

(1) ICGB AD

- and -

(2) AVAX S.A.

SECOND DEED OF VARIATION

in respect of the EPC Contract relating to the design, procurement and construction of the natural gas Interconnector Greece-Bulgaria (IGB Project) dated 10 October 2019

18 03 2021

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THIS SECOND DEED OF VARIATION is delivered on

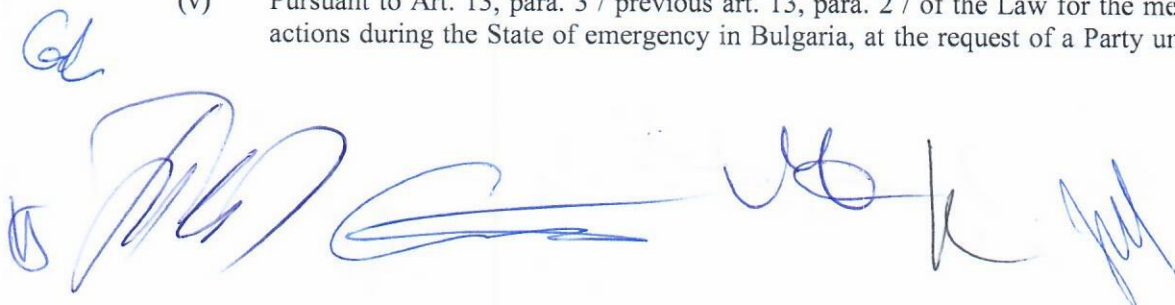
BETWEEN:

- (1) **ICGB AD**, a company established and existing under the laws of the Republic of Bulgaria, having its registered seat at 13 Veslets Street, 1000 Sofia, Bulgaria, with UIC 201383265, represented by its Executive Officers Ms Teodora Georgieva-Mileva and Mr Konstantinos Karayannakos ("**Employer**", including its legal successors and permitted assignees) of the one part; and
- (2) **AVAX SOCIETE ANONYME-CONTRACTING-TOURIST-COMMERCIAL-INDUSTRIAL-BUILDING MATERIALS AND EQUIPMENT with distinctive title AVAX S.A.**, General Commercial Registry (G.E.M.I.) Nr: 913601000, V.A.T. Registration Nr.: EL 094183623, whose registered office is situated at 16 Amaroussiou-Halandriou str, 151 25, Maroussi, Athens Greece ("**Contractor**" which term includes its legal successors and permitted assignees) of the other part.

Collectively referred to as the "Parties", and each a Party.

WHEREAS:

- A** The Employer and the Contractor entered into a contract relating to the design, procurement and construction of the natural gas Interconnector Greece-Bulgaria (IGB Project) which will directly connect the national gas transmission systems of the Republic of Greece and the Republic of Bulgaria dated 10 October 2019, as amended by the Deed of Variation between the Employer and the Contractor dated 11 November 2020 (the "**EPC Contract**").
- B** The Parties have established the following circumstances:
 - (i) The EPC contract has been executed on 10.10.2019 and pursuant to its clauses, the Commencement Date was achieved on 28.10.2019 and meaning that the Time for Completion should be achieved by 28.04.2021.
 - (ii) Following the updated construction schedule, the actual construction activities - clearing of RoW and preparation of the construction strip, stringing of pipes along the route, started from the beginning of March 2020.
 - (iii) On March 13 2020, by Resolution of the National Assembly of the Republic of Bulgaria, a State of emergency was declared as a reply to the spreading of the SARS COVID-19 pandemic in Bulgaria and worldwide. This followed the Greek Legislative Content Act of 25 February 2020 "Emergency measures to avoid and limit the spread of coronavirus" (Government Gazette issue A' 42/25.02.2020) whereby the legal framework for temporary limitations to the entry and departure from Greece was established, Laws and Ministerial Decisions were subsequently implemented in Greece with a view to controlling the spread and effects of COVID;
 - (iv) On March 24, 2020, the Law on Measures and Actions during the State of Emergency, announced by a Resolution of the Bulgarian National Assembly of March 13, 2020, and on overcoming the consequences was promulgated.
 - (v) Pursuant to Art. 13, para. 3 / previous art. 13, para. 2 / of the Law for the measures and actions during the State of emergency in Bulgaria, at the request of a Party under Public



procurement contract the term for execution of a public procurement contract may be renegotiated, but not more than two months after the cancellation of the State of emergency.

- (vi) The Contractor under the EPC contract, on 24.03.2020 served a notification in accordance with clause 13.8. Adjustment for Changes in law, as well as clause 19.2, and clause 20.1.1. which stated that the measures and restrictions imposed by the laws described in (iii) to (v) above will have an effect on the deadline for completion of works. In the notification, the Contractor also referred to restrictions not only applicable on the territory of Bulgaria, but also those affecting the territory of Greece, where, in addition to performing part of the construction works, the Contractor's staff is located and as well as part of the mechanization used for execution of the Works. In its subsequent notifications in respect of its notification on 24.03.2020, the Contractor supplemented its claims for extension and partial reimbursement of costs incurred in connection with the implementation of anti-epidemic laws on the basis that the implementation of these laws and the occurrence of the COVID-19 pandemic would also constitute Force Majeure.
- (vii) On 14 May 2020 the State of emergency declared by the Bulgarian National Assembly was revoked, but pursuant to Decision № 325 of 14 May 2020 of the Council of Ministers / last amended by Decision № 855 of 25 November 2020 /, on the grounds of art. 63, para. 2 in connection with para. 3, items 1, 2, 3, 5, 7 and 8 of the Health Act, an emergency epidemic situation has been declared. In addition, with the adoption of the Law on Amendments to the Health Act, powers to the Minister of Health to autonomously enact anti-epidemic measures and restrictions have been introduced. Exercising this power, the Minister of Health has issued a series of acts /orders/, which prescribe measures that directly affect the speed of construction work, in particular:
- Prohibition on entry into the territory of Bulgaria of citizens of certain states, including the Netherlands¹, Italy and Belgium²;
 - Imposition of a mandatory 14-day quarantine upon entry of citizens of various states, including Greece.³
- (viii) For example, the implementation of the laws described in (vii) above has had a direct impact on the execution of the works, because, the Contractor purchased an automatic welding system from the QAPCA company – a company established in the Netherlands, whose employees being citizens of the Netherlands have been prevented from entering in Bulgaria until 13 May 2020. QAPCA's personnel were also prevented by Greek COVID laws from entering Greece to train the Contractor's welders on how to work with the automatic welding machines. QAPCA's personnel resumed operations in Greece on 17 May 2020, after 14 days of quarantine, Consequently, they have not in a timely way been able to train the Contractor's welders to work with the automatic welding machine.
- (ix) In addition, as a consequence of the implementation of the laws described in (vii) above, the Contractor's Personnel have been forced to observe a 14-day quarantine at each entry into the territory of Bulgaria, when crossing the border and before going to the site, which

¹ Order No. RD-01-183/06.04.2020 of the Minister of Health

² On Wednesday 18 March 2020, Belgium imposed a ban on all non-essential travel to other countries, including the Netherlands.

³ Order RD - 01-265 of 14.05.2020 of the Minister of Health. Order № RD-01-274 / 21.05.2020 Order № RD-01-285 / 29.05.2020 And subsequent amendments

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requires either a delay in the speed of construction or leads to a need for additional staff for rotation.

- (x) On 23.11.2020 the Contractor informed the Employer in its letter, ICGB-OC06-0004-LET-00101 that from the beginning of November 2020 it registered a constant trend of cases of COVID-19 among the staff, as the data show an average relative share of 24 % of the total number. The number of infected, which according to the current acts of the Minister of Health must be isolated for 14 days, together with the number of persons who must be placed under mandatory 10-day quarantine⁴ leads to reduced productivity of 33 % in the progress of activities on the linear part - welding, trenching and backfilling, the effect of extending the completion period being assessed for a total of an additional 30 days.
- (xi) Cumulatively, declaring a State of emergency on the territory of Bulgaria, and similar legislative measures taken in Greece, together with other restrictions on travel and entry of personnel and the imposition of mandatory quarantine have led to a delay of approximately 4 months to the main activities - pipeline welding, laying and backfilling, respectively instead of March 2020, these activities started to be implemented in the last week of May 2020. This led to a reduction of the expected progress in the linear part and, accordingly, to a postponement of the next stage of the activities - preparation of the main crossing through large water bodies.
- (xii) The measures introduced by the laws described above concerning the COVID-19 pandemic, which have to some extent delayed performance of the Contractor's obligations under the EPC Contract as described in (xi) above, constitute a Change of Law within the meaning of the EPC Contract, which entitle the Contractor to an extension of time pursuant to Sub-Clause 8.4.
- (xiii) In respect of the preparation of the main crossing through large water bodies as described in (xi), the Contractor notified the Employer that the Contractor was starting preparatory activities in connection with the crossing of the Studen Kladenets dam. For the sake of completeness, it should be noted that according to EIA Permit № 1-1 / 2013 from 1 March to 30 August, as well as during the winter period from 1 December to 28 February, the Contractor is prohibited from carrying out preparatory and construction activities /due to the breeding period of the birds/ in the Birds Protected area BG0002013 "Studen kladenets".
- (xiv) Upon starting the preparatory activities on site, it was established by the Contractor that due to the set angle of intersection in the Technical design and the slope of the terrain, the crossing was technically impossible and that to carry out the construction of the crossing the Contractor needs an additional site, the purpose of which is explained in detail in ICGB Letter № XII-20 of 30.10.2020 and the attached Notification under Art. 4 of the Ordinance on the terms and conditions for carrying out EIA. This additional land falls outside the corridor which was subject to the environment impact assessment. Its exact location, parameters, designation and required surface could be established only during the preparatory works on the Site. This particular aspect is affecting the Time for Completion as described in (xvi) due to the mandatory permitting procedures that has to be undergone

⁴ Valid Order of the Minister of Health PД-01-725/ 23.12.2020, initially regulated in Order № P Д -0 1 -6 1 0 / 22.10.2020

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as well as the combination with the applicable environmental constraints prescribed in the EIA permit.

- (xv) The fact that an additional temporary site is required has been undisputedly established between the Parties. This has also been confirmed by the DZZD ECO BUL CONTROL carrying out the construction supervision / letter ref. № 01 from 21.01.2021 / and by the entity exercising author's supervision – Gastec BG EAD / letter ref. № GT-ID-01 dated 22.01.2021 /. The need for an additional site was not established at the stage of spatial planning and development of the detailed zoning plan, nor during the preparation of the technical design. The earliest possibility to establish that there is such technical need as additional methods which was the only possible way to secure implementation of the Technical design was only at the stage of carrying out the preparatory activities, when preparing the drawings and schemes for organization of work on site, which activity started in the period allowed by the EIA Decision, namely after September 1, 2020.
- (xvi) On 08.10.2020 the Employer notified the Bulgarian Ministry of Environment and Water on the planned amendment in the investment and after clarification of the applicable procedure, on 30.10.2020 / letter ref. № XII-20 / has submitted a proposal under Art. 4, para. 1 of the Ordinance on the terms and conditions for carrying out EIA.

At the date of signing this Second Deed of Variation, the procedure has not been formally completed, but as all procedural steps have been finalized, the Parties reasonably assume that the Decision on assessment for need of environmental impact assessment will enter into force by mid-March 2021. The preparatory activities for the crossing must be ceased on March 1, 2021 following measure item 16 of the EIA Permit. The crossing of the dam "Studen Kladenets" under the water body applying the HDD method should be actually restored after July 20, 2021, according to measure 17 of the same EIA permit. According to the initially proposed indicative schedule and offer, the HDD will be executed for a period of 117 days, ie. approximately, starting on July 20, 2021 and ending on November 20, 2021. This date objectively falls outside the initially agreed deadline for Time for completion - April 28, 2021. For completeness, it should be noted that the Employer, as a mitigation measure to reduce the delays, requested in its letter, ref. №XI-12 of 25.11.2020 by the Ministry of Environment and Water interpretation of the EIA Permit and possibility to change the dates of the permitted construction windows.

C The Parties, taking into account the above circumstances and on the grounds of Art. 116, para. 1, item 3 of the Public Procurement Act and on the grounds of clause 13.8 of the EPC Contract and in connection with Art. 116, para. 1, item 1 of the Public Procurement Act agree that:

- (a) The COVID-19 pandemic and the state of emergency declared in this regard on 13 March 2020;
- (b) The subsequent restrictions imposed on the territory of Bulgaria for crossing the border between Greece and Bulgaria, imposing a mandatory 14-day quarantine upon entry, establishing cases of COVID-19 and 10-day quarantine for COVID-19 contact persons imposed on the basis of the Health Act ;

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- (c) The mandatory procedure assessment the need of carrying out an EIA in connection with the need to provide additional land in Studen Kladenets Dam, which is part of the protected area for birds BG0002013 "Studen Kladenets";

appear to be circumstances which, neither the Employer nor the Contractor, acting in due care, could foresee and, in respect of (a) and (b) are also related to a Change of Law, separately representing a legal ground for admissible amendment of the executed EPC Contract in respect of its Time for Completion.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Second Deed of Variation, save where defined otherwise herein or save where the context otherwise requires, defined terms in the EPC Contract (including those defined terms in Sub-Clause 1.1) shall apply and have effect in relation to the words and expressions used in this Deed and the interpretation and construction of this Deed.

1.2 Interpretation

In this Second Deed of Variation, except where the context otherwise requires the provisions of Sub-Clause 1.2 of the EPC Contract shall apply as if set out in full herein.

2. COMMENCEMENT

- 2.1 This Second Deed of Variation shall be effective from the date of its execution by both Parties.

3. PRECEDENCE OF DOCUMENTATION

- 3.1 This Second Deed of Variation and the EPC Contract shall be read together and interpreted as a single agreement. Subject to clause 3.2 and unless expressly stated to the contrary herein, in the event of any inconsistency between the provisions of this Deed and the EPC Contract, this Deed shall take precedence.

- 3.2 The variations of the terms of the EPC Contract made by this Second Deed of Variation are otherwise without prejudice to the Contractor's and the Employer's respective rights and obligations under the EPC Contract, and the rights and remedies of the Employer under the EPC Contract.

4. VARIATION

- 4.1 The Parties agree that the EPC Contract is hereby amended pursuant to Sub-Clause 1.18 of the EPC Contract to give effect to the amendments set out in the Schedule to this Second Deed of Variation.
- 4.2 The Parties confirm that save as expressly amended by this Second Deed of Variation the EPC Contract shall continue in full force and effect.

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5. ENTIRE AGREEMENT

This Second Deed of Variation constitutes the entire agreement between the Parties in connection with the subject matter of this Deed and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Deed.

6. COSTS AND EXPENSES

Each Party shall bear its own costs and expenses (including advisers' fees and expenses) in connection with the preparation, negotiation, execution and completion of this Second Deed of Variation.

7. NO AGENCY

Nothing contained in this Second Deed of Variation is intended to or shall be construed as creating a partnership, agency, joint venture or legal relationship of any kind between the Parties that would impose liability upon one Party for the act or failure to act of the other Party, or to authorise either Party to act as agent for the other.

8. THIRD PARTY RIGHTS

This Second Deed of Variation shall not and shall not purport to confer on any third party any benefit or right to enforce any term of the Deed whether by way of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

9. COUNTERPARTS

This Second Deed of Variation may be executed in any number of counterparts, and by the Parties as separate counterparts but will not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts shall together constitute one and the same Deed.

10. DISPUTE RESOLUTION

The provisions in Clause 20 (*Claims, Disputes and Arbitration*) of the EPC Contract shall apply in respect of any dispute arising out of or in connection with this Second Deed of Variation.

11. GOVERNING LAW AND JURISDICTION

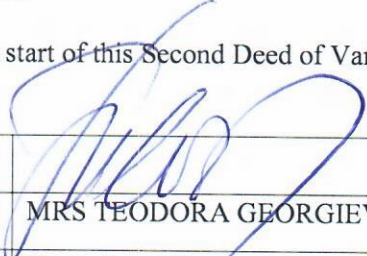
The Second Deed of Variation and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with the laws of England and Wales.

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IN WITNESS WHEREOF the Parties hereto have caused this Second Deed of Variation to be executed as a deed on the day and year stated above.


AUTHORISED SIGNATORY OF THE EMPLOYER

Executed (but not delivered until the date written at the start of this Second Deed of Variation) as a deed by an authorised signatory of **ICGB AD**

Signature:	
Name (block capitals):	MRS TEODORA GEORGIEVA
Title:	Executive Officer
Place of Signing:	

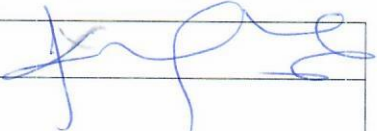
AUTHORISED SIGNATORY OF THE EMPLOYER

Executed (but not delivered until the date written at the start of this Second Deed of Variation) as a deed by an authorised signatory of **ICGB AD**


Signature:	
Name (block capitals):	MR KONSTANTINOS KARAYANAKOS
Title:	Executive Officer
Place of Signing:	

AUTHORISED SIGNATORY OF THE CONTRACTOR

Executed (but not delivered until the date written at the start of this Second Deed of Variation) as a deed by an authorised signatory of **AVAX S.A.**

Signature:	
Name (block capitals):	MR KONSTANTINOS MITZALIS
Title:	Managing Director
Place of Signing:	

Authorized by:
Minutes of the meeting of the Board of Directors of AVAX S.A.



DATED:

SCHEDULE

AMENDMENTS TO THE EPC CONTRACT

1. Time for Completion

In Sub-Clause 1.1, delete the definition of "Time for Completion and replace with:

"means the time for completing the Works under Sub-Clause 8.2 (Time for Completion), being twenty six (26) months (with any extension under Sub-Clause 8.4 (Extension of Time for Completion)), calculated from the Commencement Date."

2. No claims for extension of time for matters described in the Recitals to this Second Deed of Variation

The extension of time made by increasing the Time for Completion from 18 months to 26 months represents the full extension of time entitlement of the Contractor due to the events and matters referred to in the Recitals for matters occurring and known up to and including the date of this Second Deed of Variation.

3. Rate of Progress

Delete Sub-Clause 8.6.1 and replace with:

8.6.1 If,

8.6.1.1 at any time, actual progress is too slow to complete the Works within the Time for Completion; and/or

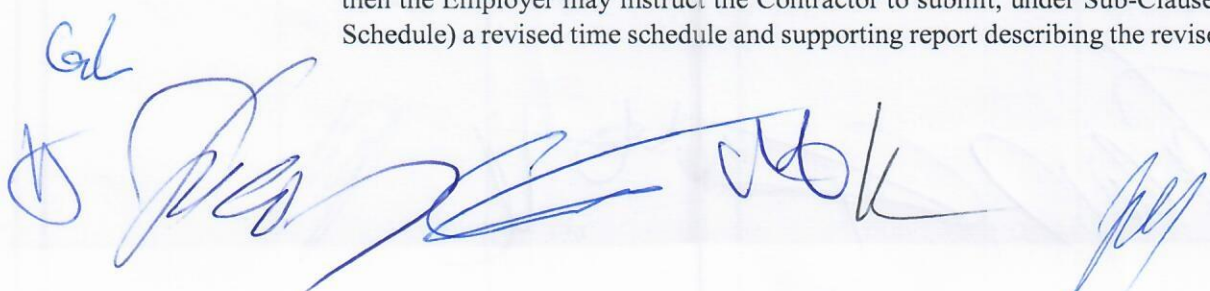
8.6.1.2 at any time, progress has fallen (or will or is likely to fall) behind the current time schedule under Sub-Clause 8.3 (*Time Schedule*); and/or

8.6.1.3 the Contractor fails to complete the Detailed Engineering for both Bulgarian and Greek sections in accordance with item 2.3 of the Technical Specification by 10th of May 2021; and/or

8.6.1.4 the Contractor fails to complete the major crossings where the HDD method is foreseen in accordance with the Technical Specification and the Technical Design by 15th of October 2021, subject to the permit referred to in Recital B (xvi) being granted in a timely way; and/or

8.6.1.5 the Contractor fails to deliver all necessary equipment on the Site in accordance with the Technical Specification and the procurement plan, as approved by the Employer, by 1st of October 2021,

other than as a result of a cause listed in Sub-Clause 8.4.1 (subject to Sub-Clause 8.4.3) then the Employer may instruct the Contractor to submit, under Sub-Clause 8.3 (Time Schedule) a revised time schedule and supporting report describing the revised methods

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which the Contractor proposes to adopt in order to expedite progress and complete within the Time for Completion.

Ed
✱ *Paul [unclear]*

ICGB AD
Veslets Street, 1000 Sofia, Bulgaria,

AVAX S.A., 16 Amaroussiou-Halandriou
str, 151 25, Maroussi, , Athens Greece

DATE: 18.03.2021

Subject: Side Letter to Second Deed of Variation

Dear Sirs

We refer to the Second Deed of Variation (the **“Deed”**), entered into on 18.03.2021

The Deed, among other things, increases the Time for Completion from a period of 18 months to a period of 26 months, to take account of the various events of delay described in the Recitals to the Deed.

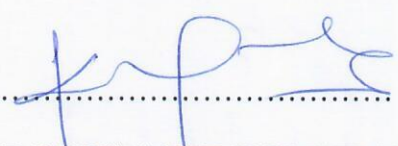
The Deed makes no provision for the Contractor to be paid additional money under the EPC Contract (as defined in the Deed) due to the effects of events that have caused delay to the Project. As matters currently stand, the Contractor has outstanding claims against the Employer, and the Employer has not accepted those claims.

The Parties have agreed to enter into timely communications and discussions to review the Contractor’s outstanding money claims. Any determination of such claims by the Employer shall be made in accordance with, and subject to, the terms of the EPC Contract.

The Parties record their agreement to the above terms by signing this Side Letter as follows:



Name: MRS TEODORA GEORGIEVA
Title: EXECUTIVE OFFICER



Name: MR. KONSTANTINOS MITZALIS
Title: MANAGING DIRECTOR



Name: MR. KONSTANTINOS KARAYANAKOS
For and on behalf of ICGB AD

For and on behalf of AVAX SA

Date: 18. / 03 / 2021

Date:

Gd

