this Article to the Concessionaire and other economic operators with whom Concessionaire is in business relation, with the same level, schedule and priority of the services which are provided to other economic operators.

Use of services from paragraph 1 of this Article is regulated by business relation between shipowners and service providers in accordance with legal regulations.

Contracting authority is not responsible for the quality of services and possible termination in their delivery when those services are provided by other concessionaires.

Article 56.

Contracting authority has the exclusive right to assign the berth to the ships on the Terminal.

Nothing from this Article cannot be interpreted as reduction or restriction of rights of Contracting authority from paragraph 1. of this Article.

Contracting authority is obligated to conduct the assignment of the berth in agreement with Concessionaire, and in accordance with previous announcements of ships arrivals from Concessionaires side.

After the ship arrival is announced, contracting authority shall try to, within the framework of the Concession contract and issued approvals, that other concessionaires, pilots, maritime agents, workers and other subjects of ports community are available to provide services to the ship twenty-four hours a day.

3. REGULATION OF BORDER CROSSING

Article 57.

Contracting authority is obligated to, in cooperation with bodies that carry out border crossing operations, secure facilities and organization for uninterrupted performance of border control on the Terminal in accordance with law regulations which regulate surveillance of states border.

Costs of regulation and equipment of border crossing carry Contracting authority.

Contracting authority shall by contract with the bodies that carry out border crossing operations regulate mutual relations regarding the use of area and facilities for performance of border control.

Contract from previous paragraph shall be submitted to Concessionaires knowledge who is obliged to adjust provision of services to the conditions from that Contract.

4. REGULATION OF TERMINAL'S BUILDING AND ACQUISITION AND INSTALLATION OF PORT'S TRANSHIPMENT EQUIPMENT

Article 58.

Contracting authority shall equip Terminal's Building with devices and equipment for security examination of passengers (metal detector) and their luggage (X-ray detector).

Article 59.

Amount of devices and equipment from Article 58. of this Contract is considered sufficient for the beginning of Concessionaires activities according to this Contract.

If, considering achieved number of passengers and vehicles in the period after entry into force of this Contract as well as the claim of public administration bodies competent for internal affairs and public administration bodies competent for customs duties in Republic of Croatia, afterwards appears the need to purchase and install larger number of devices, or larger quantity of equipment from the one purchased and installed by Contracting authority, purchase and installation of devices and equipment shall be obligation and expense of Concessionaire.

Exceptionally from paragraph 2. of this article, Concessionaire is, apart from appeared need for purchase and install the devices and equipment, obliged to purchase and install one pedestrian gangway for the purpose of embarkation and disembarkation of passengers in international periodical maritime traffic within deadlines presented in the Feasibility study.

PART VII.

CONCESSION FEES, TAXES AND PUBLIC DUES

1. CONCESSION FEE

Article 60.

For the duration of this Contract Concessionaire is obligated to pay to the Contracting authority the concession fee composed from constant part and variable part.

Concession fee shall be paid in due time in accordance with this Contract by paying the due amount on the account IBAN: HR3310010051752070000 in accordance with the Order on the method of payment of budgetary income, compulsory contributions and incomes for financing other public needs in 2017. ("Official Gazette" no. 11/17). In case of the change of the account for the payment of the concession fee, Concessionaire is obligated to make the payment on the account in accordance with the content of information acquired from the Contracting authority.

Article 61.

Constant amount of the concession fee amounts HRK _____ per year.

Exceptionally, first and last year of the duration of this Contract, Concessionaire is obligated to pay proportional part of the constant part of the concession fee in accordance with the period of the calendar year during which this Contract is being executed.

Constant amount of the concession fee shall be paid until 31st of January of the current year for that year.

Article 62.

Variable part of the concession fee is determined in the percentage of the obtained income from the fee for provided services which are the subject of this concession, but not less than total income presented in the Feasibility study as the expected income gained during the first year of the Contract.

Variable part of the concession fee shall be paid on the total income of the fee for provided services which are the subject of this concession, regardless of whether these services are provided directly by the Concessionaire or if Concessionaire awarded a sub-concession for some of the other economic services from the Article 9. paragraph 1. point 2. of this Contract.

Variable part of the concession fee amounts _____ of the total profit gained from providing port's main services which are the subject of the concession from Article 9., paragraph 1., point 1. of this Contract, but not less than amount calculated in the point 1 of the Article.

Variable part of the concession amounts _____ of the total profit gained from providing other economic services which are the subject of concession from Article 9., paragraph 1., point 2. of this Contract, but not less than amount calculated in the point 1 of the Article.

Variable part of the concession fee from paragraphs 3. and 4. of this Article is paid as well on the income gained from a sub-concession fee in the percentage determined in those paragraphs, and depending on the type of service which is given into sub-concession.

Variable part of concession fee shall be paid until the 31st of May of the current year for the previous year.

Article 63.

Permanent and variable parts of the concession fee are adjusted every three years for the period of next three-year counting from the first calendar year to come which begins after entry into a force of this Contract.

Permanent and variable parts of the concession fee are adjusted according to the following formula :

$$K = \left[\left(1 + \frac{P_1}{100} \right) + \left(1 + \frac{P_2}{100} \right) + \left(1 + \frac{P_3}{100} \right) \right]$$

where

K = factor for adjustment of permanent and variable parts of the concession fee for next three-year period;

P1 = inflation rate of first year of three-year period

P2 = inflation rate of the second year of three-year period

P3 = inflation rate of the third year of three-year period

Adjusting is carried out on the 1st June of the current year for the next three-year period.

Regardless of the adjustment of the concession fee pursuant to provisions of paragraphs 1.-3. of this Article, in case that, for the duration of this Contract, middle exchange rate of Croatian National Bank shall change according to the Euro currency determined on the day of entry into a force of this Contract for +/- 3%, Contracting authority is authorized to adjust the amount of concession fee according to the change of rate.

Article 64.

Concession fee shall be contracted in net amount.

Article 65.

In case of payment delay of concession fee within deadlines determined in this Contract, Concessionaire is obligated to pay legal default interest according to legal regulations.

2. TAXES AND PUBLIC DUES

Article 66.

Concessionaire is in its business obliged to comply to legal regulations which regulate taxes and public dues.

Concessionaire is obligated to, within due dates, fulfil the tax obligations as well as obligations of payment of other public expenses (taxes, surtaxes, parafiscal expenses and similar) which occur based on performing activities and providing services which are the subject of this Contract.

PART VIII.

SECURITY PROTECTION OF PORT AND ENVIRONMENTAL PROTECTION

1. SECURITY PROTECTION OF PORT

Article 67.

Contracting authority is responsible for security protection of port Gaženica.

By this Contract Contracting authority transfers the responsibility for taking measures and activities in the implementation of security protection of the port Gaženica to the Concessionaire.

Contracting authority is obliged to create the Port's security protection assessment (PSFA) as well as Port's security protection plan (PFSP), including control of the entry into the restricted areas and maintenance of video surveillance.

Article 68.

Concessionaire is obligated to apply Port's security protection plan on the Terminal which is made by Contracting authority in accordance with Port's security protection assessment.

Concessionaire is obligated to apply those measures for security protection of the port according to the level of degree of security protection of the port which is determined by the Ministry competent for internal affairs.

Costs of implementation of measures for security protection of the port on the Terminal shall carry the Concessionaire.

Article 69.

Apart from the obligations from Article 68. of this Contract, Concessionaire is obligated to set up and maintain security protection fence around the Terminal and implement measures for protection and security inside the Terminal and Terminal's Building.

Concessionaire is obligated to maintain security of Terminal and Terminal's Building by engaging economic operators who are authorized for provision of private security services in accordance with Private Security Act ("Official Gazette" no. 68/03, 31/10, 139/10) throughout the period of validity of this Contract meaning 365 (three hundred and sixty-five) days in year from 00:00 to 24:00 hours.

Private security workers are obligated to wear uniforms and identification by which they prove their capacity and legal basis for their activities.

Activities from this Article are considered necessary for regular and proper performance of Concessionaires activities and orderly execution of this Contract, as well as for general safety in accordance with regulations of ISPS codex.

Article 70.

If during the execution of this contract appears to be necessary to conclude other contracts for conducting measures in accordance with modification of legal regulations, and these measures are not mentioned in this part of the Contract and not in legal regulations in force at the time of conclusion of this Contract, contracting parties can by concluding an addendum to this contract without the implementation of the new concession awarding procedure, everything in accordance to article 62. of Concession Act ("Official Gazette" no. 69/17), regulate the issue of obligation of execution of these measures as well as costs of their undertaking.

2. PROTECTION OF MARINE ENVIRONMENT

Article 71.

Concessionaire is obligated to, during the performance of activities on the Terminal, carry out measures and activities in protection and preservation of marine environment and in preventing its pollution.

Concessionaire is obligated to equip the Terminal with compatible devices for handling and receiving solid and liquid waste, leftovers of cargo from the boat, oily waters and faeces as defined in regulations of MARPOL convention 73/78 with amendments.

Concessionaire is obligated to equip the Terminal with sufficient number of barriers and quantity of dispersants and maintain them on the Terminal for their availability in the event of unexpected sea pollution.

Concessionaire is obligated to maintain obligatory relationship with concessionaires who have been awarded with concession for gathering of solid and liquid waste from ships.

PART IX.

CONCESSION DISPOSITION

1. SUBCONCESSION

Article 72.

The concessioner may conclude a sub-contract with the third party in the duration of the concession agreement for:

1. providing some of the other economic services described in Article 9 para 1 point 2 of the Contract;
2. providing secondary services

The concessionaire may not conclude the subcontract with a purpose to unduly avoid obligations set in the Concession contract or with a purpose to subcontract the obligations from the Concession contract.

The contracting authority needs to give a written permission to the concessionaire prior to conclusion of the subcontract.

When the concessionaire during duration of the Concession contract wishes to change a sub-concessionaire or to change the subcontract, the concessionaire needs to get a written permission from the Contracting authority.

Article 73.

The subcontractor is entitled to gain profit from obtained services from the subcontract or the sub-concession.

Concessionaires profit includes the profit from the subcontract/sub-concession and the concession fee shall be determined based on a total amount of the profits. Subcontract or sub-concession fees shall be equivalent to the value of the subcontract or the sub-concession.

The duration of the sub-concession contract cannot be longer than the duration of the concession contract.

The concessionaire is fully responsible for performance of the Concession contract regardless the involvement of the subcontractor.

2. LIEN ON THE CONCESSION

Article 74.

On the concession from this Contract, with the Contracting authority's consent, can be granted the lien only in favour of financial institutions to secure the claims of these institutions based on a loan agreement given for the execution of the Concession contract.

Financial institution's claims from the paragraph 1 of this Article can refer exclusively to financial instruments obtained for the implementation of the concession contract, and cannot include any other claims which financial institution has in relation with Concessionaire on any other basis.

When claim secured with lien is not be fulfilled until a due date, secured creditor is authorized to execute its right to settle that claim by transferring the concession on a third person who fulfils the conditions of ability determined for the Concessionaire in the Concession documentation and the Concession notice for awarding concession with a prior consent of the Contracting authority.

Concession value will be re-evaluated during the execution of the right for settlement and in order to determine the relationship of the value of the concession with the value of the creditor's claim.

3. CONCESSION TRANSFER

Article 75.

This Contract can, with the written consent of the Contracting authority, be transferred on the third person in accordance with the paragraphs for the settlement of the secured creditor's claim when the concession is under the lien in accordance with Article 74. of this Contract.

Transfer of the concession contract cannot reduce the quality and undermine the continuity of the implementation of this Contract.

Transfer of this Contract can be permitted in cases which are related to ownership acquisition over the Concessionaire after the implementation of restructuring process. Transfer of this contract can be carried out under the condition that third person fulfils the conditions of ability determined for the Concessionaire in the Concession documentation and in the Concession notice for concession award.

Article 76.

This Contract can be transferred in favour of the financial institution which grants loan/loans to the Concessionaire for the execution of this Contract. When the Concessionaire does not fulfil obligations from the loan the Contract may be terminated.

In the case from the previous paragraph, the financial institution may be authorized for the transfer of this Contract on the third person, under the condition that third person fulfils the conditions of ability determined for the Concessionaire in the Concession documentation and in the concession notice for concession award.

PART X.

FINANCIAL GUARANTIES AND INSURANCE

1. FINANCIAL GUARANTIES

Article 77.

Concessionaire is obligated to, during the entire validity period of this Contract and a year after the termination of this Contract, keep financial guaranty in favour of Contracting authority for accurate and punctual fulfilment of he obligations from this Contract.

Especially, yet not exclusively for the following obligations: payment of the concession fee under the Article 60. to 64. of this Contract, payment of default interest on the late payment of concession fee under the Article 65. of this Contract, payment of public utilities and other services from Article 22. of this Contract, costs of maintenance and investment measures from Article 20. paragraph 8. and Article 32. paragraph 3. of this Contract and damage compensation and compensation of loss of profit.

Financial guaranty from the previous Article must be published in the form of bank guaranty of acceptable financial institution in Republic of Croatia for the good fulfilment of obligations from this contract.

Bank guarantee must be published in favour of Contracting authority in the amount of 5.500.000,00 Kuna, and the guaranty must be unconditional, "without objections" and chargeable on the first call.

Bank guaranty is published in accordance with legal regulations and laws regulating mandatory relations.

Bank guaranty shall be issued on a period not shorter than two years and has to be renewed during the whole duration of the Contract. Bank guaranty has to be renewed not later than six months before expiration of the currently valid bank guaranty.

When the Bank Guaranty is not renewed as prescribed in previous paragraph, the Contracting authority may terminate the contract and activate currently valid bank guaranty.

2. INSURANCE

Article 78.

Concessionaire is obligated before the entry into a force of this Contract to conclude Insurance contract for the secured risks which may arise from the execution of this Contract.

Concessionaire is obligated to secure the following secured risks:

1. Liability insurance;
2. Property insurance;

Liability insurance must cover Concessionaires liability for the death and physical injuries of the passengers as well as losses and damages of their luggage; death and physical injuries of workers and third persons who work and stay on the Terminal and Parking lot, and which are caused by the activities and omissions of activities of Concessionaire and persons acting on his order in the execution of this Contract.

Property insurance must cover the ports infrastructure facilities, ports superstructure facilities and built-in devices and equipment which are installed on the Terminal and Parking lot by Contracting authority and Concessionaire. Property insurance must cover minimum basic risks (fire, storm, thunder striking, explosion and similar) which are usual on the service market of insurance companies in the area where port Gaženica is situated.

Concessionaire is obligated to regularly deliver to the Contracting authority copy of the insurance policy from this Article.

If during the execution of this Contract appears necessary to conclude additional types of insurance, and they are not mentioned in this Part of the Contract, contracting parties can by concluding an addendum to this contract without the conducting new concession awarding procedure, everything in accordance to Article 62. of the Concession Act ("Official Gazette" no. 69/17) regulate the issue of the obligation to conclude additional types of insurance.

Article 79.

Concessionaire is independent in the selection of the insurer among reputable insurance companies which are authorized to work in Republic of Croatia based on legal regulations.

Under reputable insurance companies is considered the insurance company that can realistically guarantee the payment of insurance premium in due time in the event of secured case.

To avoid doubt in the selection of insurer, Concessionaire is obligated to, at least seven days before the conclusion of the insurance contract, deliver to the Contracting authority a Notice on the intention to conclude the insurance contract, selection of insurer and the content of general conditions of referred insurance.

Concessionaire shall in a good faith consider the Contracting authority's eventual remarks on the selected insurer which must be reasoned and explained.

Article 80.

Concessionaire is obligated to maintain the insurance from this Article during the validity of the Contract.

3. CLAUSULA EXEQUENDI

Article 81.

Concessionaire agrees that Contracting party pursuant to this Contract may directly enforce its claim on the Concessionaire's property on the basis of concession fee according to Article 60. to 64. of this Contract, payment of default interest on the late payment of concession fee from Article 65. of this Contract, payment of public utilities and other services from Article 22. of this Contract, costs of performance of maintenance and investment measures from Article 20. paragraph 8. and Article 32. paragraph 3. of this Contract, and damage compensation and loss of profit.

Article 82.

Concessionaire agrees that Contracting authority based on this Contract may directly enforce its claim against Concessionaire, for the realization of due non-monetary claim, so that it deliver the Terminal Buildings and Exterior Parking lot into the possession of the Contracting authority, free of people and goods to the Concessionaire.

Article 83.

Contracting parties mutually agree that maturity of pecuniary claim from Article 69. of this Contract and non-monetary claim from Article 70. of this Contract shall be proved with publicly verified statement of Contracting authority on maturity of the claim.

Contracting parties mutually agree that public notary based on this Contract and the Statement from the previous paragraph shall put on this Contract the enforceability clause.

PART XI

INFORMATION AND REPORT DELIVERY

Article 84.

Concessionaire have the public obligation to deliver all the information to the Contracting authority which it can periodically request, and which are necessary to the Contracting

authority for monitoring of execution of this Contract and execution of obligations which Concessionaire took over with this Contract.

Article 85.

Concessionaire is obligated specially to Contracting authority to submit quarterly reports on achieved passengers and vehicles traffic, and that especially for passengers and vehicles in international liner maritime traffic and especially for traffic of passengers in international periodical maritime traffic, separately for passengers in home port and passengers in transit.

Concessionaire is obliged to deliver trimester reports to the Contracting authority about the income gained from rendering services for passengers and vehicles in international liner maritime traffic. Reports have to be separated for income gained from rendering services to passengers and vehicles in the international occasional maritime traffic. The separate report has to be made for the passengers in the home port and the passengers in transit.

Reports from the previous paragraph must cover description of measures and activities of Concessionaires in implementation of development of "home-port" concept contained in the Feasibility study.

Quarterly reports from this Article shall be delivered to the Contracting authority no later than sixty days after expiry of the last day of the last month of the year quarter.

Article 86.

Concessionaire is obligated to deliver to the Contracting authority semi-annual and annual financial report composed in accordance with legal regulations on accounting.

Financial report from previous Article, apart from Concessionaires classification, must contain: report on financial situation (balance sheet), profit and loss account, report on money flows, reports on changes in capital, notes with financial reports.

In financial report Concessionaire is obligated to apply International standards on financial reporting.

With annual financial report, Concessionaire shall deliver confirmation on the amount of permanent and variable part of concession fee.

Semi-annual financial report shall be delivered no later than until 30th September of the current year for the first six months of the year.

Annual financial report shall be delivered no later than until 30th April of the current year for the previous year.

Regulations of this Article shall apply on the Concessionaire regardless of his classification in the group of entrepreneurs in accordance with legal regulations on accounting.

Article 87.

Concessionaire is obligated to carry out revision of financial reports from Article 86. of this Contract through an external auditor authorized for performance of audit work in Republic of Croatia in accordance with legal regulations.

Report on performed audit work of annual financial report shall be delivered to the Contracting authority no later than until 30th June of current year.

Article 88.

Whenever it is considered necessary Contracting authority can request external revision of Concessionaires business activities from auditor society which it selects.

For the auditor's purposes from the previous paragraph Concessionaire is obligated to Contracting authority, on his written request, deliver business books and separately requested accounting records within fifteen days from the receipt of the request.

Concessionaire is obligated in good faith to cooperate with auditor from the paragraph 1 of this Article.

Revision costs from this Article carry Contracting authority.

PART XII

SUPERVISION CONTRACT EXECUTION OF CONTRACT

Article 89.

Contracting authority shall carry out the supervision of Concessionaire's work in performing the obligations from the concession contract.

When supervising the Contracting authority especially:

- monitors the exercise, or usage of the Terminal by the Concessionaire, Terminals Building and external Parking lot in accordance with this Contract and legal regulations that regulate maritime good;
- monitors if Concessionaire carries out economic activities in accordance with this Contract and the Feasibility study of awarding concession;
- monitors if Concessionaire fulfils basic technical-technological conditions for its execution;
- monitors if Concessionaire fulfils the condition of a sufficient number of trained workers for the execution of this Contract;
- monitors if Concessionaire maintains financial guaranties for good execution of obligations from this Contract and insurance policy;
- monitors if Concessionaire is paying concession fee at maturity;
- monitors Concessionaires financial reports and other business documentation for the verification of correctness of calculation of variable part of concession fee;

- carries out other activities in order to achieve the goals from legal regulations which regulate concessions and maritime domain and sea ports.

Article 90.

Concessionaire is obligated to, for the purpose of monitoring of the execution of this Contract, allow the access to the Terminal to Contracting authority and persons acting on his order. This includes the access to Terminals main building and Concessionaires offices with a previous announcement which cannot be shorter than three days before the beginning of monitoring.

Monitoring can include examination and inspection of devices and equipment which were installed by Concessionaire; examination and inspection of maintenance of infrastructure and as well as the devices and equipment which were installed by Contracting authority; overview of Concessionaires business documentation related to execution of this Contract; general overview of the state of Terminal, Terminals main building and Parking lot.

While conducting monitoring, the Contracting authority shall try to disturb as least as possible Concessionaire in provision of services.

Concessionaire is obligated to, throughout the entire concession period, enable Contracting authority, or his authorized workers and representatives, the insight in entire business documentation which refers to activities which are the subject of concession, and direct insight in Concessionaires work in performing activities for which concessions has been given.

PART XIII.

FORCE MAJEURE

Article 91.

In terms of this Contract, force majeure is every event which is beyond reasonable control of contracting parties and which prevents contracting parties in execution of obligations from this Contract or makes execution of obligations very unpractical that it can be reasonably assumed that it is impossible.

As force majeure is considered especially, yet not exclusively, following event; war, rebellion, civil disorder, earthquake, fire, storm, flood, elemental disasters, strike, lockout or other industrial actions (except those in which one side is employer), public authority's decisions as *iure imperii* (sanctions, embargo and similar).

As force majeure is not considered an event which one of the contracting parties or person who is with it in business relationship caused with intent or negligence, including ordinary negligence.

As force majeure is not considered an event which contracting party could have predicted before the conclusion of this Contract or avoided or prevented with due diligence.

Article 92.

As force majeure is particularly not considered:

- insolvency or over-indebtedness
- Change of legal regulations
- Delay or non-fulfilment of obligations of economic operators and people in business relationship with the contracting party (contractor, sub-concessionaire, worker and similar), except if it is caused due to force majeure

Article 93.

If contracting party does not fulfil its obligation from this Contract due to force majeure, it shall be considered that it has not breached the contractual obligation from this Contract as long as the force majeure lasts and under the condition that contracting party has informed the other contracting party about it as soon as it was possible and has taken all the precautions, due diligence and other reasonable alternative measures which could lead to fulfilment of the obligation from this Contract.

Article 94.

Deadlines from this Contract, determined for the fulfilment of obligation, shall be extended for the duration of the impossibility to perform activities to fulfil the obligation due to duration of force majeure.

Article 95.

If it becomes evident that it is no longer reasonable to expect that the main part of obligation will be fulfilled because contracting party was prevented to fulfil its contractual obligation due to force majeure, within thirty days from the expiry of the deadlines from this Contract, contracting parties shall jointly consider new circumstances and measures which should be taken.

Article 96.

If within the three months from the beginning of joint consideration of new circumstances, contracting parties cannot agree on the measures which should be taken, each party can declare termination of this Contract in accordance with Part XV. of this Contract.

PART XIV.

CONTRACT TERMINATION

Article 96.

Concession from this Contract terminates:

1. by fulfilling the legal conditions;
2. by termination of contract because of the public interest;
3. by unilateral termination of concession contract;

4. by legal validity of court's decision by which concession contract has been determined invalid or annulled;
5. in cases determined in this Contract;
6. in cases determined in special law.

Article 97.

Concession shall terminate in accordance with legal regulations on concessions when following conditions are fulfilled:

1. the deadline on which it has been given has expired;
2. Concession has terminated;
3. Decision on the award of concession has been abolished, annulled or declare invalid within the period after the entry into a force of this Contract.

Article 98.

This contract can be terminated in whole or in part if the public interest requires it, as determined by Croatian Parliament.

If this Contract is terminated in part, Concessionaire can within thirty days from the day of receipt of the Contracting authority's decision on termination, request termination of this Contract in whole.

If Contract terminates because of the reasons from this Article, Concessionaire is entitled to damage compensation in accordance with general legal provisions which regulate mandatory relations.

Article 99.

Contracting authority can with unilateral decision terminate this Contract in following cases;

1. if Concessionaire has not paid concession fee more than twice consecutively or generally disorderly pays concession fee;
2. if Concessionaire does not provide services in accordance with the quality standards for those services as determined in this Contract;
3. if Concessionaire does not implement prescribed measures and activities necessary for the protection of general or public good as well for the protection of nature and cultural goods;
4. if Concessionaire has cited inaccurate information in the tender based on which has been determined the fulfilment of conditions of ability specified in the Concession documentation based on which this Contract has been concluded;
5. if Concessionaire by its fault does not start with the implementation of this Contract or its part within the agreed deadline;
6. if Concessionaire perform other activities in opposition to this Contract or fails to carry out obligated activities determined in this Contract;

7. if Concessionaire has transferred on the third person its rights from the Concession contract contrary to the legal regulations on concession and this Contract;

8. if Concessionaire does not deliver adequate financial guarantees which were requested by Contracting authority;

9. if the modification of this contract occurs which would require implementation of new concession awarding procedure;

10. if when deciding on the awarding of concession existed a reason for the exclusion of Concessionaire according to Concession documentation based on which this Contract have been concluded;

11. if the court of European Union determines, in the proceedings in accordance with Article 258. of the Treaty on Functioning of the European Union, that Republic of Croatia has not fulfilled its obligations in accordance with the Treaty on Functioning of the European Union or /and Treaty of the European Union by giving the concession by Contracting authority without fulfilling his obligation in accordance with the Treaty on Functioning of the European Union or /and Treaty of the European Union and Directive 2014/23/EU of European parliament and Council of 26th February 2014. on awarding of concession contracts (SL L 94,28.3.2014);

12. in other cases in accordance with the provisions of this Contract and legal regulations which regulate general administrative procedure;

Before unilateral termination of this Contract Contracting authority shall previously, in written form, warn Concessionaire about his intention and determine suitable deadline for eliminating the reasons for Contract termination and for comments on these reasons;

If Concessionaire does not eliminate reasons for termination of this Contract within the deadline Contracting authority shall terminate this Contract;

Article 100.

Contracting authority can pursuant to this Contract unilaterally terminate it especially:

1. if upon Concessionaire is opened Pre-bankruptcy settlement procedure, bankruptcy procedure or Liquidation procedure, in accordance with legal regulations;

2. if the Concessionaire does not act on Enforceable decision of Arbitral tribunal in disputes with Contracting authority according to Part XVII of this Contract;

3. abandon the possession of the Terminal and Parking lot longer than seven days without prior consent of Contracting authority;

4. if Concessionaire does not maintain Terminal and Parking lot in accordance with regulations of this Contract;

5. violates or fails to fulfil any of its obligations from any part of this Contract;

Contracting authority can unilaterally terminated this Contract in case from Article 43. of this Contract without the use of Articles 99. paragraphs 2. regulation of this Contract.

Article 101.

Concessionaire can unilaterally terminate this Contract if Contracting authority does not fulfil its obligations taken by this Contract.

Before unilateral termination of this Contract concessionaire shall previously, in written form, warn Concessionaire about his intention and determine suitable deadline, which cannot be shorter than thirty days, for eliminating reasons for termination of this Contract and for comments on these reasons.

If Concessionaire does not eliminate reasons for termination of this Contract within the deadline Contracting authority shall terminate this Contract.

Article 102.

This Contract can terminate as well because of the impossibility to fulfil essential obligations from this Contract due to force majeure, unilateral termination from each contracting party and if the consent has not been reached in accordance with Article 95. of this Contract.

Article 103.

Notice about the intention to unilaterally terminate this Contract must contain reasons with the grounds on which contracting party intends to terminate this Contract: impossibility to fulfil it due to force majeure, termination because Concessionaire has not fulfilled his obligations, termination because Contracting party has not fulfilled his obligations.

When notice about the intention to unilaterally terminate this Contract has been received, other party can begin the process of agreement to eliminate reasons for termination.

Article 104.

If contracting parties, in accordance with Article 103. of this Contract, do not agree on eliminating the reasons for termination of this Contract in appropriate deadline which cannot be shorter than thirty nor longer than sixty days, contracting party can declare the termination of this Contract by delivering to the other party the statement of Contracts termination.

This Contracts terminates with the receipt of other party's statement of Contract termination.

PART XV.

CONSEQUENCES OF CONTRACT TERMINATION

Article 105.

With the termination of this Contract all rights and obligations of contracting parties that have originated from it, except the rights and obligations originated from the consequences of the termination, terminate as well.

Article 106.

With the termination of this Contract, terminates Concessionaires right for provision of services from Article 9. of this Contract, the right to perform economic activities and the right of possession of Terminal and Parking lot.

Concessionaire is obligated to, upon the termination of this Contract, return the possession of areas from previous paragraph to Contracting authority, free of people and goods.

After the expiration of the Contract, the concessionaire is obliged to return the terminal main building to the Concession authority in the same state of functionality as it was at the time of concluding the Contract.

All the movable property in his ownership, which can be separated from the ports infrastructure facilities and ports superstructure facilities without the damage, Concessionaire can take away, except if Contracting authority does not use the right from the Article 107. of this Contract.

Concessionaire has no right to take away the movable property in ownership of Contracting authority.

Article 107.

Contracting authority has the right to purchase movable property installed by the Concessionaire on the Terminal and Parking lot, which includes devices, equipment, spare parts and similar and Concessionaire is obligated to sell him this movable property.

The cost of movables from the previous paragraph shall be contracted in the amount of their value in the Concessionaires business books on the day of the termination of Contract.

If Contracting party has used the right from this Article, it must make a statement about it the latest on the day of the shipment of the statement about contract termination, and if the termination has been declared by Concessionaire, the latest within seven days from the day of receipt of the statement about termination of this Contract from Concessionaire.

If Concessionaire has receipt Contracting authorities notice about the usage of the right from this Article, he cannot take away the movables from Terminal and Parking lot until the deadline from previous paragraph has not expired

By using the right from this Article Contracting authority acquires the possession of the movables from the paragraph 1. of this Article.

Article 108.

In case of termination of this Contract due to force majeure, each contracting party carry the cost caused by termination.

Contracting parties do not have the right to claim the compensation for the damage which they have eventually suffered if the contract has terminated due to force majeure.

Article 109.

If the Contract has terminated because Concessionaires has not fulfilled its obligations or any other reason apart from the reasons from Article 108. and 110. of this Contract, the Contracting authority is authorized to claim the compensation for the damage, as well for the loss of profit.

Compensation of damage shall be contracted in lump sum in the amount of triple amount of concession fee (permanent and variable part) which has been paid in previous year of the calendar year in which this Contract has terminated.

If the Contract has terminated in the last three years before the calendar year in which this Contract should have terminated because time on which it has been concluded has expired, lump sum of the damage compensation shall be contracted in the amount of concession fee (permanent and variable part) which has been paid in previous year.

Nothing from this Article does not exclude or does not limit the right of Contracting authority to claim the higher amount of damage compensation in a lawsuit if it finds that the amount of the damages is higher than the contracted lump sum from this Article.

Article 110.

If the Contract has terminated because Contracting authority has not fulfilled its obligations or because of the circumstances from the Article 98. of this Contract, concessionaire is authorized to claim the damage compensation.

Damage compensation shall be contracted in lump sum of triple amount of profit after taxation which Concessionaire has gained in last three years before the calendar year in which this Contract has terminated.

If the Contract has terminated in the last three years before the calendar year in which this Contract should have terminated because the time on which it has been concluded has expired, lump sum of the damage compensation shall be contracted in the amount of the profit after taxation which Concessionaire has gained in previous year.

Article 111.

Regardless of reasons for termination of this Contract, Concessionaire always carries the costs of repair of ports infrastructure and ports superstructure if he has not maintained them in accordance with obligations from this Contract.

Concessionaire is familiar and agrees that for the purpose of claim settlements from previous paragraph, regardless of termination of this Contract, the Contracting authority can activate financial guaranties and *clausulae exequendi* from Part X. Se 3. of this Contract.

PART XVI

DISPUTE RESOLUTION

1. SETTLEMENT AGREEMENT

Article 112.

All the disputes originating from this Contract or related to the execution of this Contract, contracting parties shall try to settle in good faith with the agreement.

Deadline for settlement agreement is thirty days.

Contracting parties can settle the dispute with agreement as well after the expiry of the deadline from previous paragraph.

2. MEDIATION

Article 113.

If Contracting parties fail to settle the dispute with agreement in the deadline from Article 112. of this Contract, contracting parties shall try the mediation.

Mediation is performed in accordance with Mediation Act ("Official Gazette" no. 18/11)

Contracting parties shall try to agree on the selection of the mediator who will perform the mediation process.

Deadline in which contracting parties can reach the agreement on the mediator's selection is thirty days from the day of receipt of the suggestion to perform the mediation process.

If contracting parties do not reach the agreement on the mediator's selection in the deadline from previous paragraph, contracting parties agree that mediator shall be selected by Croatian mediation association, Zagreb, Teslina 1, PIN: 85293920018.

If at the beginning of the mediation process, association from the previous paragraph ceases to exist, contracting parties agree that mediator shall be selected by the president of Commercial court competent for the area of Contracting authorities siege.

3. ARBITRATION

Article 114.

If contracting parties do not settle the dispute with mediation within sixty days from the day of selection, or nomination of mediator, contracting parties agree that the dispute shall be settled through arbitration.

Article 115.

Contracting parties agree that arbitration shall be entrusted to Permanent arbitration tribunal at Croatian Chamber of Commerce.

Arbitration shall be conducted by Arbitration council composed of president and two members. Each contracting party nominates one member of the Council, and members of Council through agreement nominate the Council's president.

Contracting parties can directly agree on the nomination of the Council's president.

If the members of Council, or contracting parties do not agree on the nomination of Council's president within thirty days from the day of filing the lawsuit, he shall be nominated by the president of Permanent arbitration tribunal at Croatian Chamber of Commerce.

The language of arbitration procedure is Croatian.

Arbitration tribunal applies Croatian procedural and material law.

Arbitration tribunal must urgently decide on the disputes from this Contract within the instructional period of three months from the filing of lawsuit.

On the issues of arbitration procedure which are not regulated in this Article, contracting parties agree to apply Zagreb regulations.

PART XVII

COMMUNICATION OF CONTRACTING PARTIES

Article 116.

All the notices, correspondence, demands, requests, agreements and any other exchange of information based on this Contract shall be made in written form and in the Croatian language.

Written communication shall be carried out through post, telefax and e-mail.

Contracting party's dispositions related to this Contract will make consequences only if the dispositions are made in accordance with communication from this Article.

Article 117.

Postal address for the communication is the following:

FOR CONTRACTING AUTHORITY:

Robert Škifić, director,
PORT OF ZADAR AUTHORITY
Gaženička cesta 28 A (City of Zadar)
23000 Zadar
tel: 385 23 201 201
fax: 385 23 201 212

FOR CONCESSIONAIRE:

Each contracting party can change the address by delivering to the other contracting party written notification about the change, in accordance with this Article.

Article 118.

In case of dispute between contracting parties from this Contract, contracting parties agree that the lawsuit shall be delivered to their addresses stated in this Contract. By this regulation they have agreed on the delivery way of written submissions in court proceedings in accordance with the regulation from Article 133. b of Litigation Proceedings Act ("Official Gazette" no. 53/91, 91/92, 58/93, 112/99, 88/01, 117/03, 88/05, 02/07, 84/08, 123/08, 57/11, 25/13, 89/14).

Regulations from the previous paragraph refer also to arbitration proceedings.

Contracting parties point out that they are familiar with legal consequences of unorderly delivery.

Regulation from this Article, in the suitable way, applies on the delivery in administration proceedings which shall be led against Concessionaire for the violation of legal regulations and general acts of Contracting authority.

PART XVIII.

MODIFICATION OF CONTRACT

Article 119.

The concession contract can be modified without conducting a new concession award procedure when:

1. the Croatian parliament determines that there is a threat to national security and defence of the state, to environment or human health;
2. when it is required by the interest of the Republic of Croatia as determined in the Croatian

Parliament;

3. in other cases specified in a special act.

Changes to the concession contract cannot change the type and/or the subject of the concession contract.

The concession contract cannot be modified:

1. when the change is made to eliminate the defects in the concessionaire's performance or consequences of improper performance, where such defects may be eliminated by changing the provisions of the contract;
2. when the change is made to compensate the risk of price increase, where such price increase is the result of the market price fluctuation which could have a significant impact on the performance of the concession contract and from which the concessionaire has secured itself with the guaranties.

The concession contract can be modified without conducting a new concession award procedure when:

1. conditions and possibilities of change were foreseen in the Concession document and concession contract in a clear, unambiguous and precise way, however it is not allowed to foresee the changes to the type and/or the subject of the concession contract.
2. additional works and services are needed, which were not included in the original concession contract, and when replacement of the concessionaire:
 - a. it is not possible because of an economic or a technical reason, e.g. request for replacement of existing equipment, services or facilities which are supplied in accordance with the original concession.

b. it will cause significant difficulties or significant increase of costs for the contracting authority.

3. the cumulative conditions are fulfilled:

a. change does not affect the type and/or the subject of the concession contract;

b. need for change occurred after the conclusion of the concession contract as a result of the circumstance which the contracting authority, with the due care, could not foresee at the moment of the conclusion of the contract.

c. when a concession is awarded by the contracting authority with intention to provide services which are not listed in the Attachment II of this Act, and which value cannot exceed 50% of the value of the original concession. When there are more than one consecutive changes made to the contract, the limitation should apply to the value of every change.

4. when changes, regardless their value, are not substantial changes of the concession contract.

The concession contract cannot be modified in order to unduly avoid a new concession award procedure.

Article 120.

When there is a need for substantial changes to the concession contract, the contracting authority will conduct a new concession award procedure and conclude a new concession contract.

Any modification to the concession contract shall be deemed substantial when:

1. the change introduces conditions which, had they been part of the initial concession award procedure, would have allowed the selection of another tenderer instead of the one selected as the most favourable, or would have allowed the award of a concession contract to another tenderer;

2. the change has a substantial impact on the economic balance of the concession in favour of the concessionaire;

3. the change considerably extends the scope of the object of the concession to include goods, works or services not covered by the initial concession contract;

4. the concessionaire is being changed.

Exceptionally, the change of the concessionaire, complete or partial, shall not constitute a substantial change to the concession contract when it is the result of corporative restructuring of the concessionaire, as long as this does not imply other substantial changes to the contract or is not implemented to avoid the application of this Act. The change shall not be constituted a substantial when a change of the concessionaire came as a result of concession contract transfer.

When the scope of change may be pecuniary expressed such change shall not be deemed substantial if the value of change does not exceed the value essential to

determine the applicability of the procedure rules for awarding the concession and 10 % of the estimated concession value.

Article 121.

Modification to the contract shall be achieved through a contract addendum. Precondition for conclusion of the contract addendum is reaching an executive decision on modification/amendment of the concession award decision.

PART XIX FINAL PROVISIONS

1. CONTRACT REGISTRATION

Article 122

After the conclusion of the Concession contract, the Contracting authority will register the Concession contract within the Contracting authority's register and in the Tender Register of the Ministry of Finance.

2. CONTRACT CONFIRMATION

Article 123.

Wording of the Contract will be certified by a notary public pursuant to the provisions of the Notaries Public Act ("Official Gazette" No. 78/93, 29/94, 163/98, 1/07 and 75/09).

The contracting parties are consent that the Contract is enforceable.

The Concessioner will pay the costs of the enforcement proceeding.

This Contract has been drawn up in nine identical copies, one copy for a public notary, three copies for the Concessionaire and five copies for the Contracting authority.

3. PENDING CONTRACTS FOR PROVIDING SERVICES

Article 124.

Contracts which the Contracting authority has concluded with shipowners in the International liner shipping for providing services pursuant to Art 9 of this Contract and which are effective at the time of entry into force of this Contract, will be transferred to the Concessionaire.

Conditions for providing services, port dues and prices from previously mentioned contracts, will stay unchanged until 31 December 2018 and the Concessionaire is not allowed to change them until the expiration.

4. CONTRACT ENTRY INTO FORCE

Article 125.

This Contract will enter into force on _____ 2018.

THE CONTRACTING AUTHORITY:

PORT AUTHORITY ZADAR
Robert Škifić, Director

THE CONCESSIONAIRE: