

Concession Agreement

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

between

Ministry of Civil Aviation, Government of India

and

Bangalore International Airport Limited

5th July 2004

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THIS AGREEMENT is made in New Delhi on 5th July 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) **BANGALORE INTERNATIONAL AIRPORT LIMITED**, a company incorporated with limited liability under the Indian Companies Act, 1956, having its registered office at 36 Cunningham Road, Bangalore - 560 052, India (hereinafter referred to as “**BIAL**” which expression shall include its successors and permitted assigns).

WHEREAS

- (A) BIAL has been established with the participation of Karnataka State Industrial Investment and Development Corporation Limited, the Airports Authority of India, Siemens Project Ventures GmbH, Flughafen Zuerich AG and Larsen & Toubro Limited, each of whom has agreed to participate as a shareholder in BIAL, for the development, design, financing, construction, completion, maintenance, operation and management of a greenfield airport at Devanahalli, near Bangalore in the State of Karnataka.
- (B) The parties recognise and acknowledge that in matters of airport infrastructure and civil aviation Gol has and must 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 to reflect the terms and conditions.

NOW IT IS HEREBY AGREED as follows:

Part I

Definitions and Interpretation

ARTICLE 1

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 BIAL at Devanahalli, near Bangalore in the State of Karnataka and includes all its buildings, equipment, facilities and systems and including, where the circumstances so require, any Expansion thereof, as per the master plan annexed hereto as Attachment-1.

“**Airport Charges**” means:

- (i) amounts charged or imposed by BIAL in respect of the provision or use of the facilities and services which are included within Airport Activities;
- (ii) amounts charged or imposed by BIAL 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 BIAL on behalf of Gol, GoK 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-three (33) months immediately after Financial Close.

“**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.

“**BIAL**” means Bangalore International Airport Limited.

“**BIAL Default Event**” shall have the meaning given to it in Article 13.3.1

“**Change in Law**” means the occurrence of any of the following (other than in respect of any laws of GoK, any Tax laws (except for those that relate to any Tax benefits provided to BIAL 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:

- (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 or a change in the interpretation, application or enforcement of any Indian law by the Supreme Court of India or Gol;
- (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, no objection certificate or other authorisation or permission of whatsoever nature which is required to be obtained from and/or granted by Gol required 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 BIAL and AAI in respect of the provision by AAI to BIAL of communication navigation surveillance/air traffic management services.

“**Concession Fee**” shall have the meaning given to it in Article 3.3

“**Debt**” means the outstanding debt due to the Lenders of BIAL under the Financing Agreements for the project.

“**Deferred Payment**” shall have the meaning given to it in Article 3.3

“**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 Bangalore known as the HAL airport located at Vimanapura, Bangalore.

“Expansion” means the expansion of the facilities at the Airport from time to time as per the master plan annexed hereto as Attachment-1

“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 BIAL to have immediate access, subject only to giving the notices of drawdown required thereby, to funding required by BIAL.

“Financial Year” shall have the meaning given to it in Article 3.3.

“Financing Agreements” means any of (i) BIAL’s agreements with Lenders for the making available to BIAL 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.

“Gol” means the Government of India and any of its duly authorized agency, authority, department, inspectorate, ministry or person (whether autonomous or not) under the direct control and direction of the Ministry of Civil Aviation.

“Gol Default Event” shall have the meaning given to it in Article 13.3.3

“GoK” means the Government of the State of Karnataka and any of its duly authorized agency, authority, department, inspectorate, minister, ministry or person (whether autonomous or not) under the direct control and direction of GoK.

“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 BIAL) 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.

“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 Consultant” means the independent consultant appointed pursuant to the terms of the OMSA either as approved by the Lenders pursuant to the terms of the Financing Agreements or approved by the Gol (which approval shall not be unreasonably withheld or delayed).

“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 Gol, 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, Gol 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 preceding month.

“Initial Phase” means the design, financing, construction, completion and commissioning of the facilities described in Schedule 2.

“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 or to be entered into pursuant to which Karnataka State Industrial Investment and Development Corporation Limited has or will grant to BIAL 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 BIAL annexed hereto as Attachment 1.

“Non-Airport Activities” means the provision, at or in relation to the Airport, of the services set out at Schedule 3, Part 2.

“OMSA” means the Operation Management Services Agreement to be entered into between BIAL and Flughafen Zuerich AG.

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

“**Person**” includes (and as the context requires) any natural and/or juridical entity (including Gol or GoK).

“**Private Promoters**” means Siemens Project Ventures GmbH, Flughafen Zuerich AG and Larsen & Toubro Limited, and such other party as may from time to time be so agreed pursuant to the Shareholders Agreement.

“**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

“**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 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 BIAL 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 23 January 2002 between Karnataka State Industrial Investment and Development Corporation Limited, AAI, Siemens Project Ventures GmbH, Flughafen Zuerich AG, Larsen & Toubro and BIAL.

“**Site**” means the land in which BIAL has or shall have a leasehold interest pursuant to the Land Lease Agreement, and measuring approximately 4300 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 or to be entered into between GoK and BIAL.

“Tax” or “Taxes” shall mean any and all taxes, levies, imposts, duties, charges, 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 BIAL 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 from 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.

“Wilful Default” means an intentional or reckless breach or disregard by a Party of any of its obligations under this Agreement but not a breach or disregard of an obligation or failure to remedy a breach resulting from an error of judgment or mistake after due enquiry arising in good faith or from the need to act in accordance with Good Industry Practice.

“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 BIAL 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.

Part II
The Concession

ARTICLE 2

2 Scope of the Project

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 BIAL in accordance with the provisions of this Agreement.

ARTICLE 3

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 BIAL the exclusive right and privilege to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Airport (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** BIAL 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 Laws and in accordance with the provisions of this Agreement, Gol recognises that BIAL may carry out:
- (i) any activity or business related or ancillary to the activities referred to in Article 3.1 or which BIAL considers desirable or appropriate to be carried on or engaged in connection therewith (including any infrastructure service considered by BIAL to be reasonably necessary for the activities referred to in Article 3.1); and
 - (ii) 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
 - (iii) 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 BIAL 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 BIAL 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 shall have obtained the necessary and requisite security clearance.

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

3.3 Concession Fee

3.3.1 Fee

The Parties agree that BIAL 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 BIAL, excluding the following: (a) payments made by BIAL for the activities undertaken by Relevant Authorities pursuant to Article 8.4, 8.5 and 8.6; (b) Insurance proceeds; and (c) any amount that accrues to BIAL 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 BIAL 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 BIAL (“**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 BIAL shall be paid into an account at the Reserve Bank of India, Bangalore, 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 BIAL.

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 second such instalment being due and payable on 31st of December (each of these dates the “**Reference Date**”) in the eleventh (11th) Financial Year 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 BIAL'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 BIAL 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, BIAL 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

- (i) 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.
- (ii) 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.

3.3.7 Disputes

In the event of any dispute between the Parties in respect of this 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 dispute following negotiation, they shall appoint an independent chartered accountant whose identity is to be mutually agreed by the Parties and who shall act as a conciliator. In the event that such independent chartered accountant is unable to reach a conclusion within six (6) months of being appointed, the dispute shall be resolved in accordance with Articles 16.2, 16.3 and 16.4.

ARTICLE 4

4 Conditions Precedent

4.1 Conditions Precedent to Project

The provisions of this Agreement (other than those contained in Articles 1, 4, 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:

- (i) The receipt by Gol of irrevocable notice from BIAL and GoK that the State Support Agreement has been executed and delivered by all the parties thereto and all the conditions precedent set out therein (excluding the condition precedent relating to this Agreement) have been satisfied which notice shall be final and binding on the Parties;
- (ii) Amendments to the Aircraft Rules, 1937 and
- (iii) The receipt by Gol of irrevocable notice from BIAL 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 BIAL and (b) BIAL may unilaterally waive at any time the conditions set out at (ii) above by notice to Gol,. If BIAL 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 BIAL to a waiver of the condition set out at (iii) above.

4.2 Obligations to Satisfy Conditions Precedent

- 4.2.1 BIAL shall use all reasonable endeavours to procure the satisfaction in full of the conditions precedent set out in Article 4.1(i) and (iii) 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(ii) above.

4.3 Non-fulfilment of Conditions Precedent

4.3.1 Termination on Non-fulfilment

If the conditions precedent set out in Article 4.1 have not been satisfied in full or not been waived by the date falling six (6) months after the date of this Agreement, BIAL 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.

ARTICLE 5

5 Obligations of Gol

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 BIAL 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.

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 (except for Mysore and Hassan airports) 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 BIAL in a way that provides other Major Airports with an unfair competitive advantage when compared to the Airport or BIAL, 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 BIAL vis-à-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 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 Private Promoters as joint venture partners in BIAL and to award the Project to the Private Promoters or (ii) this Agreement other than as permitted under this Agreement or in accordance with the Applicable Law.
- 5.4.3** in recognition of the investment to be made by the shareholders, from time to time, of BIAL and the Lenders and subject to material compliance by such shareholders and the Lenders with all Applicable Law, Gol will not take any steps or action in contradiction of this Agreement which results in or would result in such shareholders or the Lenders being deprived or substantially deprived of their investment or economic interest in the Project except in accordance with the Applicable Law.

5.5 Existing Airport

5.5.1 Existing Airport

- (i) BIAL shall, six (6) months prior to the anticipated Airport Opening Date, notify Gol of the date it expects Airport Opening to occur.
- (ii) 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 commercial civil aviation operations and shall no longer be classified as a civil enclave under the AAI Act 1994.
- (iii) 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 commercial 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 for transportation of dignitaries by special government hired VIP aircraft or otherwise for their use or activities) and that it is no longer classified as a civil enclave under the AAI Act and also for ensuring that the international code (BLR) of the Existing Airport is transferred to the Airport.
- (iv) General Aviation Services (other than those relating to commercial aircraft) may continue to be provided at the Existing Airport notwithstanding its closure to commercial aircraft pursuant to paragraphs (ii) and (iii) 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 BIAL 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. The Parties further agree 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. For the avoidance of doubt, AAI is not responsible for costs related to concessions/other agreements entered into by HAL at the Existing Airport.

ARTICLE 6

6 Representations and Warranties

6.1 Representations and Warranties

6.1.1 Subject to the provisions of this Agreement, each Party represents and warrants to the other Party that as of the Effective Date:

- (i) it has the power and authority and has taken all actions necessary to validly execute and deliver this Agreement;
- (ii) its obligations under this Agreement will be legally valid and binding and enforceable against it;
- (iii) 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;
- (iv) 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;
- (v) 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
- (vi) 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 has or may have a material adverse effect on its ability to perform its obligations under this Agreement.

6.1.2 In addition BIAL represents and warrants to Gol that as at the date of this Agreement:

- (i) 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;
- (ii) it is not engaged in any business other than the business of operating and managing airports and other ancillary activities; and

(iii) the shareholding pattern of BIAL is as follows:

Parties	Percentage of issued and paid up share capital of BIAL
Private Promoters and Other Investors (as those terms are defined in the Shareholders Agreement) (collectively)	74% (Siemens Project Ventures 40%, Unique Zurich 17% and L&T 17%)
State Promoters (as the term is defined in the Shareholders Agreement) (collectively)	26%
Total	100%

- (iv) 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
- (v) 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.

6.2 Lock-in

Subject to Article 14 and in accordance with the terms of the Shareholders Agreement, the shareholding of Siemens Project Ventures GmbH and Flughafen Zuerich AG are subject to the following lock-in restrictions:

- (i) Siemens Project Ventures GmbH shall subscribe and hold at least forty percent (40%) of the paid up capital of BIAL for a period of three (3) years after Airport Opening and no less than twenty six percent (26%) for a period of seven (7) years after Airport Opening; and
- (ii) Flughafen Zuerich AG shall subscribe and hold at least five percent (5%) of the paid up capital of BIAL for a period of three (3) years after Airport Opening.

6.3 Approvals

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

Part III
Development and Operations

ARTICLE 7

7 Construction of the Airport

7.1 Master Plan

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

7.2 Construction and Expansion

BIAL 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. BIAL shall ensure that the Works shall conform with the Specifications and Good Industry Practice.

BIAL 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 BIAL 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, BIAL shall seek the prior written consent of Gol.

7.3 Independent Engineer

BIAL 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.

BIAL 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

BIAL 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

BIAL 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

BIAL will ensure that the Airport Opening Date shall occur by the date falling thirty three (33) months after Financial Close, provided that such date shall be adjusted by reference to any delays arising due to or as a result of:

- (i) an event of Force Majeure; and/or
- (ii) a failure or any delay by GoI in the performance of its obligations under this Agreement; and/or
- (iii) any interruption or intervention by GoI pursuant to its rights under Article 8.14 of this Agreement; and/or
- (iv) a failure or any delay by GoK in the performance of its obligations under the State Support Agreement; and/or
- (v) a failure or any delay by Karnataka State Industrial Investment and Development Corporation Limited in the performance of its obligations under the Land Lease Agreement; and/or
- (vi) a failure or any delay by AAI in the performance of its obligations under the CNS/ATM Agreement; and/or
- (vii) a failure or any delay by AAI or the Karnataka State Industrial Investment and Development Corporation in the performance of their obligations under clause 7 of the Shareholders Agreement; and/or
- (viii) a failure or any delay by any Relevant Authority in the performance of its services.

In the event of BIAL failing to achieve Airport Opening by the date falling thirty nine (39) months after Financial Close for any reason other than the conditions stated above, then BIAL shall pay to GoI, 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 thirty nine (39) months from Financial Close and ending on the earlier of the Airport Opening Date or the date occurring forty five (45) months from Financial Close.

7.6 Licence

7.6.1 Grant of Licence

GOI shall use its good offices and assist BIAL for DGCA's grant of an airport licence to BIAL initially valid 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 BIAL 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 licence under Article 7.6.1 above, GOI shall use its good offices and assist BIAL for DGCA's renewal of said airport licence issued to BIAL for a further period of two years prior to the expiry of the airport licence issued for the immediately preceding two year period, no later than forty-five (45) days from the date of BIAL's application to DGCA, provided that BIAL 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 BIAL under the current licence.

7.7 Commissioning

Gol shall use its good offices to persuade that AAI and DGCA shall, at BIAL'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.

ARTICLE 8

8 Operation and Maintenance

8.1 Airport Operation and Maintenance

BIAL 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 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 BIAL and Gol achieve their objectives under this Agreement a joint co-ordination committee shall be formed comprising BIAL, Gol and the other Relevant Authorities providing the Reserved Activities. The joint coordination committee shall meet once a month commencing with the first month following the execution of this Agreement 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 it 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 BIAL.

8.4.2 BIAL 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 BIAL 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, BIAL shall duly inform the Relevant Authority and BIAL and the Relevant Authority shall discuss and agree any 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 BIAL 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, BIAL shall comply with such rules and regulations established by BCAS in connection with the security of the Airport provided that BIAL 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 BIAL shall be responsible for providing and maintaining all such security equipment as required by BCAS or any other Relevant Authority from time to time (excepting Door Frame Metal Detector (DFMD), Hand Held Metal Detector (HHMD), X-Ray Scan Machines for screening carry on passenger baggage and Walki-Talkies which shall be procured, installed, operated, maintained and replaced by AAI insofar these equipments relate to Anti-Hijacking and Anti-Sabotage functions) provided that the same obligations are imposed on airports having the same or similar sensitivity classification.

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. BIAL 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 GoK.

8.5.6 BIAL shall co-operate fully with the officers of the designated security agencies and other security agencies at all times.

- 8.5.7** BIAL 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** BIAL 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, BIAL shall duly inform the designated security agency and BIAL and the designated security agency shall discuss and agree any 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** BIAL 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 BIAL 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** BIAL 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, BIAL shall duly inform the Relevant Authority and BIAL and the Relevant Authority shall discuss and agree any 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

BIAL shall provide and maintain to international standards at all times at the Airport a Government 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 BIAL 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

BIAL 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 BIAL 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 BIAL shall, subject to Applicable Law:

(i) keep the Airport open at all times for the take-off and landing of aircraft unless and so long as BIAL is unable to do so as a result of a failure by any Relevant Authority to provide a Reserved Activity; and

(ii) 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

BIAL 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 the slots allocated at the Existing Airport at the time of its closure.

8.12 Non-discrimination

Subject to any law 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 reasonable regulations, shall not impose unfair 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, BIAL 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, without the written consent of Gol, at the request of either Party Gol will meet with BIAL 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 BIAL are unable to agree a plan and appoint a joint operation and management committee within six (6) hours of the expiry of the period referred to above, Gol shall be entitled to operate the Airport until such time as BIAL 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 BIAL. 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, if applicable, are placed on all other Major Airports, BIAL 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, BIAL 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.

ARTICLE 9

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. BIAL 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** BIAL 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 in respect of the service standards under BIAL's direct control, as lower than IATA rating of three and a half (3.5) (in the current IATA scale of 1 to 5), BIAL 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) in respect of the service standards under BIAL's direct control, the Gol may direct BIAL to produce a further action plan to improve the Airport's performance which must be implemented within one (1) year.
- 9.2.5** Should BIAL fail to produce such an action plan or if the Airport continues to be rated in respect of the service standards under BIAL's direct control, as lower than three and a half (3.5) 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 BIAL 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) in respect of the service standards under BIAL's direct control due to BIAL's poor performance in the survey conducted in respect of the two (2) years following the date that BIAL 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. BIAL 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, BIAL 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, BIAL 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 BIAL's compliance with the terms and conditions hereof and shall furnish copies thereof to Gol (at Gol's cost) if called for.

Part IV
Financial Provisions

ARTICLE 10

10 Charges

10.1 Parties having right to impose charges

Subject to Applicable Law, no Person (other than BIAL, 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 BIAL 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 sixty (60) days of the date of the application being submitted by BIAL.

10.2.3 If at any time prior to the date the IRA has the power to approve the Regulated Charges BIAL 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 sixty (60) days of the date of the application being submitted by BIAL.

10.2.4 From the date the IRA has the power to approve the Regulated Charges, BIAL shall be required to obtain approval thereof from the IRA. In this regard BIAL 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 Financial Close.

10.3 Other Charges

BIAL 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 BIAL pursuant to Applicable Law, shall be paid on a priority basis prior to any disbursements by BIAL to any party including Lenders.

ARTICLE 11

11 Maintenance of Insurance

11.1 Insurance during Concession Period

BIAL 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 BIAL may reasonably consider necessary or prudent in accordance with Good Industry Practice.

11.2 Policies

Within 15 (fifteen) days of receiving any insurance policy certificates in respect of insurances required to be obtained and maintained under Article 11.1, BIAL 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 BIAL to Gol.

11.3 Remedy for Failure to Insure

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

11.4 Application of Insurance Proceeds

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

ARTICLE 12

12 Accounts and Audit

BIAL 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 GoI 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.

Part V
Force Majeure and Termination

ARTICLE 13

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 BIAL Default Events

Each of the following events shall constitute a “**BIAL Default Event**”:

- (i) Except as otherwise provided in this Article 13.3.1, if BIAL 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 BIAL 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 a BIAL Default Event, unless the transfer is to KSIIDC pursuant to the Shareholders Agreement;

- (ii) If Airport Opening has not occurred by the date falling twelve (12) months after the Airport Opening Target Date;
- (iii) If, following Airport Opening, BIAL 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;
- (iv) If any sum due and payable under this Agreement from BIAL is not paid within twenty-one (21) days of a request therefor from or on behalf of Gol;
- (v) An order being made or a resolution being passed for the liquidation, bankruptcy or dissolution of BIAL which is not, if capable of being so, discharged or, as the case may be, revoked within ninety (90) days thereafter;
- (vi) If any material representation or warranty given by BIAL under this Agreement is incorrect; and
- (vii) BIAL's failure to achieve the agreed Standards pursuant to Article 9.2.7.

Provided that the events outlined in paragraphs (i) to (iii) and (vii) above shall not constitute a BIAL 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 (iv) and (v) of the said proviso.

13.3.2 Gol Default Events

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

- (i) 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 BIAL, 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 BIAL specifying that such breach has occurred;
- (ii) If any sum due and payable under this Agreement from Gol is not paid within twenty-one (21) days of receipt of a request therefor from or on behalf of BIAL;
- (iii) If any material representation or warranty given by Gol under this Agreement is incorrect;
- (iv) following the occurrence of any of the events set out in Article 15.4 and Article 15.5, if the aggregate outstanding claims by BIAL 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 (iv), the aggregate outstanding claims by BIAL shall exclude any claims in respect of which BIAL 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 BIAL pursuant to those Articles;

- (v) 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 BIAL Default Event occurring Gol shall have the right to notify BIAL 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 BIAL terminating this Agreement. In the event of Gol exercising such right of termination, Gol shall acquire all of BIAL's rights, title and interests in and to the Airport in the manner set out in Article 13.5 below, on payment on the Transfer Date, 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 (calculated in accordance with Article 7.2) less any insurance monies received by BIAL or due and paid to BIAL in respect of claims made since the occurrence of the BIAL Default Event which led to termination under this Article 13.4.1.

13.4.2 In the event of a Gol Default Event BIAL 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, BIAL shall have the right, but shall not be required, to issue a notice to Gol terminating this Agreement. In the event of BIAL exercising such right of termination, Gol shall acquire all of BIAL's rights, title and interests in and to the Airport in the manner set out in Article 13.5 below, on payment on the Transfer Date, 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 (calculated in accordance with Article 7.2) or (ii) one hundred per cent (100%) of the Debt (calculated in accordance with Article 7.2), less any insurance monies received by BIAL or due and paid to BIAL in respect of claims made since the occurrence of the Gol Default Event which led to termination under this Article 13.4.2.

13.5 Transfer of Airport

13.5.1 On exercise of a right of termination by Gol or BIAL under Article 13.4 of this Agreement, and without prejudice to any rights of BIAL to compensation all assets of BIAL shall be transferred to Gol or its nominee on the Transfer Date without payment (save for payment of the amounts specified in Article 13.4.1 or Article 13.4.2 as the case may be) and 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:

- (i) all immovable, movable and intangible property (including intellectual property, plans, designs and drawings), stocks, materials, vehicles and spares of BIAL;
- (ii) the rights and obligations under or pursuant to all contracts and other arrangements entered into in accordance with the provisions of this Agreement between BIAL and any Service Provider Right Holder (in consideration of Gol's assumption of the obligations under or pursuant to the contracts and other arrangements); and
- (iii) the rights and obligations under or pursuant to all other contracts entered into by BIAL (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).

13.5.2 Notwithstanding anything contained in Article 13.5.1, prior to any transfer of the Airport, Gol shall have the right 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 BIAL for these purposes following the exercise of a right of termination by Gol or BIAL under Article 13.4. For the avoidance of doubt, to the extent Gol opts to take over Non-Airport Activities, which have not been approved by Gol in accordance with Article 7.2, the calculation of Termination Amount or the Settlement Amount shall include investments, amounts or costs of such Non Airport Activities.

13.5.3 Notwithstanding anything contained in this Article 13.5, no liability (accrued or contingent) of BIAL 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 arising subsequent to the Transfer Date.

13.5.4 Save to the extent caused by a Gol Default Event, BIAL 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 BIAL 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 BIAL (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 BIAL 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).

BIAL 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 BIAL 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 BIAL'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 BIAL the aggregate of:

- (i) one hundred per cent (100%) of the par value of the issued, subscribed and paid-up share capital of BIAL; and
- (ii) one hundred per cent (100%) of the Debt.

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 BIAL'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 BIAL of one hundred per cent (100%) of the Debt.

13.7.3 If BIAL 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 BIAL.

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 13.4, 13.5 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, BIAL 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.

Part VI
Other Provisions

ARTICLE 14

14 Assignment and Security

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, BIAL may assign and transfer certain or all of its rights and obligations under this Agreement provided that BIAL 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 BIAL that it objects to the assignment or transfer to one or more of the Lenders so notified by BIAL in which event BIAL 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** BIAL covenants that it will not delegate, whether by sub-concession or otherwise, all of its rights and obligations under this Agreement.

ARTICLE 15

15 Liability and Indemnity

15.1 BIAL Liability

Subject to Article 15.2 and Article 13.3, as between BIAL and Gol (and their respective employees, servants and agents), BIAL alone will bear any responsibility there may be for any cost, expense, loss, liability or damage suffered or 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 BIAL (and its employees, servants and agents).

15.2 Exchange of information regarding legal proceedings

Gol and BIAL 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 BIAL shall promptly, as soon as reasonably practicable after it 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 it is entitled to be indemnified under Articles 15.1 and 15.2. 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 (Airport Charges) Gol will, upon a request in writing from BIAL, indemnify BIAL against the consequences of each of the events listed above and shall, subject to Article 15.6 pay to BIAL within thirty (30) days of such request for payment, sums equal to the loss, cost, expense, liability or damage suffered directly by BIAL as a result of such event, which shall for the avoidance of doubt include:

- (i) all amounts payable or due and paid by BIAL to any of its contractors or Service Provider Right Holders as a result of such event;
- (ii) all additional interest, fees and other sums owing to Lenders for borrowed money of BIAL as a result of such event; and
- (iii) 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 BIAL under this Article such amounts as constitute any liability to Gol that has previously been admitted by BIAL.

Provided further that BIAL 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 BIAL becoming aware of the occurrence of such event.

15.5 Change in Law

If as a result of Change in Law, BIAL 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 year, BIAL may notify Gol and propose amendments to this Agreement so as to put BIAL 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 BIAL as aforesaid, the Parties shall meet as soon as reasonably practicable but no later than 30 (thirty) days following notification from BIAL 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 90 (ninety) days of the meeting pursuant to this Article, BIAL may by notice in writing require Gol to pay an amount that would put BIAL 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 BIAL 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 BIAL, 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

BIAL shall, 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.

ARTICLE 16

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 IRA 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 Rules, the provisions of 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 (Airport Charges) shall be determined by Arbitration in accordance with this Article 16.2 only.

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.

ARTICLE 17

17 Redressal of Public Grievances

17.1 Complaints Register

17.1.1 BIAL 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, BIAL 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 BIAL. Information relating to the availability of and access to the Complaint Register shall be prominently displayed by BIAL at the Airport.

17.2 Redressal of Complaints

Subject to Article 17.3, BIAL 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 BIAL to the Complainant under a certificate of posting.

17.3 Reserved Activities

To the extent that the complaints made by any Complainant relate to the performance or otherwise of the Reserved Activities, BIAL 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.

ARTICLE 18

18 Miscellaneous

18.1 Remedies, Waivers, Amendments and Consents

No failure on the part of the Gol or BIAL 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. Unless specified otherwise, the rights, powers, privileges and remedies provided in this Agreement are cumulative and not exclusive of any other rights, powers, privileges or remedies (whether provided by law or otherwise).

18.2 Amendments, Waivers and Consents

18.2.1 Amendments

- (i) Any provision of this Agreement may be amended, supplemented or modified only by an agreement in writing signed by the Parties.
- (ii) Gol or BIAL 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.
- (iii) 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

- (i) 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.
- (ii) 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.
- (iii) 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 BIAL Listing

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

- (ii) 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

Gol 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, Gol 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 BIAL, and/or to allow such Lenders under certain circumstances to substitute themselves or appoint a third party substitute to carry out the obligations and enjoy the benefits of BIAL 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 Gol 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 Bangalore, 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]

BIAL:

Bangalore International Airport Limited
36 Cunningham Road
Bangalore - 560 052
India
Fax: 080-22081284
Attention: Chief Executive Officer or 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 or telex and, in the case of telex, with answerback received) 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, 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 Gol and BIAL 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 authorized representative
Ajay Prasad
Secretary
Ministry of Civil Aviation, Government of India

Signature of the witness
Nasim Zaidi
Joint Secretary
Ministry of Civil Aviation, Gol

Signed for and on behalf of
Bangalore International Airport Limited
by a director
in the presence of:

Name and signature of the director
Wolfgang Bischoff
Director
Bangalore International Airport Limited

Signature of the witness
K.V. Rangaswami
Director
Bangalore International Airport Limited

Signed for and on behalf of
Bangalore International Airport Limited
by a director
in the presence of:

Name and signature of the director
S. Krishna Kumar
Director
Bangalore International Airport Limited

Signature of the witness
Herbert Meier
Director
Bangalore International Airport Limited

**Schedule 1
Clearances**

Schedule 1

PROJECT CLEARANCES BY GOI

S.No	Clearance Required
1	<u>Government of India</u>
1.1	Cabinet approval for the Project
1.2	Amendment of AAI Act
2	<u>Ministry of Civil Aviation</u>
2.1	Clearance to establish the new airport
2.2	Amendment to Aircraft rules 1937
3	<u>Director General of Civil Aviation</u>
3.1	Final approval for the site
3.2	License to operate the new airport
4	<u>Ministry of Defence</u>
4.1	Agreement on Integrated airspace management
4.2	NOC to establish the new airport
5	<u>Ministry of Environment and Forest</u>
5.1	Environment clearance
5.2	Approval for use of the forest land for non forest purposes
6	<u>Department of explosives</u>
	NOC for location of the aviation fuel depot

7	<u>Ministry of Finance</u> 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 falls east of Bangalore – Hyderabad National Highway No.7 between 29 Kms and 30 Kms from Bangalore and 4 Kms south of Devanhalli town. The site covers an area of 4309.45 acres (1744.01 ha) and is bounded by latitude 13° 15' 50" to 13° 12' 15" N and longitude 77° 40' 20" to 77° 44' 09" East.

The airport layout design allows for a second parallel runway (future) within the site. A separation distance of 1925 m between the runways is allowed. 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.

2 Taxiways

The taxiway system proposed between the runway and the apron will enable aircraft to travel with the 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:

- Partial single taxiway
- Entry/exit taxiway
- apron taxi lane

In the initial phase, the entry / exit taxiways for the runway is proposed at 800m, 2800m and 4000m from 09 threshold, so as to expedite the movement of aircrafts to and from the runway and to reduce taxiing time and distance. With this arrangement only the fully loaded B747 would back track on the runway 09 before take-off.

3 Apron

The layout of the apron and the terminal and the relationship between the two 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
- To provide airside roads and equipment parking areas so as to ensure that the ground support for aircraft is sufficient and efficient.
- To ensure that operations can be conducted safely.

In the initial phase provision is made for 3 in-contact stands with option to add two contact stands in the future.

4 Airside Service Roads

An airside road system to transport the vehicles, which sustain the operation of aircraft, both on the airside and to link with the landside road system is proposed. An airside service road (apron service road) will run on the airside face of the terminal building. It serves the isolation bay, fire station, cargo, fuel farm, and maintenance area and continues as a gravelled road around the airport perimeter.

5 Main Access Road

A two lane bituminous approach road is proposed, parallel to the runway, linking the NH7 to the terminal complex.

This road serving primarily the passenger terminal will also link the airport support facilities. Round about are proposed at important junctions.

6 Air Traffic Control Tower

The height of control tower proposed is 65 metres. This height will provide a free line of sight of the operational areas and the approaches. The control tower is located on the land side at a distance of 890m from the centre line of the runway.

An ATC complex (Technical Block) with a floor area of approx. 2300 sqm is proposed for air traffic control services not performed in the tower, e.g. approach control. The technical block also houses ATC briefing, Anti-hijacking control room, MET department, electronics work shop, Data management system, library, training rooms and offices.

7 Airfield Lighting

The runway lighting system shall consist of threshold, edge and end lights. PAPI will be installed at both approaches together with CAT I Precision Approach lighting system.

Taxiway lightning system with elevated omni-directional edge lights will be provided for the partial single taxiway, the exit and entry taxiways and the connections to the apron. Apron floodlighting is provided, to allow for efficient and safe handling of aircraft during night operations. Signage will be provided.

8 Rescue and Fire Fighting Facilities

The airport shall be equipped to provide a level of protection corresponding with aerodrome category IX. The fire station is located such that the response time shall be the lowest to any part of the movement area in optimum visibility and surface condition. The total area of fire station planned is 1457sqm. A watchtower is located above the fire station.

9 Water Supply

Potable water shall be supplied by Bangalore Water Supply and Sewerage Board to the service area earmarked on the master plan in sufficient quantity and pressure. Potable water storage tanks for an average daily demand for 2 days and raw water storage tanks for one day demand for fire-fighting including distribution networks to the airport facilities shall be constructed. In the initial phase the capacity of potable under ground sump proposed is 4000cum and raw water sump is 1800cum. The water shall be pumped using a hydro pneumatic pumping system.

The potable water will be distributed by means of a land-side main pipeline running in east-western 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.

10 Sewage Disposal

The sewerage and storm-water drainage are designed as separate systems. The sewerage system will include a collection network, pump pits, a sewage treatment plant, etc. Sewage water of the airport-related facilities will be collected by means of a landside and an airside main duct running in east-west direction and equipped with man-holes. A sewage treatment plant of 1500 cum capacity will be constructed. The effluent from the sewage treatment plant would be treated and the treated water recycled for horticulture.

11 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 watershed. Open lined drains will be constructed. RCC box culverts or pipe culverts shall be provided beneath pavements.

12 Telecommunications

The telecommunications system will contain an exchange facility and distribution network.

13 Electrical

The power supply to the airport shall be provided by BESCO/ KPTCL at 66kv level. The main incoming substation will be provided with 2 no 16mva transformers for stepping down 66kv to 11kv. From these transformers the main power system of the airport will be supplied at 11kv level. 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 auxiliary power generator system (approx. 6 MVA) is installed in the power station north which will supply the essential consumers of the airport in case of power supply failure.

14 Passenger Terminal Building:

14.1 Layout Concept

The passenger terminal is proposed as single, two level terminal building capable of accommodating international and domestic operations. The arrival and departure are separated vertically with a modern, simple, straight-ahead flow system. The Domestic and International Departure lounges, and the majority of the retail outlets are located on level 2 (first floor). The check-in – facilities and baggage reclaim are located in level 1(ground floor). VIP lounge is located on level 2 (first floor). The entire terminal is designed for ease of operation and for minimum maintenance. The terminal is fully air- conditioned.

14.2 Capacities of the Terminal Building

The terminal building shall be designed for 2017 passengers in the peak hour in the initial development. [The design/standards proposed would reflect the best industry practice and operating standards.] The design would cater for 24 hours operations

under all weather conditions. The facilities provided would meet IATA/ICAO standards. The total floor area planned is approximately 55000 m². Modular expansion of terminal with traffic growth is possible without disturbing the operations and matching the existing façade.

The terminal equipment proposed includes:

- In-line X-Ray baggage scanner for hold baggage
- Flight Information system
- CCTV/PA system
- Fire alarm & smoke detection
- Baggage conveyors
- Escalators, Elevators & automatic doors
- Counters for immigration, customs
- Passenger seating/public furniture
- Restaurant furniture
- Signs/ pictographs
- Building Management System
- Baggage trolleys
- Check-in counters

15 Fuel Farm

It is essential to provide a storage area for the supply of aviation fuel for the refuelling of aircraft that land at Bangalore. The master plan has allocated a space for the fuel farm to the west of the airport site.

Provision of fuel hydrant system to transport fuel from the depot to the aircraft shall be included in the concession agreement with the supplier.

In the initial phase as the rate of aircraft movement is not very high and the fuel requirements not very great, combination of fuel hydrant and fuel tanks for remote stands, would be used to refuel the aircraft.

16 Terminal Parking

In the first phase of development car park in front of the terminal building at ground level is planned. The location would be convenient for passengers and visitors to the airport. Separate zones for pick-up and drop off are earmarked. Parking for private cars, taxis, staff car, staff vehicles, VIP cars and VVIP cars provided.

17 Administration Building

A separate administrative building to house the offices for airport management, aircraft operators, security and staff canteen is planned adjacent to the technical block on the land side. The total area of the administrative block planned is 3000sqm.

18 Maintenance Building

Maintenance facilities are required for airport vehicles, electrical & mechanical equipment and for other uses. The maintenance facility would include storage space for materials and spare parts. The space provided for this facility is 2190sqm.

19 Ground Equipment Maintenance Area

The ground equipment used on the apron is bulky and unsuitable for use on normal roads. A GSE maintenance area is planned on the air side. The GSE building measures an area of approx. 2000sqm.

20 Security Wall

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

Schedule 3

Part 1 - Airport Activities

Airport Activities include the following services, facilities and equipment:

Aerodrome control services
Airfield
Airfield lighting
Air navigation services relating to the Airport
Airside and perimeter security including access control and patrolling
Airside and landside access roads and forecourts including writing, traffic signals, signage and monitoring
Apron and aircraft parking area
Apron control and allocation of aircraft stands
Arrivals concourses and meeting areas
Baggage systems including outbound and reclaim
Bird scaring
Check-in concourses
Cleaning, heating, lighting and air conditioning public areas
Customs and immigration halls
Emergency services
Facilities for the disabled and other special needs people
Fire service
Flight information and public-address systems
Foul and surface water drainage
Guidance systems and marshalling
Information desks and staffing
Inter-terminal transit systems
Landscaping and horticulture
Lifts, escalators and passenger conveyors
Loading bridges
Lost property
Meteorological Services / AIS
Noise insulation and sound proofing
Passenger and hand baggage search
Piers and gate rooms
Policing and general security
Prayer Rooms
Runways
Scheduling committee support
Signage
Staff search
Taxiways
Toilets and nursing mothers rooms
Waste and refuse treatment and disposal
X-Ray service for carry on and checked-in luggage
Aircraft cleaning services
Aircraft fuelling services
Airline Lounges
Banks / ATM – BIAL to make investment for providing basic infrastructure facilities only

Bureaux de Change – BIAL to make investment for providing basic infrastructure facilities only
Business Centre – BIAL to make investment for providing basic infrastructure facilities only
Vehicle parking
Cargo handling
Cargo terminals
Conference Centre – BIAL to make investment for providing basic infrastructure facilities only
Duty free sales – BIAL to make investment for providing basic infrastructure facilities only
Flight catering services
Freight consolidators/forwarders or agents
General aviation ground handling
General aviation terminals
General retail shops – BIAL to make investment for providing basic infrastructure facilities only
Ground handling services
Ground handling equipment
Ground power for aircraft
Hangars
Heavy maintenance services – BIAL to undertake these only if such services are in relation to airport and/or aircraft
Hotel reservation services – BIAL to make investment for providing basic infrastructure facilities only
Infrastructure for the airport complex like roads, drains, water supply etc.
Line maintenance services – BIAL to undertake these only if such services are in relation to airport and/or aircraft
Locker rental – BIAL to make investment for providing basic infrastructure facilities only
Messenger services – BIAL to make investment for providing basic infrastructure facilities only
Observation terrace
Pre-conditioned air for aircraft
Porter service
Post Offices – BIAL to make investment for providing basic infrastructure facilities only
Public telephones – BIAL to make investment for providing basic infrastructure facilities only
Restaurants, bars and other refreshment facilities – BIAL to make investment for providing basic infrastructure facilities only
Special Assistance Services
Tourist information services – BIAL to make investment for providing basic infrastructure facilities only
Travel agency – BIAL to make investment for providing basic infrastructure facilities only
Trolley service
Utilities (including electricity, gas, telecommunications and water)
Vehicle fuelling services – BIAL to undertake these only if such services are in relation to airport and/or aircraft
Vehicle rental – BIAL to make investment for providing basic infrastructure facilities only
Vending machines – BIAL to make investment for providing basic infrastructure facilities only
VIP/Special lounges
Warehouses
Welcoming services

Part 2 - Non-Airport Activities

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

Airport Shuttle transport services (Hotels, City Centre etc.)

Business Parks

Hi-Tech Parks

Hotels

Industrial Parks

Commercial Buildings

Special Economic Zones

Commercial Complexes

Golf Course

Country Club

Food Silos

Independent Power Producing

Production centres like manufacturing factories.

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 not brought about at the instance of the Party claiming to be affected by such event(s), 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 actually 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:

- (i) 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;
- (ii) 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);
- (iii) 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;
- (iv) loss of or serious accidental damage to the Airport;
- (v) 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;
- (vi) epidemic;
- (vii) act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, bombs or civil commotion;
- (viii) sabotage, terrorism or the imminent threat of such acts;
- (ix) Act of God; or
- (x) 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:

- (i) failure or inability to make any payment; or

- (ii) 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 Gol Direct Agreement

Bangalore International Airport Limited
36 Cunningham Road
Bangalore - 560 052

[Date]

The Secretary
Ministry of Civil Aviation
Rajiv Gandhi Bhavan
Safdarjung Airport Complex
New Delhi 110 003

Dear Mr. Secretary:

We refer to the Concession Agreement (the “**Concession Agreement**”) dated [●] between the Government of India and Bangalore 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 Devanahalli, near Bangalore in the State of Karnataka.

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:

- (a) The Government of India
- (i) acknowledges receipt of a copy of the Mortgage,
 - (ii) 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,
 - (iii) agrees that such assignments (or charge as the case may be) do not or will not contravene or violate the Concession Agreement and

- (iv) 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.
- (b) The Government of India agrees that:
 - (i) 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 at the request of the Mortgage Trustee and with the prior written consent of the Government of India, such Mortgage Trustee or its designee shall be substituted for the Company
 - (ii) 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, 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.
- (c) 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 [Bangalore] 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.
- (d) 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.
- (e) 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 BIAL'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 BIAL's rights, title and interests in and to the Airport.
- (f) 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 BIAL's rights, title and interests in and to the Airport without issuing a Notice to the Mortgage Trustee.

- (g) 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.
- (h) This Agreement shall be governed by and construed in accordance with the laws of India.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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,

**Bangalore 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.

By _____

Name:

Title:

Schedule 6 Regulated Charges

Pursuant to the principles set out in Article 10.2 of this Agreement, BIAL 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 BIAL 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, upto 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 BIAL 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, upto the airport opening date **Or**
- b) The then prevailing Passenger Service Fee at the other AAI airports

The Passenger Service Fee chargeable by BIAL, as given above, is inclusive of the cost of Security Expenditure on Central Industrial Security Force (CISF). This component of cost towards Security Expenditure on CISF shall be revised upwards by BIAL as and when directed by GOI.

(iii) User Development Fee (UDF) (Domestic and International):

BIAL 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 BIAL 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 kgs)
 - (b) The minimum fee for per single landing will be INR 1000.0
 - (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 1st day of the month for 1st fortnight billing period and rates as on 16th of the month for the 2nd fortnightly billing period, will be applicable.
 - (e) All Tariffs are net for BIAL. 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 31st, 2001

WPI1= is the WPI as on March 31st preceding the fee revision date

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

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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 BIAL and (v) pre-operating costs and expenses as may be incurred by BIAL prior to the Airport Opening Date as recorded in the last quarterly Balance Sheet of BIAL 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 were not consented to by Gol in accordance with Article 7.2 and Gol opts not to take the same over as provided in Article 13.5.2.

Schedule 8

Reserved Activities

Space to be provided by BIAL

- i) Customs- 335sqm**
- ii) Immigration 270sqm**
- iii) Health 18sqm**
- iv) Security 144sqm**
- v) Meteorological 240sqm**

Note: The figures may change during final revision of the floor plans

Schedule 9

Part 1 - Specifications

1.1.1 TERMINAL BUILDING

The total built up area of the passenger terminal building is 55 850sqm. The terminal building is designed as a two level RCC framed structure to facilitate passenger check-in, baggage make-up, baggage break down and baggage claim at ground level; retail, shopping centres, security check, passport control and holding areas at level one. The services are located at basement below ground. The total length of the terminal building is 168m, depth 144m and total height 19.05m above ground level. The H shaped columns are spaced on a grid of 24m x 24m. The roof at 19.05m supports a precast prestressed concrete shell element. The ground floor slab and the first floor slab rest on a 6mx6m and 12mx12m column grid respectively.

All passenger areas are laid with honed finished grey granite for floors, with selected areas provided with mandala pattern. In non-public areas such as baggage make-up and break down areas the floors are laid with concrete, finished using vacuum dewatering technique. All passenger toilets are provided with vitrified matt finished tiles and matching ceramic tiles dado. The VIP/CIP/ Business lounge toilets are laid with honed finished grey granite flooring and matching granite dado for the sidewalls. Rubber sheet flooring shall be provided for the boarding bridge fingers.

The north and south facades of the terminal building shall be double wall glazed elements to the full length and height of the facades. The east and west facades are provided with pre-cast reinforced concrete panels with glass block inserts. The roof skylights shall be double glazed units inside the building and single laminated glass panels in the curb area.

All external walls shall be 200mm thick block work and all toilet internal walls are provided with 100mm block walls. Gypsum board wall partitions are provided in offices areas such as airlines, customs offices, staff rooms etc. All columns in the ground and first floor are cladded with imperial red granite stone slab in panels of 1.0m x 1.5m. The basement columns are cladded with cemboard panels.

The terminal equipment provided shall include:

- In-line X-Ray baggage scanner for hold baggage
- AODB/ CUTE /Flight Information system
- CCTV/PA system
- Fire alarm & smoke detection
- Baggage conveyors
- Escalators, Elevators & automatic doors
- Counters for immigration, customs
- Passenger seating/public furniture
- Restaurant furniture
- signs / pictographs
- Building Management System

- Baggage trolleys
- check-in counters
- Passenger Boarding bridges
- Building Management System
- HVAC

1.1.2 Control Tower, Technical Block, Administration, Staff Canteen and Security Office

The total built up area is 5741sqm. The Admin /Technical/ Security block shall be a three storied RCC column beam framed structure. The building is 72m in length and 24m in depth. The total height of the building is 14.25m above ground level. The floor to floor clear height is 4.30m. The first floor slab, second floor slab and roof slab are designed as a grid floor system supported on a RCC column grid of 8m-x 8m.

The air traffic control tower is 65m in height and shall be a signature structure. The control tower is connected to the Technical Block at +4.3m level by an access bridge 1.50 m in width. The structure consists of RCC shaft of size 10.5m x 5.10m enclosing a staircase and lift inside. The tower cab is made of light weight steel tubes and clad with panorama glazing. The radius of the cab is 8.30m and 4m in height. The cab is supported on the RCC shaft at + 61.25m level.

Finishing Specification

- Vitrified ceramic tile flooring in Office / staff dining
- Vitrified mat tile flooring in toilets and pantry
- Kota stone flooring in kitchen
- Polished kota stone slabs in stair case
- Acoustic suspended ceiling in offices
- Teak wood flush partly glazed/ partly paneled partitions for cabins
- False flooring with PVC tile finish inside control tower cabin
- Exterior of the building is finished with curtain glazing, sand stone jalli and matt paint finish.

1.1.3 Ground Support Equipment Building

The GSE building is a two storied RCC structure with mono slope steel roofing system and RCC mezzanine floor for the offices inside the building. The total built up area is approximately 2000sqm. The GSE building is 63.25m in length, 26m in depth and 16.35m in height. Structural steel roofing system is adopted for work shop areas with roof trusses supported on RCC columns spaced at 9m intervals.

Finishing Specifications

- Vacuum dewatered flooring inside workshop
- Kota stone flooring in Offices and staircase
- Aluminum glazed paneled partitions in offices
- Color coated GI steel sheet roof for workshop.
- Vitrified matt finished tiles in toilets

- External surface painted with water proof cement paint and internal wall with OBD paint

1.1.4 Maintenance Building (Motor transport, civil and electrical)

The Maintenance building shall provide for vehicle maintenance workshop, civil and electrical offices and storage yards. The total built up area of mechanical workshop is 2190sqm with office and service area covering 270sqm. The maintenance workshop is 90m in length and 24m in depth. The total height of the workshop is 11.75 m above ground level. Parking bays of size 60 m x 9 m is provided. Structural steel roofing system is provided for workshop with the roof trusses spanning for 15 m.

The total built up area for civil and electrical building is 321sqm. This is a single storied RCC framed structure and houses the offices of civil and electrical staff. The stores and rest rooms are provided as annex and the built up area for this is 291sqm. The car parking shed for the staff covers an area of 107sqm with a provision for parking 8 vehicles.

Finishing items

- Vacuum dewatered floor for workshop
- Kota stone floor in stores/ tool grib area
- Vitrified polished tile in offices/ rest room
- Vitrified ceramic mat finished tile in floor/ dado for toilets
- External surface painted with water proof cement paint and internal wall with OBD paint
- Color coated GI sheet roof for workshop
- Gyp Board partitions in offices

1.1.5 Fire Station building

The Fire station is designed to provide a level of protection corresponding with ICAO aerodrome category 9. The station is designed to house five crash fire tenders and three ambulances. The design caters for one medical room to accommodate 3 beds, storage space for foam, offices for fire officers, control room, rest rooms for fire crew, training room etc. The total built up area including appliance bays is 1457sqm. The Fire station is 70.20m in length and 14.53m in depth. The building area is 19m in length, 14.53m in depth and 10.45m above ground level. A watchtower is provided on top of the building. First floor slab and roof slab are supported on RCC column and beam arrangement.

The fire station is provided with 100 000 litres under ground static tank and 50 000 litres over head tank.

Finishing items

- Vacuum dewatered floor for bays and store
- Vitrified ceramic matt finished tiles in floor/ dado for toilets
- PVC tile false floor in watch tower
- Kota stone floor for office/ rest room and other areas
- External surfaces painted with water proof cement paint and internal walls with OBD paint

1.1.6 A/C Plant building

The total built up area of AC plant building is 685sqm. The building measures a length of 47.25m and 14m in depth with seven bays evenly spaced at 6.75m column spacing. The total height of the building is 7.45 m above ground level and is single storied. The roof is supported on RCC column and beam arrangement. Staircase is provided outside the building for access to the roof.

Finishing items

- Vacuum dewatered floor
- External surfaces painted with water proof cement paint and internal walls with OBD paint

1.1.7 Sub station building

The airport has four sub stations located at strategic locations to satisfy the electrical and aviation requirements. The total built up area of the main power station is 699sqm. The building measures 45.25m in length, 17.70m in depth and 7.90m in height. The total built up area of the power house north is 198sqm and it measures 21m in length, 9m in depth and 5.65m in height. The total built up area of the two nos compact station for the airfield lighting is 182sqm each.

Finishing items

- Vacuum dewatered floor
- External surfaces painted with water proof cement paint and internal walls with OBD paint

1.1.8 VVIP BLOCK

The total built up area of the VVIP block is 282sqm. The building is 24m in length and 10.50m in depth. The entrance lobby is finished with honed finished grey granite and provided with mandala pattern. The flooring in other areas is honed finished grey granite. The VVIP lounge is designed with impressive and elegant interiors. The north and south facades are provided with double glazed curtain wall. Furnished spacious rest rooms with well appointed toilets are also provided.

1.1.9 OTHER BUILDINGS

The other buildings comprise of two nos public convenience, Radar Tx building, pump houses and security cabins. The total built up area of the two public convenience is 326sqm. The flooring is laid with vitrified matt finished ceramic tiles and matching dado.

The security cabins are self contained measuring 4.5m x 4.5m square. It includes a change room with attached toilet. Kota stone flooring is provided in change room and vitrified matt finished tiles in toilets.

The Radar Tx building is 15m in length, 6m in depth and 4.50m high. The building is provided with false floor for housing the electrical equipments.

Pump house will be provided on top of the underground water sumps. For all the above structures the external wall will be painted with water proof paint and internal walls with OBD paint.

1.1.10 RUNWAY

The runway is designed to accept B 747 aircraft and the ICAO aerodrome reference code is 4E.

The characteristics of the runway specification are:

- Runway length - 4000m
- Runway width - 45m
- width of runway plus light paved shoulders - 60m
- pavement type - flexible
- Pavement classification number - 80
- Runway strip width - 300m
- Stop-ways at each threshold - 60m x60m
- Runway orientation - 09/27
- Usability factor - >95%
- Turning circle at 09end.

The longitudinal and transverse profile, slope changes, sight distance, distance between slope changes, pavement markings, signage and surface accuracy are designed in accordance with the Standards and Recommended practices stipulated in ICAO Annex 14. The design life for the flexible pavement is 20 years.

1.1.11 TAXIWAYS

The characteristics of the taxiway specification are:

- width - 25m (code F)
- Width of taxiway plus shoulder - 45m
- Separation distance between the centre line of runway and taxiway - 190m
- taxiway centre line to taxiway centre line - 97.50m
- pavement type - flexible
- PCN - 80

The longitudinal and transverse profile, slope changes, sight distance, distance between slope changes, pavement markings, signage and surface accuracy shall be in accordance with the Standards and Recommended Practices stipulated in ICAO Annex 14. The design life for the flexible pavement is 20 years.

1.1.12 APRON.

The dimension of the concrete apron is 611m x181.5m. This apron can accommodate 13 code C aircraft or 7 Code D / E aircraft. Isolation bay will be designed for B-747 and constructed in the first phase. The pavement type is rigid. The PCN is 80 and the design life is 30 years. The width of the apron service road shall be 10m.

The longitudinal and transverse profile, slope changes, sight distance, distance between slope changes, pavement markings, signage and surface accuracy shall be in accordance with the Standards and Recommended Practices stipulated in ICAO Annex 14.

1.1.13 AIRSIDE SERVICE ROADS

Airside service roads outside the apron area will have a width of 7m and 1.5m wide gravel shoulders. The two lane bituminous pavement will be provided to connect the terminal, fire station, GSE, cargo and fuel farm. The emergency road linking the fire station to the runway shall also be designed with 7.0m width.

The airport perimeter road provided along the airport security wall and other airside inspection roads will be granular pavement with top width of 3.50m.

1.1.14 MAIN ACCESS, SECONDARY ACCESS ROAD & CAR PARK

The main access road will be constructed as a two lane carriage way with one lane for each direction, including gravel shoulders. The flexible pavement will be designed for the projected traffic and loading in terms of standard axels. The width of the road for the first phase will be in total 10m including shoulders.

The main access road will primarily serve the passenger terminal and it will also link other airport support facilities. Roundabouts are proposed at the major junctions.

The secondary access road shall be constructed with flexible pavement and designed for the projected traffic. The width of the secondary access road shall be in total 10m.

In the Initial Phase a car park in front of the terminal building at ground level is planned. The location would be convenient for passengers and visitors to the airport. Separate zones for pick-up and drop off are earmarked. Parking for private cars, taxis, staff car, staff vehicles, VIP cars and VVIP cars provided

1.1.15 AIRFIELD LIGHTING

A fully operational airfield lighting shall be provided which shall include the following:

- A high intensity CAT I approach lighting system(900m) for runway direction 09 & 27 shall be installed
- For both approach direction 09 & 27 a Precision approach path indicator system(PAPI) will be installed
- The runway lighting system shall consist the following individual lighting:

Runway threshold lighting

Runway edge and end lighting

- For marking of the taxiway edge, elevated omni directional lights will be provided
- Illuminated signs will be provided
- Control and monitoring system
- Remote control and monitoring
- Airfield lighting control work station
- Illuminated Wind direction indicator for both landing direction will be provided
- Aerodrome rotating beacon
- Apron flood lights

The systems shall be provided in compliance with relevant ICAO manuals, standards and recommendations.

1.1.16 INTERNAL AND EXTERNAL LIGHTING

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

- Terminal building
- Admin / Technical / security and ATC
- Maintenance building
- Ground support equipment building & other buildings
- Fire station
- Street lighting
- Car park lighting

Adequate number of power sockets for computers, water coolers, coffee machines, advertisement modules, hand drier, CCTV/ TV, pictographs etc will be installed.

Power requirements for conveyor belts at departure and arrival area are included. Power requirements included for escalators, lifts, automatic doors and HVAC.

Earthing system is included.

Lightning protection for all buildings are included.

1.1.17 Power distribution

The power supply to the airport shall be provided by BESCOM/ KPTCL at 66kv level. The main power station will be provided with 2 no 16mva transformers for stepping down 66kv to 11kv. From these transformers the main power system of the airport will be supplied at 11kv level. 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 auxiliary power generator system (approx. 6 MVA) is installed in the power station north which will supply the essential consumers of the Airport in case of power supply failure.

1.1.18 Cable system

- Incoming normal and emergency power supply shall be provided at the respective buildings. Cables shall be PVC insulated Aluminum / Copper, armored / unarmored. Cables will be routed through overhead cable trays /cable trench based on the locations of the panel / equipment.
- Electrical distribution for Heating Ventilation and Air Conditioning systems is considered in HVAC system.
- From centralized Battery and battery charger system, control supply feeder would be provided to the respective buildings.

1.1.19 Internal lighting system

The design lux level considered is:

- Check-in - 450lux.
- Office areas - 300lux.
- Technical areas - 300lux.
- Baggage claim - 300lux.
- Departure/arrival areas - 300lux
- Shopping areas - 300lux

1.1.20 External area lighting

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

- Main access road -20lux
- Secondary access road -14lux
- Access to buildings -14lux
- Lighting for parking areas will be provided with a illumination of 14lux.

1.1.21 Fire Protection System

System Proposed

The following fire protection systems shall be provided:

- Hydrant system
- Sprinkler system
- Fire alarm system
- Portable extinguishers

1.1.22 Airconditioning and Ventilation System

Air-conditioning system shall be provided for the following buildings. Central air-conditioning system will be provided to cater to these areas.

- Passenger Terminal building
- Administrative Block
- Technical building
- ATC tower
- Ventilation system for Toilets.

1.1.23 Drinking Water, Raw Water and Sewage Network

Drinking Water System

Potable water supplied by BWSSB shall be tapped and stored in the UG sumps. Potable water storage for two days demand shall be provided. The capacity of the UG sump shall be 4000cum. Water from the UG sump shall be distributed to the various buildings indicated below by a hydro- pneumatic system.

- Terminal Building
- Administration building
- Fire station building
- Air Traffic Control Complex
- Airport Maintenance building
- Ground Support equipment building

- Security office / police station/ staff canteen

Hydro pneumatic pumping system shall consist of potable water transfer pumps, air compressor and air vessel with necessary piping, instrumentation controls such as level controllers, level probes etc. Hydro pneumatic system shall have 50% standby capacity.

1.1.24 Raw Water

BWSSB will provide untreated raw water up to the airport battery limits. Raw water storage shall be provided for one day demand. The capacity of the sump will be 1800 cum. Untreated water shall be tapped and stored in the UG sumps. This water shall be pumped using a hydro pneumatic pumping system and distributed through HDPE pipe network of the airport complex to cater for floor / equipment washing and gardening.

1.1.25 Sewer Network

Sewer network for the entire airport complex premises has been considered with suitable diameter cast Iron 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 disposed as per bye laws.

1.1.26 Sewage Treatment Plant (1500 cum/day)

The sewage treatment plant shall be provided to treat the waste water generated by the airport facility. The STP is designed to treat 1500 m³ per day of sewage. The process scheme is extended aeration process with operating cycle of 24 hours.

1.1.27 STORM WATER DISPOSAL

The storm water from the hard landscaped areas i.e. mainly between taxi-ways and runway, shall flow into open lined drains (constructed outside the basic strip) and or underground pipes and culverts. The ground surface of molds are 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 silting basin. Paved areas have been designed with transverse surface slopes to enable the storm water to run off adequately. Open drains, inlets and pipe culverts shall be constructed to collect the water and connected to discharge into the airport storm-water drainage system.

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 Bangalore 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 the Independent Engineer. We hereby issue this Completion Certificate in accordance with the requirements of Clause 7.3 of the Concession Agreement and confirm that the Airport complies with the Specifications set out in Part 1 of Schedule 9 to the Concession Agreement.

Dated

|

Schedule 11

Insurance

- (a) Construction phase: BIAL 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.
- (b) Operation phase: BIAL 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 under Section 80IA of the Income-tax Act 1961 for tax exemption in respect of profits & gains from the business of development of the infrastructure facility viz., airport is available to BIAL. The benefit in this regard will be available in such a manner so that a deduction of 100% of the profits & gains derived from such business for any 10 consecutive assessment years out of 15 years beginning from the year in which BIAL begins to operate and maintain the infrastructure facility.

BIAL has been notified as an enterprise by the Central Government under Section 10(23G) of the IT Act for the Assessment Years (2003-04 to 2005-06) (Ref: Notification No. 171/ 2003 dt. 14.7.2003). It is assumed that BIAL will continue to be notified for this benefit after assessment year 2005-06.

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

- 1** Withholding tax for technical fees payments to Germany and Switzerland will continue to be as per the Double Taxation Avoidance Agreements of India with the respective countries.
- 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 under OMSA.

Attachment 1

Master Plan

(To be attached by BIAL)