

ENGAGEMENT LETTER

FOR PROCEDURAL REPRESENTATION AND LEGAL ADVICE ON AN INTERNATIONAL ARBITRATION CASE

Today, in Sofia, this Engagement Letter for procedural representation and legal advice on an international arbitration case (hereinafter referred to briefly as the "Engagement Letter") is signed between:

THE MINISTRY OF FINANCE OF THE REPUBLIC OF BULGARIA, with address Sofia 1040, G.S. Rakovski St. No. 102, represented by Assen Vassilev - Minister of Finance, and Galina Mladenova - Director of the "Finance and Property Management" Directorate, (hereinafter referred to briefly as "the Ministry of Finance"), on one side, and

on the other side:

..... represented by in the capacity of a partner in the Law Firm, (hereinafter referred to briefly as "the Law Firm", and together with the Ministry of Finance – referred to as "the Parties"),

Considering the following:

1./ The Ministry of Finance has conducted a Procedure for concluding a Engagement Letter for procedural representation and legal advice on ("the Case"), initiated with ZMF..... ("Procedure for concluding the Engagement Letter");

2./ With Decision No. the Ministry of Finance has selected the Law Firm **that participated** in the Procedure for concluding the Engagement Letter to provide legal advice and procedural representation of the Bulgarian state in the Case, and the Law Firm agrees to be hired to provide these Legal services.

The Parties have reached the following agreement:

I. SUBJECT OF THE ENGAGEMENT LETTER

1.1. The Ministry of Finance assigns, and the Law Firm agrees to provide the Bulgarian state with legal advice and to carry out procedural representation in the international arbitration case initiated by Nexo AG, NDS EOOD, and Mirastar EOOD against the Republic of Bulgaria before the International Centre for Settlement of Investment Disputes (ICSID), Washington, USA (ICSID Case No. ARB/24/2).

1.2. The scope of these legal services includes the preparation and execution of representation and defense of the Republic of Bulgaria in the investment dispute started by Nexo AG, NDS EOOD, and Mirastar EOOD (ICSID Case No. ARB/24/2), including all legal work necessary for the representation and defense of the interests of the Republic of Bulgaria in any arbitration proceedings, all legal work necessary for the representation and defense of the interests of the Republic of Bulgaria in any proceedings after the Award, including, but not

limited to, any proceedings for interpretation, review, or annulment of the Award, any proceedings in any state court relating to attempts to enforce or oppose the enforcement of the Award, and any negotiations allowed and led by the Ministry of Finance to seek a voluntary resolution of the dispute.

1.3. For the legal services under this Engagement Letter, the Ministry of Finance will pay the Law Firm a price, which is determined and due according to Article 2.19 and following.

II. CONDITIONS FOR PROVIDING LEGAL SERVICES

Term of the Engagement Letter

2.1 The Engagement Letter comes into effect at the moment it is signed by the Parties and is concluded for the duration until all obligations under it are fulfilled.

Obligations of the Law Firm

2.2 The Law Firm is obligated to prepare and carry out the procedural representation in the Case.

2.3 The Law Firm is obligated to prepare and carry out the procedural representation in the Case professionally and with the care and skills of a good attorney.

2.4 The Law Firm is obligated to include in its group of attorneys working on the Case, including but not limited to the attorneys and members of the legal team specified by the Law Firm in the offer submitted in the Procedure for concluding the Engagement Letter, namely:, who will be personally, primarily, and directly engaged in the preparation and execution of the procedural representation in the Case:

2.5 The team proposed by the Law Firm in the participation procedure may only be changed based on valid reasons, which are to be consulted with the Contracting Authority. The withdrawal of a team member is with the consent of the Contracting Authority, which cannot be unreasonably withheld. Upon the withdrawal of a team member, the firm is obligated to propose a person with experience and qualifications equivalent to the person being replaced, unless this is impossible. The replacement person is subject to approval by the Contracting Authority, and the approval cannot be unreasonably withheld.

2.6 The Law Firm is obligated to agree in advance with the Ministry of Finance on the overall strategy for the procedural representation in the Case, as well as any significant action in the Case.

2.7 If administering the Case and/or the preparation and execution of the procedural representation in the Case require the hiring of a Bulgarian attorney and/or expert in Bulgarian law and/or expert in the law of any other country and/or expert in international law and/or any other economic, financial, energy, or other expert, the Law Firm may hire such an attorney and/or expert only after prior approval by the Ministry of Finance of the contract

between the Law Firm and the respective attorney and/or expert, as well as the prices and/or hourly rates specified in the contract. If deemed appropriate, upon the proposal of the Law Firm, the Ministry of Finance may enter into the contract with the specified attorney and/or expert. The requirements for conflict of interest in Article 2.10 of this Engagement Letter apply to this attorney and/or expert.

2.8 The Law Firm is obligated to agree in advance with the Ministry of Finance on all significant expenses that must be made in connection with the procedural representation in the Case. The Law Firm is obligated to make reasonable efforts to minimize expenses, including arranging for its attorneys to travel in business class instead of first class for air travel, to stay in hotels up to 4 stars at reasonable prices after consultation with the Ministry of Finance (provided that the hotel offers modern business facilities).

2.9 The Law Firm is obligated to timely inform the Ministry of Finance about the development of the Case, the procedural actions taken in the Case, as well as about all issues related to it.

2.10 The Law Firm declares that there is no conflict of interest arising from its current professional activity and commits not to undertake any future professional activity that could lead to such a conflict. It is considered that the Law Firm has a conflict of interest if it represents a party in a legal or arbitration case against Bulgaria, a Bulgarian state authority or agency, or a Bulgarian state-owned company (a company in which Bulgaria or a Bulgarian state authority or agency directly or indirectly owns more than 50% of the shares or interests), or if there is a conflict of interest according to the rules of the bar association applicable to the Law Firm, as well as if there is a conflict of interest in relation to the plaintiffs in the Case and related persons.

2.11 The Law Firm commits not to transfer, in whole or in part, any of its rights or obligations under the Engagement Letter.

2.12 The Law Firm and its attorneys and employees are obligated to maintain confidentiality and not to voluntarily disclose to any third parties or persons any information or documents received from the Ministry of Finance in the course of the execution of the Engagement Letter, unless required by applicable laws or by a court order, or another identical obligation.

2.13 The Law Firm and its attorneys and employees commit not to use any information or documents received in the course of the execution of the Engagement Letter for any purposes other than legal advice and procedural representation in the Case.

2.14 The Law Firm is obligated not to communicate, officially or unofficially, any information related to the Case to Bulgarian and foreign media, and not to make statements to the media regarding the Case without the prior consent of the Ministry of Finance.

2.15 The Law Firm is obligated to maintain, for the entire duration of the contract, a valid Professional Liability insurance with a value of no less than 25 (twenty-five) million euros or the equivalent amount in another currency, applicable towards the Bulgarian state.

2.16 The Law Firm is obligated to provide training services to the employees of the Ministry of Finance on issues related to international investment arbitration. The specific activities to fulfill this obligation are agreed between the Law Firm and the Ministry of Finance in written form.

2.17 The Law Firm is obligated to provide employees of the Ministry of Finance, responsible for organizing and preparing the defense of the Bulgarian state in the case, access to legal information systems and applications and computer programs based on artificial intelligence and others, which it has and which could be applied in the process of working on the specific case.

2.18 After the termination of the Engagement Letter, the Law Firm is obligated to timely return all documents of the Ministry of Finance, unless required to retain them by a court order or another identical legal obligation.

Obligations of the Ministry of Finance

2.19 The Ministry of Finance is obligated to pay the Law Firm a fee for its services as follows:

- a. ... € (...euros) per hour of work performed by a partner,
- b. ... € (...euros) per hour of work performed by an associate, and
- c. ... € (...euros) per hour of work performed by a legal assistant.

2.20 The compensation for the provided services is determined according to Article 2.19 above, but not more than the amount of per month. Upon reaching the specified monthly limit, only compensation in the amount of the monthly limit is due.

2.21 In the event that the compensation, determined according to the hourly rates agreed in Article 2.19 and the actual hours worked, exceeds the monthly limit agreed in Article 2.20, the compensation/services for the difference over the respective monthly limit may be paid to the Law Firm within the allowable monthly limit for the following 3 (three) months after the month in which the work was performed. Such carried-over payments are made on a monthly basis, subtracted from the monthly limit for the respective month for which the payment is carried over, whose amount is reduced by the corresponding sum.

2.22 In the months when deadlines for submitting written defenses in the main phases of the proceedings expire, and in the months when hearings in the case are held, as well as in the two months preceding the months in which the said deadlines expire or the said hearings are held, the agreed monthly limit may be increased by 50 to 100 percent. The increase can be made after a reasoned request from the Law Firm and only after the express consent of the Ministry of Finance. The decision on the validity of the request belongs entirely to the Ministry of Finance. The increase in the agreed monthly limit for these months does not prevent the application of Article 2.21 in relation to the compensation accrued for the months in which the agreed monthly limit has been increased.

2.23 For the purposes of the previous article, the main phases of the proceedings are determined by mutual agreement of the parties to this Engagement Letter after the preparation of the procedural calendar for the case.

2.24 The Ministry of Finance is not responsible for any taxes due and payable by the Law Firm and its attorneys in any country other than Bulgaria. The Law Firm is responsible for complying with all regulations of Bulgarian tax legislation, including the obligation to provide

the mandatory legal documents for exemption from withholding tax, when such exemption is provided in an applicable Double Tax Treaty.

2.25 The Ministry of Finance is obligated to pay the Law Firm for all necessary expenses reasonably incurred in connection with the preparation and execution of the procedural representation in the Case. These expenses must be preliminarily agreed upon and approved by the Ministry of Finance. Expenses for internal printing, consumables, information systems maintenance, and database maintenance are to be borne by the Law Firm.

2.26 In the event that the execution of procedural representation requires the respective attorneys and employees of the Law Firm to travel outside their usual place of residence, in line with its obligation under Article 2.8, the Law Firm may request the Ministry of Finance to reimburse all necessary expenses reasonably incurred in connection with the travel, only if they have been agreed upon and preliminarily approved by the Ministry of Finance in writing. Per diem expenses for the travel period related to attending a hearing in the case are owed only to the attorneys and employees who do not ordinarily reside in the seat of the arbitration. Per diem expenses are owed in an amount determined according to Bulgarian legislation.

2.27 Expenses from the previous article, beyond those for travel, hotel accommodation, and per diems, are only owed after preliminary permission and approval by the Ministry of Finance. Expenses not incurred and approved in the manner prescribed by this Engagement Letter are not subject to reimbursement.

2.28 The Ministry of Finance is obligated to pay the compensation and expenses due under the Engagement Letter based on a monthly report of work performed and expenses and an invoice sent to it.

2.29 The Ministry of Finance is obligated to pay the compensation and expenses due under the Engagement Letter to the following bank account of the Law Firm within fifteen days from receiving the monthly report of work performed and expenses and the monthly invoice:

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2.30 Any change in the bank account specified in the previous article must be communicated to the Ministry of Finance using the contact details provided in Article 3.2.

2.31 The Ministry of Finance is obligated to timely provide the Law Firm with any assistance necessary for the preparation and execution of the procedural representation in the Case.

Termination

2.32 The Engagement Letter terminates once both parties have fulfilled all their obligations under it.

2.33 The Engagement Letter may be terminated at any time by mutual agreement between the parties, expressed in written form.

2.34 The Ministry of Finance may unilaterally terminate the Engagement Letter at any time for any reason or without reason with a fifteen-day written notice. In the event of such

termination, the Ministry of Finance owes no compensation but must pay the Law Firm for the work performed and expenses incurred.

Applicable Law and Dispute Resolution

2.35 Regarding this agreement, as well as issues not regulated by it, the applicable Bulgarian legislation shall apply.

2.36 All disputes arising from or related to the Engagement Letter should be resolved through negotiations between the parties. If an amicable settlement of disputes cannot be achieved, they should be referred to the generically competent court in Sofia.

III. MISCELLANEOUS PROVISIONS

3.1 This Engagement Letter may only be amended by mutual agreement between the parties, concluded in written form and signed by them.

3.2 All notices required or permitted to be sent in connection with the Engagement Letter, as well as any other communications, shall be sent by express registered mail, telex, fax, or email to the following addresses:

For the Ministry of Finance:

The Ministry of Finance
Attn: Minister of Finance
102, G. S. Rakovski Street
Sofia 1040
Republic of Bulgaria
Telephone: + 3592-9859-2001
Facsimile: +3592-9859-2329

For the Law Firm:

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Telephone:

Facsimile:

3.4 This Engagement Letter is drawn up and signed in English and Bulgarian, in two originals in each language, one original in each language for each party. In case of discrepancies between the English and Bulgarian texts, the English text shall prevail.

For the Ministry of Finance of the Republic of Bulgaria

.....

Name: Assen Vassilev

Minister of Finance

.....

Name: Galina Mladenova

Director of the "Finance and Property
Management" Directorate,

For

.....

Name:

Partner