

NOTICE OF AWARD

20 December 2018

North Luzon Airport Consortium

6/F The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, 1634 Taguig City

Attention: Ms. Ana Venus A. Mejia
Authorized Representative

Project: Clark International Airport Project (Operations and Maintenance) (the
“Project”)

Gentlemen:

This has reference to the Financial Proposal submitted by North Luzon Airport Consortium for the Project. Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Instructions to Bidders for the Project (“ITB”).

The Special Bids and Awards Committee (“SBAC”) found North Luzon Airport Consortium’s bid for the Project as the lone complying bid and has issued a Resolution dated 03 December 2018 with a recommendation to issue a notice of award in favor of North Luzon Airport Consortium. Inasmuch as North Luzon Airport Consortium is the lone complying bid for the Project and pursuant to the applicable provisions of the Revised Implementing Rules and Regulations of Republic Act (“R.A.”) No. 6957, as amended by R.A. No. 7718 (“BOT IRR”), the Bases Conversion and Development Authority (“BCDA”) sought the confirmation of the Investment Coordination Committee (the “ICC”) of the National Economic and Development Authority that North Luzon Airport Consortium’s financial proposal, which reflects an equity rate of return (“ROR”) of eleven percent (11%), is reasonable and acceptable. Accordingly, on 19 December 2018, the ICC confirmed that North Luzon Airport Consortium’s bid is reasonable and acceptable.

Considering the foregoing and in accordance with Section 11.2 of the BOT IRR, the SBAC’s recommendation has been approved and this Notice of Award of the Project is being issued to North Luzon Airport Consortium as the Winning Bidder.

Please submit the following documents to the SBAC within twenty (20) days from official receipt of this Notice of Award:

1. Notice of Award signed by the authorized representative of the Winning Bidder;
2. Operation Performance Security in the amount of One Hundred Million Philippine Pesos (PhP100,000,000.00) in the form of an irrevocable standby letter of credit, using the form in Annex CP-3 of the ITB, without modification. The Operation Performance Security must be issued by a universal or commercial bank licensed by the Bangko Sentral ng Pilipinas, a list of which is provided in Schedule 1 of the ITB;
3. Evidence of the formation of a domestic corporation which will be the O&M Concessionaire, consisting of certified true copies issued by the Philippine Securities

and Exchange Commission ("SEC") of the certificate of incorporation, articles of incorporation and by-laws of the O&M Concessionaire (collectively, the "O&M Concessionaire Constitutional Documents"); if the Winning Bidder is a Consortium, the shareholders of the O&M Concessionaire and the respective percentage shareholdings of its members should be the same as those shown in the Winning Bidder's Annex QD-2B; whereas if the Winning Bidder is a corporation, the shareholding structure of the O&M Concessionaire should comply with Section 12.2.g of the ITB. In the event that the Winning Bidder is unable to incorporate the O&M Concessionaire within the twenty (20)-day period for reasons beyond its control, the Winning Bidder shall submit: (i) proof that it has caused the incorporation of a domestic corporation and that the papers relating to said incorporation have been duly filed with the SEC; or (ii) in the event that such papers have yet to be filed for reasons beyond the control of the Bidder, an affidavit stating that all actions for formation of the corporation have been done but cannot be filed for reasons beyond the control of the Bidder together with an attached proof of the reason for the delay (e.g., screen capture showing that the website of the SEC is not functioning). Once incorporated, the Winning Bidder shall submit the O&M Concessionaire Constitutional Documents to BCDA, and the O&M Concessionaire shall sign an accession or similar agreement to be bound by the O&M Concession Agreement;

4. Certified true copies issued by the authorized officer of the O&M Concessionaire, duly notarized, of resolutions adopted by the board of directors of the O&M Concessionaire attesting that the O&M Concessionaire conducted an organizational meeting of its stockholders and elected its regular board of directors and corporate officers, and authorizing the execution, delivery and performance of the O&M Concession Agreement and the Transaction Documents (as this term is defined in the O&M Concession Agreement) (collectively, the "O&M Concessionaire Resolutions"). In the event that the Winning Bidder is unable to incorporate the O&M Concessionaire within the twenty (20)-day period beyond its control, the Winning Bidder shall instead submit the O&M Concessionaire Resolutions within five (5) of days from the O&M Concessionaire's incorporation.
5. If the Winning Bidder is a Consortium, an agreement, using the form in Annex CP-1 of the ITB, indicating that the Consortium Members are jointly and severally liable for the obligations of the O&M Concessionaire under the O&M Concession Agreement; the joint and several liability under Annex CP-1 of the ITB shall cease upon the submission of the O&M Concessionaire Constitutional Documents;
6. If the Winning Bidder is a Consortium, compliance with the Equity Requirements, as evidenced by an original copy of each of the Equity Documents which have been duly authorized and validly executed, and which are in full force and effect and delivered by the parties to them, and in respect of which all conditions required under them have been fully satisfied;
7. If the Winning Bidder is a corporation, proof that all of the equity of the O&M Concessionaire will be owned by the Winning Bidder, as shown by (i) a treasurer's affidavit attesting to the actual paid-up capital of the O&M Concessionaire and (ii) subscription agreement between the Winning Bidder and the O&M Concessionaire or shareholders agreement between the Winning Bidder and the O&M Concessionaire;

8. Letters from reputable financial institutions expressing their willingness to provide sufficient credit facilities as required in the Winning Bidder's Financial Proposal, and also indicating the terms and conditions for such facilities, using the form in Annex CP-2 of the ITB;
9. Certified true copy of a valid Tax Clearance Certificate ("TCC"), issued by the appropriate office in the BIR, pursuant to Executive Order No. 398 (series of 2005) as implemented by Revenue Regulations Nos. 1-2016 and 8-2016, certified by a notary public or the relevant entity's chief financial officer as a true copy of the original, is to be submitted by the Bidder, or in the case of a Consortium, to be submitted by each Consortium Member. For non-resident corporations not doing business in the Philippines and not able to obtain a TCC, Bidders must submit, in lieu of a TCC, a Delinquency Verification Certificate issued by the appropriate office in the BIR, certified by a notary public or the relevant entity's chief financial officer as a true copy of the original, and a sworn statement, signed by the relevant officer of the said Bidder or Consortium Member, attesting to the fact that it is not doing business nor subject to any form of tax in the Philippines;
10. Payment of the transaction advisory fee in the amount of Five Hundred Thousand U.S. Dollars (US\$500,000.00), the details of which the International Finance Corporation (IFC) will provide to the North Luzon Airport Consortium in a separate letter copy furnishing BCDA.

We look forward to your immediate compliance with these Post-Award Requirements.

Issued this 20th day of December 2018.



VIVENCIO B. DIZON
President and Chief Executive Officer

Conforme:

ANA VENUS A. MEJIA
Authorized Representative
North Luzon Airport Consortium