

# **Concession Agreement**

**for the Development, Construction, Operation and  
Maintenance  
of the Hyderabad International Airport**

**between**

**Ministry of Civil Aviation, Government of India**

**and**

**Hyderabad International Airport Limited**

**20<sup>th</sup> December 2004**

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**THIS AGREEMENT** is made in New Delhi on 20<sup>th</sup> day of December 2004

**BETWEEN:**

- (1) **THE PRESIDENT OF INDIA**, acting through the Secretary, Ministry of Civil Aviation of Government of India, New Delhi (hereinafter referred to as "Gol" which expression shall include its successors and assigns); and
- (2) **HYDERABAD INTERNATIONAL AIRPORT LIMITED**, a company incorporated with limited liability under the Indian Companies Act, 1956, having its registered office at 6-3-866/1/G2, Greenlands, Begumpet, Hyderabad 500 016 (hereinafter referred to as "HIAL" which expression shall include its successors and permitted assigns).

**WHEREAS:**

- (A) HIAL has been established as a joint sector company for the purpose of implementing the Project.
- (B) The Parties recognise and acknowledge that in matters of airport infrastructure and civil aviation Gol has and should continue to have a major role and responsibility in determining the framework for the aviation sector.
- (C) In the context of a project being undertaken through a public/private sector approach, it is critical that the terms and conditions upon which such a project will be implemented are set out and therefore the parties are entering into this concession agreement (the "Agreement" or the "Concession Agreement").
- (D) It is the endeavour of the Parties to develop an international standard airport where all airport activities are carried out in a timely manner with requisite performance standards.

**NOW IT IS HEREBY AGREED** as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement, except to the extent that the context otherwise requires:

"**AAI**" means the Airports Authority of India;

"**AAI Act**" means the Airports Authority of India Act 1994;

"**Airport Activities**" means the provision, at or in relation to the Airport, of the activities set out at Schedule 3, Part 1 as amended from time to time, pursuant to ICAO guidelines, provided that any activities that are not materially similar to those contemplated in Schedule 3, Part 1 shall require the mutual agreement of the Parties;

"**Affected Party**" shall have the meaning given to it in Article 13.1;

"**Airport**" means the Greenfield international airport comprising of the Initial Phase, to be constructed and operated by HIAL at Shamshabad, near Hyderabad in the State of

Andhra Pradesh and includes all its buildings, equipment, facilities and systems and including, where the circumstances so require, any Expansion thereof as per the Master Plan;

**"Airport Charges"** means:

- (i) amounts charged or imposed by HIAL in respect of the provision or use of the facilities and services which are included within Airport Activities;
- (ii) amounts charged or imposed by HIAL on or in respect of passenger and cargo movement or aircraft traffic into, on, at or from the Airport; and
- (iii) any other amounts deemed by this Agreement to be Airport Charges and further including any amounts to be collected by HIAL on behalf of Gol, GoAP or AAI;

**"Airport Opening"** means the commencement of the commercial operation of the Initial Phase;

**"Airport Opening Date"** means the date upon which Airport Opening occurs;

**"Airport Opening Target Date"** means the date falling thirty-six (36) months immediately after Financial Close, as extended in accordance with the terms of this Agreement;

**"Applicable Law"** means all laws, brought into force and effect by Gol or the state governments including rules, regulations and notifications made thereunder and judgements, decrees, injunctions, writs and orders of any court of record, as may be in force and effect during the subsistence of this Agreement;

**"Approvals"** means all authorisations, consents, approvals, notifications and permissions and any license, permit, ruling, exemption or other authorization of whatsoever nature which is required to be granted by, or any registration or filing with, any authority under Applicable Law for or in respect of this Agreement including for performance of any obligation or exercise of any right by a Party herein but excluding a Clearance;

**"BCAS"** means the Bureau of Civil Aviation Security;

**"Business Day"** means (a day other than a Saturday or Sunday, on which the principal commercial banks are open for business during normal banking hours in Mumbai and/or Hyderabad).

**"Change in Law"** means the occurrence of any of the following (other than in respect of any laws of GoAP or any Tax laws (except for those that relate to any Tax benefits provided to HIAL and/or the Airport pursuant to Gol's infrastructure policy and as more specifically set out in Schedule 12) or any environmental laws or Labour Laws) after the date of this Agreement having direct bearing on the implementation of the project:

- (i) the modification, amendment, variation, alteration or repeal of any existing Indian law or the enactment of any new Indian law;



- (ii) the commencement of any Indian law which has not yet entered into effect except to the extent where such Indian law was enacted prior to the date hereof with a commencement date after the date hereof and such Indian law takes effect on that commencement date without any material amendment
- (iii) after the date of grant of any Clearance a material change in the terms and conditions attaching to such Clearance or the attachment of any new material terms or conditions or such Clearance ceasing in part or in whole to remain in full force and effect;

Provided that the creation or introduction of an Independent Regulatory Authority (including the framing of rules and regulations in relation thereto or thereunder but, for the avoidance of doubt, shall exclude any amendments and/or changes relating to the Regulated Charges) having jurisdiction over all Major Airports shall not constitute a Change in Law;

**"Chicago Convention"** means the Chicago Convention 1944, as amended and/or supplemented from time to time; and references to an **"Annex"** to the Chicago Convention shall mean such Annex as amended and/or supplemented from time to time;

**"Clearance"** means the written consent, licence, approval, permit, ruling, exemption, notification, no objection certificate or other authorisation or permission of whatsoever nature which is required to be obtained from and/or granted by GoI from time to time in connection with the Project, including those set out in Schedule 1 attached hereto;

**"CNS/ATM Agreement"** means the agreement entered into or to be entered into between HIAL and AAI in respect of the provision by AAI to HIAL of communication navigation surveillance/air traffic management services;

**"Compensation"** means compensation payable by GOI as per Article 15.4;

**"Completion Certificate"** means the completion certificate as defined in Article 7.3;

**"Concession Fee"** shall have the meaning given to it in Article 3.3.1 ;

**"Debt"** means the outstanding debt due to the Lenders of HIAL under the Financing Agreements for the Project and for the purposes of this Agreement, it does not include any debt payable by HIAL to GoAP under the State Support Agreement;

**"Deferred Payment"** shall have the meaning given to it in Article 3.3.5;

**"DGCA"** means the Director General of Civil Aviation, Government of India;

**"Domestic Airport"** means an airport serving any commercially operated aircraft flying to the relevant airport from a point of origin, or flying from the relevant airport to a point of destination, both inside India;

**"Effective Date"** has the meaning set out in Article 4.4;

**"Existing Airport"** means the existing airport in Hyderabad known as Hyderabad Airport located at Begumpet, Hyderabad;

**"Expansion"** means the expansion of the facilities at the Airport from time to time as per the Master Plan;

**"Financial Close"** means the date upon which the Financing Agreements (insofar as they relate to the development and construction of the Initial Phase) have been executed and delivered by all the parties thereto and conditions precedent thereunder shall have been fulfilled to such extent as may be necessary to permit HIAL to, have immediate access, subject only to giving the notices of drawdown required thereby, to funding required by HIAL;

**"Financial Year"** shall have the meaning given to it in Article 3.3.3;

**"Financing Agreements"** means any of (i) HIAL's agreements with Lenders for the making available to HIAL of Debt and (ii) the security documents, direct agreements and other ancillary undertakings in favour of Lenders required pursuant to the agreements referred to in (i) above;

**"Force Majeure"** has the meaning set out in Schedule 4;

**"General Aviation Services"** means an aircraft operation other than commercial air transport operation;

**"GoI"** means the Government of India and any of its duly authorized agency, authority, department, inspectorate, ministry or person (whether autonomous or not) under the lawful and effective control and direction of the Ministry of Civil Aviation;

**"GoI Default Event"** shall have the meaning given to it in Article 13.3.2 ;

**"GoAP"** means the Government of the State of Andhra Pradesh and any of its duly authorized agency, authority, department, inspectorate or person (whether autonomous or not) under the lawful and effective control and direction of GoAP;

**"Good Industry Practice"** means the exercise of that degree of skill, diligence and prudence which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking and (in the case of HIAL) applying the standards generally adopted by international airport operators in the construction of the Airport adhering to the practices generally followed by such utilities (except as regards terms and conditions of employment of operating personnel) in the operation and maintenance of the Airport, and except insofar as inconsistent with any Applicable Law or the construction, operation, and maintenance of the systems or equipment to be operated and maintained by AAI pursuant to the CNS/ATM Agreement;

**"Gross Revenue"** shall have the meaning given to it in Article 3.3.2;

**"HIAL"** means Hyderabad International Airport Limited;

**"HIAL Default Event"** shall have the meaning given to it in Article 13.3.1;

**"ICAO"** means the International Civil Aviation Organisation formed by the Chicago Convention or any successor thereof;

**"ICAO Policies"** means the first statement of the ICAO Council contained in the "ICAO Policies on Charges for Airports and Air Navigation Services" which was adopted by the Council of ICAO on 22 June 1992, at the 14th Meeting of its 136th Session, and subsequently amended on 8 December 2000, at the 18th Meeting of the 161st Session, and which is published as ICAO document 9082/6 as may be amended from time to time;

**"Independent Engineer"** means the independent engineer appointed by the Lenders under the terms of the Financing Agreements;

**"Independent Regulatory Authority"** or **"IRA"** means the Airports Economic Regulatory Authority or any other regulatory authority set up to regulate any aspect of Airport Activities set up (i) by way of an executive order provided the functioning of the IRA is not within the control of GoI, or (ii) by an Act of Parliament or an ordinance or any rules made thereunder.

**"Indexed"** means the adjustment of the relevant amount by reference to the index value of the "Wholesale Price Index" published by the Ministry of Industry, GoI and shall include any index which substitutes such index, and any reference to Indexed shall, unless the context otherwise requires, be construed as a reference to adjustment taking into account the Wholesale Price Index for the period ending with the month preceding the month in which such Index is to be used;

**"Initial Phase"** means the design, financing, construction, completion and commissioning of the facilities described in Schedule 2, as may be amended from time to time in accordance with Applicable Law and/or ICAO standards as accepted and/or adopted by GoI;

**"International Airport"** means an airport serving any commercially operated aircraft flying to a relevant airport in India from a point of origin outside India, or flying from a relevant airport in India to a point of destination outside India;

**"Land Lease Agreement"** means the document and/or instrument entered into on 30<sup>th</sup> September 2003 pursuant to which GoAP has granted to HIAL leasehold rights and interests in the Site;

**"Lenders"** means the banks, financial institutions, NBFC and similar bodies to whom debt is owed under the Financing Agreements for financing (which shall for these purposes include any refinancing) the Initial Phase and any Expansion;

**"Major Airport"** means any airport which has or is designed to have an annual passenger throughput in excess of one and a half (1.5) million;

**"Master Plan"** means the master plan prepared by HIAL annexed hereto as Attachment 1 as may be revised from time to time in accordance with this Agreement;

**"Net Worth"** as defined in Sick Industries Companies Act, 1985.

**"Non-Airport Activities"** means the provision, at or in relation to the Airport, of the services set out at Schedule 3, Part 2;

"**Party**" means either Gol or HIAL (as the context may require) and its successor and permitted assigns in terms of this Agreement and "**Parties**" shall be construed accordingly;

"**Person**" includes (as the context requires) any natural and/or juridical entity (including Gol or GoAP);

"**Project**" means the design, financing, construction, completion, commissioning, maintenance, operation, management and development of the Airport;

"**Reference Date**" shall have the meaning given to it in Article 3.3.5;

"**Regulated Charges**" shall be as defined in Article 10.2.1;

"**Relevant Authority**" includes the Gol, AAI, DGCA, BCAS, Department of Immigration of the Ministry of Home Affairs, Department of Customs of the Ministry of Finance or any other subdivision or instrumentality thereof, any local authority or any other authority empowered by the Applicable Laws;

"**Reserved Activities**" means those functions and activities that are to be carried out at the Airport by any Relevant Authority pursuant to and including those set out at Articles 8.4, 8.5 and 8.6;

"**Security**" includes any mortgage, pledge, lien, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect;

"**Service Provider Right**" means any privilege, right, franchise, lease or other right or sub-right granted by HIAL or by any Service Provider Right Holder pursuant to Article 3.2.2;

"**Service Provider Right Holder**" means any Person holding from time to time any Service Provider Right;

"**Settlement Amount**" means an amount calculated in accordance with Schedule 7;

"**Shareholders Agreement**" means the agreement dated September 30, 2003 entered into between AAI, GoAP, GMR Infrastructure Limited, Malaysian Airports Holdings Berhad and HIAL;

"**Site**" means the land in which HIAL has or shall have a leasehold interest pursuant to the Land Lease Agreement, and measuring approximately 5450 acres in area, on, under and over which the Airport is to be constructed;

"**Specifications**" means the specifications for the construction of the Airport as set forth in Part 1 of Schedule 9;

"**Standards**" means the performance standards for the operation and maintenance of the Airport as set out in Part 2 of Schedule 9;

"**State Support Agreement**" means the agreement entered into on 30<sup>th</sup> September 2003 between GoAP and HIAL;

"**Tax**" or "**Taxes**" shall mean any and all taxes, levies, imposts, duties, charges, fees, deductions or withholdings that are, or that are to be, imposed, levied, collected, withheld or assessed, together with any and all interest, penalties, claims or other liabilities arising under or relating thereto;

"**Termination Amount**" means an amount calculated in accordance with Article 13.4.1;

"**Transfer Date**" shall be the date on which HIAL transfers legal and beneficial ownership and hands over possession of the Airport to Gol or its nominees in accordance with Article 13.5;

"**User Development Fee**" means a fee collected, as per rules laid down by Gol, from the embarking passengers for the provision of passenger amenities, services and facilities and will be used for the development, management, maintenance, operation and expansion of facilities at the Airport directly or as a part of the cost of tickets in accordance with Article 10.2;

"**VIP Lounge**" shall have the meaning given to it in Article 8.7;

"**Works**" means the works required for, or to be carried out or executed in or in relation to or in connection with, the design, construction, completion, commissioning and/or development of the Initial Phase and/or any Expansion.

## 1.2 Interpretation

In this Agreement, except to the extent that the context requires otherwise:

- 1.2.1 any reference to an Act of Parliament or any Section of, or Schedule to, or other provision of, an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all rules, orders or regulations then in force and made under or deriving validity from the relevant Act or provision;
- 1.2.2 reference to a "judgment" includes any order, injunction, determination, decree or other judicial or arbitral tribunal measure in the Indian jurisdiction which is final and binding;
- 1.2.3 a reference to a "law" includes common law, the Constitution of India and any decree, judgment, legislation, direction, order, ordinance, regulation, by-law, statute, notification, circular, guideline, rule, statutory instrument or other legislative measure, with which HIAL is required to comply by law (and "lawful" and "unlawful" shall be construed accordingly);
- 1.2.4 references in the singular shall include references in the plural and vice versa;
- 1.2.5 a reference to a "day" means a calendar day;
- 1.2.6 references to a particular Article, paragraph, sub-paragraph, Schedule or Attachment shall, except where the context otherwise requires, be a reference to that Article, paragraph, sub-paragraph, Schedule or Attachment in or to this Agreement;

- 1.2.7 the headings are inserted for convenience and are to be ignored for the purposes of construction;
- 1.2.8 terms defined in the Schedules hereto shall have the meanings ascribed thereto in the Schedules when used elsewhere in this Agreement;
- 1.2.9 the Schedules to this Agreement form part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- 1.2.10 any reference to any agreement, deed, instrument, licence code or other document of any description shall be construed, at the particular time, as a reference to that agreement, deed, instrument, licence code or other document as the same may then have been amended, varied, supplemented, modified, suspended or novated;
- 1.2.11 the words "written" and "in writing" includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form with confirmation of the transmission;
- 1.2.12 the words "include" and "including" are to be construed without limitation;
- 1.2.13 in case of any ambiguity or discrepancy between the Articles and the Schedules, the Articles shall prevail.

## 2. **THE CONCESSION**

### 2.1 **Scope of the Project**

The scope of the Project (the "**Scope of the Project**") shall mean:

- 2.1.1 the development and construction of the Airport on the Site in accordance with the provisions of this Agreement;
- 2.1.2 the operation and maintenance of the Airport and performance of the Airport Activities and Non-Airport Activities in accordance with the provisions of this Agreement; and
- 2.1.3 the performance and fulfilment of all other obligations of HIAL in accordance with the provisions of this Agreement.

2.2 Any variation in the Scope of the Project subsequent to the Effective Date, except in respect of matters of sovereign right of Gol subject to Article 18.13, shall be subject to the Applicable Law and/or mutual agreement of the Parties.

## 3. **GRANT OF CONCESSION**

### 3.1 **Concession**

- 3.1.1 Subject to and in accordance with the provisions of this Agreement and Applicable Law, Gol hereby grants HIAL the exclusive right and privilege to carry out the development, design, financing, construction, commissioning,

maintenance, operation and management of the Airport (but excluding the right to carry out the Reserved Activities and to provide communication and navigation surveillance/air traffic management services which are required to be provided by AAI).

- 3.1.2 HIAL hereby accepts the concession granted to it by Gol pursuant to Article 3.1.1 of this Agreement.

### 3.2 **Recognition of Rights**

- 3.2.1 Subject to Applicable Law and in accordance with the provisions of this Agreement, Gol recognises that HIAL may carry out:

- (a) any activity or business related or ancillary to the activities referred to in Article 3.1 or which HIAL considers desirable or appropriate to be carried on or engaged in connection therewith (including any infrastructure service considered by HIAL to be reasonably necessary for the activities referred to in Article 3.1); and
- (b) any activity or business in connection with or related to the arrival, departure and/or handling of aircraft, passengers, baggage, cargo and/or mail at the Airport; and
- (c) any activity or business in connection with or related to the development of the Site or operation of the Airport to generate revenues including the development of commercial ventures such as hotels, restaurants, conference venues, meeting facilities, business centres, trade fairs, real estate, theme parks, amusement arcades, golf courses and other sports and/or entertainment facilities, banks and exchanges and shopping malls.

- 3.2.2 For the purpose of exercising its rights pursuant to Article 3.2.1 HIAL may, subject to and in accordance with the terms of this Agreement, at any time, grant Service Provider Rights (including the right of the Service Provider Right Holders to grant sub-rights) to any Person for the purpose of carrying out the activities and businesses described in Article 3.2.1 on such terms and conditions as HIAL may determine are reasonably appropriate, subject to the same being within the framework of this Agreement and not being contrary to the terms and conditions of this Agreement provided that, if and to the extent required by any Applicable Law related to security clearance in the interest of national security, such Service Provider Right Holders operating at the Airport shall have obtained the necessary and requisite security clearance.

The grant by HIAL of a Service Provider Right shall not relieve HIAL of any of its responsibilities, duties and obligations under this Agreement.

### 3.3 **Concession Fee**

#### 3.3.1 **Fee**

The Parties agree that HIAL shall, in consideration for the grant by Gol of the Concession pursuant to Article 3.1, pay to Gol a fee amounting to four per

cent (4%) of Gross Revenue annually on the terms specified in this Article 3.3 (the "**Concession Fee**").

### 3.3.2 **Gross Revenue**

For the purposes of this Article 3.3 the term "**Gross Revenue**" means all pre-tax revenue of HIAL, excluding the following: (a) payments made by HIAL, if any, for the activities undertaken by Relevant Authorities pursuant to Articles 8.4, 8.5 and 8.6; (b) Insurance proceeds; (c) any amount that accrues to HIAL from sale of any capital assets or items; (d) payments and/or monies received in respect of air navigation and air traffic management services; (e) Payments and/or monies collected by HIAL for and on behalf of any governmental authorities under Applicable Law;

### 3.3.3 **Payment**

The Concession Fee shall be determined in respect of each financial year of HIAL ("Financial Year") occurring on and after the Airport Opening Date. A Financial Year shall, except in the circumstances outlined in this Article 3.3.3, commence on 1 April and end on 31 March. If the Airport Opening Date occurs in the first six (6) months of a Financial Year, the first Financial Year shall be deemed to commence on the Airport Opening Date and end on the first 31 March falling after the Airport Opening Date. If the Airport Opening Date occurs in the last six (6) months of a Financial Year the first Financial Year shall be deemed to commence on the Airport Opening Date and end on the second successive 31 March falling after the Airport Opening Date.

### 3.3.4 **Payment Account**

The Concession Fee shall be calculated and paid in Rupees. Each payment due from HIAL shall be paid into an account at the Reserve Bank of India, Hyderabad, by wire transfer or bank draft in favour of the Government of India or such other account as may be designated in writing from time to time by Gol to HIAL.

### 3.3.5 **Provisional Payment**

The Concession Fee in respect of the first ten (10) Financial Years (the "**Deferred Payment**") shall be payable in twenty (20) equal half-yearly instalments the first such instalment being due and payable on the 30th of June and the second such instalment being due and payable on 31<sup>st</sup> of December (each of these dates the "**Reference Date**") in the eleventh (11th) Financial Year after the Airport Opening Date with the remaining instalments each payable on each Reference Date falling thereafter.

Subject to Article 3.3.3 the Concession Fee in respect of the eleventh (11th) Financial Year and each succeeding Financial Year shall be payable annually in arrears on the Reference Date.

The Concession Fee shall be calculated by reference to HIAL's audited annual financial statements for the relevant Financial Year. If no such audited financial statements are available by the Reference Date falling after the end



of the relevant Financial Year HIAL shall make a provisional payment to Gol based on the unaudited financial statements in respect of the relevant Financial Year. Within thirty (30) days of audited financial statements being made available to Gol (a) if the provisional payment is less than the amount which should have been paid, HIAL shall pay Gol the outstanding amount, or (b) if the provisional payment is greater than the amount which should have been paid, the same shall be adjusted in the Concession Fee payable for the succeeding Financial Year.

#### **3.3.6 Interest and Taxes**

- (a) Payments made under Article 3.3 shall be treated as part of the operating expenses of the Airport with the exception of deferred payment under Article 3.3.5, which are in lieu of payments to be accounted for in the relevant year.
- (b) Other than in the case of late payment in which case Article 18.14 shall apply, no interest shall be levied or due in respect of any amount or payment to be made pursuant to this Article 3.3.

### **4. CONDITIONS PRECEDENT**

#### **4.1 Conditions Precedent to Project**

The provisions of this Agreement (other than those contained in Articles 1, 4, 6, 14, 16 and 18 inclusive which are, accordingly, binding on the Parties as from the date of this Agreement) shall take effect and become binding on the Parties from the date upon which the following conditions precedent shall have been satisfied in full:

- 4.1.1 amendments to the Aircraft Rules, 1937;
- 4.1.2 the receipt by Gol of irrevocable notice from HIAL and its Lenders that Financial Close has occurred which notice shall be final and binding on the Parties.

provided that (a) any such condition precedent may be waived by agreement in writing between Gol and HIAL and (b) HIAL may unilaterally waive at any time the condition set out at Article 4.1.1 above by notice to Gol. If HIAL is able to demonstrate to Gol's satisfaction that it has sufficient funds available at its disposal to develop and construct the Initial Phase and to enable it to perform its obligations under this Agreement Gol shall reasonably consider a request by HIAL to a waiver of the condition set out at Article 4.1.2 above.

#### **4.2 Obligations to Satisfy Conditions Precedent**

- 4.2.1 HIAL shall use all reasonable endeavours to procure the satisfaction in full of the condition precedent set out in Article 4.1.2 above.
- 4.2.2 Gol shall use all reasonable endeavours to procure the satisfaction in full of the condition precedent set out in Article 4.1.1 above.

### 4.3 **Non-fulfilment of Conditions Precedent**

#### 4.3.1 **Termination on Non-fulfilment**

If the condition precedent set out in Article 4.1.2 has not been satisfied in full or not been waived by the date falling twelve (12) months after the date of this Agreement, HIAL or Gol shall, subject to Article 4.3.2, have the right to terminate this Agreement by giving twenty-one (21) days' notice in writing to the other Party and upon expiry of such notice this Agreement shall terminate without any consequent cost or consequence upon either Party.

#### 4.3.2 **Extension of Time for Fulfilment**

At any time prior to the date specified in Article 4.3.1, the Parties shall, by mutual agreement in writing, have the right to extend the date for satisfaction or waiver of the conditions precedent by such period as the Parties may agree.

### 4.4 **Effective Date**

Subject to Article 4.1, this Agreement will become effective on the date of signature hereof by the Parties hereto.

## 5. **OBLIGATIONS OF GOI**

### 5.1 **Obligations of Gol**

5.1.1 Gol shall, at its own cost and expense undertake, comply with and perform all its obligations set out in this Agreement and shall not instruct any statutory body under the direct control and direction of the Ministry of Civil Aviation to take any action that would constitute a breach of this Agreement if such body were party to this Agreement in place of Gol.

5.1.2 Upon application made therefor by HIAL or its shareholders or their respective contractors, servants or agents and subject to full compliance and sustenance by such parties with Applicable Law, the Ministry of Civil Aviation shall endeavour that all Clearances to be granted by it or that are within its direct control and as are required for or in connection with the Project, are granted by it within a period ending on the later of (i) the end of the relevant statutory period (if any), and (ii) forty-five (45) days after the relevant application duly completed having been submitted. The Ministry of Civil Aviation shall use its good offices to procure that all other Clearances as are required for or in connection with the Project are granted within a period ending on the later of (i) the end of the relevant statutory period (if any), and (ii) forty-five (45) days after the relevant application duly completed having been submitted.

Notwithstanding the above, Gol shall limit its responsibilities to the permissions within its domain and not take any responsibility for the permission within the domain of GoAP.

## 5.2 **Exclusivity**

### 5.2.1 **International**

No new or existing airport shall be permitted by Gol to be developed as, or improved or upgraded into, an International Airport within an aerial distance of 150 kilometres of the Airport before the twenty-fifth anniversary of the Airport Opening Date.

### 5.2.2 **Domestic**

No new or existing airport shall be permitted by Gol to be developed as, or improved or upgraded into, a Domestic Airport within an aerial distance of 150 kilometres of the Airport before the twenty-fifth anniversary of the Airport Opening Date.

## 5.3 **Equivalent Treatment**

Post commencement of operations of the Airport Gol shall not act, or omit to act, in a manner which discriminates against the Airport or HIAL in a way that provides other Major Airports with an unfair competitive advantage when compared to the Airport or HIAL, as the case may be. For the purpose of this Article, "discrimination" refers only to the passage of administrative or executive orders that are discriminatory in nature in relation to the Airport and/or HIAL vis-a-vis other Major Airports and/or other airport operators but does not include the passage of laws or statutory administrative or executive orders in relation to fiscal or tax matters. It is clarified that if for facilitating the establishment of another Major Airport the Gol (or any of its ministries and departments) provides concessions or grants of finance, land or other facilitation to establish such Major Airport the same shall not constitute discrimination for this Article.

## 5.4 **Support**

5.4.1 Gol acknowledges and supports the implementation of the Project;

5.4.2 Gol will not revoke (i) the decision to appoint the Sponsors (as defined in the Shareholders' Agreement) as joint venture partners in HIAL and to award the Project to the Sponsors or (ii) this Agreement other than as permitted under this Agreement or in accordance with the applicable law;

## 5.5 **Existing Airport**

### 5.5.1 **Existing Airport**

(a) HIAL shall, six (6) months prior to the anticipated Airport Opening Date, notify Gol of the date it expects Airport Opening to occur.

(b) From and with effect from the date on which Airport Opening occurs Gol will ensure that the Existing Airport shall not be open or available for use for civil aviation operations.

(c) From and with effect from the date on which Airport Opening occurs Gol will issue and publish an appropriate notification stating that the

Existing Airport is no longer open or available for civil aviation operations (which shall, for these purposes, not include use for Airport Activity at times of national emergency or (at any time) by aircraft owned or operated by or for the Indian Air Force or other Armed Forces of India or Para-Military Forces of India or Police or such other authorities or for transportation of dignitaries by special government owned, leased or hired VIP aircraft) and also for ensuring that the international code (HYD) of the Existing Airport is transferred to the Airport subject to the compliance of the requisite terms and conditions, if any, for the same by HIAL.

- (d) General Aviation Services (other than those relating to commercial aircraft, charter flights, aircraft hired or operated under commercial arrangements) may continue to be provided at the Existing Airport notwithstanding its closure to commercial aircraft pursuant to paragraphs (b) and (c) above.

#### 5.5.2 Responsibilities

The Parties acknowledge and agree that the closure of the Existing Airport to commercial civil aviation operations may result in costs, expenses, liabilities, loss of profit, and/or claims made by third parties in connection with or pursuant to such closure.

The Parties hereby agree that neither HIAL nor Gol shall be responsible for or made to account for such costs, expenses, liabilities, loss of profit and/or claims made by third parties in connection with or pursuant to such closure. Gol shall direct that AAI will provide an undertaking regarding the cost of closure of Existing Airport, in so far such costs relate to the existing concession/other agreements entered into by AAI with third parties at the Existing Airport.

### 6. REPRESENTATIONS AND WARRANTIES

#### 6.1 Representations and Warranties

6.1.1 Subject to the provisions of Articles 13.3.1 (f) and 13.3.2 (c) of this Agreement, each Party represents and warrants to the other Party that as of the Effective Date and during the term of this Agreement

- (a) it has the power and authority and has taken all actions necessary to validly execute and deliver this Agreement;
- (b) its obligations under this Agreement will be legally valid and binding and enforceable against it;
- (c) it is subject to the laws of India, and subject to Article 18.13 hereby expressly and irrevocably waives any immunity in respect of this Agreement;
- (d) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or

accelerate performance required under the terms of any covenant, agreement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected and does not result in a violation of any Applicable Law;

- (e) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Relevant Authority which may result in any material adverse effect on its ability to perform its obligations under this Agreement; and
- (f) it has complied with Applicable Law in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a material adverse effect on its ability to perform its obligations under this Agreement.

6.1.2 In addition HIAL represents and warrants to Gol that:

- (a) as at the date of this Agreement, it is a public limited company limited by shares incorporated under the laws of India and has been properly constituted and is in continuous existence since incorporation;
- (b) as at the date of this Agreement and till the Airport Opening Date, it is not engaged in any business other than the business of operating and managing airports and other ancillary activities; and
- (c) as at the date of this Agreement, the shareholding pattern of HIAL as per the Shareholders Agreement is as follows:

Investors	Percentage of issued and paid up share capital of HIAL
Sponsors and/or their Affiliates and/or Other Investors.	74%
State Promoters (GoAP and AAI collectively) and/or their Affiliates.	26%
Total	100%

- (d) as at the date of this Agreement, there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in a breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform its obligations under this Agreement; and

- (e) as at the date of this Agreement, no sums, in cash or kind, have been paid to, or accepted by, any person or will be paid to, or accepted by, any person or on its behalf by way of fees, commission or otherwise to induce Gol to enter into this Agreement.

6.1.3 With regard to the representation and warranties made by either party in the Article 6.1.1 and 6.1.2 above, each party undertakes to disclose to the other party any alteration/ change in the Representation and Warranties made in the said Articles within a period of seven days of the occurrence of such change/ alteration. This disclosure by the parties shall be without prejudice to their respective rights and contention.

## 6.2 Lock-in

Subject to Article 14 and in accordance with the terms of the Shareholders Agreement, the shareholding of Sponsors and State Promoters are subject to the following lock-in restrictions.

- (i) The Sponsors shall subscribe to and hold at least forty five percent (45%) shareholding of HIAL (of which GMR will hold minimum 40% and MAHB will hold a minimum of 5%) until the expiration of three (3) years from the Commercial Operations Date, and in no event less than twenty six percent (26%) shareholding for a period up to seven (7) years after Commercial Operations Date.
- (ii) The State Promoters shall subscribe and hold at least twenty six (26) percent shareholding in HIAL until the expiration of seven (7) years after the Commercial Operations Date.

The terms "Sponsors", "Affiliates", "Investors", "Other Investors", "State Promoters", "GMR", "MAHB" and "Commercial Operations Date" as used in Articles 6.1 and 6.2 shall have the same meaning as given to these terms in the Shareholders Agreement.

## 6.3 Approvals

HIAL shall at all times obtain and maintain all Clearances and Approvals, including registrations, licenses and permits (including immigration, temporary residence, work and exit permits), which are required by Applicable Law for the performance of the Project.

## 6.4 Disclaimer

6.4.1 HIAL acknowledges that prior to the execution of this Agreement, it has, after a complete and careful examination, made an independent evaluation of the Scope of the Project and has determined the nature and extent of the difficulties, risks and hazards that are likely to arise or may be faced by it in the course of the performance of its obligations in this Agreement.

6.4.2 HIAL acknowledges and hereby accepts the difficulties, risks and hazards (including any inadequacies, mistakes or errors in or relating to any of the matters set forth in Article 6.4.1 above) associated with the Scope of the

Project and hereby agrees that Gol shall not be liable for the same in any manner whatsoever to HIAL.

6.4.3 For the avoidance of doubt the difficulties, risks and hazards accepted by HIAL pursuant to this Article 6.4 shall exclude any obligations for which Gol is responsible pursuant to the terms of this Agreement.

## 7. **CONSTRUCTION OF THE AIRPORT**

### 7.1 **Master Plan**

HIAL shall review the Master Plan every five (5) years. If, on such review, HIAL considers it necessary to revise the Master Plan to reflect changed circumstances at the Airport, HIAL shall revise the Master Plan and provide Gol with a copy of such revised Master Plan.

### 7.2 **Construction and Expansion**

HIAL shall design, procure, construct, complete, test and commission the Initial Phase, and remedy any defects in respect thereof, in accordance with the Master Plan, Good Industry Practice and Applicable Law. HIAL shall ensure that the Works shall conform with the Specifications and Good Industry Practice.

HIAL shall, taking into account and subject to increased demand, the availability of funding, the economic and profitable operation of the Airport at that time and the reasonable requirements of users of the Airport, develop and implement detailed proposals for the Expansion of the Airport.

To the extent that HIAL incurs any capital investments, amounts or costs in relation to the provision of Non-Airport Activities and requires such investments, amounts or costs to be included in the calculation of the Termination Amount, Debt or Settlement Amount, HIAL shall seek the prior written consent of Gol.

Notwithstanding anything contained to the contrary in the Agreement, Gol does not guarantee the obligations of the GoAP in any manner whatsoever, and it is merely responsible to the extent provided in the Agreement.

### 7.3 **Independent Engineer**

HIAL shall procure that any reports and certificates prepared by the Independent Engineer and submitted to the Lenders pursuant to the terms of the Financing Agreements and any report from any independent engineer appointed pursuant to any future financing shall also be copied to the Gol to enable the Gol to monitor progress of construction and commissioning of the Airport.

HIAL shall also procure that the Independent Engineer furnishes to Gol a "Completion Certificate" in form and substance as per Schedule 10 hereto prior to the Airport Opening Date.

## 7.4 **Site and Materials**

### 7.4.1 **Organisation of Site**

HIAL will organise the Site during the period of construction with regard to safety precautions, fire protection, security, transportation, delivery of goods, materials, plant and equipment, control of pollution, maintenance of competent personnel and labour and industrial relations and general site services including, without limitation, access to and on the Site, allocation of space for contractors' and sub-contractors' offices and compounds and the restriction of access to the Site to authorised Persons only.

### 7.4.2 **Materials**

HIAL will ensure that the Works will comprise only materials and goods which are of sound and merchantable quality and which are manufactured and prepared in accordance with Applicable Law and that all workmanship shall be in accordance with Applicable Law and with Good Industry Practice applicable at the time of construction and/or installation.

## 7.5 **Airport Opening**

HIAL will ensure that the Airport Opening Date shall occur by the Airport Opening Target Date, provided that such date shall be adjusted by reference to any delays arising due to or as a result of:

- 7.5.1 an event of Force Majeure; and/or
- 7.5.2 a failure or any delay by Gol in the performance of its obligations under this Agreement; and/or
- 7.5.3 any interruption or intervention by Gol pursuant to its rights under Article 8.14 of this Agreement; and/or
- 7.5.4 a failure or any delay by GoAP in the performance of its obligations under the State Support Agreement; and/or
- 7.5.5 a failure or any delay by GoAP in the performance of its obligations under the Land Lease Agreement; and/or
- 7.5.6 a failure or any delay by AAI in the performance of its obligations under the CNS/ATM Agreement; and/or
- 7.5.7 a failure or any delay by AAI or the GoAP in the performance of their obligations under the Shareholders Agreement; and/or
- 7.5.8 a failure or any delay by any Relevant Authority in the performance of its services; and/or
- 7.5.9 a change in the Scope of the Project pursuant to Article 2.2.



- 7.5.10 change in law that materially prevents HIAL from performing its obligations under this Agreement
- 7.5.11 any change, cessation or introduction of an environmental law that materially prevents HIAL from performing its obligations under this Agreement
- 7.5.12 the discovery of any archaeological remains of national importance at the Site that materially prevents HIAL from performing its obligations under this Agreement
- 7.5.13 change in interpretation and application or enforcement of such Indian law by the Supreme Court of India or the Gol that materially prevents HIAL from performing its obligations under this Agreement

In the event of HIAL failing to achieve Airport Opening by the date falling six months after the Airport Opening Target Date for any reason other than the conditions stated above, then HIAL shall pay to Gol as agreed liquidated damages of an amount of Rupees one lakh (100,000) for every day of delay calculated for the period commencing on the date occurring six months after the Airport Opening Target Date and ending on the earlier of the Airport Opening Date or the date occurring twelve months after the Airport Opening Target Date, unless such period is extended by Gol.

## 7.6 **Licence**

### 7.6.1 **Grant of Licence**

Gol shall use its good offices and assist HIAL for DGCA's grant of any airport licence to HIAL initially for a period of two years to enable it to commence commercial operation no later than forty-five (45) days from the date of its application to DGCA, provided that HIAL shall have completed construction of the Airport in accordance with the terms of this Agreement and shall have complied with (i) the requirements of Rule 86 and Section A of Schedule V of the Aircraft Rules 1937, (ii) any special directions or guidelines issued by DGCA pursuant to Rule 133A of the Aircraft Rules 1937 and (iii) any other standard requirement of DGCA in connection with the issuance of an airport licence for a Major Airport.

### 7.6.2 **Continuing Licence**

Subsequent to the issue of Airport license under Article 7.6.1 above, Gol shall use its good offices and assist HIAL for DGCA's renewal of said Airport licence issued to HIAL for a further period of two years prior to the expiry of the Airport license issued for the immediately preceding two year period no later than forty-five (45) days from the date of HIAL's application to DGCA, provided that HIAL continues to comply in all material respects with (i) Applicable Law and the Aircraft Rules 1937, (ii) any special directions or guidelines issued by DGCA pursuant to Rule 133A of the Aircraft Rules 1937, (iii) the provisions of this Agreement and (iv) any other standard requirement of DGCA in connection with the issuance of an airport licence for a Major Airport (including the payment of all past dues owed to DGCA in connection

with such licence) and provided that there are no outstanding breaches by HIAL under the current licence.

#### **7.7 Commissioning**

Gol shall use its good offices to persuade that AAI and DGCA shall, at HIAL's cost and in a timely manner, carry out all tests and procedures as are necessary to be undertaken for the grant of the licence referred to in Article 7.6 above and/or for the safe operation of the Airport.

### **8. OPERATION AND MAINTENANCE**

#### **8.1 Airport Operation and Maintenance**

HIAL shall at all times comply with Applicable Law in the operation and maintenance of the Airport and will operate, maintain, keep in good operating repair and condition in accordance with Good Industry Practice and, in accordance with the Standards and renew, replace and upgrade to the extent reasonably necessary, the Airport which for these purposes shall exclude any systems or equipment to be operated and maintained by AAI in accordance with the terms of the CNS/ATM Agreement. All maintenance, repair and other works shall be carried out in such a way as to minimise inconvenience to users of the Airport.

#### **8.2 Joint Co-ordination Committee**

The Parties wish to develop, maintain and operate the Airport to high standards consistent with standards achieved at other leading international airports. The Reserved Activities will be carried out by Gol or under the direction of Gol. In order to assist HIAL and Gol achieve their objectives under this Agreement a joint coordination committee shall be formed comprising HIAL, Gol, GoAP and the other Relevant Authorities providing the Reserved Activities. The joint coordination committee shall meet at least once in three months commencing with the first month following the Effective Date provided that the Parties shall not be bound by the decisions of such committee. The Ministry of Civil Aviation shall use its good offices to assist in this process but shall not, for the avoidance of doubt, chair the joint coordination committee.

#### **8.3 Reserved Activities**

Gol shall undertake the Reserved Activities in accordance with this Article 8 and shall exercise all rights available to them under Applicable Law requiring the continual provision of essential services to enable continuous flow of passengers, baggage and cargo at the Airport.

#### **8.4 Customs, Immigration and Quarantine**

8.4.1 The Parties wish to develop and operate the Airport to standards consistent with those achieved at other leading international airports and in this regard, customs, immigration and quarantine procedures shall be established by Gol, at its own cost. The Parties intention is to use reasonable endeavours to try and agree appropriate service level standards in respect of customs and immigration procedures and quarantine services established by Gol pursuant

to this Agreement and the Ministry of Civil Aviation will use its best efforts to assist accordingly when requested by HIAL.

- 8.4.2 HIAL shall at all times provide the Relevant Authority with (i) such access and facilities at the Airport and (ii) the space requirements set out in Schedule 8 to this Agreement so as to enable the Relevant Authority to perform the Reserved Activities at the Airport, on terms and conditions that are generally consistent with the terms and conditions applicable at other Major Airports.
- 8.4.3 HIAL shall not be entitled to reduce the space and facilities provided to a Relevant Authority at the Airport without the consent of that Relevant Authority.
- 8.4.4 In the event of any expansion, modernisation or redevelopment at the Airport which involves the movement or reconfiguration of any space or facilities used by a Relevant Authority for any of the purposes referred to above, HIAL shall duly inform the Relevant Authority and HIAL and the Relevant Authority shall discuss and agree any suitable amendments to the space requirements of the Relevant Authority that may be required as a result of such expansion, modernisation or redevelopment at the Airport.

## 8.5 **Security**

- 8.5.1 Gol confirms that unless otherwise agreed under this Agreement it shall, on the same terms as it provides such security at all other Major Airports, provide all aviation security at the Airport. Provided that Gol and HIAL may, following mutual discussions, if it is considered appropriate, enter into arrangements to jointly provide aviation security services at the Airport. The Parties recognise that as at the date of this Agreement the fee levied for security is Rs 130 per departing passenger as such fee may be revised uniformly for all Major Airports.
- 8.5.2 Without prejudice to the other provisions of this Agreement, HIAL shall comply with such rules and regulations established by BCAS in connection with the security of the Airport provided that HIAL shall not be so obliged if such rules and regulations are not generally and consistently applied to airports having the same or similar sensitivity classification.
- 8.5.3 HIAL shall be responsible for procuring, installing maintaining and replacing all such security equipment as required as per the norms and standards laid down by MCA/ BCAS or any other Relevant Authority from time to time. In so far as the equipment relate to anti-hijacking and anti-sabotage functions (door frame metal detector (DFMD), hand held metal detector (HHMD), X-ray scan machines for screening carry on passenger baggage and walky-talkies) shall be operated by the agency designated by MCA/BCAS.
- 8.5.4 The procedures to be adopted for the security of the Airport building, passengers, persons working at the Airport and other visitors to the Airport, and aircraft, freight and other property at the Airport shall also be prescribed by BCAS. HIAL shall be obliged to comply with all such procedures and directions as issued by BCAS from time to time provided that such

procedures and directions are consistently applied to airports having the same or similar sensitivity classification

- 8.5.5 The personnel for undertaking security duty shall be provided by the security agency designated by BCAS, Gol or GoAP.
- 8.5.6 HIAL shall co-operate fully with the officers of the designated security agencies and other security agencies at all times.
- 8.5.7 HIAL shall provide the designated security agency with (i) such access and facilities at the Airport and (ii) the space requirements set out in Schedule 8 to this Agreement so as to enable the designated security agency to perform its functions under this Agreement, on terms and conditions that are generally consistent with the terms and conditions applicable to airports having the same or similar sensitivity classification.
- 8.5.8 HIAL shall not be entitled to reduce the space and facilities provided to the designated security agency at the Airport without the consent of the designated security agency.
- 8.5.9 In the event of any expansion modernisation or redevelopment at the Airport which involves the movement or reconfiguration of any space or facilities used by the designated security agency for any of the purposes referred to above, HIAL shall duly inform the designated security agency and HIAL and the designated security agency shall discuss and agree any suitable amendments to the space requirements of the designated security agency that may be required as a result of such expansion, modernisation or redevelopment at the Airport.

## 8.6 **Meteorological Service**

- 8.6.1 Gol confirms that it shall provide meteorological services at the Airport in accordance with the practices established or recommended from time to time pursuant to the Chicago Convention and on the same terms as it provides such services at all other Major Airports.
- 8.6.2 HIAL shall in connection with the provision of meteorological services provide the Relevant Authority with (i) such access and (ii) the space requirements set out in Schedule 8 to this Agreement so as to enable the Relevant Authority to perform its functions under this Agreement. The functions provided by the Relevant Authority and the access and space provided by HIAL under this Article 8.6 shall be provided on terms and conditions that are generally consistent with the terms and conditions applicable at other Major Airports.
- 8.6.3 HIAL shall not be entitled to reduce the space and facilities provided to a Relevant Authority at the Airport without the consent of that Relevant Authority.
- 8.6.4 In the event of any expansion modernisation or redevelopment at the Airport which involves the movement or reconfiguration of any space or facilities used by a Relevant Authority for any of the purposes referred to above, HIAL shall duly inform the Relevant Authority and HIAL and the Relevant Authority shall

discuss and agree any suitable amendments to the space requirements of the Relevant Authority that may be required as a result of such expansion, modernisation or redevelopment at the Airport.

**8.7 VIP Lounge**

HIAL shall at its cost provide and maintain to international standards at all times at the Airport a VIP Lounge for the use and comfort of state guests and state dignitaries.

**8.8 Standards**

Nothing in this Article 8 shall be construed as entitling HIAL to reduce or prejudice the standards in relation to space or facilities required at the Airport under this Concession Agreement.

**8.9 Management of the Airport Business**

HIAL shall, in accordance with Good Industry Practice and Applicable Law and as contemplated by the terms of this Agreement:

- 8.9.1 manage and operate the Airport in a competitive, efficient and economic manner as a commercial undertaking;
- 8.9.2 without limiting any other obligation or right of HIAL under this Agreement, provide or secure the provision at the Airport of the Airport Activities; and
- 8.9.3 take proper account of the reasonable requirements of users of the Airport.

**8.10 General obligations**

8.10.1 HIAL shall, subject to Applicable Law:

- (a) keep the Airport open at all times for the take-off and landing of aircraft unless and so long as HIAL is unable to do so as a result of a failure by any Relevant Authority to provide a Reserved Activity; and
- (b) be responsible for, and promptly pay, all expenses incurred by it in respect of the operation of the Airport including, without limitation, in respect of Tax, insurance and the provision of all services or utilities to or at the Airport such as electricity, water, gas, refuse collection, sewerage, foul water, drainage and telephone.

**8.11 Slots**

HIAL shall have the final right to allocate slots at the Airport, subject to the same being allocated fairly and not arbitrarily and shall use reasonable endeavours to accommodate the relevant airline operators in the slots allocated at the Existing Airport at the time of its closure.

#### 8.12 **Non-discrimination**

Subject to any law, regulation or international treaty obligations as in force from time to time, Gol shall follow a policy of non-discrimination with regard to the classes or descriptions of air traffic that are permitted to use the Airport and subject to regulation by Regulatory Authority or under Independent Regulatory Legislation, shall not impose limitations on aircraft movements at the Airport or otherwise restrict the capacity at the Airport.

#### 8.13 **Interruption of Operation**

If following the Airport Opening Date, HIAL ceases or substantially ceases the operation of the Airport for more than forty-eight (48) hours, other than in accordance with its rights under this Agreement and not being due to Gol or any Relevant Authority, without the written consent of Gol, at the request of either Party Gol will meet with HIAL to discuss and agree a plan and the appointment of a joint operation and management committee (and the terms and conditions upon which such committee is to be appointed), to procure that operation of the Airport recommences as soon as practicable. If Gol and HIAL are unable to agree a plan and appoint a joint operation and management committee within twelve (12) hours of the expiry of the period referred to above, Gol shall be entitled to operate the Airport until such time as HIAL is able to resume operation of the Airport.

#### 8.14 **Interruption of Construction or Operation**

Except as otherwise provided in this Agreement and/or except in the case of national emergency and/or as provided in any law existing at the date of this Agreement Gol shall not intervene in or interrupt the design, construction, completion, commissioning, maintenance, financing, operation, management and/or development of the Airport by or on behalf of HIAL. In case of any other emergency or for reason of public safety, Gol shall be entitled to intervene in or interrupt the construction or operation of the Airport for a period to be mutually agreed between the Parties.

#### 8.15 **Bi laterals**

Without impinging on or in any way restricting the sovereign rights of the Government of India, Gol shall, where feasible, endeavour to renew all existing air services agreements and endeavour not to revoke or terminate any existing air services agreements as affecting the Airport. For the avoidance of doubt, Gol shall be entitled to revoke or terminate any air services agreement for reason of the failure of another state or its designated carrier(s) to comply with their obligations under, or as a result of a breach by or default of the other party to, such air services agreement.

#### 8.16 **Daytime and Night time Operation**

Subject to installing appropriate facilities and compliance with all Applicable Law and standards including environmental laws and provided that substantially similar restrictions are placed on all other Major Airports, HIAL shall be entitled to operate the Airport and to permit the take-off and landing of aircraft at any time during both day and night hours.

## 8.17 **Access for Officials**

### 8.17.1 **Access**

Subject to the provisions of Article 8.17.2 and subject to BCAS' guidelines, HIAL shall have the right to grant access to all parts of the Site and/or the Airport to such Persons as it shall determine.

### 8.17.2 **Minimum Disruption**

To the extent that such access has been granted to Gol and/or AAI such access and facilities shall be used and exercised by the relevant Persons in such manner so as not to cause any disruption to the construction, commissioning, completion, development, maintenance and operation of the Airport.

## 9. **MONITORING OF OPERATION AND MAINTENANCE**

### 9.1 **Performance Standards**

The Parties wish to ensure satisfaction on the part of passengers with the overall experience of travelling through the Airport and acknowledge that this experience is a result of a number of bodies interacting in order to provide various services and facilities. HIAL is primarily responsible for the provision of services at the Airport and shall work to improve the facilities, standards and services at the Airport.

### 9.2 **Monitoring of Performance Standards**

9.2.1 Throughout the term of this Agreement the Airport's performance shall be monitored by passenger surveys in accordance with this Article 9. The criteria used to measure the Airport's performance shall be the IATA Global Airport Monitor service standards set out in Schedule 9, Part 2 or such criteria as may be mutually agreed upon from time to time (the "Standards").

9.2.2 HIAL shall participate in IATA surveys and shall ensure that a survey is conducted each year in accordance with IATA's requirements to determine the Airport's performance. The first such survey shall be conducted during the third (3rd) year after Airport Opening.

9.2.3 If three (3) consecutive surveys show that the Airport is consistently rated as lower than IATA rating of three and a half (3.5) (in the current IATA scale of 1 to 5) for the service standards under HIAL's direct control, HIAL will produce an action plan in order to improve the Airport's performance which must be implemented within one (1) year.

9.2.4 If the Airport continues for a further one (1) year to be rated as lower than IATA rating of three and a half (3.5) (in the current IATA scale of 1 to 5) for the service standards under HIAL's direct control, the Gol may direct HIAL to produce a further action plan to improve the Airport's performance which must be implemented within one (1) year.

- 9.2.5 Should HIAL fail to produce such an action plan or if the Airport continues to be rated as lower than IATA rating of three and a half (3.5) (in the current IATA scale of 1 to 5) for the service standards under HIAL's direct control, in the survey conducted in respect of the year after implementation of such action plan, Gol shall have the right to impose liquidated damages and/or to give directives to Relevant Authorities participating in the joint coordination committee referred to in Article 8.2 to assist HIAL in improving the rating. The quantum of liquidated damages will, taking into account factors leading to the drop in ratings, be discussed and agreed between the Parties.
- 9.2.6 Any liquidated damages pursuant to Article 9.2.5 above shall be paid into an Airport development fund. Monies from the Airport development fund shall be utilised to fund improvements at the Airport at the direction of the Gol.
- 9.2.7 If the Airport continues to be rated as lower than three and a half (3.5) (in the current IATA scale of 1 to 5) due to HIAL's poor performance in the survey, unless caused due to Gol or Relevant Authority, conducted in respect of the two (2) years following the date that HIAL first becomes liable to pay such liquidated damages, Gol shall have the right to terminate this Agreement.
- 9.2.8 In the event that the current IATA scale changes, the Parties agree that equivalent levels of ratings contemplated in this Article 9.2 shall be applied. HIAL would make best endeavour to achieve performance standard higher than three and a half (3.5) (in the current IATA scale of 1 to 5).
- 9.2.9 From the date the IRA has power to review, monitor and set standards and penalties and regulate any such related activities at the Airport, HIAL shall be required, instead of the provisions of Articles 9.2.1 to 9.2.7, to comply with all such regulations framed by IRA.
- 9.2.10 Notwithstanding anything contained in Articles 9.2.3, 9.2.4, 9.2.5 and 9.2.7 above, in the event GOI concludes concession agreement(s) in respect of any other Major Airport(s) with 3.5 as the rating for the purposes of termination of the Concession Agreement by GOI, then the rating for the purposes of this Article 9 shall continue to be 3.5. However, in the event GOI concludes concession agreement(s) in respect of any other Major Airport(s) with ratings lower than 3.5 and not lower than 3 as the rating for the purposes of termination of the concession agreement by GOI, then such lower rating shall be made applicable for this Article 9.

### 9.3 **Records**

Subject to compliance with all Applicable Law, HIAL shall keep full records in respect of the design, construction, completion, commissioning, maintenance, operation, management and development of the Airport including a maintenance manual and "as built" drawings of all aspects of the Airport and shall make them available for inspection on reasonable notice and during normal business hours to Gol for the purpose of verification by Gol of HIAL's compliance with the terms and conditions hereof and shall furnish copies thereof to Gol (at Gol's cost) if called for.



## 10. CHARGES

### 10.1 Parties having right to impose charges

Subject to Applicable Law, no Person (other than HIAL, any Service Provider Right Holder granted a relevant Service Provider Right or the AAI) may impose any charge or fee (a) in respect of the provision at the Airport of any facilities and/or services which are included within Airport Activities or (b) in respect of the movement of passenger, or vehicular traffic on the Airport or the Site.

### 10.2 Airport Charges

10.2.1 The Airport Charges specified in Schedule 6 ("Regulated Charges") shall be consistent with ICAO Policies.

10.2.2 The Regulated Charges set out in Schedule 6 shall be the indicative charges at the Airport. Prior to Airport Opening HIAL shall seek approval from the Ministry of Civil Aviation for the Regulated Charges, which shall be based on the final audited Project cost. The Ministry of Civil Aviation shall, subject to the proposed Regulated Charges being in compliance with the principles set out in Article 10.2.1, grant its approval thereto within a period of forty-five (45) days of the date of the application being submitted by HIAL. Within 120 days after the Airport Opening Date, HIAL shall submit the final audited Project cost to the Ministry of Civil Aviation.

10.2.3 If at any time prior to the date the IRA has the power to approve the Regulated Charges HIAL wishes to amend such charges it shall seek consent from the Ministry of Civil Aviation for such amendments. The Ministry of Civil Aviation shall, subject to the proposed charges being in compliance with the principles set out in Article 10.2.1, grant its approval of such amendments within a period of forty-five (45) days of the date of the application being submitted by HIAL.

10.2.4 From the date the IRA has the power to approve the Regulated Charges, HIAL shall be required to obtain approval thereof from the IRA. In this regard HIAL shall submit to the IRA, in accordance with any regulations framed by the IRA, details of the Regulated Charges proposed to be imposed for the next succeeding relevant period together with such information as the IRA may require for review. Unless otherwise agreed in writing between the Parties such approved Regulated Charges shall comply with the principles referred to in Article 10.2.1 until the earlier of (i) the date that outstanding Debt in respect of the Initial Phase has been repaid and (ii) fifteen (15) years from Airport Opening Date.

### 10.3 Other Charges

HIAL and/or Service Provider Right Holders shall be free without any restriction to determine the charges to be imposed in respect of the facilities and services provided at the Airport or on the Site, other than the facilities and services in respect of which Regulated Charges are levied.

#### 10.4 **Payment of Taxes**

All Taxes as may be due and payable by HIAL pursuant to Applicable Law, shall be paid on a priority basis prior to any disbursements by HIAL to any party including Lenders.

### 11. **MAINTENANCE OF INSURANCE**

#### 11.1 **Insurance during Concession Period**

HIAL shall effect and maintain at its own cost, at all times the insurances set out in Schedule 11, the insurances required under the Financing Agreements and such additional insurances, as HIAL may reasonably consider necessary or prudent in accordance with Good Industry Practice.

#### 11.2 **Policies**

Within thirty (30) days of receiving any insurance policy certificates in respect of insurances required to be obtained and maintained under Article 11.1, HIAL shall furnish to Gol, copies of such policy certificates, copies of the insurance policies and evidence that the insurance premia have been paid in respect of such insurance. No insurance shall be cancelled, modified or allowed to expire or lapse until the expiration of at least forty-five (45) days notice of such cancellation, modification or non-renewal has been provided by HIAL to Gol.

#### 11.3 **Remedy for Failure to Insure**

If HIAL fails to effect and keep in force all insurances for which it is responsible pursuant hereto, Gol shall have the option to keep in force any such insurances, and pay such premia and recover the costs thereof from HIAL.

#### 11.4 **Application of Insurance Proceeds**

Subject to any agreement with the Lenders, all insurance claims paid to HIAL shall be applied for reconstruction of the Airport except for insurance proceeds unrelated to physical damage.

### 12. **ACCOUNTS AND AUDIT**

HIAL shall maintain books of accounts recording its income and expenditure, receipts and payments, and assets and liabilities, in accordance with Applicable Law. It shall provide to Gol two (2) copies of its Balance Sheet and Profit and Loss Account along with a report thereon by its Statutory Auditors, as soon as reasonably available.

### 13. **FORCE MAJEURE AND TERMINATION**

#### 13.1 **Force Majeure**

Article 13 shall apply if the performance by any Party (the "**Affected Party**") of its obligations under this Agreement is prevented, hindered or delayed in whole or in part by reason of Force Majeure.

## 13.2 Consequences of Force Majeure

### 13.2.1 Performance Obligation

Provided it complies with Article 13.2.2, neither Party shall be liable for any failure to comply, or delay in complying, with any obligation under or pursuant to this Agreement and they shall not be required to perform their obligations to the extent that the performance by either Party of its obligations under this Agreement is prevented, hindered, impeded or delayed in whole or in part by reason of Force Majeure and in particular, but without limitation, the time allowed for the performance of any such obligations (including, without limitation, achieving the Airport Opening Date as required by Article 7.5) shall be extended accordingly.

### 13.2.2 Notification

As soon as reasonably practicable but not more than 72 hours following the date of commencement of any event of Force Majeure, if either Party desires to invoke such event of Force Majeure as a cause for delay or failure in the performance of any obligation hereunder, it shall notify the other Party in writing of such date and the nature and expected duration of such event of Force Majeure. Within a reasonable time following the date of such notice of such event of Force Majeure, the Party having invoked such event of Force Majeure as a cause for such delay shall submit to the other Party sufficient proof of the nature of such delay or failure and its anticipated effect upon the time for performance.

### 13.2.3 Mitigation

The Affected Party shall take all reasonable steps to prevent, reduce to a minimum and mitigate the effect of the event of Force Majeure.

## 13.3 Default

### 13.3.1 HIAL Default Events

Each of the following events shall constitute an "**HIAL Default Event**":

- (a) Except as otherwise provided in this Article 13.3.1, if HIAL is in material breach of the terms of this Agreement and such breach has not, if capable of remedy, been remedied within one hundred and twenty (120) consecutive days from the date upon which HIAL receives a notice from Gol specifying that such breach has occurred. The Parties expressly agree that any transfer of shares in breach of Article 6.2 shall constitute an HIAL Default Event, unless the transfer is to GoAP pursuant to the Shareholders Agreement;
- (b) If Airport Opening has not occurred by the date falling twelve (12) months after the Airport Opening Target Date;
- (c) Subject to Articles 13.1 and 13.2, and unless caused due to Gol and/or Relevant Authority, if, following Airport Opening, HIAL ceases

to operate (whether by act or omission) for more than fourteen (14) consecutive days or for an aggregate of more than thirty (30) days in any calendar year without the written consent of Gol;

- (d) If any sum due and payable under this Agreement from HIAL is not paid within thirty (30) days of a request therefor from or on behalf of Gol;
- (e) An order being made or a resolution being passed for the liquidation, bankruptcy or dissolution of HIAL which is not, if capable of being so, discharged or, as the case, may be, revoked within one hundred and twenty (120) days thereafter;
- (f) If any material representation or warranty given by HIAL under Articles 6.1.1 (d), (e) or (f) is incorrect and the same is not remedied within sixty (60) days of the date of receipt of notice of such event; and
- (g) HIAL's failure to achieve the agreed Standards pursuant to Article 9.2.7.

Provided that the events outlined in paragraphs (a) to (c) and (g) above shall not constitute an HIAL Default Event if they are the result and/or consequence of any of the events specified in the proviso to Article 7.5 except those set forth in paragraphs 7.5.4 and 7.5.5 of the said proviso.

### 13.3.2 **Gol Default Events**

Each of the following events shall constitute a "**Gol Default Event**":

- (a) Except as otherwise provided in this Article 13.3.2, if Gol is in breach of the terms of this Agreement to an extent which has a material and adverse effect on the rights or obligations of HIAL, and such breach has not, if capable of remedy, been remedied within one hundred and twenty (120) consecutive days from the date upon which Gol receives a notice from HIAL specifying that such breach has occurred;
- (b) If any sum due and payable under this Agreement from Gol is not paid within thirty (30) days of a request therefor from or on behalf of HIAL;
- (c) If any material representation or warranty given by Gol under Articles 6.1.1 (d), (e) or (f) is incorrect and the same is not remedied within sixty (60) days of the date of receipt of notice of such event;
- (d) following the occurrence of any of the events set out in Article 15.4 and Article 15.5, if the aggregate outstanding claims by HIAL for compensation pursuant to Article 15.4 and Article 15.5 exceed the maximum compensation amount set out in Article 15.6. For the purpose of this paragraph (d), the aggregate outstanding claims by HIAL shall exclude any claims in respect of which HIAL has been

fully compensated in accordance with Article 15.4 and Article 15.5. Following the occurrence of any of the events set out in Article 15.4 and Article 15.5 Gol shall have the right at any time to request termination of the Agreement pursuant to this Article 13.3.2 in lieu of paying compensation to HIAL pursuant to those Articles;

- (e) If the CNS/ATM Agreement is terminated at the direction of Gol.

#### 13.4 Consequences of Default

- 13.4.1 In the event of a HIAL Default Event occurring Gol shall have the right to notify HIAL that such an event has occurred and (if it is capable of remedy) requiring the remedy of the same within a reasonable period not less than one hundred and twenty (120) days. If, following the end of such period, the breach has not been remedied, then Gol or any entity designated by it shall have the right, but shall not be required, to issue a notice to HIAL terminating this Agreement. In the event of Gol exercising such right of termination, Gol shall acquire all of HIAL's rights, title and interests in and to the Airport and in any Non-Airport Activities which Gol opts to take over pursuant to Article 13.5.2 in the manner set out in Article 13.5 below, on payment, which shall be no later than 180 days following issue of such termination notice, of an amount equal to the Termination Amount. "**Termination Amount**" shall mean one hundred per cent (100%) of the Debt plus the value of HIAL's investment in any Non-Airport Activities which Gol opts to take over pursuant to Article 13.5.2, less any insurance monies received by HIAL or due and paid to HIAL in respect of claims made since the occurrence of the HIAL Default Event which led to termination under this Article 13.4.1. For the avoidance of doubt the transfer costs and taxes, if applicable, for the transfer of the airport consequent to termination of this agreement due to HIAL's Default Events, shall be borne by HIAL.
- 13.4.2 In the event of a Gol Default Event HIAL shall have the right to notify Gol that such an event has occurred and (if it is capable of remedy) requiring the remedy of the same within a reasonable period not less than one hundred and twenty (120) days. If, following the end of the period stated in such notice the event giving rise to the Gol Default Event has not been remedied, HIAL shall have the right, but shall not be required, to issue a notice to Gol terminating this Agreement. In the event of HIAL exercising such right of termination, Gol shall acquire all of HIAL's rights, title and interests in and to the Airport and in any Non-Airport Activities which Gol opts to take over pursuant to Article 13.5.2 in the manner set out in Article 13.5 below, on payment, which shall be no later than 180 days following issue of such termination notice, of an amount equal to the higher of (i) the Settlement Amount or (ii) one hundred per cent (100%) of the Debt, less any insurance monies received by HIAL or due and paid to HIAL in respect of claims made since the occurrence of the Gol Default Event which led to termination under this Article 13.4.2, plus transfer costs and taxes, if applicable.

## 13.5 Transfer of Airport

13.5.1 On exercise of a right of termination by Gol or HIAL under Article 13.4 of this Agreement, and without prejudice to any rights of HIAL to compensation all assets relating to Airport Activities of HIAL shall be transferred to Gol or its nominee on the Transfer Date pending payment followed by Non-Airport Activities subject to Article 13.5.2, clear of any Security and without any encumbrances and liabilities as provided in Article 13.5.3 below. . For the avoidance of doubt this shall include but not be limited to:

- (a) all immovable, movable and intangible property (including intellectual property, plans, designs and drawings), stocks, materials, vehicles and spares of HIAL;
- (b) the rights and obligations under or pursuant to all contracts and other arrangements entered into in accordance with the provisions of this Agreement between HIAL and any Service Provider Right Holder (in consideration of Gol's assumption of the obligations under or pursuant to such contracts and other arrangements); and
- (c) the rights and obligations under or pursuant to all other contracts entered into by HIAL (including for the avoidance of doubt insurance contracts, guarantees and warranties) (in consideration of Gol's assumption of the obligations under or pursuant to such contracts).

Notwithstanding the provisions of this Article, the payments contemplated under Articles 13.4.1 and 13.4.2, as the case may be, shall be made by the Gol within 180 days following the issue of termination notice under the respective Articles

13.5.2 Notwithstanding anything contained in Article 13.5.1 prior to any transfer of the Airport, Gol shall have the right to conduct a due diligence of the contracts and agreements pertaining to Non-Airport Activities, the rights and obligations of which it is assuming and shall not be bound to assume the rights and obligations of contracts that, in the sole opinion of Gol are unreasonably onerous, and would be considered onerous at the time that the contracts were entered into. Gol shall conduct the due diligence and identify the contracts and agreements that it is prepared to assume within 45 days of the opening of a data room by HIAL for these purposes following the exercise of a right of termination by Gol or HIAL under Article 13.4. For the avoidance of doubt, to the extent Gol opts to take over Non-Airport Activities calculation of Termination Amount or Settlement Amount shall include investments amounts or costs of such Non-Airport Activities.

13.5.3 Other than as agreed in this Article 13.5, no liability (accrued or contingent) of HIAL or relating to the Airport arising on account of actions or inactions prior to the Transfer Date shall be assumed or transferred to Gol or its nominees. Gol or its nominees shall only be liable for liabilities in relation to the Airport or the Non-Airport Activities that Gol opts to take over pursuant to Article 13.5.2 arising subsequent to the Transfer Date.

13.5.4 Save to the extent caused by a Gol Default Event, HIAL shall in accordance with Good Industry Practice ensure that all property, assets, rights and other items referred to in Article 13.5.1 which are vested in or transferred to Gol shall be in good working order and in a good state of repair and that the Airport is transferred to Gol as a going concern in good operating order, but this provision shall be deemed to be satisfied if HIAL is for the time being complying with its maintenance obligations.

### 13.6 Pre-termination Obligations

Expiry or termination of this Agreement shall be without prejudice to all rights and obligations then having accrued to Gol and/or HIAL (or which may thereafter accrue in respect of any act or omission prior to such expiry or termination) and without prejudice to those provisions which expressly provide for continuing obligations or which are required to give effect to such expiry or termination or the consequences of such expiry or termination.

### 13.7 Term

13.7.1 Unless terminated earlier in accordance with Article 4.3.1, Article 13.4, or by mutual agreement between the Parties in writing, this Agreement shall continue in full force and effect from its commencement in accordance with Article 4 until the thirtieth (30th) anniversary of the Airport Opening Date whereupon the term of the Agreement shall at the option of HIAL be extended for a further period of thirty (30) years, provided that the following Articles of this Agreement shall have no further force and effect from the thirtieth (30th) anniversary of the Airport Opening Date: 5.1.2 (Obligations of Gol), 5.5 (Existing Airport), 7.7 (Commissioning), 8.17.2 (Minimum Disruption), 10.2 (Airport Charges), and 15.5 (Change in Law). HIAL may at any time prior to the twenty-seventh (27th) anniversary of the Airport Opening Date, exercise the aforesaid option of extending the term of this Concession Agreement by another thirty (30) years. In the event of HIAL not exercising its option of extending the term of this Concession Agreement, then the Concession Agreement shall expire on the thirtieth (30th) anniversary of the Airport Opening Date and Gol or its nominee shall acquire all of HIAL's rights, title and interests in and to the Airport in the manner set forth in Article 13.5 on payment on the Transfer Date to HIAL the aggregate of (a) and (b):

- (a) the lowest of the following:
  - i) one hundred per cent (100%) of the par value of the equity; or
  - ii) 100% of the equity of HIAL subscribed and paid-up on the Transfer Date; or
  - iii) the Net Worth of the Company;
- (b) one hundred per cent (100%) of the Debt.

less any proceeds from insurance claims, including political risk insurance, if any, raised by HIAL, Sponsor and Lenders in respect of claims made in respect of the Airport before the expiry of the term .

13.7.2 In the event of extension of the term of this Agreement under Article 13.7.1, the Parties shall commencing from the expiry of the fifty-fifth (55th) anniversary of the Airport Opening Date, initiate dialogue to extend the term

of this Agreement on mutually acceptable terms and conditions. If the Parties are unable to agree upon the revised terms and condition of extension of the Airport by the expiry of the fifty-seventh (57th) anniversary of the Airport Opening Date, then, save as provided in Article 13.7.3 below, the Agreement shall expire on the sixtieth (60th) anniversary of the Airport Opening Date and Gol or its nominee shall acquire all of HIAL's rights, title and interests in and to the Airport in the manner set forth in Article 13.5 on payment on the Transfer Date to HIAL one hundred per cent (100%) of the Debt less any proceeds from insurance claims, including political risk insurance, if any, received by HIAL, Sponsor and Lenders after the expiry of the term in respect of claims made in respect of the Airport before the expiry of the term . .

13.7.3 If HIAL and Gol are unable to agree terms for the renewal of this Agreement by the expiry of the fifty-seventh (57th) anniversary of the Airport Opening Date Gol shall be entitled to commence discussions with third parties provided that Gol shall not enter into a concession agreement in respect of the Airport with a third party on more favourable terms than those offered to HIAL.

### 13.8 **Other Rights of Termination**

The Parties' rights to terminate this Agreement shall be limited to those expressly set out in this Agreement.

### 13.9 **Survival**

Articles 3.2, 16 and 18 shall continue to bind the Parties notwithstanding the termination of this Agreement.

### 13.10 **Suspension**

Subject to giving prior written notice to Gol, HIAL shall be entitled to suspend the construction and/or operation and maintenance of the Airport upon the occurrence of any of the events specified in the proviso to Article 7.5.

## 14. **OTHER PROVISIONS**

### 14.1 **Assignment and Security**

14.1.1 Notwithstanding any change in the law of India after the date hereof which might otherwise permit the assignment of this Agreement, no party may (save as permitted pursuant to Article 14.1.2) assign this Agreement or any right or obligation arising under or pursuant to it or any benefit or interest herein or create or permit to subsist any Security over this Agreement or any right or obligation arising under or pursuant to it or any benefit or interest in it.

14.1.2 For the purposes of providing Security to the Lenders, HIAL may assign and transfer certain or all of its rights and obligations under this Agreement provided that HIAL shall first notify Gol of the identity of any Lenders to whom it intends to assign and transfer its rights and obligations under this Agreement in accordance with this Article. Gol, acting reasonably, shall be entitled, within a period of ten (10) days of such notice to notify HIAL that it



objects to the assignment or transfer to one or more of the Lenders so notified by HIAL in which event HIAL shall not be permitted to assign and transfer its rights and obligations under this Agreement to those Lenders so notified by Gol.

14.1.3 HIAL covenants that it will not delegate, whether by sub-concession or otherwise, all of its rights and obligations under this Agreement; provided however HIAL may employ contractors for construction, operation and maintenance and for discharging some of its obligations under this Agreement. For the avoidance of doubt, it is stated that engagement of contractors by HIAL for discharging some of its obligations shall not absolve the principal obligations of HIAL as contemplated in this Agreement.

## **15. LIABILITY AND INDEMNITY**

### **15.1 HIAL Liability**

Subject to Article 15.2 and Article 13.3.2, as between HIAL and Gol (and their respective employees, servants and agents), HIAL alone will bear any responsibility there may be for any cost, expense, loss, liability or damage suffered for incurred by any user(s) at the Airport or any other Person(s) or otherwise and arising out of or in connection with the design, construction, maintenance and operation of the Airport and Non-Airport Activities without recourse to Gol (or any of its respective employees, agents and/or servants) to the extent that such cost, expense, loss, liability or damage arises as a result of the negligence of HIAL (and its employees, servants and agents).

Neither Gol nor HIAL shall be liable for any special, indirect, incidental or consequential damages arising out of or in connection with this Concession Agreement.

### **15.2 Gol Liability**

Gol and HIAL will be obliged to give information to the other party, if any legal proceeding is initiated in any court or tribunal against them relating to this Concession Agreement.

### **15.3 Information**

Gol and HIAL shall promptly, as soon as reasonably practicable after either party becomes aware of the same, inform each other of any demand, claim, action or proceeding or anticipated demand, claim, action or proceeding against it, in respect of which the other party is entitled to be indemnified under Articles 15.1 or 15.2, as applicable. They shall give reasonable assistance to one another in the defence of any such demand, claim, action or proceeding.

### **15.4 Compensation payable by Gol**

Subject as provided in this Agreement, in the event of the occurrence of any breach of or default, under Articles 8.11 (Slots), 8.16 (Daytime and Night time Operation) or 10 (Charges) Gol will, upon a request in writing from HIAL, indemnify HIAL against the consequences of each of the events listed above and shall, subject to Article 15.6 pay to HIAL within thirty (30) days of such request for payment, sums equal to the loss,

cost, expense, liability or damage suffered directly by HIAL as a result of such event, which shall for the avoidance of doubt include:

- 15.4.1 all amounts payable or due and paid by HIAL to any of its contractors or Service Provider Right Holders as a result of such event;
- 15.4.2 all additional interest, fees and other sums owing to Lenders for borrowed money of HIAL as a result of such event; and
- 15.4.3 all additional overheads and operating costs and expenses payable or due and paid as a result of such event.

Provided that Gol may set off from payments due to HIAL under this Article such amounts as constitute any liability to Gol that has previously been admitted by HIAL.

Provided further that HIAL shall notify Gol of the occurrence of an event listed above for which it seeks to claim compensation within a period of ten (10) days from HIAL becoming aware of the occurrence of such event.

## 15.5 **Change in Law**

If as a result of Change in Law, HIAL suffers an increase in costs or reduction in net after tax return or other financial burden, loss, liability or damage in connection with its development or operation of the Airport, the aggregate financial effect of which exceeds Rupees ten million (10,000,000) in any financial year, HIAL may notify Gol and propose amendments to this Agreement so as to put HIAL in the same financial position as it would have occupied had there been no such Change in Law resulting in such cost increase, reduction in return or other financial burden, loss, liability or damage as aforesaid. Upon notification by HIAL as aforesaid, the Parties shall meet as soon as reasonably practicable but no later than 30 (thirty) days following notification from HIAL and either agree on amendments to this Agreement or on alternative arrangements to implement the foregoing.

Provided that if no agreement is reached as aforesaid by the Parties within ninety (90) days of the meeting pursuant to this Article, HIAL may by notice in writing require Gol to pay an amount that would put HIAL in the same financial position it would have occupied had there been no such Change in Law resulting in such cost increase, reduction in return or other financial burden, loss, liability or damage as aforesaid. Such notice shall be accompanied by such supporting documents and evidences by HIAL to Gol to evaluate such claim. Gol shall make payment of such compensation within 15 (fifteen) days of receiving such notice and evidences. If Gol shall dispute the quantum of such compensation claim of HIAL, the same shall be finally settled in accordance with the Dispute Resolution mechanism contained herein.

## 15.6 **Maximum Compensation Amount**

During the term of this Agreement the aggregate liability of Gol in respect of any and all claims under Articles 15.4 and 15.5 shall not exceed Rupees one hundred (100) crores.

15.7 **Liability**

The Parties intend that the rights, obligations and liabilities contained in this Agreement shall be an exhaustive description of the rights, obligations and liabilities of the Parties arising out of or in connection with this Agreement. Accordingly, the remedies expressly stated in this Agreement and any document entered into pursuant to it shall be the sole and exclusive remedies of the Parties for liabilities to one another arising out of or in connection with this Agreement, including any representation, warranty or undertaking given in connection with it, notwithstanding any remedy otherwise available at law or in equity.

15.8 **Mitigation**

Notwithstanding the provisions of Article 15.5, HIAL shall in the first instance and in accordance with Applicable Law, take all reasonable steps including, to the extent feasible, an increase in the charge to be levied on users of Airport to mitigate the adverse effect of a Change in Law.

16. **DISPUTE RESOLUTION**

16.1 **Negotiation and Conciliation**

The Parties shall use their respective reasonable endeavours to settle any dispute, difference, claim, question or controversy between the Parties arising out of, in connection with or in relation to this Agreement ("Dispute") amicably between themselves through negotiation.

16.2 **Reference to Arbitrator**

Subject to anything contained in the relevant Independent Regulatory Authority legislation regarding the settlement of disputes, any Dispute which the Parties are unable to resolve pursuant to Article 16.1 within sixty (60) days (or such longer period as the Parties may agree) of the written notification by one Party to the other of the existence of a Dispute shall be finally determined by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996 and in accordance with the UNCITRAL rules (the "Rules") by three arbitrators appointed in accordance with the Rules. In case of conflict between Indian Arbitration and Conciliation Act, 1996 and the Rules, the provisions of the former will prevail.

The Parties agree that any Dispute relating to compensation payable by Gol pursuant to Article 15.4 in respect of a breach of Article 10 (Charges) shall be determined by Arbitration in accordance with this Article 16.2 only, and not by reference to the IRA.

16.3 **Miscellaneous**

The venue of arbitration shall be New Delhi. Each Party shall pay the expenses of the arbitration in accordance with the Rules and the eventual liability for the costs shall be in terms of the arbitral award. No arbitrator shall be the present or former employee or agent of, or consultant or counsel to either Party or in any way related or closely connected with the Parties. The language of the arbitration shall be English.

#### 16.4 **Decision/Award**

Any decision or award of an arbitral tribunal appointed pursuant to this Article 16 shall be final and binding upon the Parties. The Parties agree that any arbitration award made may be enforced by the Parties against assets (excluding those in respect of Gol referred to in the exclusion to Article 18.13) of the relevant Party, wherever those assets are located or may be found, and judgement upon any arbitration award (wherever necessary) may be entered by any court of competent jurisdiction thereof. The Parties expressly submit to the jurisdiction of any such court for the purposes of enforcement of any arbitration award.

16.5 Notwithstanding the above, in the event of any dispute between the Parties in respect of Article 3.3 the Parties shall use their respective reasonable endeavours to settle any such dispute amicably between themselves through negotiation. In the event that the Parties are unable to resolve any such dispute following negotiation, they shall appoint an independent chartered accountant whose identity is to be mutually agreed by the Parties, who shall act as a conciliator. In the event that such independent chartered accountant is unable to reach a conclusion within two (2) months of being appointed, the dispute shall be resolved in accordance with Articles 16.2, 16.3 and 16.4.

### 17. **REDRESSAL OF PUBLIC GRIEVANCES**

#### 17.1 **Complaints Register**

17.1.1 HIAL shall maintain a public relations office at the Airport where it shall keep a register (the "**Complaint Register**") with access at all times for recording of complaints by any person (the "**Complainant**"). Immediately, after a complaint is registered, HIAL shall give a receipt to the Complainant stating the date and complaint number.

17.1.2 The Complaint Register shall be securely bound and each page thereof shall be duly numbered. It shall have appropriate columns including the complaint number, date, name and address of the Complainant, substance of the complaint and the action taken by HIAL. Information relating to the availability of and access to the Complaint Register shall be prominently displayed by HIAL at the Airport.

#### 17.2 **Redressal of Complaints**

Subject to Article 17.3, HIAL shall inspect the Complaint Register every day and take prompt and reasonable action for redressal of each complaint. The action taken shall be briefly noted in the Complaint Register and a reply stating the particulars thereof shall be sent by HIAL to the Complainant under a certificate of posting or by fax with confirmation of transmission.

#### 17.3 **Reserved Activities**

To the extent that the complaints made by any Complainant relate to the performance or otherwise of the Reserved Activities HIAL shall notify the Relevant Authority which shall, upon receipt of such notice, take prompt and reasonable action for redressal of each complaint. The action taken shall be briefly noted in the Complaint Register and a

reply stating the particulars thereof shall be sent by the Relevant Authority to the Complainant under a certificate of posting or by fax.

**18. MISCELLANEOUS**

**18.1 Remedies, Waivers, Amendments and Consents**

No failure on the part of the Gol or HIAL to exercise, and no delay on their part in exercising, any right, power, privilege or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy.

**18.2 Amendments, Waivers and Consents**

**18.2.1 Amendments**

- (a) Any provision of this Agreement may be amended, supplemented or modified only by an agreement in writing signed by the Parties.
- (b) Gol or HIAL may at any time request the other to enter into discussions to review the operation of any part of this Agreement and, but without commitment on either Party, to determine whether it should be amended by mutual agreement provided that, unless there is such mutual agreement, the provisions of this Agreement (as then most recently, if at all, amended) shall continue to apply whatever the outcome of any such discussions or review and whether or not any such discussions or review take place.
- (c) Notwithstanding the terms of any other provision of this Agreement, it shall not be a breach of this Agreement if any amendment, supplement or modification to any provision of this Agreement requires ratification by law.

**18.2.2 Waivers and Consents**

- (a) Any provision or breach of any provision of this Agreement may be waived before or after it occurs only if evidenced by an agreement in writing signed by the Parties.
- (b) Any consent under or pursuant to any provision of this Agreement must also be in writing and given prior to the event, action or omission for which it is sought.
- (c) Any such waiver or consent may be given subject to any conditions thought fit by the Person(s) giving it and shall be effective only in the instance and for the purpose for which it is given.

**18.2.3 Amendment on HIAL Listing**

- (a) HIAL may at an appropriate stage during the term of this Agreement consider the possibility of having an IPO.

- (b) Prior to any such IPO, the Parties shall agree any amendments to this Agreement as may be required by the relevant Stock Exchange authority and shall make public any relevant information as may be required by the relevant Stock Exchange authority.

### 18.3 **Entire Agreement**

This Agreement and the documents to be entered into pursuant to it constitute the entire agreement between the Parties with respect to the subject matter of this Agreement and supersede any prior written or oral agreement between them with respect to such subject matter.

### 18.4 **Further Assurance**

#### 18.4.1 **Further Assurance**

Each Party shall, and shall use all reasonable endeavours to procure that any relevant third party shall, execute such documents and do such acts and things as the requesting Party may reasonably require for the purpose of giving to the requesting Party the full benefit of all the provisions of this Agreement. Provided it is without any detriment to the requested Party and at the cost and risks of the requesting Party.

#### 18.4.2 **Direct Agreement**

GoI shall, upon a request from the Lenders, enter into a direct agreement with the Lenders substantially in the form attached as Schedule 5 to this Agreement whereby, amongst other things, GoI agrees to give prior notice of any intention it may have to exercise its rights under the Agreement, to allow such Lenders the right to cure a default on the part of HIAL, and/or to allow such Lenders under certain circumstances to substitute themselves or appoint a third party substitute with requisite eligibility and prior consent of GOI to carry out the obligations and enjoy the benefits of HIAL under the Agreement.

### 18.5 **Partial Invalidity**

18.5.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will, in any way, be affected or impaired and the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

18.5.2 The Parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for any such invalid, illegal or unenforceable provision and which are satisfactory to GoI and HIAL and produce as nearly as is practicable in all the circumstances the appropriate balance of the commercial interests of the Parties.

18.6 **No Partnership**

Neither this Agreement nor any other agreement or arrangement of which it forms part, nor the performance by the Parties of their respective obligations under any such agreement or arrangement, shall constitute a partnership between the Parties. No Party shall have any authority (unless expressly conferred in writing by virtue of this Agreement or otherwise and not revoked) to bind any other Party as its agent or otherwise.

18.7 **Time is of the Essence**

Time shall be of the essence of this Agreement, both as regards the dates, periods or times of day mentioned and as regards any dates, periods or times of day which may be substituted for them in accordance with this Agreement.

18.8 **Computation of Time**

Times referred to in this Agreement are times in Hyderabad, India. In computing any period of time prescribed or allowed under this Agreement, the day of the act, event or default from which the designated period of time begins to run shall be included. If the last day of the period so computed is not a Business Day, then the period shall run until the end of the next Business Day.

18.9 **Notices**

18.9.1 **Communications in Writing**

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or registered letter.

18.9.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is as follows:

**Gol:** Ministry of Civil Aviation  
Rajiv Gandhi Bhawan  
Safdarjung Airport  
New Delhi - 110003  
Fax: 011-24602397  
Attention: Secretary, Ministry of Civil Aviation

**HIAL:** Hyderabad International Airport Limited  
6-3-866/1/G2, Greenlands  
Begumpet  
Hyderabad - 560 016  
India  
Fax: 040 55624443  
Attention: Managing Director

or any substitute address, fax number or department or officer as the Party may notify to the other Party, by not less than five (5) Business Days' notice.

**18.10 Deemed Delivery**

Subject as otherwise provided in this Agreement, any communication under or pursuant to this Agreement shall be deemed to be received by the recipient (if sent by fax with confirmation of transmission) on the next working day in the place to which it is sent or (in any other case) when left at the address required by Article 18.9.2 or within ten (10) such working days after being sent by registered post (by airmail if to another country) postage prepaid and addressed to that address. For these purposes, working days are days other than Saturdays, Sundays and bank holidays.

**18.11 Governing Language**

The language which governs the interpretation of this Agreement is the English language. All notices required to be given by either Party to the other and all other communications and documentation which is in any way relevant to this Agreement and which is relevant to the execution, implementation and termination of this Agreement, including but not restricted to any dispute resolution proceedings, shall be in the English language.

**18.12 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of India.

**18.13 Sovereign Immunity**

Gol unconditionally and irrevocably:

18.13.1 agrees that the execution, delivery and performance by it of this Agreement and those agreements and other documents comprising the Security to which it is a party constitute private and commercial acts rather than public or governmental acts;

18.13.2 agrees that, should any proceedings be brought against it or its assets in relation to this Agreement or any transaction contemplated by this Agreement, no sovereign immunity from such proceedings shall be claimed by or on behalf of itself or with respect to its assets.

For the purposes of this Article 18.13, "assets" shall be taken as excluding present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961, "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963 and military property or military assets or property or assets related thereto of Gol, premises and offices of the constitutional authorities of India and national heritages.



18.14 **Default Interest**

Any amounts due and payable under the terms of this Agreement and not paid on their due date shall bear interest at the State Bank of India Prime Lending Rate plus two per cent (2%).

**IN WITNESS** whereof GoI and HIAL have signed this Agreement through their authorised representatives, as above stated, as of the date first hereinabove mentioned.

For and on behalf of **President of India**  
by a duly authorized representative

**in the presence of:**

\_\_\_\_\_  
Signature of the witness  
**Dr.Nasim Zaidi**  
Joint Secretary  
Ministry of Civil Aviation  
Government of India

\_\_\_\_\_  
Signature of the authorized representative  
**Ajay Prasad**  
Secretary, Ministry of Civil Aviation  
Government of India

Signed for and on behalf of  
**Hyderabad International Airport Limited**

\_\_\_\_\_  
Signature of the witness  
**Binoy Kumar**  
Secretary, TR&B Department  
Government of Andhra Pradesh &  
Director, HIAL

\_\_\_\_\_  
Name and signature of the Chairman  
**G.M. Rao**  
Chairman  
Hyderabad International Airport Limited

\_\_\_\_\_  
Signature of the witness  
**Kiran Kumar Grandhi**  
Managing Director  
Hyderabad International Airport Limited

\_\_\_\_\_  
**Tan Sri Datuk Dr. Aris Bin Othman**  
Chairman  
Malaysia Airports Holdings Berhad (MAHB)

## SCHEDULE 1: CLEARANCES

### PROJECT CLEARANCES BY GOI

S.No.	Clearance Required
1	Government of India
1.1	Cabinet approval for the Project
1.2	Amendment of AAI Act
2	Ministry of Civil Aviation
2.1	Clearance to establish the new airport
2.2	Amendment to Aircraft Rules 1937
3	Director General of Civil Aviation
3.1	Final approval for the site
3.2	License to operate the new airport
4	Ministry of Defence
4.1	Agreement on Integrated airspace management
4.2	NOC to establish the new airport
5	Ministry of Environment and Forest
5.1	Environment clearance
5.2	Approval for use of the forest land for non forest purposes
6	Department of Explosives
6.1	NOC for location of the aviation fuel depot
7	Ministry of Finance
7.1	Notification of the airport as a “ customs airport” in the official gazette

## **SCHEDULE 2: DESCRIPTION OF THE INITIAL PHASE OF THE AIRPORT**

### **1. Location**

The Site for the proposed international Airport is situated near Shamshabad in Ranga Reddy district of Andhra Pradesh, about 20 km south of the present Hyderabad airport at Begumpet. The intersection of latitude 17° 14' and longitude 78° 26' falls within the proposed Site. The proposed Site covers an area of about 5400 acres and is more fully described in the Land Lease Agreement. The site is a favourable location for the proposed international Airport at such proximity to the city.

### **2. Master Plan**

The Master Plan has been developed using the forecast prepared by HIAL. The Initial Phase of the Master Plan (named 1A) concentrates on the operation with a capacity of 5 million passengers per annum. The ultimate development presented in the Master Plan caters for 40 million passengers per annum.

The development of Master Plan is foreseen to follow the traffic demand.

The Master Plan addresses the following facilities related to air traffic operations in the Initial Phase:

- Runway, taxiways, aprons and isolation bay
- Navigational aids
- Passenger terminal building
- Cargo complex with apron designed also to accommodate general aviation fixed wing and helicopters
- Control tower and technical building
- Maintenance work shop for ground handling equipment and vehicles, service buildings, e.g., diesel generator sets and areas allocated for catering activities
- Fuel farm and fuel hydrant system
- Airport fire, crash and rescue service
- Aircraft hangar and maintenance facilities
- Surface road access
- Planned railway access
- Car parking
- Airport hotel
- Haj facilities
- Sewage treatment plant
- Utilities
- Housing

The Master Plan is prepared in line with current ICAO Standards and Recommendations / IATA guidelines. Environmental regulations have also been considered.

Terminals and airside related buildings are placed parallel to the aprons with sufficient space between groups of buildings allowing for lateral expansion in later phases.

### 3. Runway

A single runway is proposed for the Initial Phase. The runway is designed for wide bodied aircrafts.

The runway in phase 1A is located in the southern section of the Site.

The characteristics of the runway specification are summarized below:

• Runway length	4260m
• Runway width	45m
• Width of runway plus paved shoulders	60m
• Pavement type	Flexible
• Runway strip width	300m
• Runway orientation	09/27
• Usability factor	>95%
• Turning circle at 09 and 27 ends.	Yes

The Airport Site and layout design allows for a second parallel runway (future) in the northern part of the Site. A separation distance of 2600 m between the runways is planned. This distance allows for safe independent runway operation in accordance with ICAO guidelines and provides for optimum use of the area between the runways for terminal and other commercial developments.

### 4. Taxiways

The taxiway system proposed between the runway and the apron will enable aircraft to travel with minimum of delay and permit the runway to operate to its maximum capacity. In the Initial Phase the Airport taxiway system will include the following:

- Parallel single taxiway  
Length: 2860m, width: 44m (23m pavement + 2x10.5m shoulders)  
Separation distance between the centreline of runway and parallel taxiway : 225 m
- Runway entry / exit taxiways  
4 numbers at 90 degree angles, located at the following distances measured from the 09R end (west): 1010m, 2000m, 3220m and 3880m
- Apron taxi lanes  
One each on cargo terminal, main passenger terminal and aircraft maintenance apron

The general characteristics of the taxiway specification, other than the parallel taxiway, are summarized below:

- Width 23m
- Width of taxiway plus paved shoulder 44m
- Pavement type Flexible

## 5. **Apron**

The aprons are rigid pavement and the layout is designed to reflect international standards.

The objectives of the apron design include:

- To minimise taxiing distance to / from the runway.
- To provide sufficient taxi lanes to avoid delays when entering and departing the aerobridge / contact stands.
- To provide airside roads and equipment parking areas to ensure that the ground handling support for aircraft is sufficient and efficient.
- To ensure that operations can be conducted safely.

## 6. **Airside Service Roads**

The main road connecting the various terminals and aprons and catering/ maintenance center has a width of 10m. Other airside roads are 2-lane roads, 7.5 m width. The perimeter fence inspection road shall be unpaved and minor roads to navigational aids shall be paved and have widths of 4 -7m.

## 7. **Main Access Road**

The main access road from NH-7 at Shamshabad until main passenger terminal intersection is a 2-lane dual carriageway. From the same intersection and east towards Srisailem state highway a 2-lane with wide shoulders is planned.

## 8. **Air Traffic Control Tower**

An air traffic control ("ATC") tower will be placed between the main passenger terminal building and the cargo terminal.

ATC controllers' eye-level is set at elevation +670m with reference to the ground level at +602m. This will allow clear sights of both initial runway 1 and the future runway 2. The ATC controllers will be working from the top level having a 360 degree view and apron control is situated at the floor just below.

A "technical building" is located immediately adjacent to the ATC tower containing room for technical installations, AAI offices, briefing rooms and other statutory required facilities.

9. **Airfield Ground Lighting**

The runways and taxiways will be provided with marking, lighting and signage in accordance with the recommendations of ICAO Annex 14, Volume 1: "Aerodrome Design and Operations".

10. **Rescue and Fire Fighting Facilities**

The airport shall be equipped to provide a level of protection corresponding with aerodrome category 9. The main and the satellite fire station are located such that the response time complies with the ICAO recommendations. A watchtower is located above the main fire station.

11. **Water Supply**

Potable water shall be supplied by the Hyderabad Metropolitan Water Supply and Sewerage Board to the service area shown on the Master Plan in sufficient quantity and pressure. Basic treatment on Site is planned and potable water storage tanks for an average daily demand of one day and raw water storage tanks for two days' demand for fire-fighting including distribution networks to the Airport facilities are planned. The water will be distributed using a hydro-pneumatic pumping system.

The potable water will be distributed by means of a land-side main pipeline running in east-west direction, originating in the service area. Separately, a distribution network of similar concept will be provided for fire protection. This network will be equipped with hydrants.

12. **Sewage Disposal**

The sewage and storm-water drainage are planned as separate systems.

The sewage system will include a collection network, pump pits, a sewage treatment plant, etc. Sewage water of the terminal building and other Airport-related facilities will be collected by means of a piped system running in west-to-east direction. Parts will be by gravity and parts will be pumped. A sewage treatment plant will be constructed at the east end of the Site. The effluent from the sewage treatment plant would be treated and re-used for air-conditioning water; any surplus treated water will be re-used for flushing.

13. **Storm Water Drainage**

The design of the drainage system is determined by the topography, finished formation levels, surface run-off from paved areas and building roofs. The topographical conditions of the existing surface and, consequently, that of the graded strip of all Airport-related facilities, result in a north-south oriented main watershed. There are two types of storm water runoff:

A: The storm water from aprons, taxi-ways and runway, shall flow into open lined drains and/or underground pipes and culverts. Paved areas have designed transverse surface slopes to enable the storm water to run off adequately. All the runoff will pass through

an oil / grease separator to a retaining basin. From the basin it will be pumped to outside the environmental restriction zone and recharged to the groundwater through an infiltration gallery.

B: Open drains, inlets and pipe culverts shall be constructed to collect the storm water from buildings, parking areas and roads for discharge to the natural terrain drainage system.

**14. Telecommunications and IT**

An Airport community network including LAN (IT backbone) will be provided as an open facility allowing statutory authorities, HIAL Airport management, the airlines and all other users / concessionaires direct access to vital airport information and the internet. Ground service radio communication will be provided for all ground service groups, security, and fire and rescue services.

**15. Electrical**

The power supply to the Airport shall be provided by APTRANSCO. The electrical power system includes transformer sub-stations, a distribution network, and emergency power supply. The distribution network will be planned with ring mains, so that power supply is always possible from two different sources. An auxiliary power generator system is installed in the DG-power station which will supply the essential consumers and airfield ground lighting of the Airport in case of power supply failure.

**16. Passenger Terminal Building**

The passenger terminal building will comprise three components: 1) from landside - an Airport village, 2) a central processor - both landside and airside, and 3) an aircraft contact stand pier section - fully on airside.

**16.1 Layout Concept**

There is full segregation between arriving and departing passengers and between international and domestic passengers.

There is a built-in flexibility of using selected gates and contact stands for both international and domestic traffic.

Both the central processor and the piers are designed for modular expansion in phases from the initial 5 million pax per annum capacity to an ultimate capacity of 20 million pax per annum, without disturbing the operations.

**16.2 Capacities of the Terminal Building**

In the initial development the terminal building shall be designed for the peak hour number of passengers (3200). The design standards proposed would reflect the best industry practice and operating standards. The design will cater to 24 hours operations

under all weather conditions. The total floor area planned is approximately 104,000 m<sup>2</sup>, including service cores, circulation areas and inner walls. This also includes a basement of approximately 17,000 sq m which will be used for technical facilities. Modular expansion of terminal with traffic growth is possible without disturbing the operations and matching the existing facade. The terminal building is fully air-conditioned.

The terminal equipment proposed includes:

- Check-in counters including CUTE, manual as well as computer kiosks for self-check-in
- In-line X-Ray baggage scanner for hold baggage
- Flight information display system (FIDS)
- CCTV surveillance and PA (public address) system
- Access control system
- Fire alarm and detection system
- Baggage handling system
- Escalators, elevators and automatic doors
- Counters for immigration, customs and security
- Passenger seating / public furniture
- Signage
- Baggage trolleys on both landside and airside (small model)
- Fire suppression system
- Passenger boarding bridges
- Security equipment like X-ray scanner for hand baggage, DFMD and HHMD

**17. Aircraft Fuelling Facilities**

Provision of a fuel hydrant system to transport fuel from the fuel tank farm to the aircraft is included in phase 1A works. Fuel tanks, booster pumps and other technical equipment will be supplied by the fuel farm operator.

**18. Passenger Terminal Parking**

For all phases of development car parking inside the loop road, in front of the terminal building at ground level is planned. The location would be convenient for passengers and visitors to the Airport. An upper terminal concourse for departing passengers and a lower terminal concourse for arriving passengers are planned as an integral part of the loop road. Areas for parking of private cars, taxis, staff car, staff vehicles, VIP cars are provided.

A designated bus terminal for local and regional buses is located centrally in the parking area close to the terminal building.

**19. Ground Services Equipment (GSE) - Maintenance Building**

Maintenance facilities are required for Airport vehicles including ground handling equipment, electrical and mechanical equipment and for other uses. The GSE building



module measures an area of approximately 400 sq.m. It can be laterally expanded in modules to cater for increased requirements.

20. **Ground Services Equipment - Maintenance Area**

A GSE maintenance area is planned on the air side. The space provided initially for this facility is approximately 5000 sq.m.

21. **Security Wall / Security Fence**

The security wall or security fence separating the land side and air side facilities will be constructed to BCAS specifications. In addition a boundary wall will also be constructed to protect the HIAL property.

22. **General Aviation**

General aviation includes such diverse activities as transportation of personnel and cargo by privately owned aircraft, air taxi, agricultural flying, etc. The various types of aircraft comprising the general aviation fleet range from single engine aircraft to multi-engine turbo jet and helicopters. Initially the general aviation aircraft will use the cargo terminal apron and general aviation passengers will use the main passenger terminal facilities.

### **SCHEDULE 3: PART 1 – AIRPORT ACTIVITIES**

**Airport Activities include the following services, facilities and equipment:**

#### **Airside facility**

- Airfield pavements (runway, apron and taxiway system)
- Airfield ground lighting
- Airside and perimeter security including access control and patrolling
- Taxiways including one emergency take off runway/parallel taxiway
- Apron control and allocation of aircraft stands
- Arrivals concourses
- Bird scaring
- Emergency services
- Crash, rescue and fire service
- Flight catering services
- General aviation ground handling
- General aviation facilities
- Ground handling services
- Ground handling equipment
- Ground power for aircraft
- Cargo terminal
- Cargo handling and cargo terminal operations, custodial services
- Aircraft cleaning services
- Aircraft fuelling services
- Hangars and aircraft maintenance services
- Pre-conditioned air for aircraft
- Pavement surface water drainage
- Guidance systems and marshalling

#### **Airside / landside / terminal facilities**

- Facilities for the disabled and other special needs people
- Check-in counters
- Cleaning, lighting, cooling and air conditioning of public and office areas
- Customs and immigration halls
- Baggage systems including outbound and reclaim
- Flight information and public-address systems
- Information desks and staffing
- Bus lounge for servicing remote stands
- Staircases, lifts and escalators
- Passenger boarding bridges (aerobridges)
- Lost property
- Noise insulation and sound proofing
- Passenger and hand baggage search

- Piers and gate rooms
- Policing and general security
- Prayer rooms
- Scheduling committee support
- Signage for easy orientation of passengers
- Staff entries with search and security facilities
- Toilets and nursing mothers' rooms
- X-Ray service for carry on and checked-in luggage
- Airline lounges
- Banks / ATM / Bureaux de Change
- Business centre
- Duty free sales in international section
- Hotel reservation services
- Restaurants, bars and other refreshment facilities
- Special assistance services
- Tourist information services
- Travel agency
- Messenger services
- VIP lounges

**Infrastructure and utilities for the airport complex (mainly landside)**

- Airside and landside access roads and forecourts
- Utilities (including electricity, telecommunications and water)
- Waste water and refuse treatment and disposal
- Landscaping and horticulture
- Line maintenance services
- Public telephones
- Vehicle fuelling services
- Vehicle rental
- Foul and surface water
- Drainage
- Vehicle parking
- Cloak rooms
- Conference centre
- Freight forwarders/ consolidators/ agents
- Retail shops
- Lockers
- Observation terrace
- Porter services
- Post office
- Trolley services

### **SCHEDULE 3: PART 2 – NON-AIRPORT ACTIVITIES**

**Landside Non-Airport Activities include the following services, facilities and equipment:**

Offices for freight consolidators/ forwarders or agents at cargo complex, offices for airlines

Bus terminal for local and regional buses, Airport shuttle transport services (hotels, city centre, etc.)

Business parks

Airport hotels, restaurants, conference venues, meeting facilities, business centres, trade fairs, real estate, theme parks, amusement arcades, golf courses, sports facilities, banks and exchanges and shopping malls

Commercial buildings / complexes/ entertainment complexes/ tourist related activities

Independent power producing plants for emergency supply may be established in connection with business parks

Viewing point (at an existing hilltop) with parking, access and small food and beverage facility

Any other revenue generating activity related to the development of the Site or of the Airport in relation to Non-Airport Activities

#### SCHEDULE 4: DEFINITION OF FORCE MAJEURE

In this Agreement, "**Force Majeure**" means any act, event or circumstance or a combination of acts, events and circumstances, referred to below, which are beyond the reasonable control of the Affected Party and which the Affected Party could not have prevented by Good Industry Practice or by the exercise of reasonable skill and care in relation to the construction of any facilities, and which, or any consequences of which prevent, hinder or delay in whole or in part the performance by any Party of its obligations under this Agreement.

"**Force Majeure**" includes the following events and circumstances to the extent that they, or their consequences, satisfy the above requirements:

Acts, events or circumstances of the following types:

1. strikes, lock-outs or other industrial action or labour disputes involving any party or its contractors, or their respective sub-contractors, servants or agents, in any such case employed on the execution of work within India or the supply of goods or services within India;
2. lightning, earthquake, tempest, cyclone, hurricane, whirlwind, storm, flood, washout, land slide, soil erosion, subsidence, drought or lack of water, and other unusual or extreme adverse weather or environmental conditions or actions of the elements, meteorites or objects falling from aircraft or other aerial devices, the occurrence of pressure waves caused by aircraft or other aerial devices travelling at supersonic speeds, fire or explosion, chemical or radioactive contamination or ionising radiation (excluding circumstances where the source or cause of the explosion or contamination or radiation is brought or has been brought onto or near the Site by the Affected Party or those employed or engaged by the Affected Party unless it is or was essential for the construction or operation of any part of the Airport);
3. any accidental loss of or damage to cargo in the course of transit by any means and intended for incorporation into the Airport, occurring prior to the Airport Opening Date;
4. loss of or serious accidental damage to the Airport;
5. the occurrence of a crash, explosion, fire or other disaster involving an aircraft during landing, parking, servicing (including the supply of fuel) or taking-off;
6. epidemic;
7. act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, bombs or civil commotion;
8. sabotage, terrorism or the threat of such acts;
9. any act, event or circumstance of a nature analogous to the foregoing.

Provided that none of the following matters or their consequences shall be capable of constituting or causing Force Majeure:

1. failure or inability to make any payment; or
2. the effect of market conditions unless such market conditions were themselves caused by or were a result of a Force Majeure event.

And further provided that an act, event or circumstance referred to above which primarily affects a third party or third parties (including without limitation, the construction, contractor or operator(s) of the Airport or an affiliate of a Party) which prevents, impedes or delays a Party in the performance of its obligations, shall constitute Force Majeure hereunder as to such Party as appropriate if and to the extent that it is of a kind or character that, if it had happened to the Party wishing to rely on this Article, would have come within the definition of Force Majeure under this Schedule 4.

## SCHEDULE 5: FORM OF GOI DIRECT AGREEMENT

[TO BE REVIEWED BY HIAL'S LENDERS]

Hyderabad International Airport Limited

6-3-866/1/G2, Greenlands

Begumpet

Hyderabad - 560 016

[Date]

The Secretary Ministry of Civil Aviation  
Rajiv Gandhi Bhavan  
Safdarjung Airport  
Complex New Delhi  
110003

Dear Mr. Secretary:

We refer to the Concession Agreement (the "Concession Agreement") dated [•] between the Government of India and Hyderabad International Airport Limited (the "Company").

As contemplated in the Concession Agreement, the Company proposes to enter into the Financing Agreements (as defined in the Concession Agreement and copies of which have been delivered to you), pursuant to which the Secured Parties (as defined below) have agreed to provide financing to the Company for the development of a Greenfield airport at [ ], near Hyderabad in the State of Andhra Pradesh.

As security for such financing, we hereby notify you that pursuant to the mortgage (the "Mortgage") to be entered into in favour of [ ] as trustee (the "Mortgage Trustee") for the benefit of certain banks and financial institutions (the "Lenders") the Company has granted to the Mortgage Trustee for the benefit of the Lenders a first priority security interest in all of the assets of the Company (the "Collateral"), including, inter-alia, the Concession Agreement.

The Lenders together with the Mortgage Trustee are herein called the "Secured Parties".

The Company requests that, by signing and returning the enclosed copy of this acknowledgment and consent (the Agreement), the Government of India confirm and agree, for the benefit of the Secured Parties, the following:

1. The Government of India
  - 1.1 acknowledges receipt of a copy of the Mortgage,
  - 1.2 consents to the assignment (and to the extent not capable of assignment under the Mortgage, the charge) under the Mortgage for the benefit of the Secured Parties of all of the Company's right, title and interest in the Concession Agreement as security for the obligations due to the Secured Parties,
  - 1.3 agrees that such assignments (or charge as the case may be) do not or will not contravene or violate the Concession Agreement and

- 1.4 agrees that its execution and delivery of this Agreement constitutes its proper written consent to such assignment (or charge as the case may be) and prospective assignment as provided for in Article 14.1 of the Concession Agreement.
2. The Government of India agrees that:
  - 2.1 if the Mortgage Trustee has elected to exercise its rights pursuant to the security interests granted by the Company to have itself or its designee substituted for the Company under the Concession Agreement, then such Mortgage Trustee or its designee shall be substituted for the Company and
  - 2.2 if the Mortgage Trustee shall sell or otherwise dispose of all or any part of the Collateral pursuant to the exercise of remedies under the security interests granted by the Company (whether by foreclosure or otherwise), the purchaser shall, at the request of the Mortgage Trustee and with the prior written consent of the Government of India, which consent shall not be unreasonably withheld, be substituted for the Company under the Concession Agreement, and in either case, the substituted party will succeed to all rights, title and interest of the Company with respect to such Collateral sold or disposed of under the Concession Agreement and may perform and shall be entitled to the benefits of the Concession Agreement as if it were the Company under the Concession Agreement.
3. The Government of India agrees that it will pay monies due to the Company under the Concession Agreement (save for any monies due and payable to the Company pursuant to Article 13.4 of the Concession Agreement which shall be paid directly to the Company) exclusively for deposit directly and in immediately available funds to such account in [Hyderabad] as the Mortgage Trustee may from time to time direct (and the Company hereby authorises and directs the Government of India to make such payments as aforesaid). In the event of exercise by the Mortgage Trustee or its designee of its rights pursuant to the security interests granted by the Company, the Government of India will comply with any and all written instructions received from the Mortgage Trustee to pay monies due from the Government of India under the Concession Agreement (save for any monies due and payable to the Company pursuant to Article 13.4 of the Concession Agreement which shall be paid directly to the Company) directly to or to the order of the Mortgage Trustee in lieu of paying such monies to the account designated in the previous sentence (all other terms and conditions of such payments shall remain as provided in the previous sentence) and in full satisfaction of its obligations to pay these amounts to the Company.
4. The Government of India agrees that it will recognise the Mortgage Trustee as the true and lawful attorney of the Company pursuant to the Mortgage.
5. The Government of India agrees that it shall notify the Mortgage Trustee immediately after the occurrence of any event which entitles the Government of India to exercise its rights to acquire all of HIAL's rights, title and interests in and to the Airport pursuant to Article 13.4 of the Concession Agreement (a "Notice"). Such notice shall state in reasonable detail the grounds entitling the Government of India to acquire all of HIAL's rights, title and interests in and to the Airport.
6. The Government of India agrees that it shall not terminate the Concession Agreement, suspend performance of its obligations thereunder, or exercise its rights to acquire all of



HIAL's rights, title and interests in and to the Airport without issuing a Notice to the Mortgage Trustee.

7. The Government of India agrees that the Mortgage Trustee shall be entitled at any time to take or procure the taking of action consistent with the terms of the Concession Agreement as may be necessary to remedy the event which has given rise to the Notice. In the event that the Mortgage Trustee procures the remedy of the event which has given rise to a Notice, the Government of India shall not be allowed to exercise its rights to acquire all of HIAL's rights, title and interests in and to the Airport by reason of such event.
8. This Agreement shall be governed by and construed in accordance with the laws of India.
9. Any dispute or difference arising out of or in connection with this Agreement, shall regardless of the nature thereof, be referred to dispute resolution pursuant to the provisions of Article 16 of the Concession Agreement, which provisions are incorporated herein by reference and made a part hereof as if such provisions were fully set forth herein.
10. The provisions of Article 18.13 (Sovereign Immunity) of the Concession Agreement shall apply to this Agreement and are incorporated herein by reference and made a part thereof as if such provisions were fully set forth herein.
11. This Agreement will terminate without further action by any party hereto on the date on which there is no outstanding debt owed to the Lenders in respect of the Initial Phase.
12. This Agreement shall become effective on the date of Financial Close (as defined in the Financing Agreements) as provided for in the Financing Agreements.

Yours faithfully,

**Hyderabad International Airport Limited**

By: .....

**Name:**

**Title:**

The Government of India hereby acknowledges and agrees to be bound by the foregoing terms of this Agreement as of this [•] day of [•].

By .....

**Name:**

**Title:**

Acknowledged, accepted and agreed as of the date this Agreement is executed by the Government of India.

[•], as Mortgage Trustee.

## SCHEDULE 6: REGULATED CHARGES

Pursuant to and without prejudice to the principles set out in Article 10.2 of this Agreement, HIAL shall be entitled to levy and recover from airline operators, passengers and other users and in respect of both domestic and international aircraft and passenger movements, at rates consistent with ICAO Policies, the following Regulated Charges:

(i) Landing, Housing and Parking charges (domestic and international):

The charges to be adopted by HIAL at the time of Airport Opening will be the higher of:

- (a) The AAI tariff effective 2001 duly increased with inflation index, as set out hereunder, up to the Airport Opening Date, or
- (b) The then prevailing tariff at the other AAI airports.

(ii) Passenger Service Fee (domestic and international):

The charges to be adopted by HIAL at the time of Airport Opening will be the higher of:

- (a) The AAI tariff effective 2001 duly increased with inflation index, as set out hereunder, up to the Airport Opening Date, or
- (b) The then prevailing Passenger Service Fee at the other AAI airports.

The Passenger Service Fee chargeable by HIAL, as given above, is inclusive of the cost of security expenditure on Central Industrial Security Force (CISF). This component of the cost towards security expenditure on CISF shall be revised upwards by HIAL as and when directed by GoI, subject to the provision that such increases will also be accompanied by similar increase in the Passenger Service Fee.

(iii) User Development Fee (UDF) (domestic and international):

HIAL will be allowed to levy UDF w.e.f. Airport Opening Date, duly increased in the subsequent years with inflation index as set out hereunder, from embarking domestic and international passengers, for the provision of passenger amenities, services and facilities and the UDF will be used for the development, management, maintenance, operation and expansion of the facilities at the Airport.

The Regulated Charges set out in Schedule 6 shall be the indicative charges at the Airport. Prior to Airport Opening HIAL shall seek approval from the Ministry of Civil Aviation for the Regulated Charges, which shall be based on the final audited Project cost.

- Note:
- (a) Charges will be calculated on the basis of nearest MT (i.e. 1000 kg)
  - (b) The minimum fee per single landing will be INR 1000
  - (c) Peak hour surcharge on international landing between 2301 hrs (IST) to 2400 hrs (IST) will be 5%

- (d) If US\$ rates are to be charged the following rule for conversion, US\$ into INR the rate as on the 1<sup>st</sup> day of the 1<sup>st</sup> fortnight billing period and rates as on the 16<sup>th</sup> of the month for the 2<sup>nd</sup> fortnightly billing period, will be applicable.
- (e) All tariffs are net for HIAL. Any taxes such as service tax, if applicable, will be over and above the tariff proposed.

Formula for inflation index:

Base fee (multiplied by) WPI1 (divided by) WPI where,

WPI is the WPI for 'All Commodities'

WPI = is the WPI as on March 31<sup>st</sup>, 2001

WPI1 = is the WPI as on March 31<sup>st</sup> preceding the fee revision date

For the avoidance of doubt, Route Navigation Facilities Charges and Terminal Navigational Landing Charges shall be levied and collected by AAI.

## **SCHEDULE 7: SETTLEMENT AMOUNT**

In the event the Settlement Amount becomes payable, the Settlement Amount shall mean (i) the gross fixed assets (as Indexed), (ii) net current assets, (iii) capital work in progress, (iv) intangible assets of HIAL and (v) pre-operating costs and expenses as may be incurred by HIAL prior to the Airport Opening Date as recorded in the last quarterly Balance Sheet of HIAL at the date of the relevant termination notice issued pursuant to Article 13.4 of this Agreement. For the avoidance of doubt the Settlement Amount shall exclude any capital investments, amounts or costs in relation to the provision of Non-Airport Activities which Gol opts not to take over as provided in Article 13.5.2. Where Gol exercises its option under Article 13.5.2 to take over the contracts and agreements pertaining to the Non-Airport Activities, Gol shall be bound to pay for the same.

## SCHEDULE 8: RESERVED ACTIVITIES

### Space to be provided by HIAL

Customs, Immigration and Quarantine Services

**[To be finalised after mutual discussions]**

Security Services

**[To be finalised after mutual discussions]**

Meteorological Services

**[To be finalised after mutual discussions]**

## SCHEDULE 9: PART 1 – SPECIFICATIONS

### 1. Passenger Terminal Building

The passenger terminal building comprises of the central building, the pier, the passenger boarding bridges and the Airport village. The area of the central building and pier is approximately 87,000 sq.m. In addition, the building also includes a basement of approximately 17,000 sq m, which will be used for technical facilities. The traffic forecourt on the landside is at two levels for arriving and departing passengers. Two tunnels provide pedestrian access from car parking both for staff and passengers.

The central building has two levels of basement and three upper levels while the piers have one basement and three upper floors. In addition, two levels have been provided for office area in the central building.

The first basement houses the HVAC services. The baggage reclaim hall, ground handling services, garages and bus lounges are at level D ( $\pm 0.15\text{m}$ ). The level E (+6.0m) is the arrival area and has commercial spaces for offices, lounges, hotel, fitness centre, shops, etc. Level F (+11.0m) is the check-in area and also has space for departure lounges, shops, food and beverage outlets, offices, etc.

The columns grid in basement is 9m x 9m and on upper floors, is generally 18m x 18m. The beams and slabs are in reinforced concrete. A 9m x 18m column spacing is used partly in the baggage handling area and in the baggage reclaim area to allow greater flexibility.

The terminal roof is in structural steel supported by reinforced concrete circular columns. The roof consists of main and secondary trusses.

#### **Specifications and Installations**

All passenger areas are finished with granite floors. The departure pier has a floor finished with granite / hard wood. In non-public areas, IPS (Indian Patent Stone) floors and epoxy-coated floors have been proposed.

All passenger toilets are provided with vitrified matt finished tiles and matching ceramic tiles dado. Non-skid PVC floor shall be provided for the fixed boarding bridges. The flooring in the Airport village is granite.

The north and south facades shall be fully glazed in modules of 3000mm x 1000mm. The east and west facades shall be demountable walls with composite metal panel cladding. Interior partitions in public areas shall be of glass with steel supports and aluminium framed partitions. In service areas, walls shall be finished with oil bound distemper or plastic emulsion.

The roof will be covered with high grade waterproofing membrane. A separate teflon coated fabric roof stretched on steel trusses resting on steel columns shall be provided over the Airport village.

Perforated metal false ceiling shall be provided in public areas with acoustic material backing. Stairs in public areas shall be in steel with granite / hardwood treads, glass

banisters and wooden handrails. Glass elevators with glass shafts are provided in public areas.

Railings in public areas shall be in glass with wood handrails along with guards. The office block will have a glass curtain wall with a façade of hardwood slats. The technical shafts shall have metal / wood cladding.

### **Equipment / Installations**

The terminal equipment provided shall include:

- Baggage handling system, check-in conveyors, additional collect conveyors, transport conveyors, etc.
- Outbound baggage sorting carousels, arrival conveyors and carousels
- X-Ray machines
- Walk through metal detectors and hand held metal detectors
- Security equipment
- Passenger boarding bridges
- Escalators, elevators and automatic doors
- Baggage trolleys
- Check-in counters
- In-line X-Ray baggage scanner for hold baggage
- AODB / CUTE / Flight information system
- CCTV / PA System
- Fire alarm and detection system
- Building automation system
- Computer backbone IT system for multiple use
- HVAC (Heating Ventilation and Air Conditioning)
- Mechanical ventilation system
- Pressurization / smoke extraction system

## **2. Air Traffic Control Tower and Technical Building**

The ATC tower complex comprises of the ATC tower, technical building and the utilities block. The ATC tower is designed to allow the controller eye level to be 68 m above surrounding ground level. Category I ILS system has been selected for both the approaches to provide the necessary operational efficiency for air traffic movements. The ATC tower has the workspaces and supporting equipment planned on three levels at the top of the tower. The apron control is located in the ATC tower below the air traffic control room for arrival and departure manoeuvres. Staff facilities such as pantry and toilets are also provided at this level. Another level houses the technical equipment and machine rooms.

A balcony is provided for maintenance of the glazing. The control room floor has a stepped profile to allow unobstructed vision. The total height of the tower is about 70m.

The load bearing elements are the service shaft which houses 2 elevators and a staircase. The airside face of the elevator shafts has glazing supported by a series of beams between the cone and the shell. The tower roof is in steel and is supported by the mullions on the periphery which also support the glazing. The total area of ATC tower is about 1170 sq.m.

The technical building is a 2 level reinforced concrete framed structure of size 34m x 44.5m and is connected to the tower by an elevated passage at first floor level. The total area of technical building is about 2050 sq.m. Most areas are provided with an access floor. The utility block has a size of 20m x 10m and houses the substation and air-conditioning plant.

### **Finishing Specifications**

Workspaces in the tower and technical block shall have access floors with carpet tiles. UPS rooms shall have anti-static rubberized floors. The courtyard in the technical building shall be landscaped with a subsoil drainage network floor. Technical rooms shall have anti-static rubberized floor. Anti skid ceramic tile floors shall be provided in toilets, rest rooms and pantry. Equipment rooms shall have industrial grade rubberized floors.

The north and south facades and court facing facades of technical building shall have glazed curtain walls. The east and west facades shall be finished in a dry stone cladding. External walls of service areas will have metal cladding with louvers for air extraction and ventilation.

The roof of technical building shall be in structural steel and pre-coated profiled metal sheeting. The roof dips over the entrance lounge and extends to the base. The roof skylight has a system of fixed and operable louvers in metal frames and polycarbonate sheets.

The ATC tower will have form finish concrete or curved metal cladding. Certain features shall be highlighted with painted / powder coated metal. False ceiling shall be in pressed metal acoustic tiles. The utility block will be an RCC framed structure with brick panel walls and heavy duty industrial type floor.

### **3. Air Cargo Complex**

The air cargo complex comprises the domestic and international cargo processing terminal, truck docks and utility block. The dimensions of the cargo terminal are about 112m x 80 m. The terminal contains facilities for verification of cargo, storage, building-up / breaking down into unit load devices (ULDs), storage for built ULDs, special storage, customs clearance, etc.

The docks are 7.0m deep. Office areas are provided at first floor over the docks. The terminal has a clear height of 14 m over the built ULD storage area to allow future installation of equipment like ETV and 8 m over other areas. The steel roof is provided with a downward slope from airside towards landside and rests on concrete columns. The office area shall be a combination of reinforced concrete framed construction with trussed bridges to allow larger spans for column free truck docking below. The terminal



is designed to handle about 100,000 tonne/year of cargo and total with a one time storage of about 700 t. The total built-up area is about 9900 sq.m.

### **Specifications and Finishes**

The floor in cargo handling area will be integrated industrial heavy duty floors. Service areas like equipment spaces or storage rooms shall have base cement concrete floors finished in industrial grade polyurethane coating. Lobby and lounge, offices and circulation areas shall have stone floors. The cargo terminal building will have metal cladding. The landside office and public areas will have masonry wall partitions in washable acrylic emulsion paint. Walls in service areas and equipment spaces shall be finished in washable emulsion paint. The roof is a profiled metal sheeting system. Demountable walls are provided between the various sections of the cargo building which can be removed to allow reconfiguration and expansion.

### **Equipment / Installations**

Weighing scales  
X-Ray machines  
Forklifts  
Powered roller beds (uni-directional)  
Counters for verification / customs  
Storage racks  
Forklift recharging facility  
Cold store units  
Strong room for valuables  
Build-up / break-down stations with hydraulic scissor lift platforms

#### **4. Aircraft Maintenance Hangar**

The aircraft maintenance hangar complex consists of the hangar, ancillary building, utility block and space for future addition of ancillary blocks. The hangar has a size of about 90 m x 98 m and a clear height of 23.5 m. The hangar will allow for parking for 2 'C' type aircrafts at commencement stage and can be extended to accommodate an 'E' type aircraft in future without the need to suspend operations.

The structural system of the hangar comprises of steel supporting members finished with synthetic oil paint and fabricated mild steel purlins finished with synthetic enamel paint.

The annexe building is a four level RCC framed structure with conference rooms provided on the fourth floor. A demountable wall is provided between the two wings of the annexe building which shall be removed to allow the nose portion of the 'E' type aircraft. The hangar has a fabricated steel roof with purlins and pre-coated galvanized metal roofing and roof extractors. The total built up area of the hangar is about 12,900 sq. m.

### **Specifications and Finishes**

A concrete floor is provided in the hangar with floor outlets, channels and drains. Heavy duty industrial type floor is provided in workshops, material stores and movement

areas. Electronics workshops will be laid with anti-static industrial grade rubberized floor. General office areas will have kotah stone floors. Entrance hall, conference rooms, manager rooms, main staircase will have calibrated polished kotah stone floors. Toilets will have anti skid ceramic tile floors and ceramic tile dados.

The hangar facades will be in metal cladding. The annex building walls will be 150 mm thick concrete blockwork finished with plaster externally and internally finished with oil bound distemper. Some surfaces will be finished with sand faced plaster, painted black. The landside façade will have a unitized grid structural glazed façade.

## 5. **Fire Stations**

The provision for the fire station facilities has been in accordance with aerodrome category 9. The main fire station has 4 levels including the control room and has 5 covered parking bays. There is a watch tower of adequate height. The satellite fire station has 2 covered parking bays. The structure of the fire stations is an RCC framed construction.

### **Specifications / Finishes**

Floors are industrial type for parking bays. General areas shall have kotah stone floors. Toilets have anti skid ceramic tile floors and glazed ceramic tiles for walls. Walls are in 150 mm thick concrete block masonry except for toilet walls carrying plumbing which are 230 mm thick brickwork finished with paint.

### **Fire vehicles / Equipment Installations**

Vehicles bays  
Vehicles  
Foaming agent store

## 6. **Ground Handling Workshop**

The Ground Handling Workshop module is about 19m x 24m with 6 m height in workshop and 3.5m in services rooms. Parking area measuring about 15.0m x 24 m is also provided. The service rooms have a reinforced concrete framed construction and workshop has a curved steel truss roof with precoated metal sheets. Ventilators with metal louvered panels are provided in the workshop. The total built up area of the module is about 400 sq.mt.

Specifications include

- Cement hardener floors in workshops, stores, tool rooms.
- Anti skid ceramic tiles in toilets
- 150 mm thick blockwork walls.

## 7. **DG Yard**

The DG yard comprises of the following:

### **Panel room**

An 'L' shaped RCC framed structure to accommodate the changeover panel, HT panels, transformers, LT panels, stores and offices besides the cooling tower pump room.

### **Open paved area**

A large open paved area bounded by the 'L' shaped building on the northern and eastern sides and chain link fencing on the western and southern sides.

### **Space for cooling towers**

Space for installing the cooling towers on the western side of the DG yard.

### **Structure and Finishes**

#### **Panel room**

##### Structure

The structure is an RCC framed structure with columns resting on independent footings, plinths, beams, lintels, roof beams, roof slabs.

##### Finishes

Walls and ceilings	Plastered and painted
Floors	Industrial floor with hardener
Windows	Powder coated aluminium frames with louvers on glazing as the case may be
Doors	Proprietary steel frames with proprietary steel shutters
Exteriors	Plastered and painted

## **8. Other Buildings**

The other buildings comprise of the following:

- Gate houses / security cabins
- Watch towers
- Sewage treatment plant
- Water treatment plant
- Boundary wall / security fencing

Gate houses and security cabins measure 7m x 4m and include a cabin, security office and toilet. Prefabricated units with steel frame structure and aluminium frame partitions shall be used.

The watch towers measure 2.5 m x 2.5 m and are 9 m high from surrounding formed ground level. RCC frames structure with RCC slabs shall be provided. Walls shall be 230mm thick. A steel staircase / ladder shall be provided.

9. **Runway**

The basic criteria for design of runway are in accordance with International Standards and Recommended Practices in ICAO, Annex 14, Volume 1, Aerodrome Design and Operations.

The runway length is 4260m designed for aircraft with full payload, fuel and maximum range. The runway length can accommodate a number of code letter E aircrafts with maximum payload to Sydney.

The minimum pavement width will be 45m. Further shoulders of 7.5m will be established on both sides giving a total width of 60m.

The runway orientation is 09-27 to comply with the usability factor of the airport of at least 95%. Runway pavements will be designed as flexible pavements.

10. **Taxiways**

The separation distance between the runway and the parallel taxiway is 225m. The parallel taxiway will be constructed with a pavement width of 44 m including shoulder width of 10.5 m.

The taxiway from the parallel taxiway to the maintenance apron shall be constructed for maximum code letter C aircraft and therefore be 18m wide with 3.5 m shoulders on both sides. Taxiway pavements are designed as flexible pavements.

11. **Apron**

The passenger terminal apron is designed for aircrafts up to code letter F. Cargo apron shall be designed for code letter F aircraft. Maintenance apron size shall be designed for code letter C aircraft. However, pavement strength shall be designed for future traffic with code F aircraft.

An isolation bay for parking code F aircraft is located at the east end of taxiway A. The approximate dimensions are 90m x 85m, including 17.5m shoulders on three sides.

Aprons shall be constructed as rigid pavements.

12. **Airside Service Roads**

An airside service road system shall be designed to connect the different facilities. The main service road system shall be laid out with a typical width of 10 m. A crash road system connecting the fire stations with the runway shall be constructed. From the runway ends the crash road shall be continued in the extension of the runway until the airside perimeter fence. All crash roads shall be designed with a width of 7.5 m. A secondary airside service road system shall be designed as 7.5 m wide roads. Roads to navigational and meteorological installations shall be 4 m wide flexible pavements. All service roads shall be designed as flexible pavements. Along the airside/landside perimeter fence a 4 m gravel inspection road shall be constructed.

13. **Main Access Road and Traffic Loop in front of Passenger Terminal Building**

The main access road starts at NH 7 and runs in the east-west direction. It is a 2 lane dual carriageway as far as the traffic loop. The road continues to the state highway in the east as a 2 lane single carriageway with paved and unpaved shoulder on either side. The road system includes 4 major intersections within the Airport Site which are provided with rotaries.

The traffic loop in front of the terminal building has one-way traffic and is planned to be constructed in two levels with heights corresponding to the arriving and departing levels at 0.0m and +11.0m respectively. The upper and lower forecourts have a 3 lane carriageway with a walkway towards the terminal building.

14. **Airfield Ground Lighting**

An airfield ground lighting system shall be provided which will include the following:

- Category I approach lighting system for both directions 09 and 27
- Precision approach path indicator (PAPI) system for both approach direction.
- Runway lighting system consisting of
  - Runway edge lights
  - Runway centre line lights
  - Runway threshold lights
  - Runway end lights
  - Runway guard lights at each runway holding position
- Taxiway edge lighting system
- Taxiway guidance signs
- Rotating type aerodrome beacon
- Remote control and monitoring system
- Indicators and signalling devices such as illuminated wind cones at touchdown zones, landing direction indicator, signalling lamps in the control tower cabs
- Apron flood lights

15. **Internal and External Lighting**

Internal and external lighting will be provided for the following buildings/areas:

- Terminal building
- ATC tower and technical building
- Cargo complex
- Aircraft maintenance hangar and annex building
- Ground handling workshop
- Fire stations – main and satellite
- Other buildings, i.e, substations, plant rooms, etc.
- Street lighting

- Car park lighting

A lighting concept for the terminal building will be evolved so as to maximise usage of diffused daylight through skylights and facades.

Power sockets of adequate number are planned to be provided for computers, advertisement systems, other equipments, etc.

Earthing system for all the buildings is included.

Lightning protection for all buildings is included.

### **Power Distribution**

The power supply to the Airport Site shall be provided by AP Transco at 11 kV level. Dual feeders from two independent sources are planned so as to provide redundant power supply to the Airport Site. 11 kV power in ring main configuration will be taken to the emergency power station for changeover. The electrical power system includes transformer stations, a distribution network, and emergency power supply. The distribution network will be planned with ring mains, so that power supply is always possible from two different sources. An emergency power generator system is installed in the emergency power station near the maintenance area which will supply power to the essential facilities of the Airport in case of power supply failure.

### **Cable system**

Electrical supply from the emergency power station shall be supplied at 11 kV after changeover through ring main configuration using underground cable.

### **Internal lighting system**

The design lux level considered is:

- |  |         |
|--|---------|
| • Ticket counters, check-in desks, information desks | 350 lux |
| • Office areas                                       | 350 lux |
| • Electrical and plant rooms                         | 200 lux |
| • Baggage reclaim area                               | 350 lux |
| • Departure lounges, other waiting areas             | 350 lux |
| • Corridors and circulation spaces                   | 250 lux |

### **External area lighting**

Road lighting will be provided for the main access road, service roads and other access to buildings as shown below:

- |                              |        |
|------------------------------|--------|
| • Main access road           | 30 lux |
| • Service road               | 20 lux |
| • Lighting for parking areas | 80 lux |

16. **Fire Protection**

The following fire protection systems shall be provided:

- Hydrant system
- Sprinkler system
- Fire alarm system
- Heat sensors
- Foam system for aircraft maintenance hangar
- Gas suppression system for server and electronic rooms
- Portable extinguishers

Adequate fire water reserves are planned at three locations, namely, passenger terminal building, fire station – main and satellite. The pumping system at these three locations shall have the following:

- Electrically driven hydrant and sprinkler pumps
- Diesel engine driven hydrant and sprinkler pumps
- Jockey pump to take care of hydraulic losses in the system

All the three fire pumping stations shall be interconnected to provide redundant pumping capabilities in case of any eventuality.

Intelligent, analogue addressable fire detection and alarm system is planned in all buildings. Independent fire alarm control panels capable of stand-alone operation shall monitor each building in the Airport complex. All panels will be networked together and report to the central fire command station.

A central fire command station is planned at the main fire station which shall be responsible for all the fire emergencies.

17. **Air-conditioning and Ventilation System**

**Passenger Terminal Building**

- Central water cooled air-conditioning system with variable speed secondary chilled water pumps and air handling units
- Air-cooling for plant rooms and baggage sorting areas
- Pressurization system for stairways and lift shafts
- Mechanical ventilation system for toilets

**ATC Tower and Technical Building**

- Water cooled package units for technical building
- Air-cooled package unit for ATC tower

### **Cargo Terminal**

- Air-cooled package unit for air-conditioning of office areas
- Air-cooling for cargo handling areas
- Mechanical ventilation system for toilets

### **Hangar Annex Building**

- Water cooled screw chilling units

## **18. Water Supply and Sewage Network**

### **Water Supply System**

Water supply from HMWS&SB will be received in a reservoir in the north-eastern side of the Airport Site. Water received shall be stored in underground tanks. Water treatment system mainly consisting of nominal coagulation, pressure sand filtration and chlorination shall be provided. The main water storage facility shall have the following tanks:

- Raw / irrigation water storage tanks
- Domestic water storage tanks (after treatment)
- Fire water tanks
- Flushing / AC make up water storage tank (obtained from STP)

Water from underground storage tanks shall be distributed to various clusters indicated below by a hydro-pneumatic system.

- Cluster – I (passenger terminal building)
- Cluster – II (cargo terminal and ATC)
- Cluster – III (maintenance areas)
- Cluster – IV (housing colony)

Water from these clusters shall be distributed to various buildings by means of a hydro-pneumatic system consisting of water transfer pumps including standby, air vessel with piping and microprocessor based control system.

### **Sewage Network**

Based on the stipulations of APPCB and MoEF, the sewage generated in the entire Airport complex is to be treated and then disposed off in the eastern side beyond the 10km demarcation zone from the Himayatsagar reservoir. Since the topography of the Site is such that it slopes towards west in 2/3<sup>rd</sup> of the area, hence sewage needs to be pumped from west to east side. It is proposed to provide sewage pumping stations at regular intervals.



Sewer network for the entire Airport complex premises has been considered with suitable diameter cast iron / salt glazed stoneware pipes buried underground with required number of man holes and inspection chambers. Sewage thus collected through the network shall be treated in the sewage treatment plant and shall be re-used.

### **Sewage Treatment Plant**

The sewage treatment plant shall be provided to treat the waste water generated at the Airport. The STP is designed to treat 880 cu.m per day of sewage.

Due to the environmental restrictions imposed on the Airport Site, the entire storm water from airside pavements in the western part of the Site area will be collected in a pond suitably located in the low lying western side. The collected storm water shall be treated in an oil-water separator and subsequently pumped to the eastern side for disposing off in the rain water harvesting structures. In the eastern part of the Site area, the storm water collected shall be conveyed by gravity to the rain water harvesting structures.

The storm water from the paved and hard landscaped areas shall flow into open lined drains or underground pipes and culverts. The ground surfaces shall be graded according to the designed slopes and connected between each other by culverts beneath taxiways and road crossings, so that run-off storm water is discharged in to the open drain.

## **SCHEDULE 9: PART 2 – STANDARDS**

### **IATA Global Airport Monitor Standards**

The following criteria shall be measured on an annual basis in accordance with Article 9. The surveys shall be scored in accordance with the IATA Global Airport Monitor scoring mechanism (i.e. on a scale of one to five, where one is very poor and five is excellent):

- (i) Ease of finding your way;
- (ii) Flight information screen;
- (iii) Availability of connections to the same continent;
- (iv) Availability of connections to another continent;
- (v) Ease of making connections;
- (vi) Availability of baggage carts;
- (vii) Courtesy of airport staff;
- (viii) Restaurant and eating facilities;
- (ix) Shopping facilities

- (x) Washrooms;
- (xi) Passport inspection;
- (xii) Customs inspection;
- (xiii) Waiting areas/lounges;
- (xiv) Baggage delivery service;
- (xv) Ground transportation to/from city;
- (xvi) Parking facilities;
- (xvii) Sense of security; and
- (xviii) Ambience of airport.

**SCHEDULE 10: COMPLETION CERTIFICATE**

We refer to the Concession Agreement dated [ ] between the President of India acting through the Secretary, Ministry of Civil Aviation of Government of India and Hyderabad International Airport Limited (the "Concession Agreement"). All terms defined in the Concession Agreement shall have the same meaning herein.

We have been appointed by the Lenders to act as Independent Engineer. We hereby issue this Completion Certificate in accordance with Article 7.3 of the Concession Agreement and confirm that the Airport complies with the Specifications set out in Part I of Schedule 9 of the Concession Agreement.

Dated: .....

## **SCHEDULE 11: INSURANCE**

1. Construction phase: HIAL and/or the EPC Contractors will take out appropriate insurance policies to cover loss or damage to the civil works and equipment (Contractors' All Risks policy, Erection All Risks Policy, Marine cargo policy), third party liability and a workmen's compensation policy.
2. Operation phase: HIAL will take out appropriate insurance policies to cover loss or damage to its property, third party liability and a workmen's compensation policy.

## SCHEDULE 12: TAX BENEFITS

### A) Deductions from Total Income:

Benefit has been assumed u/s 80IA of the Income-tax Act 1961 for tax exemption in respect of profits & gains from the business of development of an infrastructure facility viz., airport. A deduction of 100% of the profits & gains derived from such business has been assumed for any 10 consecutive assessment years out of 15 years beginning from the year in which HIAL begins to operate and maintain the infrastructure facility.

HIAL has been notified as an enterprise by the Central Government under Section 10(23G) of the IT Act for the Assessment Years ([ ] to [ ]) (Ref: Notification No. [ ] dt. [ ]). It is assumed that HIAL will continue to be notified for this benefit after assessment year [ ]. **(This tax benefit under Section 10(23G) of the IT Act, will be available to HIAL subject to issuance of notification in this regard by the competent authority)**

### B) Exemptions from Income Not Forming Part of Total Income:

- 1 Withholding tax for technical fees payments to Malaysia will continue as per the Double Taxation Avoidance Agreements of India with Malaysia.
- 2 No withholding tax on reimbursement of development costs/pre-SHA costs to foreign promoters.
- 3 No R&D Cess payable on remittances on reimbursements made to foreign promoters and payments made under technical services agreement.

**Attachment 1: MASTER PLAN**  
**[TO BE ATTACHED AFTER APPROVAL]**