

## **FRAMEWORK AGREEMENT**

for procedural representation and legal advice in international arbitration cases and in proceedings before foreign jurisdictions, as well as legal advice and representation in negotiations and mediation related to resolution of legal disputes

This framework agreement (this “Framework Agreement”) is signed on ... in Sofia, by and between

**The MINISTRY OF FINANCE OF THE REPUBLIC OF BULGARIA** (the “Ministry of Finance”), 102, G. S. Rakovski St., Sofia 1040, represented by Rositza Velkova-Jeleva in her capacity of the Minister of Finance of Republic of Bulgaria and Galina Mladenova in her capacity of Head of Finance and Property Management Department of the Ministry of Finance

and

..... (the “Law Firm” and collectively with the Ministry of Finance, the “Parties”), represented by ..... in his capacity as a Partner of the Law Firm.

### **I. Subject Matter of the Framework Agreement**

1.1 Pursuant to a completed procedure for conclusion of framework agreements with subject matter “Procedural representation and legal advice in international arbitration cases and in proceedings before foreign jurisdictions, as well as legal advice and representation in negotiations and mediation related to resolution of legal disputes, the Ministry of Finance has selected by Decision ..... the Law Firm to provide legal services related to procedural representation and legal advice in international arbitration cases and in proceedings before foreign jurisdictions, as well as legal advice and representation in negotiations and mediation related to resolution of legal disputes (the “Legal Services”), and the Law Firm agrees to be retained to provide the

Legal Services for a period of four years in accordance with the terms of Article 2 of this Framework Agreement.

- 1.2 This Framework Agreement does not constitute a retainer of the Law Firm to provide Legal Services in a particular case or legal dispute. The Law Firm will be retained to provide Legal Services in a particular case or legal dispute by a retainer letter (the “Retainer Letter”) incorporating the terms set out in Article 2 of this Framework Agreement.
- 1.3 Until the execution of a Retainer Letter, this Framework Agreement does not create an obligation for the Law Firm to refrain from performing work which creates a conflict of interest as defined in Article 2.10 below.

## **II. Terms for providing the Legal Services**

### **Duration of the retainer**

- 2.1 The Retainer Letter shall become effective upon the signature by the duly authorized representatives of the Parties hereto and shall terminate in accordance with the provisions of Articles 2.25, 2.26 and 2.27.

### **Price**

- 2.2 The total price owed by the Ministry of Finance to the Law Firm under the Retainer Letter shall include all fees due under Article 2.17.

### **Obligations of the Law Firm**

- 2.3 The Law Firm shall prepare and carry out the procedural representation in the particular international arbitration case or proceedings before foreign jurisdiction (the “Case”).
- 2.4 The Law Firm shall prepare and carry out the procedural representation in the Case in professional manner and with the care and skills of a good attorney.
- 2.5 The Law Firm shall include in the group of its attorneys who will work on the Case the following attorneys who will be personally, primary and directly responsible for the preparation and performance of the procedural representation in the Case: ...
- 2.6 The Law Firm shall agree in advance with the Ministry of Finance on the general strategy of the procedural representation in the Case, as well as on each important step of the Case.

- 2.7 If the administration of the Case and/or the preparation and the performance of the procedural representation in the Case require the retention of a Bulgarian attorney-at-law and/or Bulgarian Law expert and/or an expert on any other foreign state's law and/or International Law expert and/or any other expert, the Law Firm may retain such an attorney-at-law and/or expert only after prior consultations with and approval by the Ministry of Finance.
- 2.8 The Law Firm shall agree in advance with the Ministry of Finance on every major expense that has to be incurred in relation to the procedural representation in the Case. The Law Firm shall make reasonable efforts to minimize expenses, including arranging for its attorneys to fly business class instead of first class for air travel, seeking reasonably priced accommodation in consultation with the Ministry of Finance (provided such accommodations are equipped with modern business facilities).
- 2.9 The Law Firm shall promptly inform the Ministry of Finance about the development of the Case, the procedural acts carried out in the Case and the problems which have occurred in relation to it.
- 2.10 The Law Firm warrants that there is no conflict of interest resulting from its present professional activities and agrees not to engage in future professional activities which may create such a conflict. The Law Firm is considered to have a conflict of interest if it represents a party in a litigation or arbitration case against Bulgaria, any Bulgarian state organ or agency, or any Bulgarian state-owned company (a company in which Bulgaria or any Bulgarian state organ or agency, directly or indirectly, holds more than 50% shareholding), or if it has a conflict of interest under the bar rules applicable to the Law Firm.
- 2.11 The Law Firm shall not wholly or partly assign or transfer any right or obligation under the Retainer Letter.
- 2.12 The Law Firm and its attorneys and employees shall keep confidential and shall not make any voluntary disclosure in any manner whatsoever to any third party or person of any information or documents received from the Ministry of Finance in the course of the performance of the Retainer Letter, except to the extent required by applicable laws and regulations or by any subpoena or similar legal obligation.
- 2.13 The Law Firm and its attorneys and employees shall not use any information or documents received from the Ministry of Finance in the course of the performance of

the Retainer Letter for any purpose whatsoever other than the procedural representation in the Case.

- 2.14 The Law Firm shall not communicate, formally or informally, any information connected to the Case to the Bulgarian and foreign media and shall not issue any media releases in connection with the Case without prior consent of the Ministry of Finance.
- 2.15 After the termination of the Retainer Letter, the Law Firm shall promptly return to the Ministry of Finance all its documents unless it is required to retain such documents pursuant to any subpoena or similar legal obligation.
- 2.16 The above obligations shall apply to the Law Firm also when it provides legal advice and representation in negotiations and mediation related to resolution of legal disputes.

### **Obligations of the Ministry of Finance**

- 2.17 1. The Ministry of Finance shall pay to the Law Firm remuneration for its services as follows:
- a. €... ( ...EURO) for one hour of work performed by a partner,
  - b. €... ( ... EURO) for one hour of work performed by an associate, and
  - c. € ... ( ... EURO) for one hour of work performed by a legal assistant

2. Each hourly fee specified in Article 2.17.1 shall be indexed every 12 months as of the date of entry into force of this Framework Agreement in case the reported average inflation for a period of 12 months exceeds 2.01%. The inflation shall be measured by the Service Producer Prices Index for Legal, Accounting and Management Services for the Euro area published by Eurostat on its website at [https://ec.europa.eu/eurostat/databrowser/view/STS\\_SEPP\\_Q\\_custom\\_4959928/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/STS_SEPP_Q_custom_4959928/default/table?lang=en). The inflation shall be calculated as the 12-month percentage change of this index for the quarter during which the indexation is carried out compared to this index for the same quarter of the previous year.

The percentage by which each hourly fee specified in Article 2.17.1 shall be indexed shall be calculated in accordance with the following formula:

$$In = \left( \frac{SPPI_t}{SPPI_{t-4}} - 1 \right) \times 100 - 2.01$$

Where:

In - the percentage by which each hourly fee specified in Article 2.17.1 shall be indexed;

$SPPI_t$  - the Service Producer Prices Index for Legal, Accounting and Management Services for the Euro area published by Eurostat for the quarter during which the indexation is carried out;

$SPPI_{t-4}$  - the Service Producer Prices Index for Legal, Accounting and Management Services for the Euro area published by Eurostat for the same quarter of the previous year;

The indexation of each hourly fee specified in Article 2.17.1 shall be carried out by multiplying the hourly fee applicable in the year of the indexation by  $1 + In\%$ .

The indexed hourly fees shall be rounded up or down to the nearest whole number.

The hourly fees specified in Article 2.17.1 shall not be indexed in case the reported average inflation measured in the manner specified above does not exceed 2.01% for a period of 12 months.

This indexation method shall be applied regardless of whether the registered seat of the Law Firm is located in a country that is a member of the Euro area or not.

2.18 The Ministry of Finance is not liable for any taxes due and payable by the Law Firm and its attorneys in any other state except Bulgaria. The Ministry of Finance warrants that no direct or indirect taxes on the fees paid under the Retainer Letter are due and payable in the Republic of Bulgaria.

2.19 Based on its reasonable expectations and experience with similar cases, the Law Firm shall estimate in the Retainer Letter a non-binding cap for the price in the Case. The foregoing non-binding estimated cap is subject to change, following consultations by the Parties, in the event that any complicating circumstances arise in the course of the proceedings.

- 2.20 The Ministry of Finance shall pay to the Law Firm or reimburse the Law Firm for all necessary expenses reasonably incurred by the Law Firm in relation to the procedural representation in the Case.
- 2.21 The Law Firm shall estimate in the Retainer Letter the total expenses for the Case. The Law Firm shall consult with the Ministry of Finance, if it determines that the total expenses might exceed the foregoing estimate.
- 2.22 The Ministry of Finance shall pay the remuneration and expenses due under the Retainer Letter on the basis of a monthly detailed description of the work and expenses and invoice sent to it.
- 2.23 The Ministry of Finance shall pay the remuneration and expenses due under the Retainer Letter to the following bank account of the Law Firm within 15 days from the receipt of each monthly description of the work and expenses and invoice:
- .....
- .....
- 2.24 The Ministry of Finance shall provide the Law Firm with all assistance necessary for the preparation and the performance of the procedural representation in the Case.

### **Termination**

- 2.25 The Retainer Letter shall terminate after the Parties have fulfilled their obligations hereunder.
- 2.26 The Retainer Letter may be terminated at any time by an agreement between the Parties concluded in written form.
- 2.27 The Ministry of Finance may terminate the Retainer Letter at any time for whatsoever reason or without reason by fifteen days written notice sent to the Law Firm. In the case of such a termination the Ministry of Finance shall not be liable to pay any damages or other compensation, but must pay to the Law Firm the work done and expenses incurred by it.

### **Applicable Law and Settlement of Disputes**

- 2.28 The Retainer Letter shall be governed by UNIDROIT Principles of International Commercial Contracts (1994) with the exclusion of article 6.2.1, article 6.2.2 and article 6.2.3, related to Hardship.

2.29 Any dispute arising out or in connection with the Retainer Letter shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce in Paris, France. The number of arbitrators shall be three. The place of arbitration shall be London, United Kingdom. The English language shall be used in any arbitral proceedings and all documents shall be provided in the English language or with translations into the English language.

### **III. Miscellaneous**

3.1 This Framework Agreement may be amended only by an agreement between the Parties concluded in written form.

3.2 All notices required or permitted to be given under this Framework Agreement, as well as all other communications shall be sent by expressed registered letter, telex, fax or e-mail on 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:**

Telephone: .....

Facsimile: .....

3.3. This Framework Agreement has been drafted and signed in the English and Bulgarian language. In the event there is any inconsistency between the English and the Bulgarian text, the English text shall prevail.

This Framework Agreement has been drafted and signed in the English and Bulgarian language in two identical originals in each language, with one original in each language for each Party.

For the MINISTRY OF FINANCE  
OF REPUBLIC OF BULGARIA

By: .....

Name: Rositza Velkova-Jeleva

Title: Minister of Finance

By: .....

Name: Galina Mladenova

Title: Head of Finance and Property  
Management Department of the Ministry  
of Finance

For

By: .....

Name:

Title: Partner