Dated 16 December 2010  
  
  
  
  
**TLV EXCHANGE CORPORATION**   
as Employer  
  
and  
  
**TLV CONSTRUCTION COMPANY LIMITED**  
as Contractor

**ENGINEERING, PROCUREMENT  
AND CONSTRUCTION CONTRACT**Relating to the “the Great” Airport in Grenoble, France and the   
“St. Paul” Airport in Lyon, France

CONTENTS

CLAUSE PAGE

SECTION 1 DEFINITIONS AND INTERPRETATION 2

1. Definitions and Interpretation 2

2. EPC Effective Date 13

SECTION 2 SUBJECT MATTER OF CONTRACT 14

3. Scope of Works 14

4. Employer’s Responsibilities 19

5. Contractor’s Responsibilities 20

6. Warranties 25

SECTION 3 PAYMENT 28

7. Contract Price 28

8. Payment 28

9. Claims for Additional Payments 32

10. Security 34

11. Taxes and Duties 36

SECTION 4 INTELLECTUAL PROPERTY AND CONFIDENTIALITY 37

12. Supply of Documents and Licence for Use 37

13. Confidential Information 38

SECTION 5 WORKS PROCEDURES AND MANAGEMENT 40

14. Commencement 40

15. Representatives and Employer’s Controlling Office 40

16. Organisation Chart and Programme 42

17. Subcontracting 44

18. Design Development 44

19. Manuals 46

20. Quality Assurance 46

21. Transportation 46

22. Construction Process 47

23. Construction Equipment 50

24. Access to the Works in Progress 51

25. Tests and Inspections of Work in Progress 51

SECTION 6 COMPLETION, TESTING AND TAKING OVER 54

26. Tests on Completion 54

27. Substantial Completion 55

28. Final Completion 56

SECTION 7 PERFORMANCE LIABILITIES 58

29. Delay Damages 58

30. Defects Liability Period 60

31. Latent Defects 63

32. Limitation on Liability 64

33. Remedies 66

SECTION 8 RISK ALLOCATION 67

34. Transfer of Ownership 67

35. Care of Works 68

36. Indemnities 69

37. Insurance 70

38. EPC Force Majeure 73

39. Changes 75

40. Extension of Time 78

41. Suspension 83

42. Termination for Employer’s Convenience 84

43. Termination for Contractor Default 85

44. Self-Help, Buy Down and Rejection 90

45. Termination by Contractor 91

46. Non-Fault Termination 93

47. Employer Assistance 94

48. Independent Contractor 94

49. Language 94

50. Partial Invalidity 94

51. Remedies and Waivers 95

52. Counterparts 95

53. Contract Documents 95

54. Entire Agreement 96

55. Amendments 96

56. Costs and Expenses 96

57. Notices 96

58. Assignment 97

SECTION 9 LAW AND JURISDICTION 99

59. Governing Law 99

60. Settlement of Disputes and Jurisdiction 99

Schedule 1 Insurances 100

Schedule 2 Payment 116

Schedule 3 Completion and Testing 135

Schedule 4 Completion Certificate 137

Schedule 5 Quality Assurance Scheme 139

Schedule 6 Licences 163

Schedule 7 Manuals and Training 164

Schedule 8 Documents for Review by the Employer and the Technical Adviser 166

Schedule 9 Form of Monthly Construction Progress Report 167

Schedule 10 Intellectual Property Rights 170

Schedule 11 The Specification 172

Schedule 12 Forms of Performance Bond and Retention Bond 329

Schedule 13 Scope of Works 335

Schedule 14 Advance Payment Bond 338

Schedule 15 Milestones 345

Schedule 16 Form of Subcontractor Letter 361

Schedule 17 Form of Lender Direct Agreement 362

Schedule 18 Omitted 376

Schedule 19 Form of Release of Liens and Claims Certificate 377

Schedule 20 Standards 378

**THIS EPC CONTRACT** is made on 16 December 2010 between:

1. **TLV EXCHANGE CORPORATION**, a company organised and existing under the laws of the French Republic and having its principal office at “the Great” Airport in Grenoble, France (the “**Employer**”); and
2. **TLV CONSTRUCTION COMPANY LIMITED,** a company organised and existing under the laws of the French Republic and having its principal office at “St. Paul” Airport in Lyon, France (the “**Contractor**”).

RECITALS:

1. The Employer entered into a concession contract with the Government of the France on 24 September 2008 (as amended from time to time, the “**Concession Contract**”) for the design, construction and operation of the “the Great” Airport in Grenoble and the “St. Paul” Airport in Lyon (the “**Project**”).
2. The Employer wishes to engage the Contractor to design, construct and commission the Project, and the Contractor has agreed to such engagement upon and subject to the terms and conditions contained in this Contract.
3. An agreement entitled “Pre-EPC Agreement Relating to the Design and Construction of the “The Great” Airport in Grenoble, the “St. Paul” Airport in Lyon dated 17 March 2010 (the “**Pre-EPC Agreement**”) was entered into by the Employer and the Contractor, governing the early works described thereunder to be performed by the Contractor until the effective date of this Contract. Such early works shall be deemed to have been performed under the terms of this Contract, as further provided below.

**IT IS AGREED** as follows:

SECTION 1  
DEFINITIONS AND INTERPRETATION

# Definitions and Interpretation

## Definitions

In this Contract:

“**Acceptable Issuer**” means a bank or financial institution reasonably acceptable to the Facility Agent.

“**Activity**” means one of the elements of the Works identified as an Activity in the table contained in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*).

“**Additional Payment**” means any sum paid or payable by the Employer to the Contractor pursuant to Clause 9.1 (*Claims for Additional Payments*) of this Contract, having any connection with the Works, the Project, this Contract or the activities of the Contracting Parties in connection with the foregoing, except for the Contract Price. The meaning of “**Additional Payment**” shall include damages for breach of contract or the commission of any tort or delict (including negligence and negligent misstatement committed by the Employer or a person for whom it is responsible), a *quantum meruit*, a sum due by way of restitution or under quasi-contract, and any sum otherwise arising under any legal theory (and including any sum which might be recovered by the exercise of set-off or the enforcement of any security rather than by cash payment by the Employer to the Contractor).

“**Additional Payment Grounds**” has the meaning given to it in Clause 9.1 (*Claims for Additional Payments*).

“**Advance Payment**” means a sum that is equal to Euro 1,104,550.00 (one million one hundred and four thousand five hundred and fifty Euro).

“**Advance Payment Bond**” means the bond provided by the Contractor to the Employer issued by Safra Bank, Ankara, Turkey on 13 May 2010 a copy of which is attached as Schedule 14 (*Advance Payment Bond*).

“**Affected Party**” has the meaning given in Clause 38.2 (*EPC Force Majeure*).

“**Aircraft Rescue Fire Fighting (ARFF) Firefighting Building**” means the building comprising a part of the “The Great” Airport in Grenoble and further described in Schedule 11 (*The Specification*) and Schedule 13 (*Scope of Works*) of this Contract.

“**Airport**” means, as applicable, the “The Great” Airport in Grenoble and/or the “St. Paul” Airport in Lyon to be formed by the completed Works.

“**Airport Services**” means so many of the services set out in Annex 1 to the Concession Contract as are provided by or on behalf of the Employer from time to time during the period of time in which the Contractor is performing its obligations under this Contract including, without limitation, the operation of any Airport (or any part thereof).

“**Arrangers**” means Standard Platimium Bank plc.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in all of the cities of the Republic of France, Istanbul, Turkey, and London, United Kingdom.

“**Cargo Building**” means the building comprising a part of the “The Great” Airport in Grenoble and further described in Schedule 11 (*The Specification*) and Schedule 13 (*Scope of Works*) of this Contract.

“**Certificate of Payment**” means either an Interim Payment Certificate or the Final Payment Certificate.

“**Change**” has the meaning given to it in Clause 39 (*Changes*).

“**Change Order**” means any change order identified as such issued by the Employer pursuant to Clause 39 (*Changes*).

“**Computer Model**” has the meaning given in the Senior Facility Agreement.

“**Conceding Authority**” means the Government of the Republic of France acting through the Ministry of Transport and Communication.

“**Conceding Authority Change**” means any Change initiated by the Conceding Authority.

“**Concession Contract**” has the meaning given in Recital A, above, but subject to Clause 3.3 (*Scope of Works*).

“**Concession Contract Effective Date**” means 1 March 2010.

“**Construction Equipment**” means all plant, facilities, temporary structures and accommodation equipment, machinery, tools, apparatus, appliances or things of every kind required in or for the construction, refurbishment, installation, completion and maintenance of the Works and which are to be provided by the Contractor but does not include Materials or other things intended to form or forming part of the Works.

“**Construction Progress Report**” means a construction progress report in substantially the form set out in Schedule 9 (*Form of Monthly Construction Progress Report*).

“**Contract**” means this contract and the Schedules hereto.

“**Contract Price**” means, Euro 80,697,000 as adjusted from time to time pursuant to this Contract.

“**Contracting Party**” means the Employer or the Contractor.

“**Contractor’s Representative**” means any person appointed as such by the Contractor in the manner provided in Clause 15.1 (*Representatives and employer’s controlling office*).

“**Cost**” means expenditure reasonably and properly incurred by the Contractor in the performance of the Works, subject to the following:

(a) cost shall include a fixed mark-up on such expenditure of 2.5% (two and a half per cent) to allow for contribution to the Contractor’s overheads;

(b) save as stated in (a) above, Cost shall not include any sum which is not expenditure incurred towards third parties.

“**Deductibles**” has the meaning given in Schedule 1 (*Insurances*).

“**Default Rate**” means 2% (two per cent). per annum above the EURIBOR rate from time to time, as defined in the Senior Facility Agreement; and for the purpose of applying that definition to amounts overdue under this Contract, the “Interest Period” referred to in the Senior Facility Agreement shall be deemed to be one (1) month, with “Rate Fixing Days” referred to in the Senior Facility Agreement being deemed to fall on the first day on which a sum becomes overdue for payment under this Contract, and monthly thereafter.

“**Defect**” has the meaning given in Clause 30.1 (*Defects Liability Period*).

“**Defects Liability Certificate**” means the certificate(s) issued by the Employer to the Contractor pursuant to Clause 30.9 (*Defects Liability Period*).

“**Defects Liability Period**” means, with respect to the relevant Airport, the period commencing from the date of Substantial Completion of the Lyon Airport Section or the Grenoble Airport Section (as applicable) and expiring seven hundred and twenty (720) days after such date, subject to Clause 30 (*Defects Liability Period*).

“**Dispute**” means any claim, dispute or difference of any kind whatsoever arising between two (2) or more Contracting Parties in connection with or arising out of this Contract including any question regarding its existence, validity or termination or the execution of the Works, whether during the progress of the Works or after their completion and whether before or after the abandonment or breach of this Contract or the termination of the Contractor’s engagement hereunder.

“**Documents**” means written documents, drawings, specifications, graphical materials, photographs, models (including three-dimensional physical models) and all other design and technical information prepared or used in connection with the Works.

“**Duty Free Agreement**” means the duty free stores and speciality stores operation agreement in respect of the “The Great” Airport and the “St. Paul” Airport in Lyon to be entered into between, *inter alios*, the Employer and the Duty Free Operator.

“**Duty Free Operator**” means a subsidiary of TLV Airport Operation Ltd., or any other operator whom the Employer authorises to operate the duty free and speciality stores in the Airport, pursuant to the Duty Free Agreement.

“**Early Works**” means the works undertaken under the Pre-EPC Agreement.

“**EPC Effective Date**” means the date of signature of this Contract by the Contractor and the Employer.

“**EPC Force Majeure**” has the meaning given in Clause 38.1 (*EPC Force Majeure*).

“**Employer’s Controlling Office**” means Hristovi Engineering Ltd., or such other controlling office as the Employer may appoint as its controlling office from time to time as required under the applicable laws of the Republic of France.

“**Employer’s Representative**” means any person appointed as such by the Employer in the manner provided in Clauses 15.1 and 15.2 (*Representatives and employer’s controlling office*).

“**Environmental Management Plan**” has the meaning given in the Concession Contract, subject to it being amended or supplemented from time to time by agreement of the Contracting Parties with the approval of the Lenders.

“**€**,” “**EUR**” or “**Euro**” means the single currency unit of the European Union as constituted by the Treaty on European Union.

“**Equator Principles**” means that set of ten principles set out in the paper entitled “The ‘Equator Principles’: A financial industry benchmark for determining, assessing and managing social & environmental risk in project financing” dated July 2006 and developed in co-operation with the International Finance Corporation and adopted by various banks and financial institutions, as applicable as at the date of this Agreement.

“**Events of Default**” has the meaning given in Clause 43 (*Termination for Contractor Default*).

“**Facility Agent**” means the facility agent under the Finance Documents.

“**Final Completion**” means, with respect to the Lyon Airport Section or the Grenoble Airport Section, the taking over of that Section in accordance with the provisions of Clause 28 (*Final Completion*), and Final Completion occurs in relation to each of the Lyon Airport Section and the Grenoble Airport Section on the date stated in the Final Completion Certificate for that Section. The reference in this Contract to the Final Completion of the Works or with respect to the Works is a reference to the Final Completion of the Grenoble Airport Section.

“**Final Completion Certificate**” means a certificate to be issued on the occurrence of Final Completion by the Employer to the Contractor pursuant to Clause 28 (*Final Completion*) based on the form set out in Schedule 4, Part B (*Final Completion Certificate*).

“**Final Payment Certificate**” means the certificate to be issued by the Employer to the Contractor pursuant to Clause 8.11 (*Payment*).

“**Final Termination Account**” means the account referred to in Clause 43.8 (*Termination for Contractor Default*).

“**Finance Documents**” has the meaning given to it in the Senior Facility Agreement.

“**Good Engineering Practice**” means the practices, methods and procedures and that degree of skill, diligence, prudence and foresight which would reasonably be expected to be observed by a prudent, diligent, skilled and experienced turnkey contractor in the international aviation industry engaged in carrying out activities the same as or similar to the Works under the same or similar circumstances.

“**Initial Termination Account**” means the account referred to in Clause 43.6 (*Termination for Contractor Default*).

“**Insolvency Event**” means any of the following insolvency events in relation to any person:

(a) any meeting of creditors generally of the person being held or any arrangement or composition with or for the benefit of its creditors being entered into by or in relation to the person in question;

(b) a supervisor, trustee, receiver, interim receiver, receiver and manager, custodian, administrator, administrative receiver (or other person with similar powers) taking possession of or being appointed over or any distress, execution, garnishment, attachment, or other process being levied or enforced (and not being discharged within sixty (60) days) upon the whole or any material part of the assets of the person;

(c) the person ceasing to carry on business or being or becoming insolvent or unable to pay its debts;

(d) a petition being presented (and not being discharged or adjourned for later hearing within sixty (60) days or not being discharged on the first adjourned hearing) or a resolution being passed or an order being made for the administration or the receivership, winding-up, bankruptcy, liquidation, or dissolution of the person;

(e) any order or judgment is made by a tribunal of competent jurisdiction restraining the person’s ability to deal with all or a substantial portion of its assets and property; or

(f) the person suffering any similar event or act with similar effect under the law of any competent jurisdiction.

“**Insurers**” has the meaning given in Clause 37.11 (*Insurance*).

“**Intellectual Property Rights**” means any and all rights and interests in registered or unregistered trademarks, servicemarks, patents, registered designs, utility marks, applications for any of the foregoing, copyrights, unregistered designs, inventions, confidential information, know-how or other intellectual property (whether in written form, or generated by or maintained on a computer or similar system or otherwise) subsisting in or relating to Documents prepared at any time relating to the Works or subsisting in or relating to the Works themselves or their design, construction, commissioning, completion, operation and maintenance.

“**Interim Payment Certificate**” means a certificate issued by the Employer to the Contractor pursuant to Part A of Schedule 2 (*Terms of Payment*) in the form set out in Part B of Schedule 2 (*Interim Payment Certificate*).

“**Latent Defect**” has the meaning given in Clause 31.2 (*Latent Defects*).

“**Law**” means any act, statute or piece of legislation, any executive order or decree, any delegated or subordinate legislation, order, statutory instrument, rules or regulations, any judgment or order of a court of competent jurisdiction, any administrative act or decision of a Public Sector Entity (including the terms of any Licence) having legally binding effect, codes or guidance having legally binding effect, in the case of each the foregoing, irrespective of whether the same are applicable to a particular person or persons, or generally at a local, regional state, federal, national or supranational level.

“**Lender**” has the meaning given in the Senior Facility Agreement.

“**Lender Direct Agreement**” means an agreement between the Employer, the Contractor, the Facility Agent and the Security Agent in the form set out in Schedule 17 (*Form of Lender Direct Agreement*).

“**Level C**” means the IATA Level of Service of “C” (as defined in IATA’s Airport Development Reference Manual, as amended, supplemented or updated from time to time).

“**Licence**” means any permit, consent, approval, authorisation, agreement, no objection certificate, waiver or licence which must be obtained from any person (including both private persons and Public Sector Entities) in order for the Works to be performed and for any goods to be transported, imported or exported. The meaning of “Licence” shall include agreements for the obtaining of rights of way, easements, land purchase or leasing, and the like with persons who would otherwise possess rights to prevent or impede the carrying out of any part of the Works (or towards whom the Employer or Contractor would otherwise incur any liability by reason of the carrying out of the Works).

“**MKD**” or “**Francen Denar**” means the lawful currency from time to time of Republic of France.

“**Management Committee**” has the meaning given in Clause 60.2 (*Settlement of Disputes and Jurisdiction*).

“**Manuals**” means all operating and maintenance manuals, training materials, spares lists, record, as-built drawings and CDs which this Contract stipulates are to be provided to the Employer by the Contractor.

“**Materials**” means equipment, plant, machinery, apparatus, materials, articles, substances and things of all kinds to be provided and incorporated in the Works by the Contractor under this Contract. “**Materials**” does not include Construction Equipment.

“**Milestone**” means one of the milestones identified in Schedule 15 (*Milestones*).

“**Milestone Date**” means, in relation to each Milestone, the “Date for achievement” identified for that Milestone in Schedule 15 (*Milestones*), as adjusted by any extensions of time granted to the Contractor under Clause 40 (*Extension of Time*).

“**Military Relocation Works**” means the works relating to the relocation and construction of new buildings for the military of the Republic of France, comprising a part of the works for the “The Great” Airport in Grenoble and as further described in Schedule 11 (*The Specification*) and Schedule 13 (*Scope of Works*) of this Contract.

“**Military Relocation Works Design**” means the designs, drawings, data and other information contained in, and otherwise forming a part of, construction permit no. 20-Up-137/6 relating to the Project which was issued on 29 March 2010 and which became effective on 14 April 2010.

“**Lyon Airport Section**” means the Section of the Works referred to in Clause 3.1(a)(v) (*Scope of Works*).

“**Operator**” means each of the Duty Free Operator and the Food and the Beverage Operator and any replacement or substitute appointed by the Employer.

“**Performance Bond**” means the bond provided by the Contractor to the Employer on or before the EPC Effective Date in the amount of 10% (ten per cent) of the Contract Price, and in the form set out in Schedule 12 (*Forms of Performance Bond and Retention Bond*) Part A (*Form of Performance Bond*) issued by an Acceptable Issuer.

“**Potentially Hazardous Materials**” means any natural or artificial substance (whether in solid or liquid form or in the form of gas or vapour) capable of causing harm to any human or any other living organism supported by the environment, or capable of damaging the environment or public health or posing a threat to public safety including, without limitation, any pollutants and any hazardous, toxic, radioactive, noxious, corrosive or dangerous substances regulated, for which in each case liability or responsibility is imposed under applicable environmental law.

“**Pre-EPC Agreement**” has the meaning given in Recital C above.

“**Pre-Existing Environmental Condition**” means (a) any condition of the environment within either Site existing prior to and on the Concession Contract Effective Date as described in the Environmental Baseline Report, and, in any case, relating to or arising from the presence, handling, use, transport, storage, release or disposal of any Potentially Hazardous Materials and (b) any condition of the environment outside either Site existing prior to and on the Concession Contract Effective Date which condition relates to or arises from the presence, handling, use, transport, storage, release or disposal of any Potentially Hazardous Materials, it being understood that any continuation, exacerbation or aggravation of any such condition referred to in (b) above after the Concession Contract Effective Date shall be considered to be a part of any “Pre-Existing Environmental Condition” unless, and to the extent, any such continuation, exacerbation or aggravation results from the gross negligence or wilful misconduct of the Contractor or any Subcontractor.

“**Programme**” means the programme of Works prepared by the Contractor in relation to the Works and set out in Schedule 15 (*Milestones*), showing in detail the timing and sequencing of individual activities by which the Contractor proposes to carry out the Works including, without limitation, details as to the commencement and completion of construction and details as to the manufacturing, preparatory and mounting works forming part of the Works.

“**Progress**” means progress (measured as a percentage, and in accordance with any directions for measurement contained in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*)) towards completion of an Activity.

“**Project**” has the meaning given in Recital A.

“**Project Documents**” has the meaning given to it in the Senior Facility Agreement.

“**Public Sector Entity**” means any national, regional, state or local government, and any division, ministry, department, agency or other emanation of any of the same, including any court, any corporation or other person controlled or majority-owned by any of the foregoing, and any body empowered to grant, withdraw or determine the terms and conditions of any Licence.

“**Punch List Items**” means any minor outstanding work or defects specified by the Employer at the time of the Substantial Completion of a Section, which (whether separately or taken together) and as applicable do not prevent the passing of the Tests on Completion and, in the reasonable opinion of the Technical Adviser, do not affect the health and safety of users, do not affect the Project at the traffic volumes anticipated by the Computer Model nor prevent or inhibit the relevant Section or the Project from complying with Law or with the standards of operation and maintenance applicable to that Section or the Project during the operations phase in accordance with the Concession Contract.

“**QA Scheme**” has the meaning given in Clause 20.1 (*Quality Assurance*).

“**Release of Liens and Claims Certificate**” means a certificate provided by the Contractor pursuant to Clause 34.9 (*Transfer of Ownership*).

“**Remedial Work**” means works to repair, replace or otherwise make good a Defect or a Latent Defect as well as any damage to the Works caused by a Defect or a Latent Defect so that the repaired, replaced or made good Works comply with the Contract.

“**Retention Bond**” means a bond in the amount of 5 % (five per cent) of the Contract Price, issued by an Acceptable Issuer and in the form set out in Part B (*Form of Retention Bond*) of Schedule 12 (*Forms of Performance Bond and Retention Bond*).

“**Review Period**” has the meaning given in Clause 18.3 (*Design Development*).

“**Runway Extension Works**” means the works relating to the extension of the runway and comprising a part of the works for the “The Great” Airport in Grenoble and as further described in Schedule 11 (*The Specification*) and Schedule 13 (*Scope of Works*) of this Contract.

“**Schedule**” means a schedule to this Contract.

“**Section**” means each of the part of the Works described in Section 3.1(a) (*Scope of Works*) as a Section.

“**Secured Finance Party**” has the meaning given in the Senior Facility Agreement.

“**Security Agent**” means Bank Luxembourg S.A. or any successor under the Senior Facility Agreement from time to time.

“**Senior Facility Agreement**” means the Senior Facility Agreement dated on or about the date of this Contract, as amended from time to time, made between, *inter alios*, the Employer, the Arrangers, the Facility Agent and the Security Agent.

“**Site**” means, with respect to each Airport, the land, spaces and surfaces allocated to the Employer by the Conceding Authority, pursuant to the Concession Contract and identified in annex 1 to the Concession Contract.

“**Site Manager**” has the meaning given in Clause 15.9 (*Representatives and employer’s controlling office*).

“**Grenoble Airport Section**” means the Section of the Works referred to in Clause 3.1(a) (*Scope of Works*) (except for the Works referred to in Clause 3.1(a)(v)) (*Scope of Works*).

“**Specification**” means the technical specifications set out in those parts of annex 11 (Technical Scope Document) and annex 21 (Airport Key Performance Indicators) of the Concession Contract which are set out in the Compact Disc containing Schedule 11 (*The Specification*) of this Contract as annexed to this Contract and initialled on behalf of the Contracting Parties for the purposes of identification, plus the additional technical specifications described in such Compact Disc containing Schedule 11 (*The Specification*) and Schedule 13 (*Scope of Works*) of this Contract, and in any case including the Technical Scope Document, the Detailed Engineering Design, the Airport Works Plan, the Standards, the Master Plan, the Environmental Management Plan, each as defined in the Concession Contract.

“**Subcontract**” means any contract made directly between (i) the Contractor and (ii) a Subcontractor in relation to the Works.

“**Subcontractor**” means any person to whom execution of any part of the Works, including but not limited to the preparation of any design or supply of any Materials, services or Construction Equipment, is subcontracted directly or indirectly by the Contractor or any intermediate subcontractor at any tier.

“**Substantial Completion**” means, with respect to the relevant Section, the substantial completion of the Works related to that Section in accordance with the provisions of Clause 27 (*Substantial Completion*), and Substantial Completion occurs in relation to a Section on the date stated in the Substantial Completion Certificate for that Section.

“**Substantial Completion Certificate**” means a certificate to be issued on the occurrence of Substantial Completion of a Section by the Employer to the Contractor pursuant to Clause 27 (*Substantial Completion*) based on the form set out in Schedule 4, Part A (*Substantial Completion Certificate*).

“**System**” means each part of the Works identified as a System in Schedule 11 (*The Specification*).

“**Target Date for Substantial Completion**” means, with respect to, the Lyon Airport Section or the Grenoble Airport Section the date set out in Clause 3.1(a) (*Scope of Works*), as adjusted by any extensions of time granted to the Contractor under Clause 40 (*Extension of Time*).

“**Target Date for Final Completion**” means, with respect to the Lyon Airport Section or the Grenoble Airport Section, the date occurring one hundred and twenty (120) days after the Target Date for Substantial Completion for that Section, as adjusted by any extensions of time granted to the Contractor under Clause 40 (*Extension of Time*).

“**Technical Adviser**” means Mott MacDonald, or any other person appointed by the Lenders to act as technical adviser to the Lenders.

“**Tests on Completion**” means the tests specified in Schedule 3 (*Completion and Testing*) to be performed in accordance with Clause 26 (*Tests on Completion*) prior to Substantial Completion of the Works.

“**VAT**” shall be construed as a reference to value added tax including any similar tax which may be imposed in place thereof or in addition thereto from time to time.

“**Works**” means the Materials to be supplied and the entire works and services to be carried out by the Contractor under this Contract, including the Early Works.

“**Works Letter of Guarantee**” means the letter of guarantee issued by the Employer to the Conceding Authority under the Concession Contract pursuant to clause 5.2.1(h) of the Concession Contract.

## **Interpretation**

In this Contract:

#### words and expressions having initial capital letters which are not defined in this Contract shall have the meaning given to them in the Concession Contract;

#### words importing the singular shall include the plural and vice versa except where the context otherwise requires;

#### the words “**include**” and “**including**” are to be construed without limitation;

#### any reference to a “**person**” shall be construed as including reference to any individual, corporation, firm, partnership, joint venture, association, organisation, trust or Public Sector Entity (in each case whether or not having separate legal personality);

#### an “**affiliate**” of a person shall be construed as a reference to a subsidiary or holding company, or a subsidiary of a holding company of such person;

#### “**holding company**” of a company or corporation shall be construed as a reference to any company or corporation of which the first-mentioned company or corporation is a subsidiary;

#### a “**subsidiary**” of a company or corporation shall be construed as a reference to any company or corporation:

##### which is controlled directly or indirectly, by the first mentioned company or corporation;

##### more than half of the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or

##### which is a subsidiary of another subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or control the composition of its board of directors or equivalent body;

#### references to any specifically identified Law shall be treated as including reference:

##### to that Law as the same may be amended from time to time;

##### to any Law which may replace or consolidate the same; and

##### to any delegated or subordinate Law issued under authority of first-mentioned Law,

in each case whether such amendment, replacement or consolidation, or the promulgation of such delegated or subordinate Law occurred before or after the date of this Contract;

#### subject as provided at Clause 3.3 (*Scope of Works*), references to contracts, agreements and instruments concluded between the Employer and any other person shall be treated as including reference to such contracts, agreements or instruments as amended, supplemented, substituted, novated or assigned from time to time;

#### any reference to a “**week**” means any period of seven (7) days. A “**month**” means a calendar month of the Gregorian calendar and “day” means a calendar day unless specified as a “Business Day”;

#### the headings titles and references thereto in this Contract are included for ease of reference and shall not constitute a part of this Contract, nor affect its interpretation;

#### unless inconsistent with any other provision of this Contract, the meaning of any term or abbreviation used in this Contract relating to the sale and carriage of goods which is defined by the 2000 edition of the “**Incoterms**” International rules for the interpretation of trade terms published by the International Chamber of Commerce shall be as so defined and the rights and obligations of the Contracting Parties in respect of the relevant matter, shall be as so ascribed; and

#### a reference to a Clause or Schedule (or a Part or paragraph thereof), is a reference to a Clause of this Contract or a Schedule (or a Part or a paragraph thereof) to this Contract unless otherwise stated.

# EPC Effective Date

## This Contract shall enter into full force and effect on the EPC Effective Date.

## On the EPC Effective Date:

#### the Pre-EPC Agreement shall cease to have effect;

#### (subject to (c) below) all obligations and liabilities of the Contracting Parties under and in connection with the Pre-EPC Agreement shall be discharged;

#### the Early Works performed pursuant to the Pre-EPC Agreement shall be deemed to have been performed under the terms of this Contract. The Contracting Parties’ liability for any breach of the Pre-EPC Agreement and any defect in the Early Works, and their rights and remedies in relation thereto, will be the same as the rights and remedies they have for breaches under this Contract; and

#### payments made by the Employer pursuant to the Pre-EPC Agreement shall be deemed to be payments on account of the Contract Price as further provided at Clause 7.1 (*Contract Price*).

SECTION 2  
SUBJECT MATTER OF CONTRACT

# Scope of Works

## Without prejudice to any obligations of the Contractor in any other provisions of this Contract, the scope of the Works required to be carried out by the Contractor at its own expense and in consideration for the payment of the Contract Price includes:

#### the achievement of Substantial Completion for the relevant section set out below (each, a “**Section**”) on or before the following dates, as applicable:

##### for the Aircraft Rescue Fire Fighting (ARFF) Building, 21 October 2011;

##### for the Cargo Building, 21 October 2011;

##### for the Runway Extension Works, 21 October 2011;

##### for the Military Relocation Works, 21 October 2011;

##### for the “St. Paul” Airport in Lyon, 28 February 2011;

##### for the administration building works 21 October 2011; and

##### for the remainder of the Works, including all remaining Works comprising the “The Great” Airport in Grenoble, 21 October 2011;

#### the achievement of Final Completion for the relevant section set out below (each, a “**Section**”) on or before the following dates, as applicable:

##### for the “St. Paul” Airport in Lyon, the date that is one hundred and twenty (120) days after Target Date for Substantial Completion; and

##### for the remainder of the Works, including all remaining Works comprising the “The Great” Airport in Grenoble, the date that is one hundred and twenty (120) days after Target Date for Substantial Completion;

#### the carrying out (or procuring the carrying out) of the Works in accordance with the Specification;

#### ensuring that the carrying out of the Works shall cause no disruption or interruption of the Airport Services or the operation of any air traffic at the Airports, performing the Works while taking into account the fact that the Airports shall be open to traffic during the performance of the Works, and using its best efforts to minimise the impact of the Works on retailers and other service providers at the Airports;

#### completion of the detailed engineering design in accordance with the Specification and Level C and submission of the same to the Employer for approval in accordance with Clause 18.3 (*Design Development*) of this Contract;

#### the provision of all Materials and Construction Equipment and labour and the performance of all works and services, including testing and commissioning, required to achieve the relevant Airport Works Final Completion Date under the Concession Contract (and the following provisions of this Clause 3.1 may add to, but shall in no circumstances be understood as limiting, the scope referred to in this paragraph (f));

#### the provision of all Materials and Construction Equipment and labour and the performance of all works and services required for the design, engineering, procurement, construction, erection, installation, commissioning, testing, delivery and making good of Defects and Latent Defects in those works which are described in the Specification (including the preparation of the Site and other working areas and necessary infrastructure, the provision of project management, supervision and engineering services, and importing, shipping, transporting, loading, unloading and storing Materials and Construction Equipment);

#### the supply of all replacement parts required for rectification of Defects until the issue of the Defects Liability Certificate and Latent Defects and as required by Schedule 3 (*Completion and Testing*);

#### the provision (including the design, construction and/or procurement from third parties) of road, electricity, gas, water, waste water and sewerage connections to the Site sufficient for the carrying out of the Works as well as for incorporation in, and use as part of the operation of, the completed Works;

#### the supply of consumables including electricity and water as required until Final Completion of the Works;

#### the supply of Manuals and the provision of training for employees of the Employer and the Employer’s other contractors (including, as applicable, each Operator), as described in the Specification and as required by Schedule 7 (*Manuals and Training*) and the Concession Contract;

#### the supply of one (1) electronic, one (1) original and seven (7) blueprint copies of the final as-built drawings and such other documents and computer files as are required to be comprised in the examination file prepared for the purpose of subclause (e) of annex 6 to the Concession Contract, within three months after Substantial Completion of the Works showing, *inter alia*, the places where clean and waste water, electricity and similar installations have been provided for;

#### the performance of work, the supply of Materials and the provision of services which are not explicitly identified in this Contract but which can reasonably be understood from this Contract as being required of the Contractor in order for it to properly carry out and complete the Works;

#### the performance of all necessary assistance to personnel of the Conceding Authority, and the provision of all necessary assistance to the Employer in order for the Employer to comply with any requests from the Conceding Authority for supplemental or detailed information, in each case as set out in the Concession Contract;

#### the performance of Works while having regard to the monitoring activities of the Conceding Authority or any advisor appointed by and acting on behalf of the Conceding Authority for the purposes of monitoring the construction of the Airports in accordance with applicable law, it being understood that the Conceding Authority (and its advisors) (i) shall be given access to the Sites and any other premises in which the design or manufacture of any part of the Works is taking place at all times for the purpose of monitoring the Works; (ii) shall be granted, upon reasonable notice and during normal business hours, access to such persons and papers as the Conceding Authority may reasonably request; (iii) shall be given any assistance and access to any equipment or materials as may be reasonably requested by the Conceding Authority; (iv) shall be enabled, upon one (1) Business Day’s prior notice, to formally inspect, check, investigate or otherwise test any aspect of the Works and the progress thereof; (v) shall have the right to require the correction of any defect, fault, delay or other failure identified by the Conceding Authority,

but in each case excluding any obligations which are explicitly stated in this Contract to be the responsibility of the Employer. The parties acknowledge that Schedule 13 (*Scope of Works*), which is derived from the Concession Contract, is not a full statement of the Contractor’s scope of work under this Contract; and Schedule 13 (*Scope of Works*) shall be read cumulatively with, and shall not limit, the other descriptions of the Contractor’s scope of work in Schedule 11 (*The Specification*) or above in this Clause 3.1.

## The Contractor acknowledges that it has received and examined a copy of the Concession Contract (including all annexes thereto), the Works Letter of Guarantee and the Senior Facility Agreement.

## References in this Contract to the Concession Contract shall include any amendment thereto from time to time, provided that:

#### the amendment has been notified to the Contractor in writing; and

#### the Employer shall not agree voluntarily to an amendment to the Concession Contract which materially prejudices the Contractor without first obtaining the Contractor’s consent, not to be unreasonably withheld (provided that the Employer may without the Contractor’s consent agree such an amendment if the Employer releases the Contractor from its duties under this Contract to comply with such amendment).

## The Contracting Parties acknowledge that the terms of the Concession Contract are operated in accordance with the laws of the Republic of France as set out in clause 19 of the Concession Contract, and that the standards set out in Schedule 20 (*Standards*) apply to the operation and design of the Airports. All references to the Concession Contract in this Contract shall import the true effect of the Concession Contract as operated in accordance with the said clause 19 and Schedule 20 (*Standards*).

## The Contractor shall, and undertakes that it shall:

#### assume and perform as part of its obligations under this Contract all the obligations relating to the Works imposed on the Employer under the Concession Contract;

#### perform its obligations and exercise its rights under this Contract in such manner and at such times to enable the Employer to perform its obligations in respect of the Works under the Concession Contract and so that no act, omission or default of the Contractor shall constitute, cause or contribute to any breach by the Employer of any of the obligations of the Employer, or loss by the Employer of any right, relief, defence or entitlement, under the Concession Contract, the Senior Facility Agreement or any other agreement entered into by it in connection with the Project and the Contractor shall ensure that its employees, agents, consultants or Subcontractors do not cause or contribute to any breach by the Employer of its obligations under or pursuant to the Concession Contract;

#### ensure that no act, omission or default by the Contractor, its servants, agents, consultants or Subcontractors of any tier shall cause or contribute to any breach by the Employer of any of its obligations under the Concession Contract or the Senior Facility Agreement;

#### ensure that the Conceding Authority does not become entitled to make demand on the Works Letter of Guarantee; and

#### perform its obligations under this Contract in accordance with applicable Law, including the applicable Law of the Republic of France.

## Any specific obligations imposed on the Contractor in this Contract are without prejudice to the generality of its obligations in Clauses 3.1 and 3.5 and the Contractor is and shall be obliged to perform any obligation, and the Contractor shall indemnify the Employer against the loss by it of any right, relief, defence or entitlement, required by the Employer relating to the Works (provided it is reasonably related to the scope of this Contract as specifically set out herein) pursuant to the Concession Contract whether or not relating to a requirement that is specifically set out in this Contract.

## Without limitation of Clause 3.6, the Contractor shall indemnify the Employer against any liability incurred by the Employer by reason of the Conceding Authority making demand on the Works Letter of Guarantee. The Contractor accepts the risk that the Conceding Authority may make demand on the Works Letter of Guarantee in circumstances where the Contractor and/or the Employer dispute the entitlement of the Conceding Authority to do so. In these circumstances the following provisions of this Clause 3.7 shall apply.

#### The Employer shall be entitled to recover from the Contractor the amount of any liability suffered by the Employer by reason of the Conceding Authority making demand on the Works Letter of Guarantee, immediately upon the Conceding Authority making demand and notwithstanding that the Employer and/or the Contractor dispute the entitlement of the Conceding Authority to make that demand.

#### Notwithstanding that the Contractor exercises its remedies under Clause 3.9 to seek to challenge a demand on the Works Letter of Guarantee, the Employer may make demand on the Performance Bond to recover the amount due to it under paragraph (a) above, or may recover the relevant amount by set-off and any other means.

#### The Contractor shall be entitled to exercise its remedies under Clause 3.9 to seek to challenge the demand on the Works Letter of Guarantee made by the Conceding Authority; but otherwise (and if the exercise of those remedies does not yield the repayment by the Conceding Authority of the amount demanded) the Conceding Authority’s demand shall be deemed for the purposes of this Contract to be conclusive evidence that the Conceding Authority was entitled to make its demand and that the Contractor is liable in respect of the same under this Clause 3.7, and the Employer shall be entitled to recover and retain the amount referred to at paragraph (a) above permanently.

#### Notwithstanding that the Contractor seeks to challenge the demand on the Works Letter of Guarantee made by the Conceding Authority, the Contractor shall continue to proceed with the Works with all due expedition and without delay.

## The Parties agree that the Employer shall not be considered to be in breach of this Contract if such breach arose on account of a breach by the Conceding Authority of its obligations under the Concession Contract.

## Where any provision of this Contract states that the Contractor’s entitlement to an Additional Payment, extension of time or other benefit or relief is limited to, or conditional upon, the Employer receiving an equivalent benefit or relief under the Concession Contract, then the following provisions of this Clause 3.9 shall apply.

#### The Contractor may by notice in writing require the Employer to apply to the Conceding Authority for the relevant benefit or relief under the Concession Contract, provided that:

##### the Contractor so requires within any time limit prescribed by the Concession Contract (allowing time for the Employer in turn to apply to the Conceding Authority); and

##### (save where it is impossible for the Contractor to do so) the Contractor prepares for the Employer any supporting documentation necessary for the Employer’s application to the Conceding Authority;

##### where it is impossible for the Contractor so to do, the Employer shall prepare its application to the Conceding Authority and the Contractor shall reimburse the Employer for costs of so doing;

##### the Employer may (notwithstanding sub-paragraphs (ii) and (iii) above) refuse to make an application to the Conceding Authority where, acting reasonably, the Employer considers that the application would clearly be unsuccessful having regard to the terms of the Concession Contract the relevant facts and circumstances.

#### If an application made under paragraph (a) above is unsuccessful, the Contractor may by notice in writing require the Employer to pursue its remedies under the Concession Contract relating to the relevant benefit or relief, subject to the following:

##### The Contractor may require the Employer to operate the dispute resolution procedures of the Concession Contract, but only if the Contractor first provides the Employer with security in a form and an amount reasonably acceptable to the Employer for the Employer’s costs (including potential liability to pay the Conceding Authority’s costs, if the Employer is unsuccessful) of that dispute.

##### The Contractor may not require the Employer to exercise or threaten to exercise any right to terminate the Concession Contract or to make a set-off against sums due from the Employer to the Conceding Authority.

#### Where any benefit or relief is received by the Employer under the Concession Contract (including, but not limited to, where following application or dispute under paragraphs (a) and (b) above), the following rules shall apply to determine the proportion of such benefit or relief which the Contractor may be entitled to receive under this Contract:

##### Any express reference in any certificate, expert’s or arbitrators’ award or judgment produced under the Concession Contract to the proportion of the relevant benefit or relief that relates to the Contractor’s entitlement under this Contract shall be conclusive, subject only to any further appeal or challenge pursuant to the Concession Contract.

##### If there is no reference to the proportion of the relevant benefit or relief that relates to the Contractor’s entitlement under this Contract, then the matter of the correct proportion shall (in the absence of agreement) be a Dispute and shall be resolved in accordance with this Contract having regard to all available information about the basis of the relevant certificate, award or judgment under the Concession Contract.

# Employer’s Responsibilities

## The Employer shall provide the Contractor with possession of and access to the Site, subject to Clause 5.2(d) (*Contractor’s Responsibilities*) (to the extent applicable) and those provisions of this Contract and the Concession Contract which provide for the Employer and other persons to enter and be upon the Site.

## If requested by the Contractor, the Employer shall use its reasonable endeavours to assist and support the Contractor in obtaining those Licences which it is the Contractor’s responsibility to obtain.

## The Employer shall perform its obligations in relation to the Tests on Completion as described in Schedule 3 (*Completion and Testing*) of this Contract.

## Subject to Clause 56 (*Costs and Expenses*), all costs and expenses involved in the performance of the Employer’s obligations under this Clause 4 (*Employer’s Responsibilities*) shall be borne by the Employer.

## The Employer shall provide, and shall use its best endeavours to cause the Conceding Authority, the representatives thereof, the Facility Agent and the Technical Adviser to provide, consents, approvals, opinions or comments in a timely manner on matters contemplated to be submitted by the Contractor hereunder. Where any specific time periods are stated in this Contract, they shall prevail over this Clause 4.5.

# Contractor’s Responsibilities

## The Contractor shall design, engineer, procure, construct, erect, install, carry out, complete, commission, and test each Section and the Works and make good Defects and Latent Defects in accordance with this Contract so that:

#### Substantial Completion for each Section and the Works occurs on or before the Target Date for Substantial Completion for that Section; and

#### each of the Lyon Airport Section and the Grenoble Airport Section attains Final Completion on or before the Target Date for Final Completion for that Section.

## The Contractor hereby accepts that it bears the risk of all events, actions and circumstances, whether natural or caused by man, which may affect the performance by it of its obligations under this Contract, subject only to those express provisions of this Contract which relieve the Contractor of any such risk. The Contractor hereby warrants that, prior to entering into this Contract, it has made such enquiries as it considered necessary to assess the risks to be assumed by it. The Contractor hereby further acknowledges that it shall bear such risks notwithstanding that they could not have been discovered by it in the course of such enquiries. The risks which shall be borne by the Contractor include those which may arise from:

#### the nature and location of the Site and its surroundings and any other working areas and their surroundings, including their geological characteristics subsurface conditions and the presence of any substance thereon or thereunder which is a pollutant or contaminant, is harmful or hazardous to human, animal or plant life or to any water body or system or to the environment generally (including any Potentially Hazardous Materials), or which is required by any Law or by any requirement of this Contract to be removed, treated or contained, including any Pre-Existing Environmental Condition;

#### the characteristics and behaviour of any lake or river, and the beds thereof, in, under or near which the Works may be situated;

#### except as excused pursuant to Clause 38 (*EPC Force Majeure*), weather conditions affecting any part of the Contractor’s activities including the transportation of goods;

#### physical restrictions to which the Site may be subject;

#### the Construction Equipment and other resources which will be necessary for the performance of the Contractor’s obligations under this Contract;

#### the availability of labour, equipment, parts, consumables, procurement items, fuel, water, electric power and other utilities and the like;

#### the applicable Law, including all changes in Law except as expressly otherwise provided in Clause 6.3 (*Warranties*);

#### local customs and practices, including the customs and practices of the local labour force and Subcontractors and of any Public Sector Entity;

#### crime including theft and vandalism;

#### all taxes, duties, tariffs and levies, except for VAT; and

#### the delivery and quality of any goods and services made or procured by any Subcontractor.

## The occurrence or effects of any risk borne by the Contractor shall not relieve it of any obligation or liability under this Contract and the Contractor shall not become entitled to any Change, adjustment to the Contract Price, Additional Payment or extension of time, except to the extent that any of the risks borne by the Contractor as set out above give the Employer equivalent rights or relief in the Concession Contract. Any other such entitlement is hereby excluded. In relation to all information which has been provided or may be provided by the Employer to the Contractor at any time, it is hereby agreed as follows:

#### the Contractor shall not be entitled to rely on the same, nor to claim to have relied on the same at any time including prior to entering into this Contract;

#### the Employer shall have no liability to the Contractor arising from the provision of such information, or from any error, inaccuracy, unfitness for purpose or incompleteness in such information, and the Contractor shall not thereby be relieved of any obligation or liability under this Contract notwithstanding that the Employer or a person for whom it is responsible was negligent in the preparation or provision of such information; and

#### the Contractor shall not, by reason of the provision of such information, or any error, inaccuracy, unfitness for purpose or incompleteness in such information, become entitled to any Change, adjustment to the Contract Price, Additional Payment or extension of time and, any such entitlement is hereby excluded.

## The Contractor hereby warrants that the contents of the Specification are correct, complete and consistent with the obligations of the Contractor under this Contract. The Contractor accepts full responsibility for the same, with the exception of any error, defect, deficiency, inadequacy or incompleteness in the Military Relocation Works Design unless the Contractor has changed such design, as though the Contractor had prepared them itself (whether or not this was the case). If the Specification contains any error or omission, the Contractor shall rectify the same and:

#### the Contractor shall not thereby be relieved from any obligation or liability under this Contract; and

#### the Contractor shall not thereby become entitled to any Change, adjustment to the Contract Price, Additional Payment or extension of time and any such entitlement is hereby excluded.

The Contractor hereby acknowledges that this Clause 5.4 shall apply notwithstanding that the Specification may have been prepared by the Employer or persons for whom the Employer is responsible, and notwithstanding that any error or omission in the same was caused by the negligence of the Employer or such other persons.

## The Contractor shall obtain all those Licences listed in Part A (*Contractor’s Licences*) of Schedule 6 (*Licences*), and such other Licences as are required by Law to be obtained by it in its capacity as a contractor in order for it to perform its obligations under this Contract. Where any of the aforementioned Licences must by Law be obtained by and in the name of the Employer or the Conceding Authority, the Contractor shall do everything to the extent permitted by Law and under the Concession Contract required of it in relation to obtaining such Licences (including the provision of such necessary supporting Documents). In the case of any Licences which must by Law be obtained in the name of the Employer, the Contractor shall act under power of attorney granted by the Employer to apply for and obtain the same to the extent permitted by Law and under the Concession Contract.

## The Contractor shall apply for all Licences which it is its responsibility to obtain, at such times as is necessary in order for the Contractor to comply with its obligations under this Contract. The Employer shall assist and shall do everything required of it in relation to the obtaining by the Contractor of such Licences as it is the Contractor’s responsibility to obtain (including the provision of such necessary supporting Documents), and shall (subject to Clause 3.9 (*Scope of Works*)) use its best endeavours to provide that the Conceding Authority does everything reasonably required in this respect.

## The Contractor undertakes to apply for or cause the application of all Licences required in respect of each part of the Works before it commences the performance of such Works.

## The Contractor shall provide the Employer with two (2) written copies of all applications for Licences (whether applied for in the name of the Contractor, the Employer or the Conceding Authority). If the Employer expressly so requests, the Contracting Parties may agree procedures for the Contractor to submit one (1) copy of such applications directly to the Conceding Authority in order to satisfy the Employer’s obligation under the Concession Contract.

## Without limitation of Clause 5.8, where a Licence is to be obtained by the Contractor but issued in the name of the Employer, then unless approved criteria for the relevant Licence are stated in Schedule 6 (*Licences*) the Contractor shall obtain the prior written approval of the Employer before applying for any such Licence and the Employer’s written approval of the terms of the Licence shall be required before the Contractor will be treated as having discharged its obligation to obtain the Licence (in each case, such approval not to be unreasonably withheld or delayed).

## Without prejudice to Clause 40 (*Extension of Time*), the Contractor shall use its best efforts to apply for, and obtain, Licences within the shortest possible time.

## The Contractor shall be responsible for the export, import, customs clearance and carriage of all goods, Materials and Construction Equipment required for the performance of its obligations under this Contract, including the obtaining of relevant Licences and the payment of all duties, taxes, and costs in connection with the same.

## The Contractor shall be responsible for the travel and immigration of all Contractor’s and Subcontractors’ personnel, as required for the performance of its obligations under this Contract. The Contractor shall comply (and shall procure that its Subcontractors comply) with all Laws regarding employment and immigration, as required by the Concession Contract.

## The Contractor shall obtain all Licences (including work permits and visas) required for the purposes referred to in Clause 5.12, and shall not be entitled to any Additional Payment, extension of time or adjustment to the Contract Price in respect of any delay in obtaining, or inability to obtain, such Licences.

## The Contractor shall be responsible for providing all necessary accommodation, catering, medical care and welfare facilities for Contractor’s and Subcontractors’ personnel and shall pay on the due date the social security premiums, severance and notice payments of its employees and shall provide the relevant information and documents when requested by the Conceding Authority.

## Unless otherwise stated in this Contract, the Contractor shall pay all royalties, rents, taxes and other payments required in relation to:

#### natural Materials obtained outside the Site; and

#### the disposal of material from demolitions and excavations and of other surplus material (whether natural or man-made), **provided that** the Contractor may make use without payment to the Employer of any disposal areas within the Site explicitly identified as such in the Specification.

## The Contractor acknowledges that any and all articles with archaeological or geological value (including fossils, coins, articles of value or antiquity or other similar remains) found on the Site by the Employer or the Contractor or its Subcontractors shall belong to the Conceding Authority, as provided by clause 7.5 of the Concession Contract. Whenever such an article or any ammunition and/or any remnants of the military activities are found during the performance of the Works, the Contractor shall:

#### immediately notify the discovery to the Employer;

#### take all measures to avoid harm to the said article;

#### if the discovered item is moveable, allow the Conceding Authority or any other relevant authority to enter the relevant area and effect the removal of that item or items and follow instructions of the Conceding Authority or any other relevant authority in respect thereof (as the case may be), or, if the discovered item is not moveable, allow the Conceding Authority or any other relevant authority to effect such investigations as are required by applicable law, rule, regulation or decree or otherwise deemed necessary by the Conceding Authority or any relevant authority ;

#### suspend all works if so required by the Conceding Authority as set out in Clause 5.16(c) of this Agreement; and

#### at the Contractor’s expense and risk (except where clause 7.5 of the Concession Contract indicates that the Conceding Authority would bear such cost), take such measures and actions as may be instructed by the Conceding Authority under clause 7.5 of the Concession Contract.

## The Contractor shall not by itself, or in conjunction with any other person(s):

#### offer or give or agree to give to any person, or accept from any person, any gift or consideration of any kind as an inducement or reward for doing or forbearing to do any act in relation to the obtaining or execution of this or any other contract to which the Employer is a party, or for showing or forbearing to show favour or disfavour to any person in relation to this or any other contract to which the Employer is a party; or

#### enter into this Contract or any other contract with the Employer where in connection with the same any gift, consideration or commission of any kind has been paid or agreed to be paid by it or on its behalf or to its knowledge, unless before this Contract or that other contract is made, particulars of any such gift, consideration or commission and the terms and conditions of any agreement for the payment thereof have been disclosed to the Employer in writing, and approved by the Employer.

## The Contractor shall at all times until Substantial Completion of the Works employ personnel of adequate quality and number, and until Final Completion of the Works appropriate qualified personnel adequate for the tasks to be performed during such period, in each case as required to undertake the Works and shall ensure that they are available on the Site (subject to annual leave, business trips or sick leave). The personnel shall include the following, each with appropriate experience and qualifications:

#### project manager;

#### construction manager;

#### health safety & environment manager;

#### quality assurance / quality control manager;

#### architect, BSc or MSc;

#### civil engineer, BSc or MSc;

#### mechanical engineer, BSc or MSc;

#### electrical engineer, BSc or MSc;

#### land surveyor;

#### landscaping architect;

#### construction programmers / schedulers;

#### quantity surveyors; and

#### technicians,

and, in each case, the Contractor shall notify their names to the Employer (including a copy of their employment documents).

## The Contractor shall take all reasonable steps to prevent or mitigate any interference or interruption caused by the Works to the convenience of neighbouring landowners, or to the public including the public’s ability to use public or private roads, footpaths and car parking areas, and the Contractor shall indemnify the Employer against any loss, damage, liability, cost or claim arising out of or in connection with any such interference caused by the Works.

## The Contractor shall carry out and complete the Works in a manner that complies with the requirements of the Equator Principles applicable to the Employer and the Project.

# Warranties

## The Contractor warrants to the Employer that the Works and the design, engineering, procurement, construction and completion of the Works:

#### shall comply with the requirements of the Concession Contract;

#### shall comply with the requirements of the Specification;

#### shall comply with the requirements of all applicable Laws and Licences, including the applicable Law and Licence requirements of the Republic of France, and all standards shall not contravene any Law or Licence or any standards set out in Schedule 20 (*Standards*) and shall upon completion be operable in compliance with all Laws and Licences, including the applicable Law and Licence requirements of the Republic of France, standards set out in Schedule 20 (*Standards*) and the Environmental Management Plan;

#### have been and shall be designed, engineered, procured, constructed, erected, installed, commissioned and tested in accordance with Good Engineering Practice and the QA Scheme;

#### shall comply with environmental norms in effect in the Republic of France as at the Concession Contract Effective Date;

#### shall comply with recommendations in force applicable to civil airport technical facilities as at the Concession Contract Effective Date;

#### shall comply with technical norms and computation rules in effect in the Republic of France as at the Concession Contract Effective Date;

#### shall comply with, and be operable in accordance with, security and safety norms and rules and environmental protection rules in force as at the Concession Contract Effective Date;

#### shall incorporate only new, unused good quality Materials which are suitable for use as part of the Works;

#### shall be free from substantial defects and deficiencies of any kind; and

#### shall be fit for their purpose, shall in themselves comply with, and shall be operable in accordance, with the requirements of the Concession Contract which are relevant to the Works.

None of these warranties shall be interpreted as limiting the others.

## The Contractor warrants that in the course of performing its obligations it has complied with, has taken all necessary steps to comply with and shall comply with:

#### all Laws, including the applicable Law of the Republic of France;

#### all Licences, including the applicable Licence requirements of the Republic of France;

#### the Environmental Management Plan;

#### recommendations in force applicable to civil airport technical facilities, as referred to in Schedule 20 (*Standards*);

#### technical norms and computation rules in effect in the Republic of France as referred to in Schedule 20 (*Standards*);

#### environmental norms in effect in the Republic of France as referred to in annex 11 to the Concession Contract and Schedule 20 (*Standards*);

#### security and safety norms and rules as referred to at article 1 of annex 1 to the Concession Contract and Schedule 20 (*Standards*),

and has procured and shall procure that its employees, agents and Subcontractors are likewise in compliance. The Contractor shall not cause the Employer to be in breach of any of the matters referred to at paragraphs (a) to (g) above.

## Without prejudice to the obligation of the Contractor to comply with applicable Laws and Clauses 6.1(a) and 6.1(c), where and to the extent that both of the following conditions are satisfied in relation to any amendment to a Law, or new Law being passed, in each case occurring after the date of this Contract:

#### the Employer is made partially exempt from the consequences of such changed or new Law pursuant to the Concession Contract and the terms of such exemption permit the Employer to extend the same exemption to the Contractor (as to which Clause 3.9 (*Scope of Works*) shall apply);

#### (notwithstanding any exemption granted under the Concession Contract) neither the Employer nor the Contractor is otherwise bound by or subject to such amended or new Law,

the Contractor shall to the same extent be exempted from complying with that amended or new Law and all provisions of this Contract which require the Contractor to comply with, or procure that the Works are in accordance with, Laws shall be read accordingly; provided always that the Contractor shall not be exempted from complyıng wıth the amended or new law to the extent that the amended or new law must be complied wıth by the Employer in order that the fınıshed Works wıll be ın a condition that satısfıes the Employer’s obligations under the Concession Contract.

## The Contractor warrants that:

#### it is a company incorporated in Turkey with power to enter into this Contract and to exercise its rights and perform its obligations hereunder and all corporate and other action required to authorise its entry into this Contract has been duly taken;

#### it has not taken any corporate action, nor have any other steps been taken or legal proceedings been started against it, for its winding-up, dissolution or administration, nor has any Insolvency Event occurred in relation to it;

#### it is not in breach or default under any agreement to which it is a party to an extent or in a manner which might have a material adverse effect on its business or financial condition, nor will any such breach or default arise from its entering to this Contract and/or performing its obligations under this Contract;

#### no action or administrative proceedings of or before any court or agency which might have a material adverse effect on its business or financial condition have been started or threatened.

SECTION 3  
PAYMENT

# Contract Price

## The Employer agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations under this Contract, it being acknowledged that as at the EPC Effective Date:

#### €26,498,924 of the Contract Price has been paid by the Employer (or recovered by the Employer as deductions under paragraph 2.3(e) of Part A of Schedule 2 (*Terms of Payment*)) in respect of Works performed prior to the EPC Effective Date, which figure does not include the Advance Payment (except for amounts so recovered as deductions); and

#### €13,104,550 was paid by the Employer to the Contractor as the Advance Payment, of which €12,104,550 has, prior to the EPC Effective Date, been applied as deductions as referred to in paragraph 2.3(e) of Part A of Schedule 2 (*Terms of Payment*), leaving a balance of €0 (nil) of the Advance Payment to be deducted after the EPC Effective Date (and for the avoidance of doubt the said figure of €13,104,550 forms part of the amount stated in (a) above);

and in each case the figures above exclude VAT and insurances set out in the Schedule 1 but include amounts of withholding tax (and withholding tax is treated as paid to the Contractor, notwithstanding that the Employer withholds it).

## The Contract Price shall be fixed lump sum not subject to any increase except (subject to and in accordance with Clause 39 (*Changes*)) in the event of a Change or (subject to and in accordance with Clause 40.11 (*Extension of Time*)) an instruction to accelerate the Works. The Employer shall have no liability for increases in the Contractor’s costs for performing this Contract of any nature whatsoever caused by currency fluctuations, changes in taxation, inflation or otherwise, except as otherwise provided for in this Contract.

## The Contractor shall in no circumstances (including a Conceding Authority Change or breach of a Subcontract by any Subcontractor or negligence by the Employer or persons for whom the Employer is responsible) become entitled to an Additional Payment save as expressly provided in this Contract (and any such entitlement is hereby excluded).

## The Contractor shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price.

# Payment

## The Contract Price shall be paid by the Employer to the Contractor at the times and in the manner required by the provisions of Part A of Schedule 2 (*Terms of Payment*) and this Clause 8 (*Payment*) **provided that** the Contractor shall only be entitled to any payment due to be made to it on or after the EPC Effective Date if the following conditions precedent have been satisfied or, subject as provided below, waived by the Employer:

#### the Advance Payment Bond and Performance Bond have been duly executed by all parties thereto and delivered to the Employer;

#### the Employer and the Contractor have effected the insurances which each is required to effect by Clause 37 (*Insurance*) and the Contractor has provided to the Employer evidence of the same as required by Clause 37 (*Insurance*);

#### the Lender Direct Agreement has been duly executed by all parties thereto (other than the Employer and the Lenders (or Facility Agent, as applicable)) and delivered to the Employer; and

#### the terms of this Contract have been approved by the Lenders.

The Contract Price shall be paid by the Employer in MKD in an amount that is the MKD equivalent of the undisputed amount set out in the most recent invoice that is due and payable, such amount calculated using the Euro-MKD exchange rate agreed by the Contractor and the Employer on the date of payment and if the parties fail to agree, the exchange rate quoted by Reuters on such date shall be used (or if no rate is available on such date, the rate quoted on the Business Day immediately before the payment date), provided that the Contracting Parties hereby agree, in relation to any such payment that such payment shall be deemed to equate to payment of the Euro sums stated in Clause 7.1 (*Contract Price*).

## The Employer shall issue a notice to the Contractor confirming the satisfaction of the conditions precedent set out in Clause 8.1 and (if applicable) identifying any of the aforesaid conditions precedent which it has waived. The Employer shall not be entitled to waive the condition precedent set out at Clause 8.1(b) without the prior written consent of the Contractor.

## The Contractor shall:

#### procure the satisfaction of the conditions precedent referred to in Clauses 8.1(a) and 8.1(c); and

#### use its endeavours to procure the satisfaction of the condition precedent referred to at Clause 8.1(b), so far as it relates to insurances required to be effected or obtained by the Contractor.

## The Employer shall be entitled to set off any sum payable by the Contractor to the Employer against any sum payable by the Employer to the Contractor under this Contract.

## If for any reason either Contracting Party has paid the other sums in excess of those properly due under this Contract, the overpaying Contracting Party may require that such excess be repaid and the other Contracting Party shall promptly make such repayment.

## If either Contracting Party fails to make payment of any sum due under that Contract by the date on which payment of that sum is required by this Contract, that Contracting Party shall be liable to the other for interest on the unpaid sum at the Default Rate, in respect of the period between the date on which payment of such amount due under this Contract was required to be made by this Contract and the actual date of payment thereof (as well before as after any judgment for the sum concerned). The unpaid Contracting Party’s entitlement to such interest shall arise automatically by virtue of this Clause 8.6 and without prejudice to any other right or remedy.

## The Contractor shall make an application to the Employer for the Final Payment Certificate within twenty eight (28) days after Substantial Completion of the Works. The Contractor’s application shall include a draft final account prepared by the Contractor showing:

#### details of all adjustments which have been made to the Contract Price and all Additional Payments which have arisen and which, in each case, have been reflected in payments already made to the Contractor;

#### details of any amount of the Advance Payment which has not yet been deducted from payments under this Contract in accordance with paragraph 2.3(e) of Part A of Schedule 2 (*Terms of Payment*) (and any such amounts shall be deducted from the value of the Final Payment Certificate);

#### a payment history of the Works showing payments made (and their dates) pursuant to the Interim Payment Certificates and correlating these to the completion (or otherwise) of the Works in accordance with the Programme in Schedule 15 (*Milestones*) and to the Contract Price adjustments and Additional Payments so that the payments made are explained and justified;

#### details of any Punch List Items and their value;

#### a complete statement of any claims for outstanding elements of the Contract Price (including, without limitation, any retention made in accordance with paragraph 2.3(h) of Part A of Schedule 2 (*Terms of Payment*)), any adjustments to the Contract Price and any Additional Payments to which the Contractor considers itself entitled and which have not yet been paid (whether the same are agreed or disagreed upon by the Contracting Parties); and

#### a statement of that sum which the Contractor considers it will be entitled to be paid (or obliged to pay to the Employer) following the issuing of the Final Payment Certificate.

## The Employer may consider the Contractor’s application for the Final Payment Certificate for up to fourteen (14) days and during this period the Contractor shall provide the Employer with such further information and supporting Documents as the Employer may reasonably request.

## The Employer shall deduct:

#### from an amount payable by the Employer pursuant to the Interim Payment Certificate issued in accordance with Schedule 2 (*Payment*) in the calendar month following the Substantial Completion of the Lyon Airport Section an amount equal to 100% (one hundred per cent) of the value of any Punch List Items relating to the Lyon Airport Section in accordance with Clause 27.4 (*Substantial Completion*); and

#### from the final account the amount of any retention made in accordance with paragraph 2.3(h) of Part A (*Terms of Payment*) of Schedule 2 (*Payment*), less an amount equal to 100% (one hundred per cent) of the value of any Punch List Items relating to the Works in accordance with Clause 27.4 (*Substantial Completion*) or, at its discretion, the Employer shall have the right to reduce the value of any Retention Bond to the amount equal to 100% (one hundred per cent) of the value of the Punch List Items.

## At Substantial Completion, the Employer shall reimburse the Contractor an amount equal to all retentions made in accordance with paragraph (h) of Part A (*Terms of Payment*) of Schedule 2 (*Payment*) less 100% (one hundred per cent) of the value of the Punch List Items. If a Retention Bond has been provided in lieu of actual retentions from interim payment, the value of such Retention Bond shall, at Substantial Completion, be reduced to 100% (one hundred per cent) of the value of the Punch List Items.

## If the Contracting Parties agree the final account for the Works the Employer shall issue the Final Payment Certificate promptly thereafter. If the Contracting Parties have not agreed the final account within sixty (60) days of the Contractor’s application to the Employer, either Contracting Party may refer the matter for resolution pursuant to Clause 60 (*Settlement of Disputes and Jurisdiction*).

## The Final Payment Certificate shall, subject to Clauses 8.13 and 8.14, be conclusive evidence that all necessary effect has been given to those provisions of this Contract which require an adjustment to the Contract Price, or of any Milestone Date or either Target Date for Substantial Completion, or the making of any Additional Payment by the Employer to the Contractor, but such conclusive effect shall not apply:

#### to any matter or question which is affected by fraud or dishonesty; and

#### to any matter or question which either Contracting Party has referred for resolution pursuant to Clause 60 (*Settlement of Disputes and Jurisdiction*) (or in respect of which either Contracting Party has otherwise commenced any proceedings) before or within one hundred and eighty (180) days after the date of issue of the Final Payment Certificate.

## No Certificate of Payment issued under this Contract, and no consent or approval given or payment made by the Employer to the Contractor, shall be conclusive evidence that the Contractor has performed any of its obligations under this Contract or that any design or work or Materials are in accordance with this Contract.

## For the avoidance of doubt, the issuing of the Final Payment Certificate shall not relieve the Contractor of any liability or obligation under Clauses 30 (*Defects Liability Period*) and 31 (*Latent Defects*).

# Claims for Additional Payments

## Subject to compliance with the procedures set out in this Clause 9 (*Claims for Additional Payments*), the Contractor shall only be entitled to an Additional Payment in the following circumstances (the “**Additional Payment Grounds**”) and in the following amounts:

#### where the Employer is liable for Cost in accordance with Clause 25.6 (*Tests and Inspections of Work in Progress*);

#### where the Employer is liable for the cost of protective or remedial work referred to in Clause 22.15 (*Construction Process*) (such liability having being established by other relevant provisions of this Contract, as referred to in Clause 22.15 (*Construction Process*)), in which circumstances the amount of the Additional Payment shall be the Cost of the Contractor performing such protective or remedial work (or such part thereof as may be apportioned to the Employer, where any other relevant provision of this Contract apportions the loss between both of the Contracting Parties);

#### where the Employer is liable for Cost in accordance with Clause 30.7 (*Defects Liability Period*);

#### where the Employer is liable for Cost in accordance with Clause 37.2 (*Insurance*);

#### where the Employer is liable for Cost in accordance with Clause 37.9 (*Insurance*);

#### where the carrying out of the Works is suspended pursuant to Clause 41 (*Suspension*) (other than suspension referred to in Clause 41.1(a)) to 41.1(c) inclusive, in which circumstances the amount of the Additional Payment shall be the Cost incurred by the Contractor as a result of such suspension; or Clause 5.16(c) (*Contractor’s Responsibilities*), in which circumstance the amount of the Additional Payment shall be equivalent to the payment received by the Employer from the Conceding Authority pursuant to clause 7.5 of the Concession Contract; or

#### subject always to Clause 3.9 (*Scope of Works*), where the Conceding Authority commits a breach of the Concession Contract or otherwise prevents performance of this Contract by the Contractor, in which circumstances the amount of the Additional Payment shall be the lesser of (i) the Cost incurred by the Contractor as a result of such breach or prevention (adjusted for any non-compliance by the Contractor with the following provisions of this Clause 9 (*Claims for Additional Payments*)); and (ii) the amount (if any) that the Employer has received as compensation from the Conceding Authority in respect of the Contractor’s Cost of (but not other Employer entitlements arising out of) such breach or act of prevention. In the event that the Employer has claimed amounts from the Conceding Authority in respect of the Contractor’s Cost and other entitlements of the Employer, and the Conceding Authority pays less than the full amount claimed but does not clarify whether the amounts disallowed relate to the Contractor’s Cost or other Employer entitlements, the amount received from the Conceding Authority shall be apportioned fairly and reasonably, having regard to the relative strength and validity (under the Concession Contract) of the claims for each amount. If this apportionment is not agreed, either Contracting Party may refer the matter for resolution pursuant to Clause 60 (*Settlement of Disputes and Jurisdiction*).

For the avoidance of doubt, the Contractor may become entitled to an adjustment to the Contract Price where a Change is implemented (in which case the procedures set out in the remainder of this Clause 9 (*Claims for Additional Payments*) will not apply and instead the entitlement of the Contractor to such adjustment shall be subject to the provisions of Clause 39 (*Changes*) and the amount of any such adjustment shall be calculated in accordance with those Clauses).

## The Contractor shall give written notice to the Employer that an Additional Payment Ground has occurred and that the Contractor considers itself to be entitled to an Additional Payment as a result. Such notice shall be served on the Employer no later than twenty eight (28) days after the occurrence of the Additional Payment Ground becomes known to the Contractor.

## Upon the occurrence of any of the Additional Payment Grounds, the Contractor shall keep such contemporary records as may be reasonably necessary to support and evidence any claim it may subsequently wish to make. Without admitting the Employer’s liability, the Employer may at any time inspect such contemporary records and may make reasonable requests for the Contractor to keep further contemporary records. The Contractor shall permit the Employer and the Technical Adviser to inspect all records kept pursuant to this Clause 9.3 and shall supply copy Documents upon request.

## Within twenty eight (28) days of giving notice under Clause 9.2, or such other reasonable time as may be agreed in writing by the Employer, the Contractor shall send to the Employer a statement giving detailed particulars of the amount of Additional Payment claimed and the grounds upon which the claim is based, accompanied by evidence sufficient to permit the Employer to evaluate the claim. Where an Additional Payment Ground has a continuing effect, such statement shall be considered to be an interim statement and the Contractor shall, at such intervals as the Employer may reasonably require, send further interim statements containing the like information. In cases where interim statements are sent to the Employer, the Contractor shall send a final statement (containing the like information) within twenty eight (28) days of the end of the effects of the Additional Payment Ground.

## Where the Contractor has become entitled in accordance with this Clause 9 (*Claims for Additional Payments*) to receive any Additional Payment and the amount thereof has been notified in accordance with this Clause 9 (*Claims for Additional Payments*), such amount shall be stated on the next following Interim Payment Certificate issued by the Employer under Part B of Schedule 2 (*Interim Payment Certificate*). The Employer shall pay such sum in accordance with the requirements of Schedule 2 (*Payment*).

## The Contractor shall at all times use its best endeavours to mitigate the amounts of any Additional Payment and shall not be entitled to receive any sum arising because of its failure so to mitigate.

## The Contractor shall only be entitled to an Additional Payment to the extent that the increase in its costs is not attributable to or contributed by any act, default, omission, neglect or failure on its part, or on the part of any Subcontractor or to any matters or events which are within the control of the Contractor or any Subcontractor.

## The Contractor shall not be entitled to any Additional Payment (and shall lose any such entitlement which would otherwise have arisen) if it fails to comply with the procedures and the timetable set out in this Clause 9 (*Claims for Additional Payments*), including a failure to provide within the permitted periods adequate details and evidence of its claim in order for the Employer to evaluate the same. For the avoidance of doubt, this Clause 9.8 may operate to exclude liabilities which would otherwise have arisen in the Employer for its breach of this Contract or for negligence by the Employer or any person for whom the Employer is responsible.

# Security

## The Contractor shall, on or before the date two (2) months after the EPC Effective Date, deliver to the Employer a Retention Bond which has been duly executed by all parties thereto. The value of the Retention Bond shall, at Substantial Completion, be reduced to 100% (one hundred per cent) of the value of the Punch List Items. If the Retention Bond has not been provided on or before that date, the Employer may thereafter withhold, instead of the amount which would otherwise be withheld under paragraph 2.3(h) of Part A of Schedule 2 (*Terms of Payment*), a retention amount which, when added to any retention amounts previously deducted by the Employer under that paragraph, will sum to 5% (five per cent) of the full Contract Price. When the Retention Bond is provided the Employer will forthwith pay to the Contractor any amount of retention which the Employer has withheld under paragraph 2.3(h) of Part A of Schedule 2 (*Terms of Payment*).

## The Contractor shall ensure that if:

#### any Performance Bond will, in accordance with its terms, expire prior to the date of issue of the Defects Liability Certificate; or

#### (if one has been provided) the Retention Bond will, in accordance with its terms, expire prior to the date of Final Completion; or

#### any Advance Payment Bond will, in accordance with its terms, expire prior to the available amount under that Advance Payment Bond having been reduced to nil in accordance with the terms of that Advance Payment Bond and Clause 10.5; or

#### the bank which issued any Performance Bond or Advance Payment Bond or (if one has been provided) the Retention Bond ceases to be an Acceptable Issuer,

that Performance Bond or Advance Payment Bond or Retention Bond (as applicable) shall be replaced by another Performance Bond or Advance Payment Bond or Retention Bond (as applicable), in each case issued by an Acceptable Issuer. If such Performance Bond or Advance Payment Bond or Retention Bond (as applicable) has not been so replaced on or before the date falling thirty (30) days prior to its expiry date, or (where (d) above applies) within thirty (30) days of the date of the Employer having notified the Contractor in writing that the issuing bank has ceased to be an Acceptable Issuer, the Employer may make demand under that Performance Bond or Advance Payment Bond or Retention Bond (as applicable) for the full undrawn amount thereof. For the avoidance of doubt, although the Contractor is, until the date two (2) months after the EPC Effective Date, entitled to elect whether to provide a Retention Bond, once a Retention Bond has been provided (and/or increased) the provisions of this Clause 10.2 and Clause 10.3 become mandatory.

## The Employer may hold the proceeds of a demand made under Clause 10.2 as security for the Contractor’s obligations under this Contract and apply the same in discharge of any obligation or liability of the Contractor. The Employer shall have no obligation to invest or segregate the proceeds of such a call, nor any fiduciary duty in respect of the same. If such proceeds of call have not been so applied by the Employer by:

#### (in the case of a demand under the Performance Bond) the date of issue of the Defects Liability Certificate, or (if earlier) the date when the bond amount under that Performance Bond would have been reduced in accordance with the terms of that Performance Bond and Clause 10.6; or

#### (in the case of a demand under an Advance Payment Bond) the date when the available amount under that Advance Payment Bond would have been reduced to nil in accordance with its terms and Clause 10.5; or

#### (in the case of a demand under the Retention Bond), the date of the Final Completion Certificate of the last of the Lyon Airport Section and the Grenoble Airport Section to achieve Final Completion,

then promptly after the relevant date under (a), (b) or (c) above, the Employer shall return such unused proceeds to the Contractor (but where (a) above applies by reason of a reduction which would have occurred in the value of a Performance Bond, only proceeds equal to the amount of such reduction shall be returned).

## If in accordance with this Contract the Contract Price has increased by more than 5% (five per cent) of its value as at the EPC Effective Date (or, if a replacement Performance Bond has previously been provided under this Clause 10.4, by more than 5% (five per cent) of the value of the Contract Price which was used to calculate the amount of that replacement Performance Bond), the Contractor shall ensure that the Performance Bond is, within thirty (30) days of the increase in the Contract Price being agreed or determined, replaced with a Performance Bond issued by an Acceptable Issuer in the amount of 10% (ten per cent) of then-current Contract Price (or, if Substantial Completion for the Works has occurred prior to the expiry of that thirty (30) day period, 5% (five per cent) of the then-current Contract Price).

## The value of the Advance Payment Bond shall be reduced by the amount deducted, under paragraph 2.3(e) of Part A (*Terms of Payment*) of Schedule 2 (*Payment*), from each Interim Payment Certificate. The Employer shall effect such reductions by giving written notice to one (1) or more of the banks which issued the Advance Payment Bond (copied to the Contractor), on the same date as the Employer approves each Interim Payment Certificate under paragraph 2.1 of Part A (*Terms of Payment*) of Schedule 2 (*Payment*). In relation to such reductions the aggregate amount of the reduction(s) notified to the issuing bank(s) must be the same as the amount deducted, under paragraph 2.3(e) of Part A (*Terms of Payment*) of Schedule 2 (*Payment*), from the relevant Interim Payment Certificate.

## The aggregate value of the Performance Bond shall, at the date of Substantial Completion for the Works, be reduced to 5% (five per cent) of the Contract Price. The Employer shall effect such reduction by giving written notice to one (1) or more of the banks which issued the Performance Bond (copied to the Contractor), on the same date as the Employer issues the Substantial Completion Certificate.

## All fees and expenses associated with procuring, preparing, completing and stamping of the Performance Bond Advance Payment Bond and the Retention Bond shall be paid by the Contractor.

# Taxes and Duties

## Except as otherwise specifically provided in this Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Subcontractors or their employees by all Public Sector Entities in all countries, provided that:

## VAT shall be payable by the Employer in respect of that part of the Contract Price which is payable to the Contractor; and

## Upon request by the Contractor, the Employer shall (subject to Clause 47 (*Employer Assistance*)) use its reasonable endeavours to assist and support any attempt by the Contractor to avail of any achievable reductions in or exemptions from liability to taxation, duties, levies or charges afforded by the terms of the Concession Contract or by Law.

SECTION 4  
INTELLECTUAL PROPERTY AND CONFIDENTIALITY

# Supply of Documents and Licence for Use

## The Contractor shall provide the Employer, the Conceding Authority, the Technical Adviser and the Facility Agent with access to all Documents which are or were acquired or created by or on behalf of the Contractor in connection with its obligations under this Contract including but not limited to Documents relating to the activities of the Contractor, the employees, Subcontractors and the Works. The Employer shall be entitled to use and copy all such Documents, subject to the terms of the licence granted by Clause 12.2. In order to facilitate access by the Employer, the Conceding Authority, the Technical Adviser and the Facility Agent, the Contractor shall maintain a complete set of copies of all hard copy design and technical Documents, and material Documents of other kinds, at the Site, together with means of access from Site to any design Documents and material Documents of other kinds stored by electronic means. If so requested by the Conceding Authority, the Contractor shall at its own expense provide copies of Documents to the Conceding Authority, after consultation with the Employer.

## The Contractor hereby grants to the Employer a non-exclusive, worldwide, transferable, irrevocable and perpetual royalty free licence (carrying the right to grant sub-licences) to use, copy, reproduce, construct, modify, communicate, and translate all Intellectual Property Rights (other than those vested in the Employer itself and any contractor or consultant retained directly by the Employer other than the Contractor), for any purpose connected with the Airports and/or the Works including completing, operating, maintaining, adjusting, modifying, extending, repairing, replacing and renewing the Airports and/or the Works. Such licence shall carry the right to grant sub-licences and shall be transferable to third parties. The Contractor shall not be in breach of this Clause 12.2 where a supplier of plant or equipment for incorporation into the permanent Works prohibits the Contractor from granting to the Employer a licence (or a licence with the right for the Employer to grant sub-licences) as set out in this Clause 12.2 provided that the Contractor has used all best endeavours to procure from the relevant supplier the right to grant to the Employer a licence with the right for the Employer to grant sub-licences as provided for herein.

## The Contractor shall acquire for itself from all relevant third parties such rights as are necessary in order for the Contractor to be able to comply with its obligations under Clause 12.2 (including, but not limited to, the rights set out in Schedule 10 (*Intellectual Property Rights*)).

## The Contractor agrees to execute or procure the execution of such documents and do all such things as may be necessary or reasonably desirable to give effect to the provisions of this Clause 12 (*Supply of Documents and Licence for Use*).

## The Contractor warrants to the Employer that:

#### the Contractor, its Subcontractors and their respective employees and agents will not infringe the Intellectual Property Rights of any person in the course of performing the Contractor’s obligations under this Contract; and

#### the Works will not by their nature constitute or depend for their existence upon an infringement of the Intellectual Property Rights of any person and may be operated by the Employer without any such infringement whether on the part of the Employer or the Contractor or its Subcontractors or their respective employees.

## The provisions of this Clause 12 (*Supply of Documents and Licence for Use*) shall survive termination or expiry for whatever reason of this Contract or the Contractor’s engagement under it and be without limit in point of time.

# Confidential Information

## Subject to Clauses 13.2 and 13.3 below, each Contracting Party shall keep confidential and shall not, without the written consent of the other Contracting Party, divulge to any third party the terms and conditions of this Contract, or any Documents or other information furnished directly or indirectly by the other Contracting Party in connection with this Contract or the Project, irrespective of whether such information has been furnished prior to the making of this Contract or at any time thereafter (including following termination of this Contract).

## Each Contracting Party shall be entitled to disclose the terms and conditions of this Contract and any Documents and other information acquired by it under or pursuant to this Contract without the prior written consent of the other Contracting Parties if such disclosure is made in good faith:

#### to the extent required by Law;

#### to the extent required by the rules of a relevant and recognised stock exchange;

#### to any insurer under a policy of insurance issued pursuant to this Contract, reinsurers or insurance and reinsurance brokers;

#### to any of its affiliates;

#### to its directors, employees and officers;

#### to any Subcontractor, for the furtherance of the performance of that Contracting Party’s obligations under this Contract;

#### to outside consultants or advisers engaged by or on behalf of the disclosing Contracting Party and acting in that capacity in connection with the Project;

#### to the Lenders or any prospective Lenders and to any affiliate, agent, trustee, representative or nominee of the Lenders or any prospective Lenders;

#### to those contractor(s) which the Employer proposes to retain to operate, and maintain the Airports (and any affiliates of such contractor(s)); or

#### to any investors contemplating becoming a shareholder in the Contractor,

**provided that** in the case of the persons mentioned in Clauses 13.2(c) to 13.2(i) the disclosing Contracting Party shall have first obtained the person’s agreement in writing to be bound by the same obligations of confidence, mutatis mutandis, as are created by the terms of this Clause 13 (*Confidential Information*).

## The Contracting Parties shall not use any Documents or other information received from each other for any purpose other than the performance of their obligations under this Contract.

## The obligations of a Contracting Party under this Clause 13 (*Confidential Information*) shall not apply to information and Documents which:

#### now or hereafter have entered the public domain through no fault of that Contracting Party; or

#### otherwise lawfully becomes available to that Contracting Party from a third party under no obligation of confidentiality.

## The provisions of this Clause 13 (*Confidential Information*) shall survive termination or expiry for whatever reason of this Contract or the Contractor’s engagement under it and be without limit in point of time.

SECTION 5  
WORKS PROCEDURES AND MANAGEMENT

# Commencement

The Contractor hereby confirms that as of the EPC Effective Date:

#### it has commenced the Works and that all such works carried out prior to the date of this Contract comply with the requirements set out in this Contract and that all such works constitute “Works” for the purpose of this Contract;

#### except as disclosed by the Contractor to the Employer, there are no claims pending or outstanding (including any claims for Additional Payment or adjustment of the Contract Price or an extension of time under this Contract but excluding any claims for interim payment on account of the Contract Price (not requiring any adjustment to the Contract Price) pursuant to Clause 8.1 (*Payment*)); and

#### there are no disputes that have arisen that may result in a claim being brought against the Employer and to the extent there are any such claims, the Contractor hereby waives any and all such claims.

# Representatives and Employer’s Controlling Office

## The Employer shall appoint the Employer’s Representative and the Contractor shall appoint the Contractor’s Representative within seven (7) days of the EPC Effective Date. Each Contracting Party shall notify the other and the Technical Adviser of any such appointment. If the Employer objects on reasonable grounds to the proposed Contractor’s Representative the Contractor shall appoint a different person instead.

## The Employer may from time to time upon written notice to the Contractor and the Technical Adviser appoint some other person as the Employer’s Representative in place of the person previously so appointed.

## The Contractor shall not without the consent of the Employer (such consent not to be unreasonably withheld or delayed) remove the Contractor’s Representative. Following any such removal the Contractor shall promptly appoint a replacement. If the Employer objects on reasonable grounds to the proposed replacement the Contractor shall appoint a different person instead and repeat the process until a person approved by the Employer is appointed. The Contractor shall notify any change in the Contractor’s Representative to the Technical Adviser.

## The Employer’s Representative shall have authority to act on behalf of the Employer for all the purposes of this Contract, and to give and receive all notices, save as follows under:

#### Clause 39 (*Changes*);

#### Clause 41 (*Suspension*);

#### Clause 42 (*Termination for Employer’s Convenience*);

#### Clause 43 (*Termination for Contractor Default*); and

#### Clause 55 (*Amendments*).

Subject as aforesaid all notices, instructions, information and other communications given or received by the Employer’s Representative shall be treated as validly given or received by the Employer. The Employer’s Representative may at any time upon written notice to the Contractor delegate to any person any of his authority or functions and revoke any such delegation.

## The Employer has prior to the EPC Effective Date appointed the Employer’s Controlling Office. The Employer may from time to time upon written notice to the Contractor appoint some other person as the Employer’s Controlling Office in place of the person previously so appointed.

## The Employer’s Controlling Office shall (other than for the purpose of performing any function in relation to which he is expressly referred to in this Contract) have authority to act on behalf of the Employer only for such purposes as the Employer may expressly notify to the Contractor in writing.

## To the extent only of the authority granted by Clause 15.6 and other functions in relation to which the Employer’s Controlling Office is expressly referred to in this Contract, all notices, instructions, information and other communications given or received by the Employer’s Controlling Office shall be treated as validly given or received by the Employer.

## The Contractor’s Representative shall have authority to act on behalf of the Contractor for all the purposes of this Contract, and to give and receive all notices. All notices, instructions, information and other communications given or received by the Contractor’s Representative shall be treated as validly given or received by the Contractor.

## From the commencement of the Works at the Site until the entire Works reach Completion, the Contractor’s Representative shall appoint a suitable person to act as the Contractor’s site manager (the “**Site Manager**”). The Site Manager shall supervise all work done at the Site by the Contractor and shall be present at the Site throughout normal working hours except when on leave, sick or absent for reasons connected with the proper performance of the Contractor’s obligations under this Contract. Whenever the Site Manager is absent from the Site, a suitable person shall be appointed by the Contractor’s Representative to act as the Site Manager’s deputy.

## The Site Manager shall have authority to give and receive all notices on behalf of the Contractor, save as follows under:

#### Clause 39 (*Changes*);

#### Clause 41 (*Suspension*);

#### Clause 42 (*Termination for Employer’s Convenience*);

#### Clause 43 (*Termination for Contractor Default*), and

#### Clause 55 (*Amendments*).

Subject as aforesaid all notices, instructions, information and other communications given or received by the Site Manager shall be treated as validly given or received by the Contractor. If the Employer by written notice to the Contractor objects on reasonable grounds to the Site Manager appointed at any time, the Contractor shall appoint a replacement Site Manager.

# Organisation Chart and Programme

## No later than the EPC Effective Date, the Contractor shall supply to the Employer an organisation chart showing the proposed organisation to be established by the Contractor for carrying out the Works and giving the identities of the Contractor’s key personnel together with details of their qualifications and experience. The Contractor shall promptly inform the Employer in writing of any revision or alteration of such organisation chart.

## The Contractor shall continuously monitor the progress of all activities specified in the Programme and shall submit a detailed progress report to the Employer every month not later than the fifth day of the following month substantially in the form set out in Schedule 9 (*Form of Monthly Construction Progress Report*), accompanied by an updated Programme. If the progress of any activity is delayed relative to the dates indicated on previous revisions of the Programme, the progress report shall explain this and state the corrective action being taken to remedy the delay. The Contractor acknowledges that the Employer will submit the Monthly Construction Progress Report to the Technical Adviser and Lenders and that the Employer may incur liability to the Lenders in the event the Monthly Construction Progress Report is inaccurate.

## The Contractor shall provide the Employer with any assistance reasonably required by the Employer (in addition to Monthly Construction Progress Reports) to prepare quarterly updates in writing for the Conceding Authority as required by the Concession Contract. The Contractor shall, if requested by the Employer, attend (in the person of the Site Manager) quarterly update meetings with the Conceding Authority.

## The Programme is intended for use as a management and reporting tool and shall be revised pursuant to Clause 16.2 above so that it depicts a realistic projection for the future progress of the Works. Nothing stated in the Programme, and no consent or approval given by the Employer in respect of the Programme, shall relieve the Contractor of its obligation to proceed with the Works and to achieve each Milestone by its Milestone Date and achieve Substantial Completion for each Section by the relevant Target Date for Substantial Completion.

## If the work comprised in any Milestone is not achieved by the Milestone Date for that Milestone, or if in the reasonable opinion of the Employer or the Technical Adviser the work comprised in any Milestone will not be achieved by the Milestone Date for that Milestone, the Employer or the Technical Adviser may by notice in writing require the Contractor produce a revised Programme. The Contractor shall provide the revised Programme to the Employer and Technical Adviser (regardless of which of them requested it) within fifteen (15) Business Days of the Employer’s or Technical Adviser’s request. The Contractor may include in the Programme any acceleration or other measures which the Contractor proposes to take in relation to the Works, however these shall be at the Contractor’s own cost whether or not the Programme is accepted by the Employer and Technical Adviser.

## The Employer or Technical Adviser shall notify the Contractor in writing if their preliminary view is that the test under sub-Clause 16.7(b) below may be failed, based on the revised Programme received under Clause 16.5. If such notice has been given, the Employer (who the Contractor acknowledges shall be consulting the Facility Agent), the Technical Adviser and the Contractor shall discuss and endeavour to resolve the concerns of the Employer and/or Technical Adviser before the expiry of thirty (30) Business Days from the date of the Employer’s or Technical Adviser’s written request for a revised Programme under Clause 16.5, or (if later) before the expiry of ten (10) Business Days from the date on which the Employer or Technical Adviser notifies the Contractor of their preliminary view under this Clause 16.6. The Employer and Technical Adviser shall give written notice to the Contractor if they are satisfied with the revised Programme.

## If either:

#### the Contractor fails to deliver a revised Programme to the Employer and Technical Adviser within fifteen (15) Business Days of a request under Clause 16.5; or

#### by the later of:

##### the date thirty (30) Business Days after the date on which a revised Programme was requested under Clause 16.5; and

##### the date ten (10) Business Days from the date on which the Employer or Technical Adviser notifies the Contractor of their preliminary view under Clause 16.6,

the Employer, the Technical Adviser or the Facility Agent (all acting reasonably, and taking into account any discussions which have taken place under Clause 16.6) are not satisfied that a revised Programme submitted under Clause 16.5 demonstrates that the Works can be performed such that Substantial Completion for the Lyon Airport Section and the Grenoble Airport Section will occur by a date no later than one hundred and twenty (120) days after the relevant Target Date for Substantial Completion and Final Completion for the Lyon Airport Section and the Grenoble Airport Section will occur by a date no later than one hundred and twenty (120) calendar days after the relevant Target Date for Final Completion,

the Employer may terminate the Contractor’s engagement under this Contract forthwith pursuant to Clause 43 (*Termination for Contractor Default*) or elect to proceed with one of the options set out in Clause 44 (*Self Help, Buy Down and Rejection*).

# Subcontracting

## The Contractor shall not subcontract the whole of the Works.

## The Contractor shall be fully responsible for the acts, default and neglect of any Subcontractor as if they were the acts, default or neglect of the Contractor.

## The Contractor shall give to the Employer the name and address of the principal place of business of each first tier Subcontractor and shall obtain for the Employer the right to enter each Subcontractor’s premises pursuant to Clause 24.1 (*Access to the Works in Progress*).

## The Contractor shall, in selecting Subcontractors, obtain bids from local firms to the extent possible.

## The Contractor shall use its best endeavours to obtain the agreement of each Subcontractor with whom, after the EPC Effective Date, the Contractor enters into a Subcontract for a price exceeding EUR 10,000,000 (ten million Euro) (or the equivalent thereof in any currency), to the inclusion in that Subcontract of wording substantially similar to the following:

“*The Subcontractor agrees that upon any termination of the EPC Contract, the Contractor shall be entitled to assign its rights and interests under this Subcontract to the Employer, and the Employer may assign the same onwards to the Lenders or to a new contractor under a replacement contract for the EPC Contract*.”

(where, for the avoidance of doubt, “EPC Contract” means this Contract and all other terms with capital letters have the same meanings as are given in this Contract).

## The Contractor shall use its best endeavours to obtain, from each Subcontractor with whom, prior to the EPC Effective Date, the Contractor has entered into a Subcontract for a price exceeding EUR 10,000,000 (ten million Euro) (or any equivalent thereof in any currency), a letter signed by the Subcontractor substantially in the form contained in Schedule 16 (*Form of Subcontractor Letter*).

# Design Development

## The Contractor shall provide to the Employer and the Technical Adviser the Documents listed in Schedule 8 (*Documents for Review by the Employer and the Technical Adviser*), for review by the Employer and the Technical Adviser, at the times stipulated in Schedule 8 (*Documents for Review by the Employer and the Technical Adviser*). If no times are stipulated, the Documents shall be provided sufficiently far in advance of being used for procurement or construction for the Contractor to have the ability to respond to comments from the Employer and the Technical Adviser.

## Where the Contractor proposes to depart from any Document previously submitted for the Employer’s and the Technical Adviser’s review, the Contractor shall submit Documents setting out details of such departure for the Employer’s and the Technical Adviser’s review.

## The Employer and the Technical Adviser are not bound to comment on any Documents submitted for their review. The Employer and the Technical Adviser will endeavour to comment on such Documents within fifteen (15) Business Days of receipt (the “**Review Period**”). If the Contractor has not received comments within the Review Period the Contractor may proceed with the Works as if such Documents had been reviewed and returned with no comments by the Employer and the Technical Adviser. If the Employer or the Technical Adviser has raised concerns on such Documents within the Review Period, the Contractor shall not proceed with the Works based on such Documents. The Contracting Parties and (if he has raised concerns) the Technical Adviser shall discuss the concerns; and not later than the expiry of a further fifteen (15) Business Days after the Review Period, the Employer and/or the Technical Adviser (as applicable) shall inform the Contractor that either they have no comments on the Documents, or the Documents are not considered to be compliant. This process shall be repeated until such time as the Documents comply with the Specifications. If the Employer and/or the Technical Adviser inform the Contractor that they consider any Document not to be compliant with this Contract, the Contractor shall either:

#### give effect to such comments, which action shall be at the Contractor’s own cost and will give rise to no adjustment of the Contract Price, Additional Payment or extension of time; or

#### if the Contractor considers that its Document is compliant with this Contract, give notice in writing to the Employer, and Technical Adviser to that effect.

## Where the Contractor has served notice under Clause 18.3(b) above, the Employer may nevertheless by written notice require the Contractor to give effect to the Employer’s and/or Technical Adviser’s previous comments on the Document concerned. The Contractor shall comply with such instruction, and if it is subsequently agreed or determined that the Contractor’s original Document was not in compliance with this Contract, then the Contractor shall have no entitlement to adjustment of the Contract Price, Additional Payment or extension of time by reason of the Employer’s instruction.

## The Contractor shall take account of any comments made by the Employer and/or the Technical Adviser in accordance with Clause 18.4 prior to submitting the Documents to the Conceding Authority. If the Conceding Authority does not accept the Documents, the Contractor and the Employer (together with the Technical Adviser) will consult for the purposes of agreeing the form of the Documents.

## Except as otherwise expressly provided in this Contract, no examination or lack of examination nor any comments, approval or disapproval by or on behalf of the Employer, the Employer’s Controlling Office, the Conceding Authority or the Technical Adviser in relation to any Documents shall make the Employer liable or relieve the Contractor of any of its obligations, risks or liabilities under this Contract.

## The Contractor acknowledges and confirms that:

#### it has conducted and shall conduct its own analysis and review of the Documents and has satisfied and shall satisfy itself as to the accuracy, completeness and fitness of all Documents; and

#### it shall not become entitled to any Change, adjustment to the Contract Price, Additional Payment or extension of time by reason of:

##### any inaccuracy, error or mistake in the Documents or any other data provided to the Contractor by the Employer or any Subcontractor;

##### any misunderstanding or misapprehension in respect of the Documents; or

##### any incorrect or insufficient information relating to the Documents, the Site or the Project given to it by any person, whether or not in the employ of the Employer, the Conceding Authority or any other Public Sector Entity.

# Manuals

The Contractor shall provide to the Employer the Manuals, in accordance with Schedule 7 (*Manuals and Training*) and at the times there stated.

# Quality Assurance

## The Contractor undertakes to implement throughout the performance of its obligations under this Contract a quality assurance scheme complying with Schedule 5 (*Quality Assurance Scheme*) (the “**QA Scheme**”).

## Where the QA Scheme being operated by the Contractor provides for the testing and certification of the quality of any work or Materials, the Contractor shall upon the occurrence of Completion provide the Employer with a quality dossier containing the test history and results and any certificates of quality issued in respect of such work and Materials.

# Transportation

## The Contractor shall at its own risk and expense transport all the Materials and Construction Equipment to the Site by the mode of transport which the Contractor judges most suitable under all the circumstances. Subject to insurers’ requirements, the Contractor shall be entitled to select any mode of transport operated by any person to carry the Materials and the Construction Equipment.

## Upon dispatch of each shipment of the Materials and the Construction Equipment, the Contractor shall notify the Employer of the description of the Materials and the Construction Equipment, the point and means of dispatch and the estimated time and point of arrival in the Republic of France, if applicable, and at the Site. The Contractor shall furnish the Employer with relevant shipping documents (or copies thereof, where originals are not necessary for title to transfer), to be agreed upon between the Contracting Parties.

## The Contractor shall be responsible for obtaining, where necessary, all approvals from the requisite authorities for the transportation of the Materials and the Construction Equipment to the Site. The Employer shall use all reasonable endeavours to assist the Contractor in obtaining such approvals, if requested by the Contractor.

## The Contractor shall, at its own expense, handle all imported Materials and Construction Equipment at the point(s) of import and any formalities for customs clearance **provided that** if any Law requires any application or act to be made by or in the name of the Employer, the Employer shall, upon receiving written notification from the Contractor and at the Contractor’s expense, take all necessary steps to comply with the Law.

## The Contractor shall use every reasonable means to prevent any roads or bridges communicating with or on the routes to the Site from being damaged or injured by any traffic of the Contractor or any of its Subcontractors and, in particular, shall select routes, choose and use vehicles and restrict and distribute loads so that any such extraordinary traffic as will inevitably arise from moving the Materials and Construction Equipment from and to the Site shall be limited as far as reasonably possible so that no unnecessary damage or injury may be occasioned to such roads and bridges.

## The Contractor shall indemnify and hold harmless the Employer against all claims for damage to any such road or bridge caused by such movement, in accordance with Clause 36.1 (*Indemnities*), provided that: if such works are necessitated by an Additional Payment Ground, the Cost thereof shall be paid by the Employer to the Contractor as Additional Payment; and if such works are necessitated by a Change Order the cost of such works shall be taken into account when applying the provisions of Clause 39 (*Changes*) to such Change Order. Save as provided in this Clause 21.6 the Contractor shall not be entitled to any payment from the Employer for strengthening any bridges or improving any roads in connection with performance of the Works.

## Where in carrying out the Works, the Contractor uses waterborne transport, Clauses 21.5 and 21.6 shall be construed as though “road” includes lock, dock, sea wall or any other structure related to a waterway and “vehicle” includes craft.

# Construction Process

## The Contractor shall be responsible for the true and proper setting out of the Works and the establishment and calculation of all bench marks, reference marks, lines and levels required for that purpose and the Contractor shall preserve until Completion the reference points and stakes on the Site and it shall ensure that by Completion, such reference points and stakes have been refastened in their places.

## The Contractor shall bear sole responsibility for:

#### the health and safety of all individuals on the Site and other working areas or otherwise affected or potentially endangered by the Works; and

#### the adequacy, stability and safety of all Site operations and methods of construction and all Construction Equipment and temporary works and structures.

The Contractor shall take all steps necessary to discharge such responsibilities.

## The Contractor shall to the fullest extent permitted by Law bear and discharge any health and safety related obligations and liabilities arising under Law and shall issue any notices to Public Sector Entities as may be required in order to give effect under Law to the apportionment of responsibility made by this Clause 22.3.

## The Contractor shall not commit any trespass or actionable public or private nuisance or other infringement of the legal rights of third parties potentially affected by the Works. The Contractor shall take all protective measures as may be required to avoid this and shall adopt appropriate means for carrying out the Works.

## The Contractor shall use its best endeavours to prevent or mitigate any interference caused by the Works to the convenience of the public including the public’s ability to use public or private roads, footpaths and car parking areas.

## The Contractor shall give or provide all necessary superintendence during the execution of the Works, and the Site Manager or its deputy shall provide full-time superintendence of the Works. All supervisory staff shall be sufficiently qualified and experienced to give adequate supervision to the work which they are assigned to supervise.

## The Contractor shall employ, and shall procure that its Subcontractors employ, employees who are properly skilled and trained in the tasks to which they are assigned.

## The Contractor shall procure the provision of Project-specific training as required for this purpose.

## Without prejudice to Clause 22.21, the Contractor shall, in all dealings with its labour and the labour of its Subcontractors for the time being employed on or in connection with the Works, pay due regard to all recognised festivals, official holidays and religious or other customs.

## The Contractor shall pay (and shall procure that its Subcontractors shall pay) rates of wages and observe (and procure that its Subcontractors observe) conditions of labour which are not lower than those established in the locality in which the Works (or the relevant element thereof) are carried out. If no established rates or conditions are applicable, the Contractor shall pay (and procure that its Subcontractors pay) rates of wages and observe (and procure that its Subcontractors observe) conditions which are not lower than the general level of wages and conditions observed locally by employers whose trade or industry is similar to that of the Contractor.

## The Contractor shall not permit any of its employees or those of its Subcontractors to maintain any temporary or permanent living quarters within the structures forming part of the Works.

## The Employer and the Contractor shall establish regulations setting out the rules to be observed in the execution of the Works at the Site. Each Contracting Party shall comply (and the Contractor shall procure compliance by its Subcontractors) with such regulation. The Contractor shall ensure that copies of such regulations are provided to each Subcontractor and any other contractor working on the Site prior to the commencement of their work.

## The Site regulations referred to in Clause 22.12 shall include, but not be limited to, rules in respect of:

#### Site security;

#### gate control;

#### health and safety;

#### sanitation;

#### medical care; and

#### fire prevention.

## The Contractor shall liaise and co-operate as may be necessary with the Employer and/or each Operator in connection with the development of and operation of the Employer’s and each Operator’s safety rules in respect of the Works, and shall comply (and procure compliance by its Subcontractors) with the Employer’s and each Operator’s safety rules.

## If, by reason of an emergency, any protective or remedial work shall be necessary as a matter of urgency to prevent danger to individuals or damage to the Works, the Contractor shall immediately carry out such work. The cost of such work shall be apportioned in accordance with Clause 39 (*Changes*) if the protective or remedial works have been requested by the Employer or shall be borne by the Contractor if such work arose out of any breach by the Contractor of its obligations under this Contract, depending on the manner in which the emergency has arisen.

## If the Contractor is unable or unwilling to do such protective or remedial work immediately, the Employer may do or procure the doing of such work. In such event the Employer shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Employer is work which the Contractor was liable to do at its own expense under this Contract, the reasonable costs incurred by the Employer in connection therewith shall be paid by the Contractor to the Employer (and may be set off by the Employer against any sum due to the Contractor under this Contract).

## The cost of work done pursuant to Clauses 22.15 and 22.16 shall be borne by the Contracting Party who would have responsibility for the same absent the operation of those Clauses, to be determined in accordance with the remainder of this Contract. Where the Contracting Party who has performed such work is not the Contracting Party responsible for bearing the cost of the same, then the Cost (or in the case of the Employer, cost) which the performing Contracting Party has incurred shall forthwith be reimbursed by the other Contracting Party.

## In the course of carrying out the Works, the Contractor shall keep the Site and surrounding area reasonably free from all unnecessary obstruction, and shall store or remove any surplus Materials, hazardous waste and toxic substances and clear away from the Site any wreckage, rubbish or temporary works and remove any Construction Equipment no longer required for the execution of the Works.

## Upon the issue of the Completion Certificate in respect of the Works the Contractor shall clear away and remove from the Site all Construction Equipment (provided the same is not still required for any purpose in connection with the Works), surplus Materials, rubbish and temporary works of every kind, and surrender to the Employer the Site in a clean, safe and workmanlike condition. The Contractor shall be entitled to retain on the Site until the end of the Defects Liability Period such facilities, Materials and Construction Equipment as are reasonably required by it for the purpose of fulfilling its obligations during the Defects Liability Period.

## The Contractor shall provide and maintain at its own expense all lighting, fencing and security when and where necessary for the proper execution and the protection of the Works or for the safety of the Employer and occupiers of adjacent property and the public. The Contractor shall be responsible for keeping unauthorised persons off the portions of the Site made available by the Contractor to the Employer for the purposes of the Works.

## Unless otherwise provided in this Contract, work shall be carried out only on customary working days in the Republic of France (excluding days which are public holidays in the Republic of France), except where work is necessary to prevent danger to individuals or damage to the Works or where the Employer has given its consent. The consent of the Employer to work outside such times shall not be unreasonably withheld or delayed.

# Construction Equipment

## All Construction Equipment brought to the Site by the Contractor or Subcontractors shall be deemed to be intended for use exclusively for the execution of the Works and the Contractor shall not remove (or permit the removal of) the same from the Site without the Employer’s consent until such Construction Equipment is no longer required for the execution of the Works. Such consent shall not be required for vehicles engaged in transporting any personnel, Construction Equipment or Materials to or from the Site.

## With a view to securing, in the event of termination under Clause 43 (*Termination for Contractor Default*), the continued availability, for the purpose of executing the Works, of any hired Construction Equipment, the Contractor shall not bring onto the Site (and shall procure that no Subcontractor shall bring onto the Site) any hired Construction Equipment, unless the hire agreement contains a provision that the owner of such hired Construction Equipment will not remove the same for seven (7) days after the date on which such termination has become effective and will, on request in writing made by the Employer within such seven (7) day period and subject to the Employer undertaking to pay all hire charges from such date, hire such Construction Equipment to the Employer on the same terms *mutatis mutandis* as the same was hired to the Contractor save that the Employer shall be entitled to permit the use thereof by any other contractor employed by it for the purposes of executing and completing the Works and remedying any Defects therein. The requirements of this Clause 23.2 shall not apply to Construction Equipment which is subject to a purchase agreement.

## In the event of the Employer entering into any agreement for the hire of Construction Equipment pursuant to Clause 23.2 all sums properly paid by or on behalf of the Employer under the provisions of such agreement and all expenses incurred by it in entering into such agreement shall be deemed, for the purpose of Clause 43 (*Termination for Contractor Default*) and Clause 44.1 (*Self-Help, Buy Down and Rejection*), to be part of the costs of executing and completing the Works and remedying any Defects therein.

## The Contractor shall not enter into any subcontract for the execution of any part of the Works without incorporating into such subcontract (by reference or otherwise) the provisions of this Clause 23 (*Construction Equipment*) in relation to the Construction Equipment brought onto the Site by the Subcontractor.

# Access to the Works in Progress

## The Contractor shall afford and shall procure that any Subcontractor affords free and unimpeded access to any place where Materials are being manufactured and to all parts of the Site where the Works are being carried out, to:

#### the Employer’s Representative and other representatives and employees of the Employer and invitees of the Employer including (without limitation) insurers’ representatives;

#### the Technical Adviser and other representatives, agents, nominees of, or advisers to the Lenders;

#### persons coming onto the Site pursuant to the exercise by any party to the Concession Contract of their rights thereunder;

#### officials of and advisers to the Conceding Authority or of any Public Sector Entity carrying out their duties under any Law or any provisions of the Concession Contract; and

#### invitees of the Conceding Authority pursuant to clause 7.2 of the Concession Contract and/or invitees of the Employer.

The Contractor shall advise any such persons of the Site regulations referred to at Clause 22.12 (*Construction Process*) upon their entry onto the parts of the Site where the Works are being carried out.

## In relation to persons referred to under Clause 24.1(a) and (b) the Employer shall ensure insofar as practicable that any such rights of access shall be used and exercised by the relevant persons in such a manner as to cause the minimum disruption to the execution and completion of the Works consistent with the purpose for which the person concerned is there to fulfil. The Employer shall as far as practicable provide reasonable notice to the Contractor of visits by any such persons.

# Tests and Inspections of Work in Progress

## The Contractor shall, at its own expense, carry out at the place of manufacture and/or on the Site all such tests and/or inspections of the Materials and any part of the Works as are detailed in the Specification.

## The Employer, the Conceding Authority and the Technical Adviser shall be entitled to attend the aforesaid tests and/or inspections by its own duly authorised and designated inspector during the progress of the Works and the Employer, the Conceding Authority or the Technical Adviser may require the Contractor to carry out any tests and/or inspection not described in this Contract including any test specified in the annexes to the Concession Contract.

## The Contractor shall give reasonable advance notice to the Employer, the Conceding Authority and the Technical Adviser of such test and/or inspection and of the place and time thereof. The Contractor shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Employer’s, the Conceding Authority’s or the Technical Adviser’s inspector to attend the test and/or inspection. If the Employer’s, the Conceding Authority’s or the Technical Adviser’s inspector fails to attend the test and/or inspection, or it is agreed between the Contracting Parties that the Employer’s, the Conceding Authority’s or the Technical Adviser’s inspector shall not do so, then the Contractor may proceed with the test and/or inspection in the absence of the Employer’s, the Conceding Authority’s or the Technical Adviser’s inspector.

## The Contractor shall provide the Employer, the Conceding Authority and the Technical Adviser with a certified report of the results of any such tests and/or inspections.

## No part of the Works shall be covered up on the Site without the carrying out of any test and/or inspection of such part which is required under this Contract. If such covering up occurs, the Employer, the Conceding Authority or the Technical Adviser may instruct the Contractor to uncover that part of the Works and carry out the required test and/or inspection.

## The Employer, the Conceding Authority or the Technical Adviser may require the Contractor to carry out any tests and/or inspection (related to the performance of works) not described in this Contract. Subject to Clause 25.7, the Employer shall pay the Cost incurred in the carrying out by the Contractor of any tests and/or inspection requested by the Employer or the Technical Adviser as an Additional Payment unless such test or inspection reveals that any Materials or any parts of the Works are not in accordance with this Contract or the requested test/inspection was reasonably made necessary by any other non-compliance of the Contractor with the terms of this Contract, in which event the Contractor shall bear such Cost. For the avoidance of doubt, the Contractor must bear the costs of any inspections relating to the Works performed by the Contractor required by the Conceding Authority in accordance with the Concession Contract and the Contractor shall assist the Conceding Authority in the carrying out of such inspections if requested to do so by the Conceding Authority.

## If any Materials or any part of the Works fails to pass any test and/or inspection or is otherwise not in accordance with this Contract, the Employer, without prejudice to its other powers and remedies pursuant to this Contract, may:

#### issue instructions requiring the prompt removal from the Site or rectification of such Work or Materials; and/or

#### issue instructions for the carrying out of such further uncovering of work, inspection and testing as is reasonable in order to ascertain the extent of any further incidence of such non-compliance; and/or

#### issue such instructions as reasonably necessary in response to the discovery of non-compliant work as aforesaid including any modification to the Works or Specification.

The Contractor shall comply at its own cost with instructions issued by the Employer under this Clause 25.7. The Contractor shall have no entitlement, by reason of such compliance, to any adjustment to the Contract Price, Additional Payment or extension of time. An instruction under Clause 25.7(c) shall not be treated as a Change.

## If the Contractor considers that any instruction issued by the Employer under Clause 25.7 is not one which the Employer is entitled to issue, it shall notify the Employer in writing. If the Employer confirms its instruction in writing the Contractor shall nevertheless comply. If:

#### it is subsequently agreed or determined that the instruction in question was one which the Employer was entitled to issue then the Contractor shall have no entitlement to any adjustment to the Contract Price, Additional Payment or extension of time by reason of having complied; or if

#### it is subsequently agreed or determined that the Employer was not entitled to issue its instruction, the same shall be treated as a Change in accordance with Clause 39 (*Changes*).

## No testing or inspection by or on behalf of the Employer, the Employer’s Controlling Office, the Conceding Authority or the Technical Adviser shall make the Employer liable or relieve the Contractor of any of its obligations, risks or liabilities under this Contract.

SECTION 6  
COMPLETION, TESTING AND TAKING OVER

# Tests on Completion

## No Tests on Completion shall be carried out involving any part of the Works unless:

#### the Works have, in the reasonable opinion of the Contractor, been completed to the degree described in the Specification (subject to any Punch List Items) and without prejudice to any other obligation of the Contractor hereunder, all Defects (obvious or otherwise) have been remedied;

#### the detailed procedures for testing and commissioning of the Works have been agreed in accordance with Schedule 3 (*Completion and Testing*);

#### the Contractor has undertaken the training required by Schedule 7 (*Manuals and Training*); and

#### the Contractor has provided the Employer with the Manuals required by Schedule 7 (*Manuals and Training*).

## The Tests on Completion shall be carried out by the Contractor in accordance with the procedures and under the operating conditions agreed in accordance with Schedule 3 (*Completion and Testing*). The Contractor shall, save in the event of any wilful misconduct by the Employer’s operating staff participating in testing, be fully responsible for the proper conduct and results of the Tests on Completion. The Contractor shall give to the Conceding Authority, the Employer and the Technical Adviser not less than two (2) months’ written notice of the date after which it will be ready to commence the Tests on Completion. The Tests on Completion shall commence on such day thereafter as the Employer shall notify to the Conceding Authority, the Contractor and the Technical Adviser, being no later than seven (7) days after the date specified in the Contractor’s notice. The Technical Adviser, the Employer, the Conceding Authority, its representative and the Employer’s invitees shall be entitled to attend the Tests on Completion.

## The Employer or the Contractor shall be entitled to order the cessation of any Test on Completion if damage to the Works or personal injury a breach of any law or permit is likely to result from continuation or to continue with a test on Completion would not be in accordance with Good Industry Practice.

## If the Works fail to pass any Tests on Completion applicable thereto (or repetition thereof in the event of prior failure) or if any Test on Completion is stopped before its completion, such test shall, subject to four (4) days’ prior written notice having been given by the Contractor to the Employer, be repeated as soon as practicable thereafter. All appropriate adjustments and modifications shall be made by the Contractor with all reasonable speed and at its own expense before the repetition of any Test on Completion and if not so made may be carried out by the Employer or other contractor of the Employer and the costs thereby incurred shall be paid by the Contractor to the Employer (and may be set off by the Employer against any sum due to the Contractor under this Contract). The Contractor shall, if so required by the Employer, submit to the Employer for its approval details of the adjustments and modifications which it proposes to make. If the Employer does not approve such adjustments and modifications the Contractor will revise the adjustments and/or modifications again and resubmit for the Employer’s approval repeating the procedure until the Employer approves such adjustments and/or modifications. Any such approval by the Employer shall not relieve the Contractor from its obligation to pass the Tests on Completion.

## The results of the Tests on Completion shall be compiled and evaluated jointly by the Employer, the Technical Adviser and the Contractor in the manner detailed in Schedule 3 (*Completion and Testing*).

# Substantial Completion

## When:

#### each Section has passed the relevant Tests on Completion (subject to any Punch List Items in the case of the Lyon Airport Section or the Grenoble Airport Section);

#### with respect to the Substantial Completion for each of the Lyon Airport Section and the Grenoble Airport Section the relevant Airport Works Substantial Completion Date (as defined in the Concession Contract) is acknowledged by the Conceding Authority to have occurred for the purposes of annex 5 to the Concession Contract, and the Conceding Authority has issued any approvals that may be required in respect of the acceptance of the Works (including the relevant Airport Works Substantial Completion Certificate as defined in the Concession Contract) (and Clause 3.9 (*Scope of Works*) shall apply to the matters referred to in this paragraph (b));

#### each Section has been completed, in the reasonable opinion of the Contractor, in accordance with the requirements of the relevant Specification, and the relevant Section complies with the Law, all Licences and the other requirements of this Contract and the Concession Contract;

#### with respect to the relevant Section, the Contractor has carried out its training obligations in respect of the Employer’s personnel (or other nominees of the Employer) pursuant to Clause 3.1(k) (*Scope of Works*) and has performed all such other obligations stated in this Contract to be pre-conditions to the occurrence of Completion; and

#### to the extent practicable and with respect to the relevant Section the Contractor has procured and assigned to the Employer guarantees with periods of at least twelve (12) months from the relevant manufacturers for all Materials and, if such guarantees have been obtained, has provided certified copies evidencing the same,

the Contractor shall apply to the Employer in writing for a Substantial Completion Certificate for the relevant Section enclosing a Release of Liens and Claims Certificate pursuant to Clause 34.9 (*Transfer of Ownership*).

## If the Employer is satisfied that the requirements for Substantial Completion for the relevant Section are met and the Technical Adviser has given its approval, the Employer shall issue a Substantial Completion Certificate relating to that Section, within fourteen (14) days of receipt of the Contractor’s application. Substantial Completion of the relevant Section shall occur (or be deemed to have occurred) on the date stated in the applicable Substantial Completion Certificate to be the date on which the requirements in Clause 27.1 (a) to (d) have been satisfied. If the Employer or the Technical Adviser is not so satisfied, it shall within twenty one (21) days of receipt of the Contractor’s application notify the Contractor in writing of the reasons why it shall not issue a Substantial Completion Certificate.

## If the Employer has declined to issue a Substantial Completion Certificate in respect of a Section, the Contractor shall take all necessary steps to remedy the reasons stated by the Employer or Technical Adviser for so declining (subject to any restrictions on its ability to carry out further Tests on Substantial Completion under this Contract) or may refer the matter for resolution in accordance with Clause 60 (*Settlement of Disputes and Jurisdiction*), if it disputes the Employer’s or the Technical Adviser’s decision (or if the Employer and Technical Adviser have failed to provide reasons in writing for not issuing a Substantial Completion Certificate). If the Contractor remedies the reasons for declining, the Contractor shall, thereafter, submit a further application for a Substantial Completion Certificate for the relevant Section. The Employer shall respond to such further application in the same manner as is required under Clause 27.2 save that the Employer shall do so within seven (7) not fourteen (14) days. If the Employer once again declines to issue a Substantial Completion Certificate the Contractor shall repeat the process described in this Clause 27.3.

## The Contractor shall rectify or complete within the time stated in the Substantial Completion Certificate for each of the Lyon Airport Section and the Grenoble Airport Section any Punch List Items noted on or appended to that Substantial Completion Certificate as requiring rectification or as incomplete in a completion item list to be prepared by the Employer in consultation with the Contractor. In the event that the Contractor fails to do so, the Employer may arrange for the outstanding work to be done and the cost thereof shall be certified by the Employer and paid to the Employer by the Contractor (and the Employer may set off such cost against any sum due to the Contractor under this Contract). 100% (one hundred per cent) of the estimated cost of having a third party perform and/or provide such work or Materials, as approved by the Employer, shall be retained by the Employer from any sum otherwise due to the Contractor under this Contract, or (at the Employer’s option) paid to the Employer by the Contractor, in either case pending satisfactory rectification and/or completion. Upon rectification and/or completion of all of such work or Materials, the money retained or paid under this Clause 27.4 in relation thereto shall be included in an Interim Payment Certificate issued pursuant to the provisions of Part A of Schedule 2 (*Terms of Payment*).

# Final Completion

## When:

#### no more than one hundred and twenty (120) days have passed after the Target Date for Substantial Completion for the Lyon Airport Section or the Grenoble Airport Section, as applicable;

#### all Punch List Items have been rectified; and

#### the Technical Adviser is satisfied that the relevant Section is in conformity with this Contract and the Concession Contract and complies with all Laws,

the Contractor shall apply to the Employer in writing for a Final Completion Certificate in respect of the relevant Section enclosing a Release of Liens and Claims Certificate pursuant to Clause 34.9 (*Transfer of Ownership*) (to the extent not yet provided under Clause 27.1).

## If the Employer is satisfied that the requirements for Final Completion of the Lyon Airport Section or the Grenoble Airport Section, as applicable, are met, the Employer shall issue a Final Completion Certificate relating to the relevant Section, within fourteen (14) days of receipt of the Contractor’s application. Final Completion of the relevant Section shall occur (or be deemed to have occurred) on the date stated in the Final Completion Certificate to be the date on which Final Completion of that Section was attained. In the absence of any notification by the Employer within the same fourteen (14) day period, the Contractor may refer the matter for resolution in accordance with Clause 60 (*Settlement of Disputes and Jurisdiction*).

SECTION 7  
PERFORMANCE LIABILITIES

# Delay Damages

## Without prejudice to Clauses 29.2 to 29.8 respectively, the Contractor warrants and undertakes that Substantial Completion with respect to each Section shall occur by meeting the requirements set out in Clause 27 (*Substantial Completion*) by the Target Date for Substantial Completion of such Section, subject to any extension of time to which the Contractor shall be entitled under Clause 40 (*Extension of Time*).

## If Substantial Completion of a Section has not been attained on or before the Target Date for Substantial Completion therefor (as such date may be adjusted under Clause 40 (*Extension of Time*)) the Employer shall be entitled, at any time thereafter, to issue a notice of non-completion in writing to the Contractor to that effect. If, after the issue of any such notice, the relevant Target Date for Substantial Completion of such Section is adjusted under Clause 40 (*Extension of Time*) such that subsequent to the adjustment that Target Date for Substantial Completion of such Section has not yet occurred, the adjustment shall cancel such notice of non-completion. If a notice of non-completion is cancelled the Employer will be entitled to issue further notices of non-completion from time to time if, notwithstanding any adjustment to the Target Date for Substantial Completion of a Section, there is a delay in the completion of such Section.. Any notice issued under this Clause 29.2 shall (unless cancelled as herein provided) be conclusive and binding on the Contractor until final agreement between the Contracting Parties, or determination in accordance with Clause 60 (*Settlement of Disputes and Jurisdiction*), as the case may be, as to the matters to which that notice relates.

## The Contractor shall, subject to prior notification by the Employer of non-completion pursuant to Clause 29.2 and of intent to deduct liquidated and ascertained damages pursuant to Clause 29.4, pay to the Employer liquidated and ascertained damages for the period commencing on the day after the Target Date for Substantial Completion for the Lyon Airport Section or the Grenoble Airport Section, as applicable and expiring on the date on which Substantial Completion for the Lyon Airport Section or the Grenoble Airport Section, as applicable is certified in the Substantial Completion Certificate issued pursuant to Clause 27.2 (*Substantial Completion*) of this Contract to have occurred (the “**Delay Period**”) in the following amounts:

### With respect to Lyon Airport, Euro 5,000 (five thousand Euro) for each day or part of a day which fall within the Delay Period and until the Target Date for Final Completion for Lyon Airport up to the amount of Euro 600,000 (six hundred thousand Euro); and

### With respect to Grenoble Airport, the following amounts:

#### From the Target Date for Substantial Completion for Grenoble Airport until 20 November 2011 EUR 20,000 (twenty thousand Euro) for each day or part of a day which fall within the Delay Period up to the amount of EUR 600,000 (six hundred thousand Euro) ;

#### From 21 November 2011 until 20 December 2011 EUR 24,500 (twenty four thousand five hundred Euro) for each day or part of a day which fall within the Delay Period up to the amount of EUR 735,000 (seven hundred and thirty five thousand Euro);

#### From 20 December 2011 until 19 January 2012 EUR 32,500 (thirty two thousand five hundred thousand Euro) for each day or part of a day which fall within the Delay Period up to the amount of EUR 975,000 (nine hundred and seventy five thousand Euro); and

#### From 19 January 2012 until 18 February 2012 EUR 37,500 (thirty seven thousand five hundred Euro) for each day or part of a day which fall within the Delay Period up to the amount of EUR 1,125,000 (one million one hundred and twenty five thousand Euro).

## If the Employer requires payment or allowance of liquidated and ascertained damages pursuant to Clause 29.3 it shall first serve notice to that effect on the Contractor. Provided a notice has been served, the Employer shall not be obliged to serve further notices of its requirement where the period for which the liquidated and ascertained damages are payable is ongoing.

## The maximum amount of the delay liquidated damages payable by the Contractor under Clause 29.3 shall be 5% (five per cent) of the Contract Price.

## The liquidated and ascertained damages shall be due and payable or allowed to the Employer at the end of each month to which (or to part of which) they relate. If, after any deduction or payment of the liquidated and ascertained damages under Clause 29.3, an extension of time is made to the relevant Target Date for Substantial Completion, the Contractor’s liability to pay or allow the liquidated and ascertained damages to the Employer under Clauses 29.2 to 29.8 shall be disapplied for a period equal to any extension granted, and any damages previously paid or allowed under Clause 29.3 in respect of the period of such extensions shall be refunded, but in the case of damages under Clause 29.3, subject to and to the extent that the Employer receives an equivalent refund, or is not charged such damages, by the Conceding Authority under the Concession Contract.

## The Parties agree that the liquidated and ascertained damages for delay referred to in Clause 29.3 represent an agreed pre-estimate of losses likely to be suffered by the Employer in the event of delay in Completion beyond the Target Date of Completion and are not a penalty.

## The liquidated and ascertained damages referred to in this Clause 29 (*Delay Damages*) shall be the only damages payable by the Contractor for Substantial Completion for the relevant Section being delayed beyond the relevant Target Date for Substantial Completion save that this Clause 29.8 is without prejudice to the rights of the Employer and the Contractor’s liabilities pursuant to Clauses 29.8, 43 (*Termination for Contractor Default*) and 44 (*Self Help, Buy Down and Rejection*). The payment or deduction of such damages and sums shall not relieve the Contractor from its obligations to carry out and complete the Works, or from any other of its obligations and liabilities under this Contract.

## If the Contractor fails to achieve Substantial Completion for the Lyon Airport Section or the Grenoble Airport Section by the date falling one hundred and twenty (120) calendar days after the Target Date for Substantial Completion therefor, the provisions of Clause 43.1(b)(ii) (*Termination for Contractor Default*) shall apply or the Employer may elect to proceed with one of the options set out in Clause 44 (*Self Help, Buy Down and Rejection*). If this Clause 29 (*Delay Damages*) (or any part) is found for any reason to be void, invalid or otherwise inoperative so as to disentitle the Employer from claiming liquidated and ascertained damages for delay, the Employer shall be entitled to claim against the Contractor for damages at law for delay in achieving the Target Date for Substantial Completion for the Lyon Airport Section or the Grenoble Airport Section as applicable. Those damages shall not exceed the amount specified in Clause ‏29.3.

# Defects Liability Period

## If, during the Defects Liability Period, any defect should appear or occur in the design and engineering, Materials supplied or Works (a “**Defect**”), the Contractor shall promptly and at its cost carry out all necessary Remedial Work in respect of such Defect as well as any damage to any Airport caused by such Defect, **provided that** the Contractor shall not be responsible for carrying out Remedial Work required due to:

#### operation or maintenance of the relevant Airport by the Employer in a manner not in accordance with the Manuals;

#### operation of the relevant Airport outside the Specification (as may have been adjusted by Changes); and

#### normal wear and tear.

The Contractor shall liaise with the Employer as to the times when such Remedial Work may take place having regarded to the Employer’s reasonable commercial requirements, any other Public Sector Entity or other person having jurisdiction over the operation of the Airports. The Contractor shall, in undertaking any Remedial Work under this Clause 30 (*Defects Liability Period*) which could affect the safe and efficient use of the operation of the relevant Airport observe all reasonable requirements of the Employer with regard to the safe and efficient use or operation thereof and shall in any event comply with Site security safety and operational requirements.

## The Employer shall promptly notify the Contractor of any such Defect appearing or occurring during the Defects Liability Period.

## In the event that any part of the Works is repaired, replaced or otherwise made good during the Defects Liability Period the Defects Liability Period for the part of the Works repaired, replaced or made good shall start again and shall expire on the date occurring seven hundred and twenty (720) days from the date on which such repair, replacement or making good was completed.

## If the Contractor fails to remedy any Defect or damage within a reasonable period, the Employer may fix a final time for carrying out the Remedial Work and remedying the Defect or damage. If the Contractor fails to remedy the Defect or damage within such final time, the Employer may by notice to the Contractor:

#### carry out the Remedial Work itself or by others at the Contractor’s risk and the Contractor shall pay or allow the Employer’s reasonable documented costs including third party costs in doing so;

#### require the Contractor to grant the Employer such reduction in the Contract Price as may be agreed, or in default of agreement, determined by the Employer to be a reasonable reduction, with reference to the Defect and/or damage, the effect on the relevant Airport and Project (including projected revenues), and the Contractor shall pay or allow to the Employer such reduction forthwith unless the Contracting Parties agree otherwise;

#### if the Defect or damage is such that the Employer has been deprived of the benefit of part or parts of the Works, it may terminate the Contractor’s engagement forthwith in respect of such part or parts of the Works as cannot be put to the intended use. The Employer shall be entitled to recover all sums paid in respect of such part or parts of the Works together with the cost of dismantling the same, clearing the Site and returning Materials to the Contractor or otherwise disposing of them in accordance with the Contractor’s instructions; or

#### if the Defect or damage is such that the Employer has been deprived of substantially the whole of the benefit of the Works terminate the Contractor’s engagement under Clause 43 (*Termination for Contractor Default*).

## If any Remedial Work is of such a character that it may affect the safety, efficiency, operation or performance of the Airport or any part of the Airport, the Employer may give to the Contractor a notice requiring that tests shall be made by the Contractor of the defective or damaged part of the Works or of the Works immediately on completion of such Remedial Work whereupon the Contractor shall carry out such tests at its sole cost. If such part fails the tests, the Contractor shall carry out further repair, replacement or making good (as the case may be) until that part of the Works passes such tests. The tests shall be agreed between the Employer and the Contractor, or if the Employer and the Contractor fail to agree upon such tests the Contractor will carry out the tests required by the Employer without delay and any dispute about whether the Employer acted reasonably in requiring the tests to be carried out shall be referred for resolution in accordance with the provisions of Clause 60 (*Settlement of Disputes and Jurisdiction*) and where the arbitrators decide that the Employer has acted unreasonably in requiring the test to be carried out the Contract price shall be increased by an amount equal to the direct costs incurred by the Contractor by performing the tests.

## Subject to Clause 30.1 the Employer shall afford the Contractor all necessary access to the Airports and the Sites to enable the Contractor to perform its obligations under this Clause 30 (*Defects Liability Period*). The Contractor may with the consent of the Employer remove from the relevant Site any Materials or any part of the relevant Airport which is defective if the nature of the Defect and/or any damage to the relevant Airport caused by the Defect is such that Remedial Work cannot be expeditiously carried out at the Site **provided that** the Employer shall be entitled to require as a condition of its consent that the Contractor provides security acceptable to the Employer for the full replacement cost of any removed Materials or part of the relevant Airport.

## The Contractor shall, if required by the Employer in writing, search for the cause of any Defect under the direction of the Employer. Unless such Defect is one for which the Contractor is responsible for making good under this Clause 30 (*Defects Liability Period*), or where, although the search fails to disclose non-compliance with this Contract, such search was instigated as a result of problems or failures having been discovered in similar items of Materials or the Works, and the Employer had reasonable grounds to believe that such a problem or fault existed in the items of Materials or Works on which the search was carried out, the Cost of the work carried out by the Contractor in searching as aforesaid shall be payable by the Employer as an Additional Payment.

## The Employer may make an inspection of the Works immediately prior to the expiration of the relevant Defects Liability Period and the Contractor shall execute any further Remedial Work which the Employer’s Representative instructs the Contractor so to do.

## If any Defects Liability Period for the Works has expired and the Contractor has:

#### provided the Employer with all updated as-built drawings, instructions, procedures and changes to the operations and maintenance manuals necessitated by any modifications carried out during the Defects Liability Period; and

#### replaced, or repaired, or made good all Defects and damage arising from Defects which may have appeared or occurred during the Defects Liability Period;

the Employer shall issue a Defects Liability Certificate to that effect to the Contractor within fourteen (14) days.

## Except:

#### as provided in this Clause 30 (*Defects Liability Period*), Clause 31 (*Latent Defects*) and Clause 36 (*Indemnities*); and

#### pursuant to Laws (including applicable Laws relating to liability for defects in construction work, which the Contracting Parties acknowledge will apply),

the Contractor shall be under no liability whatsoever and howsoever arising under this Contract in respect of Defects in the Works, any Materials, design, engineering or work executed or breach of any warranty or guarantee which appears after the end of the Defects Liability Period for the Works.

## The Contractor shall use all reasonable endeavours (having regard to good commercial practice) to obtain for the benefit of the Employer (including in such form capable of assignment to the Lenders) warranties from any Subcontractor, manufacturer or supplier in respect of Materials or any part of the Works for the longest period possible and at the end of the Defects Liability Period, the Contractor shall at its sole cost assign all remaining manufacturers’ warranties to the Employer if requested to do so by the Employer and shall assist the Employer to enforce the warranties against the relevant Subcontractor, Manufacturers or Suppliers for the benefit of the Employment.

## Notwithstanding the issue of a Defects Liability Certificate, the Contractor and the Employer shall remain liable for the fulfilment of any obligation incurred under this Contract prior to the issue of the Defects Liability Certificate which remains unperformed at the time of such Defects Liability Certificate is issued and, for the purposes of determining the nature and extent of each such obligation, this Contract shall be deemed to continue in force between the Contracting Parties.

## Without limiting the Contractor’s obligations to provide the Manuals in accordance with this Contract the Contractor shall procure that all suppliers and/or manufacturers for the relevant Airport or any part of it will supply the Contractor with such information, data and other material as the Employer may reasonably require for the maintenance thereof. The Contractor will use its best endeavours to procure that all suppliers and/or manufacturers of Materials will offer to provide directly or through authorised agents or distributors prevention and other maintenance services for at least two (2) years after the date of issue of the Defects Liability Certificate for the Works upon terms and at prices which are to the Contractor’s reasonable knowledge and belief no higher than those charged by any such person under similar circumstances or conditions.

# Latent Defects

## Notwithstanding the issue of a Defects Liability Certificate, the Contractor shall be responsible for carrying out all necessary Remedial Work at its cost and expense and with all possible speed in respect of any Latent Defect in the Works as well as any damage to the relevant Airport caused by such Latent Defect which appears or occurs at any time before the expiry of the period of five (5) years commencing on the date of issue of the Substantial Completion Certificate for the Lyon Airport Section or the Grenoble Airport Section, as applicable.

## “**Latent Defects**” are defects in design or engineering of or workmanship or materials incorporated into the relevant Airport arising from any act or omission of the Contractor or other failure to comply with the requirements of this Contract prior to the issue of the Defects Liability Certificate in respect of the Works which a reasonable examination by the Employer prior to expiry of the Defects Liability Period would not have disclosed **provided that** such defects shall not include those defects:

#### where, at the time of discovery of the Defect, the repair or replacement is already contemplated for such parts under the recommendations contained in the operating and maintenance manuals; or

#### if and to the extent that such Defect has occurred due to the operation or maintenance of the Works in a manner other than as advised in the final operating and maintenance manuals submitted by the Contractor to the Employer before the issue of the relevant Substantial Completion Certificate; or

#### if and to the extent that such Defect has occurred due to operation of the relevant Airport outside the Specification; or

#### are the result only of normal wear and tear.

## The Contractor shall submit to the Employer for its approval details of the Remedial Work which it proposes to make pursuant to this Clause 31 (*Latent Defects*), the estimated duration of such Remedial Work, details of such affected parts of the relevant Airport as it may be necessary to shut down and the proposed dates for such Remedial Work. The Employer shall afford the Contractor such access to the relevant Airport as may be reasonable in all the circumstances for such purposes. If the Remedial Work can be carried out without shutting down the relevant Airport, the Contractor shall carry out such Remedial Work as soon as reasonably practicable. If the Remedial Work necessitates the shutting down of part of the relevant Airport, the Remedial Work shall be carried out at a time and for periods agreed with the Employer.

## The Contractor shall, in undertaking any Remedial Work under this Clause 31 (*Latent Defects*) which could affect the safe and efficient use or the operation of the relevant Airport, observe all reasonable requirements of the Employer with regard to safe and efficient use or operation thereof and shall in any event comply with the relevant Site’s security, safety and operational requirements. The Employer may request that the Tests on Completion be repeated to the extent necessary. The request shall be made by notice within twenty eight (28) days after the completion of the Remedial Work. Such repetition of the Tests on Completion shall be carried out in accordance with Clause 26 (*Tests on Completion*) at the Contractor’s expense.

# Limitation on Liability

## The Contractor shall not be liable to the Employer for any loss of profit or revenue, loss of use of equipment or associated equipment, loss of production or down time costs, loss of opportunity, loss of contract, loss of goodwill, the cost of obtaining any new financing or maintaining any existing financing (including the making of any scheduled or other repayment or prepayment of debt and the payment of any interest or other costs, fees or expenses incurred in connection with the obtaining or maintaining of financing) or other consequential loss, except as follows:

#### to the extent such losses or costs would otherwise be recoverable in the case of fraud, fraudulent misrepresentation, wilful misconduct or corrupt practices;

#### under Clauses 3.6 and/or 3.7 (*Scope of Works*);

#### liquidated and ascertained damages under Clause 29.3 (*Delay Damages*);

#### under Clause 30.4(b) (*Defects Liability Period*);

#### any liability under Clause 36 (*Indemnities*) to indemnify the Employer in respect of a liability of the Employer towards any third party (for the avoidance of doubt, including the Conceding Authority);

#### to the extent such losses or costs would otherwise be recoverable pursuant to Clause 37.12 (*Insurance*);

#### under Clause 43 (*Termination for Contractor Default*); and

#### as may be otherwise expressly provided under this Contract.

## The aggregate liability of the Contractor under this Contract shall not exceed 50% (fifty per cent) of the Contract Price, however the limit on liability imposed by this Clause 32.2 shall not apply to liability arising from the following, nor shall liability arising from the following be counted as accruing towards the limit on liability imposed by this Clause 32.2:

#### liability arising as a result of abandonment of the Works by the Contractor;

#### any compensation that is recovered pursuant to the insurance provisions;

#### liability which would otherwise be recoverable in the case of fraud, fraudulent misrepresentation, wilful misconduct or corrupt practices;

#### liability under Clause 36 (*Indemnities*) to indemnify the Employer in respect of a liability of the Employer towards any third party (for the avoidance of doubt, including the Conceding Authority) in respect of death or injury of persons or damage to property; and

#### liability to indemnify or otherwise compensate the Employer under or in connection with this Contract in relation to breach of Laws.

## The Employer shall not be liable to the Contractor for any loss of profit or revenue, loss of use of equipment or associated equipment, loss of production or down time costs, loss of opportunity, loss of contract, loss of goodwill, the cost of obtaining any new financing or maintaining any existing financing (including the making of any scheduled or other repayment or prepayment of debt and the payment of any interest or other costs, fees or expenses incurred in connection with the obtaining or maintaining of financing) or other consequential loss, except as follows:

#### to the extent such losses or costs would otherwise be recoverable in the case of fraud, fraudulent misrepresentation, wilful misconduct or corrupt practices;

#### to the extent such losses or costs would otherwise be recoverable pursuant to Clause 37.12 (*Insurance*);

#### any liability under Clause 36 (*Indemnities*) to indemnify the Contractor in respect of a liability of the Contractor towards any third party; and

#### as may be otherwise expressly provided under this Contract.

## The aggregate liability of the Employer under this Contract shall not exceed 50% (fifty per cent) of the Contract Price, however the limit on liability imposed by this Clause 32.4 shall not apply to liability arising from the following, nor shall liability arising from the following be counted as accruing towards the limit on liability imposed by this Clause 32.4:

#### liability to pay the Contract Price;

#### liability to pay Cost under any express provision of this Contract;

#### liability which would otherwise be recoverable in the case of fraud, fraudulent misrepresentation, wilful misconduct or corrupt practices;

#### liability under Clause 36 (*Indemnities*) to indemnify the Contractor in respect of a liability of the Contractor towards any third party;

#### liability to indemnify or otherwise compensate the Contractor under or in connection with this Contract in relation to breach of Laws;

#### liability under Clause 37.9 (*Insurance*) in respect of any risk expressly borne by the Employer under that Clause; and

#### liability under Clause 37.12 (*Insurance*).

# Remedies

## If a remedy is not expressly provided in the Contract the parties shall have the rights and remedies available to them under the laws of England and Wales.

## Save as provided in Clause 8.12 (*Payment*), no approval, expression of satisfaction, comment, review, test inspection, payment or certificate made or given (or any failure to make or give the same) by the Employer, the Technical Adviser or the Conceding Authority under this Contract, or under the Concession Contract or by any of such persons’ representatives, agents or advisers shall relieve the Contractor of any of its obligations, risks or liabilities under this Contract.

## In all cases the Contracting Party claiming a breach of this Contract or a right to be indemnified in accordance with this Contract shall be obliged to take all reasonable measures to mitigate the loss or damage which has occurred or may occur. Such reasonable measures shall not be construed as an obligation on either Contracting Party to incur costs or to do anything in breach of this Contract or any Law, or for the Employer to do anything in breach of the Project Documents or the Finance Documents.

SECTION 8  
RISK ALLOCATION

# Transfer of Ownership

## Subject to any mandatory provisions whereby ownership of the Material is transferred to the Conceding Authority upon construction or installation, ownership of the Materials to be supplied pursuant to this Contract shall be transferred to the Employer at whichever is the earlier of the following times:

#### when Materials are delivered to the Site; or

#### when, by virtue of Clause 8 (*Payment*) and Part A of Schedule 2 (*Terms of Payment*), the Contractor becomes entitled to payment of the value of the Materials.

## Ownership of the Construction Equipment used by the Contractor and its Subcontractors in connection with the Works shall remain with the Contractor or its Subcontractors.

## Ownership of any Materials for which the Contractor has not been paid in excess of the requirements for the Works shall revert to the Contractor upon issue of the Final Completion Certificate of the Works or at such earlier time as the Employer and the Contractor agree that the Materials in question are no longer required for the Works.

## Notwithstanding the transfer of ownership of the Construction Equipment and Materials, the responsibility for care and custody thereof, together with the risk of loss or damage thereto, shall as between the Employer and the Contractor be as prescribed in Clause 35 (*Care of Works*).

## The Contractor shall not file, claim or register any lien or encumbrance and shall use its best efforts to prevent any lien or encumbrance from being filed, claimed or registered by any Subcontractor or by any employee, servant or agent of the Contractor or Subcontractor against the Site, any property of the Conceding Authority, the Employer or the Contractor for any Works done or any services rendered or any Construction Equipment or Materials supplied under this Contract or any Subcontract let by the Contractor.

## In the event that any such lien or encumbrance should be filed, claimed or registered by any such person against any Materials or Construction Equipment or the Site or any property of the Employer or the Contractor or against any monies then due or to become due to the Contractor from the Employer, the Contractor shall immediately notify the Employer and shall promptly discharge, by bond or otherwise, such lien or encumbrance or attachment, and exonerate, indemnify, and protect the Employer against any loss, damage, or reasonable expense in connection therewith, including legal fees.

## Until any lien or encumbrance contemplated by Clause 34.6 is fully discharged, the Employer shall have the right to withhold 100% (one hundred per cent) of the full amount thereof from any payments to be made to the Contractor, and such withholding of payment shall not affect the other rights and obligations of the Contracting Parties under this Contract. Alternatively, the Employer may discharge the lien and encumbrance by paying the appropriate amount directly to the relevant party and deduct such amount from further payments to be made to the Contractor pursuant to this Contract.

## If at any time the Contractor shall allow indebtedness to accrue for labour, Construction Equipment, Materials supplied under this Contract for which the Employer may become liable for payment or which may become a lien or encumbrance on the Works or any part thereof or supplies therefor or on the Site or any property of the Employer, the Employer may withhold payment in an amount equal to such indebtedness until the Contractor has delivered satisfactory evidence that the said indebtedness has been fully discharged.

## On its application for each Interim Payment Certificate, the Substantial Completion Certificate and the Final Completion Certificate for the Works, the Contractor shall certify to the Employer, by way of a certificate (the “**Release of Liens and Claims Certificate**”), which shall be substantially in the form set out in Schedule 19, (*Form of Release of Liens and Claims Certificate*) that it has no knowledge of any outstanding liens, encumbrances or claims which may result in liens, encumbrances or claims affecting the Works or the Site.

## With respect to any lien, encumbrance or claim outstanding at the date of issue of the Defects Liability Certificate or termination of the Contractor’s engagement under this Contract, the Contractor shall promptly pay or allow to the Employer all reasonable costs incurred or likely to be incurred by the Employer in extinguishing such liens, encumbrances or claims, including any costs of filing and legal fees.

# Care of Works

## The Contractor shall be responsible for the care and custody of:

#### the Works (including Materials intended for incorporation therein, wherever situated) until the earlier of the date of issue of the Substantial Completion Certificate for that Section pursuant to Clause 27 (*Substantial Completion*) or the date of termination of the Contractor’s engagement under this Contract and shall make good forthwith, subject to Clause 37.9 (*Insurance*), any loss or damage that may occur to the relevant Section or Materials from any cause (including any tests or inspections conducted in connection with the relevant Section during such period; and

#### any outstanding work being carried out by the Contractor after such period and making good any loss or damage to such work from any such cause and for making good any loss or damage to the relevant Section or Materials caused by the Contractor or its Subcontractors and the completion and/or rectification of the Punch List Items in the course of any work carried out pursuant to Clause 30 (*Defects Liability Periods*) and Clause 31 (*Latent Defects*).

## The Contractor (as between the Contracting Parties) shall be responsible for the care and custody of the Construction Equipment and other property of the Contractor used or intended to be used for the purposes of the Works, subject as otherwise provided at Clause 37.9 (*Insurance*) in relation to risks of loss or damage to any Construction Equipment or other such property of the Contractor.

# Indemnities

## The Contractor shall indemnify and hold harmless the Employer from and against any and all losses, damages, expenses (including legal fees and expenses), fines, penalties, claims and proceedings (of whatsoever nature), in respect of:

#### personal injury to or the sickness, disease or death of any person whomsoever arising out of or in the course of or by reason of the carrying out of the Works, the remedying of Defects or the carrying out of any of the Contractor’s other activities under this Contract except in any such case to the extent that the same is due to any act or gross negligence of the Employer or any other person for whom the Employer is responsible under this Contract;

#### loss or damage to any property, real or personal to the extent such loss or damage arises out of or in the course of or by reason of the carrying out of the Works (including any tests or inspections conducted in connection with the Works), the remedying of Defects or the carrying out of any of the Contractor’s other activities under this Contract except in any such case to the extent that the same is due to any act or gross negligence of the Employer or any other person for whom the Employer is responsible under this Contract;

#### loss or damage suffered by third parties as a result of the activities of the Contractor, its employees and/or Subcontractors to the extent such loss or damage arises out of or in the course of or by reason of the carrying out of the Works, the remedying of Defects or the carrying out of any of the Contractor’s other activities under this Contract except in any such case to the extent that the same is due to any act or gross negligence of the Employer or any other person for whom the Employer is responsible under this Contract;

#### direct and indirect damages incurred by the Conceding Authority or any other person due to accidents occurring on those parts of the Site on which the Contractor is carrying out the Works, irrespective of the fault of the Contractor;

#### any breach of Clauses 5.15 (*Contractor’s Responsibilities*), 6.2 (*Warranties*), 11.1 (*Taxes and Duties*), 12 (*Supply of Documents and Licence for Use*), 22.4 and 22.5 (*Construction Process*); and

#### any breach by the Employer of its obligations under the Concession Contract which arises from or is caused by or contributed to any act or omission of the Contractor.

## The Employer shall indemnify and hold harmless the Contractor and its employees, officers, and agents (and the Contractor acts for itself in connection with such indemnity and as trustee for its employees, officers, and agents) from and against any and all losses, damages (including liability of the Contractor to Subcontractors and Subcontractors’ employees, officers and agents under any indemnity, in terms similar to this Clause 36.2, contained in any Subcontract), expenses, (including legal fees and expenses) fines, penalties, claims and proceedings of whatsoever nature in respect of personal injury, sickness, disease or death to the extent caused by any wilful acts or gross negligence of the Employer or its employees, officers, directors or agents.

## If any proceedings are brought or any claim is made against a Contracting Party entitled to the benefit of an indemnity under this Clause 36 (*Indemnities*), that Contracting Party shall promptly give the indemnifying Contracting Party notice thereof and the indemnifying Contracting Party may at its own expense but in the other Contracting Party’s name conduct such proceedings or claims and any negotiations for settlement of any such proceedings or claims. If the indemnifying Contracting Party fails to notify the other Contracting Party within twenty eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claims, then the other Contracting Party shall be free to conduct the same on its own behalf. Unless the indemnifying Contracting Party has so failed to notify the other Contracting Party within the twenty eight (28) day period, the other Contracting Party shall make no admission which may be prejudicial to the defence of any such proceedings or claims. The other Contracting Party shall, at the indemnifying Contracting Party’s request, afford all available assistance to the indemnifying Contracting Party in conducting any such proceedings or claims, and shall be reimbursed by the indemnifying Contracting Party for all reasonable expenses incurred in so doing.

# Insurance

## The Employer shall at its expense take out and maintain in effect during the execution of the Works all insurances specified in Part A (*Employer’s Insurances*) of Schedule 1 (*Insurances*) in the sums and with the deductibles and other conditions also specified therein. The Conceding Authority and the Security Agent shall be added as an additional insured under all such insurances. The Security Agent shall be named as loss payee under all such policies, with the exception of the construction third party liability and construction aviation third party liability insurances. The Employer shall procure that all insurers’ rights of subrogation against such co-insureds or additional insured for losses or claims arising out of performance of this Contract shall be waived under such policies (except where such rights of subrogation are acquired in consequence of a vitiating act by that co-insured). The Employer shall deliver to the Contractor satisfactory evidence that the required insurances are in full force and effect. The policies shall provide that not less than twenty one (21) days’ notice shall be given to the Contractor by all insurers prior to any cancellation or material modification of the policies.

## If the Employer fails to take out and/or maintain in effect the insurances referred to in Clause 37.1 above, the Contractor may take out and maintain in effect any such insurances and may claim reimbursement of any premium which the Contractor shall have paid to the insurer as an Additional Payment subject to Clause 9 (*Claims for Additional Payments*).

## The Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of this Contract those insurances specified in Part B (*Contractor’s Insurances*) of Schedule 1 (*Insurances*) in the sums and with the deductibles and other conditions also specified therein. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

## The Contractor shall procure, and shall ensure that the Subcontractors procure, that the insurer’s right of subrogation against the Employer, the Lenders and the Conceding Authority for losses or claims arising out of the performance of this Contract shall be waived under all insurances taken out by the Contractor or the Subcontractors in relation to the Project. The Contractor shall deliver to the Employer satisfactory evidence that the required insurances are in full force and effect. The policies shall provide that not less than twenty one (21) days’ notice shall be given to the Employer by all insurers prior to any cancellation or material modification of the policies.

## The Contractor shall ensure that, where applicable, the Subcontractors shall take out and maintain in effect adequate insurance policies for their own personnel and vehicles and all work executed by them under this Contract unless the Subcontractors are covered by the policies taken out by either the Employer or the Contractor.

## If the Contractor fails to take out and/or maintain in effect the insurances referred to in Clause 37.3 or fails to ensure that the Subcontractors take out and/or maintain in effect the insurances referred to in Clause 37.5, the Employer may take out and maintain in effect any such insurances and may from time to time deduct from any amount due to the Contractor under this Contract any premium which the Employer shall have paid to the insurer or otherwise recover such amount as a debt due from the Contractor.

## The Contractor shall promptly, and in any case within five (5) Business Days, notify the Employer and the relevant insurer(s) of any actual or, upon obtaining knowledge thereof, potential loss or claim under any insurance policy referred to in this Clause 37 (*Insurance*), accompanied by details of the circumstances giving rise to such loss or claim (or potential loss or claim). Each Contracting Party shall give the other all such assistance as may be appropriate in connection with any claims that may be made under the policies of insurance effected pursuant to this Clause 37 (*Insurance*). Neither Contracting Party shall give any release or make any compromise with any insurer without the prior written consent of the other. The Contractor shall promptly forward to the Employer copies of all claim notifications and other correspondence between the Contractor and any insurer (including correspondence relating to the settlement or adjustment of claims).

## Each Contracting Party shall notify its respective insurers of any changes in the nature, extent or programme for the execution of the Works and comply with any other requirements imposed by its respective insurers. Neither Contracting Party shall make any material alteration to the terms of any insurance without the other Contracting Party’s prior written approval. If an insurer makes (or attempts to make) any alteration, the relevant Contracting Party shall promptly give notice thereof to the other.

## The Contracting Parties have agreed to allocate non-insured losses between themselves as follows.

#### The Contractor shall bear (without recovery from the Employer as Cost or otherwise) Deductibles applying to loss or damage to the Works or Materials, unless the cause of the loss or damage was the breach of contract or negligence or other act, omission or default of the Employer. If the cause of the loss or damage to the Works or Materials was the breach of contract or negligence or other act, omission or default of the Employer, the Contractor shall be entitled to be paid, as Cost, 50% (fifty per cent) of any loss or cost suffered or incurred by it as a result of the application of the Deductibles with the Employer being paid the remaining 50% (fifty per cent) of any such loss or cost.

#### The Employer shall bear the risk that the Works and/or Materials (in the case of Materials, only from the date on which such Materials begin to be transported to Site) suffer loss or damage due to a peril which is not insured under a policy effected by the Employer pursuant to Part A (*Employer’s Insurances*) of Schedule 1 (*Insurances*), and which is not caused by defects in any Works or Materials or by the Contractor’s or its Subcontractors’ or their respective employees’ or agents’ breach of this Contract or negligent acts or omissions. The Contractor shall be entitled to an Additional Payment of its Cost reasonably and properly incurred on making good such loss and damage where resulting from the risk borne by the Employer under this paragraph (b).

#### The Employer shall bear the risk that the cost of making good loss or damage to the Works and/or Materials exceeds the maximum limit of indemnity on any relevant policy effected by the Employer pursuant to Part A (*Employer’s Insurances*) of Schedule 1 (*Insurances*), save where such excess is caused by the Contractor’s breach of Clause 37.11. Save as aforesaid, the Contractor shall be entitled to receive an Additional Payment of its Cost reasonably and properly incurred on such making good, to the extent exceeding the said maximum limit of indemnity.

#### The Contractor shall bear the risk that, where:

##### the Works and/or Materials; and/or

##### the Construction Equipment and/or other property of the Contractor used or intended to be used for the purposes of the Works

suffer loss or damage due to a peril which is insured under a policy effected by the Employer pursuant to Part A (*Employer’s Insurances*) of Schedule 1 (*Insurances*) and the cost of making good such loss or damage does not exceed the maximum limit of indemnity on any relevant policy effected by the Employer pursuant to Part A (*Employer’s Insurances*) of Schedule 1 (*Insurances*), the proceeds received from insurers are less than the cost which the Contractor considers that it should have received under the relevant policy of insurance. In such circumstances the Contractor shall comply with its obligations under Clause 35 (*Care of Works*) to make good such loss and damage (and shall, if required for the Works, repair or replace any Construction Equipment and other property of the Contractor used or intended to be used for the purposes of the Works) and shall not be entitled to any Additional Payment or adjustment to the Contract Price (save as regards any amount payable to the Contractor in respect of Deductibles pursuant to paragraph (a) above).

Save as aforesaid, nothing in this Clause 37 (*Insurance*) limits the obligations, liabilities or responsibilities of the Contracting Parties under the other terms of this Contract or otherwise.

## If the Employer fails to take out and/or maintain the relevant insurance, and the Contractor does not approve such omission nor effects replacement insurance pursuant to Clauses 37.2 or 37.6, any monies which would have been recoverable by the Employer under the relevant insurance had it been properly taken out and maintained as required, shall be paid or allowed by the Employer to the Contractor.

## The Contractor shall provide and the Employer shall ensure that full disclosure is made through the brokers to those insurers (the “**Insurers**”) providing insurance cover in respect of any risk relating to the Works or the Project where the Contractor is an insured, of:

#### all information which the Insurers specifically request to be disclosed;

#### all information which is of a type which insurance brokers in relation to the relevant policy advise should be disclosed to the Insurers;

#### without prejudice to the above, all technical information to the extent required to be provided by the Contractor under this Contract;

#### details of any significant problems encountered in relation to the Works; and

#### all other information which the Contractor acting in accordance with Good Engineering Practice and in good faith could reasonably consider to be material to the relevant insurance coverage.

The Contractor shall put in place appropriate internal reporting procedures to ensure that full disclosure as described above is made by the management and managers of the Contractor.

## Each Contracting Party shall indemnify the other Contracting Party for any loss which it suffers as a result of not being able to recover under the insurances as a result of misrepresentation, non-disclosure, want of due diligence or breach of any declaration, condition or warranty contained in the relevant insurance policy or in respect of any other act or omission of such Contracting Party or (in case of the Contractor any Subcontractor) which vitiates or otherwise renders unenforceable or irrecoverable any such policy or claim thereunder. This indemnity shall apply notwithstanding any other exclusion of liability in this Contract.

# EPC Force Majeure

## “**EPC Force Majeure**” means any event beyond the reasonable control of the affected party (excluding a Political Event), whose occurrence could not have been reasonably foreseen at the date of the Concession Contract. Non-exhaustive examples of EPC Force Majeure include war whether declared or not, revolution, riot, insurrection, strikes, administrative or other decision of relevant authority, civil commotion, invasion, armed conflict, hostile act of a foreign enemy, blockade, embargo, act of terrorism, sabotage, civil disturbance, radiation or chemical contamination, ionizing radiation, explosion, fire, epidemic, cyclone, tidal wave, landslide, lightning, earthquake, flood, fire, volcanic eruption, other natural disaster or calamity of any kind and any other similar event.

## If by reason of EPC Force Majeure a Contracting Party is wholly or partially prevented from performing any of its obligations under this Contract (an “**Affected Party**”), the Affected Party shall:

#### give the other Contracting Party notice of the occurrence of EPC Force Majeure as soon as practicable after becoming aware thereof, but in any event, no later than five (5) days, after the occurrence of EPC Force Majeure;

#### give the other Contracting Party a second notice, describing the event constituting the EPC Force Majeure in reasonable detail and, to the extent that can be reasonably determined at the time of the second notice, providing:

##### the date and nature of the event constituting the EPC Force Majeure;

##### details in respect of the duration or estimated duration of the event constituting the EPC Force Majeure;

##### any measures taken in respect of that EPC Force Majeure event;

##### any correspondence with national or international institutions documenting that EPC Force Majeure event;

##### a preliminary evaluation of the obligations affected;

##### a preliminary estimate of the period of time that the Affected Party will be unable to perform the obligations;

##### where infrastructure, facilities or equipment have been damaged, an estimate of the time and expense necessary to restore them;

##### insurance proceeds which may be recovered; and

##### other relevant matters,

as soon as practicable, but in any event, not later than fifteen (15) days after the date of the occurrence of the EPC Force Majeure.

When appropriate or when reasonably requested to do so by the other Contracting Party (and without limitation, where required in order for the Employer to perform its obligations or benefit from its rights under under clause 14 of the Concession Contract), the Affected Party shall provide further notices to the other Contracting Party more fully describing the matters referred to in paragraph (b) above.

## The Affected Party shall also provide notice to the other Contracting Party of:

#### the date of the cessation of the event of EPC Force Majeure;

#### the cessation of the effects of the event of EPC Force Majeure on the Affected Party’s ability to recommence performance of its obligations under this Contract;

#### any damages resulting from the event of EPC Force Majeure; and

#### details of any delays and estimated cost increases,

as soon as possible, but, in any event, not later than four (4) Business Days (in the case of Clause 38.3(a) and fourteen (14) days in all other cases after the cessation of the EPC Force Majeure Event. Notwithstanding Clause 38.3(d) the Contract Price will not be increased and the Contractor will not be entitled to any compensation due to an event of EPC Force Majeure or a Political Event.

## Following a notice by the Affected Party in accordance with Clause 38.2 and 38.3 the Employer shall use best efforts to discuss the event of EPC Force Majeure with the Conceding Authority. Where the Affected Party is the Contractor, it shall not be liable for any failure or delay in complying with any obligation under this Contract **provided and to the extent that** equivalent relief has actually been obtained by the Employer from the Conceding Authority under clause 14 of the Concession Contract (and Clause 3.9 (*Scope of Works*) shall apply to such relief). Where the Affected Party is the Employer, it shall not be liable for any failure or delay in complying with any obligation under this Contract, provided that a Force Majeure Event shall not relieve any Contracting Party of its payment obligations.

## Notwithstanding the occurrence of EPC Force Majeure an Affected Party shall use all reasonable endeavours to mitigate the effects of the event of EPC Force Majeure, including the payment of all reasonable sums of money by or on behalf of the Affected Party, which sums are reasonable given the likely efficacy of the mitigation measures.

## The Contractor shall endeavour to continue the performance of its obligations under this Contract insofar as reasonably practicable and notify the Employer of the steps it proposes to take including any reasonable alternative means for performance which are not prevented by EPC Force Majeure. The Contractor shall take such steps unless and to the extent the Employer directs the Contractor not to do so.

## If the Works shall suffer loss or damage in consequence of an event of EPC Force Majeure which is insured, the provisions of Clause 35 (*Care of Works*) shall apply.

## Either one of the Contracting Parties shall be entitled to terminate this Contract forthwith on written notice to the other at any time if the prevention of the Affected Party’s performance by reason of an event of EPC Force Majeure continues over a period of one hundred and eighty (180) days in the aggregate within any period of twenty four (24) months, in which case Clause 46 (*Non-Fault Termination*) shall apply.

# Changes

## The Employer shall have the right to propose and subsequently to order the Contractor from time to time during the performance of this Contract to make any change, modification, addition or deletion to, in or from the Specification and the Works and/or to change or restrict the Contractor’s conditions and methods of working (a “**Change**”).

## If the Employer proposes a Change pursuant to Clause 39 (*Changes*) above, the Contractor shall submit within fourteen (14) days of receipt of the Employer’s proposal:

#### a description of the impact of the proposed Change on the carrying out of the Works, including details of any additional or varied work necessary in order to implement it, and a method statement for such implementation;

#### in the case of a Change, a costing of the adjustment, if any, to the Contract Price (using for valuation purposes the basis set out in Clause 39.6(b) and setting out details of the changes which are required to Part C (*Indicative Breakdown of the Contract Price*) of Schedule 2 (*Payment*)) which the Contractor considers would arise if the proposed Change were implemented;

#### details of the timing which the Contractor considers would apply to the payment of any additional or altered amounts or parts of the Contract Price and any consequent changes which would be required to the payment profile (including but not limited to the Activities set out in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*)) if the proposed Change were implemented;

#### a programme for the implementation of the proposed Change, details of any effect which the Contractor considers the same would have on the Programme, and a statement of any extension of time which the Contractor considers would be required, to Milestone Dates, the relevant Target Date for Substantial Completion and/or the relevant Target Date for Final Completion as a result of the implementation of the proposed Change; and

#### if the Contractor considers that the implementation of the proposed Change would be inconsistent with the performance of the Contractor’s obligations under this Contract, a statement of such modifications of its obligations under this Contract as the Contractor believes to be necessary in response to the Change (including in either case to any performance tests),

and all information in support of the above which is reasonably required in order for the Employer to assess the Contractor’s submissions.

## Within fourteen (14) days of receipt of the Contractor’s submissions pursuant to Clause 39.2, the Employer shall notify the Contractor whether it wishes the Contractor to carry out the Change in principle. If so, the Employer and the Contractor shall each take reasonable steps to agree the details of the Contractor’s submission referred to in Clause 39.2.

## If the Employer notifies the Contractor that it wishes the Contractor to carry out the Change in principle in accordance with Clause 39.3, the Contractor shall supply such further Documents as the Employer may require to obtain any requisite approval from any Public Sector Entity.

## If, pursuant to the Employer’s request under Clause 39 (*Changes*), the Contracting Parties have agreed the details of the Contractor’s submission referred to in Clause 39.2 (or any alterations thereto) and all requisite approvals (including any approval of the Conceding Authority pursuant to the Concession Contract) have been obtained by the Employer, the Employer shall issue a change order (a “**Change Order**”) documenting all such matters and the Employer shall in particular grant any agreed extension of time to Milestone Dates, the relevant Target Dates for Substantial Completion and the relevant Target Dates for Final Completion pursuant to Clause 40 (*Extension of Time*), make any agreed adjustments to the Contract Price, including giving effect to agreed adjustments to Parts C (*Indicative Breakdown of the Contract Price*) and as required, adjust the Activities set out in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*) and any other provisions of this Contract which it is agreed are to be adjusted.

## In relation to any Change:

#### if the Contracting Parties have agreed a Change pursuant to Clause 39 (*Changes*) in principle and all requisite approvals have been attained but the Contracting Parties have been unable to agree upon the details of the Contractor’s submission, the Employer may issue a Change Order requiring the Contractor to implement the Change, in which case either Contracting Party may refer disputed outstanding matters to be resolved pursuant to Clause 60 (*Settlement of Disputes and Jurisdiction*);

#### any adjustments to the Contract Price shall be valued using Part C (*Indicative Breakdown of the Contract Price*) of Schedule 2 (*Payment*). In the event of disagreement, the Employer shall determine what would be a fair valuation and shall notify the Contractor accordingly. Any such determination shall, for the avoidance of doubt, be without prejudice to the right of the Contractor to refer the matter for resolution pursuant to Clause 60 (*Settlement of Disputes and Jurisdiction*).

## On receipt of a Change Order under Clauses 39.5 or 39.6, the Contractor shall forthwith proceed to carry out the Change and be bound to the terms and conditions of this Contract in doing so as if such Change were required under this Contract. For avoidance of doubt, implementation of a Change shall not be delayed pending the resolution of any dispute referred to in Clause 39.6.

## Notwithstanding Clauses 39.1 and 39.2 above, no change, modification, addition or deletion to, in or from the Specification, Works or Contractor’s conditions and methods of working made necessary due to any default of the Contractor in the performance of its obligations under this Contract shall be deemed to be a Change and any such change, modification, addition or deletion to, in or from the Specification shall not result in any Additional Payment or adjustment of the Contract Price or extension of time.

## The Contractor may from time to time during its execution of the Works propose to the Employer any change which the Contractor considers necessary or desirable to improve the quality, efficiency or safety of the Works. Such proposal shall contain a description of the Work to be performed in order to implement such Change and a method statement for its execution. The Employer may at its discretion approve or reject any Change proposed by the Contractor. A Change approved pursuant to this Clause 39.9 shall be at the cost of the Contractor and implementation thereof shall not affect the Contractor’s obligations under this Contract and in particular its obligations to attain the Milestone Dates and the Target Dates for Substantial Completion. If the Employer in its discretion rejects, or declines to approve, a Change proposed by the Contractor this shall not relieve the Contractor of any obligation or liability under this Contract.

## The Contractor shall, within a period of ten (10) days from the receipt of a Change Order under Clause 39.5 or 39.6, or the approval by the Employer of a Change under Clause 39.9, submit to the Employer a revised Programme to be approved by the Employer and the Technical Adviser (such approval not to be unreasonably withheld).

## A notice given by the Employer in relation to a Change shall be valid only if endorsed by the Technical Adviser.

# Extension of Time

## Subject to this Clause 40 (*Extension of Time*), the Contractor shall be entitled to claim an extension of time from the Employer if the progress with respect to the achievement of a Section (including activities following Substantial Completion of a Section, in relation to which the Target Date for Final Completion therefor may be extended) is delayed hereunder as a direct result of:

#### the occurrence of an event of EPC Force Majeure as specified in Clause 38.1 (*EPC Force Majeure*);

#### the occurrence of a Political Event (as defined in the Concession Contract) as specified in clause 15 of the Concession Contract;

#### any Change Order being issued pursuant to Clause 39 (*Changes*);

#### any delay occasioned by a suspension pursuant to Clause 41 (*Suspension*) other than suspension covered by Clauses 41.1(a) to 41.1(c) inclusive; or

#### any breach of this Contract or other act of prevention by the Employer, its agents or employees;

subject, in each case, to Clause 40.5(d).

## Notwithstanding Clause 3.9, the Contractor shall not be entitled to an extension of time by reason of the Employer having received an extension of time under the Concession Contract, unless the reason for the Employer receiving such extension of time is one of the matters referred to in Clause 40.1. In other circumstances where the Employer receives an extension of time under the Concession Contract, the Contractor shall not receive any extension of time under this Contract.

## Subject to Clause 40.4 the Contractor shall give written notice to the Employer as soon as it can reasonably foresee an event occurring which will cause delay to the progress of the Works or delay (or further delay) to the achievement of Milestone Dates or Substantial Completion of any Section or Final Completion of any Section, or if the same is not foreseeable, as soon as it shall become aware of such event or in any case within fourteen (14) days of such event becoming apparent to the Contractor or of the date upon which the same ought reasonably to have become apparent to the Contractor. Thereafter, but in any event not later than fourteen (14) days after such notification the Contractor shall give further written details to the Employer which shall include:

#### the cause or causes of such delay;

#### the extent to which in its opinion such delay is caused by the causes set out in Clause 40.1;

#### details of the circumstances from which the delay arises;

#### details of the contemporary records which the Contractor will maintain to support and evidence its claim;

#### details of the consequences whether direct or indirect such delay may have on the critical path programme for attainment of Milestone Dates, the Target Date for Substantial Completion of any Section and the Target Date for Final Completion therefor;

#### details of any extension to Milestone Dates, the Target Date for Substantial Completion of any Section and the Target Date for Final Completion of any Section to which the Contractor may consider itself entitled in accordance with this Clause 40 (*Extension of Time*) resulting from such delay; and

#### details of any measures which the Contractor proposes to adopt to mitigate the consequences of such delay.

The Contractor shall keep such contemporary records as may be reasonably necessary to support and evidence any claim for an extension of time. Without admitting any liability, the Employer may at any time inspect the Contractor’s contemporary records and may make reasonable requests for the Contractor to keep further contemporary records. The Contractor shall permit the Employer and the Technical Adviser to inspect all records kept pursuant to this Clause 40.3 and shall supply copy Documents on request.

## In respect of a Change, the Contractor shall not be required to give notice pursuant to Clause 40.3 in respect of any delay which is anticipated to arise as a result of the Change but shall instead provide the details required by Clause 39.2 (*Changes*) in respect of the Change. The Contracting Parties shall then seek to agree, or have determined, if appropriate, the extension of time in respect of such anticipated delay in the same manner as they seek agree or have determined the other details of a Change in accordance with Clause 39 (*Changes*), and any agreed extension of time shall be set out in the relevant notice to implement or Change Order.

## Subject to due compliance by the Contractor with Clause 40.3, or if Clause 40.4 or Clause 40.7 applies, the Employer shall as soon as reasonably practicable from time to time grant to the Contractor either prospectively or retrospectively such extension of time to Milestone Dates, the Target Date for Substantial Completion of any Section and the Target Date for Final Completion of any Section as shall be reasonable in all the circumstances (or in the case of a Change, as agreed or determined as referred to in Clause 40.4) and the Employer shall fix revised dates accordingly **provided always that**:

#### the Contractor shall not be entitled to any extension of time to Milestone Dates, the Target Date for Substantial Completion of any Section and Target Date for Final Completion of any Section to the extent that any delay is due to any act, neglect, omission or default of the Contractor or any person for whom the Contractor is responsible in accordance with this Contract;

#### the Contractor shall take and continue to take all steps necessary and consistent with Good Engineering Practice to eliminate or reduce any delay in achievement of Milestones, Substantial Completion of any Section and Final Completion of any Section beyond the relevant Milestone Dates, Target Date for Substantial Completion of any Section and the Target Date for Final Completion of any Section respectively;

#### in determining any extension of time, the Employer may take into account, *inter alia*:

##### any omission of any work permitted or instructed under this Contract; and

##### whether (and if so to what extent) as a consequence of the failure of the Contractor to execute the Works at all times prior to the occurrence of the delaying event or events on which the Contractor has based its claim for an extension of time in accordance with the Programme and Good Engineering Practice, the impact of such delaying event or events on the ability of the Contractor to achieve Milestones, Substantial Completion of any Section and Final Completion of any Section by Milestone Dates, the Target Date for Substantial Completion of any Section and the Target Date for Final Completion of any Section, respectively is greater than it otherwise would have been;

#### subject to Clause 40.6, the Employer shall have no obligation to grant any extension of time to Milestone Dates, the Target Date for Substantial Completion of any Section or the Target Date for Final Completion of any Section by reason of an event set out in Clause 40.1 (other than an event set out in Clause 40.1(e) which is not caused, directly or indirectly, by the Conceding Authority) unless an extension of time corresponding to such event or events has been granted to the Employer under the Concession Contract in which case the Contractor shall be entitled to an equivalent extension of time (or, if less, an extension of time reflecting the actual delay to the Works); and

#### the Contractor shall be entitled to claim and the Employer shall be entitled to grant an extension of time to Milestone Dates, the Target Date for Substantial Completion of any Section and Target Date for Final Completion of any Section whether or not the delay occurs before or after the relevant Milestone Date, Target Date for Substantial Completion of any Section or Target Date for Final Completion of any Section (as appropriate).

## The Employer shall only be entitled to rely upon Clause 40.5(d) to the extent that such event of delay has not been caused or contributed to by the Employer and if the Employer has complied with Clause 3.9 (*Scope of Works*) if so required by the Contractor.

## If the Contractor has failed to comply with the requirements as to the giving of notice and provision of information under Clause 40.3 then:

#### the Employer may require the Contractor to submit details of the reasons for such failure. If the Employer has not stated that it is satisfied with the reasons given within twenty eight (28) days of their receipt, the Contractor may refer the matter for resolution under Clause 60 (*Settlement of Disputes and Jurisdiction*);

#### if the Employer is satisfied with the reasons given or the decision reached under operation of the procedures set out in Clause 60 (*Settlement of Disputes and Jurisdiction*) is that the said failure is excusable under the terms of this Contract, then the Employer shall proceed to the evaluation of the request for an extension of time in accordance with Clauses 40.5 and 40.6; and

#### if the decision of the Employer or that reached under operation of the procedures set out in Clause 60 (*Settlement of Disputes and Jurisdiction*) is that the failure is not excusable, then the Contractor shall not be entitled to an extension to Milestone Dates, the Target Date for Substantial Completion of any Section and Target Date for Final Completion of any Section in respect of the relevant delay to the extent that the Employer has as a result of such failures been prevented or hindered in assessing the consequences of the delay subject to any exercise of the Employer’s discretionary power under Clause 40.8.

## The Employer may at any time up to the issue of the Final Payment Certificate under Clause 8.11 (*Payment*) review all the circumstances in connection with, (including the matters set out in Clauses 40.5(c) and 40.5(d)) and revise or confirm by notification to the Contractor any previous decision given by it in relation to, any claim by the Contractor for an extension of time. Such revision may, for avoidance of doubt, include fixing Milestone Dates, the Target Date for Substantial Completion of any Section or Target Date for Final Completion of any Section as shall be reasonable in the circumstances. The Employer may in addition, in its sole discretion, at any time and for any reason it considers sufficient but without being under an obligation to do so, by notice to the Contractor unilaterally extend Milestone Dates, the Target Date for Substantial Completion of any Section and Target Date for Final Completion of any Section including by reason of any of the events set out at Clauses 40.1(c), 40.1(d), 40.1(e).

## If the Employer declines to grant an extension of time and to fix Milestone Dates or a revised Target Date for Substantial Completion of any Section or Target Date for Final Completion of any Section or if the Contractor considers that different Milestone Dates or a different Target Date for Substantial Completion of any Section or Target Date for Final Completion of any Section should be fixed, then either Contracting Party shall be entitled to refer the matter for determination in accordance with the procedures set out in Clause 60 (*Settlement of Disputes and Jurisdiction*).

## The Contractor shall have no claim for any extension of time or in respect of delay save as and to the extent set out in this Clause 40 (*Extension of Time*) or as otherwise expressly provided for in this Contract.

## In any circumstances where the Contractor is or would be entitled to an extension of time but for the provisions of this Clause 40.11, the Employer:

#### may, prior to granting such extension of time, instruct the Contractor to submit written proposals to the Employer as soon as reasonably practicable which regarding the feasibility of acceleration of the Works as an alternative to such extension of time and stating:

##### any lump sum by which the Contractor will reasonably require the Contract Price to be increased, if instructed by the Employer to accelerate the Works pursuant to this Clause 40.11, together with details showing the manner of calculation of the lump sum (set out in the form of changes to Part C (*Indicative Breakdown of the Contract Price*) of Schedule 2 (*Payment*)) and proposals for the terms of payment thereof including the effect, if any, it would have on the Activities set out in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*);

##### the extent to which the extension of time to which the Contractor would be entitled can be cancelled or reduced and the dates which as a result would become Milestone Dates, the Target Date for Substantial Completion of any Section or Target Date for Final Completion of any Section; and

##### any other amendments to this Contract which the Contractor would reasonably require if the Employer were to instruct an acceleration of the Works pursuant to this Clause 40.11;

#### shall, if the Contractor raises a reasonable objection to the Employer’s request for acceleration,

##### either inform the Contractor that the Employer does not wish to proceed with the proposed acceleration (and shall grant the Contractor the extension of time to which the Contractor is entitled under this Contract); or

##### clarify or vary the instruction to meet the objection and reissue the clarified or varied instruction; and

#### may, following receipt of the Contractor’s written proposals and, if the Contractor reasonably objected to the Employer’s request pursuant to Clause 40.11(b), following withdrawal by the Contractor of its reasonable objections on the basis of the Employer’s clarification or variation of the instruction, and if the Employer wishes to accept such proposals, issue an instruction to proceed on the basis of such proposals and confirm in accordance with the Contractor’s proposals:

##### the amount by which the Contract Price is to be increased to take account of the lump sum quoted by the Contractor including what effect, if any, it would have on the Activities set out in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*);

##### the revised Milestone Dates;

##### the revised Target Date for Substantial Completion of any Section;

##### the revised Target Date for Final Completion of any Section;

##### the details of the acceleration and the alteration of sequence or timing required in the Programme set out in Schedule 15 (*Milestones*); and

##### any other appropriate amendments to this Contract.

## In any circumstances where the Contractor is entitled to an extension of time under this Clause 40 (*Extension of Time*), the Contractor shall within a period of twenty eight (28) days from the date the extension of time was granted, submit a revised Programme to, and for approval by, the Employer, the Technical Adviser and the Facility Agent (such approval not to be unreasonably withheld).

## The Contractor shall at all times use its best endeavours to minimise any delay in the performance of its obligations under this Contract.

# Suspension

## The Contractor shall, upon receipt of a notice of suspension from the Employer which is accompanied by a notice from the Lenders approving such notice of suspension, suspend the progress of the Works or any part thereof for such time and in such manner as the Employer sets out in its notice of suspension and shall, during such a suspension, properly protect, store and secure the Works or such part thereof so far as is necessary in the opinion of the Employer. Unless such suspension is:

#### otherwise provided for in this Contract;

#### necessary by reason of some default of or breach of contract by the Contractor or for which it is responsible; or

#### necessary for the proper execution of the Works or the safety of the Works or any part thereof,

then the provisions of Clause 41.2 shall apply.

## Where, pursuant to Clause 41.1, this Clause 41.2 applies, the Employer shall determine:

#### any extension of time to which the Contractor is entitled under Clause 40 (*Extension of Time*); and

#### an amount to which the Contractor is entitled under Clause 9 (*Claims for Additional Payments*) in respect of any Cost incurred by the Contractor by reason of such suspension,

and shall notify the Contractor accordingly.

## If the progress of the Work or any part thereof is suspended on the instructions of the Employer and if permission to resume work is not given by the Employer within a period of eighteen (18) months from the date of suspension (or, if suspension is instructed by the Employer on more than one occasion, the aggregate length of the periods during which the Works or parts thereof are suspended exceeds eighteen (18) months) then, unless such suspension is by reason of any of the circumstances specified in Clauses 41.1(a) to 41.1(c) (inclusive), the Contractor may give notice to the Employer requiring permission, within twenty eight (28) days from its receipt of such notice, to proceed with the Works or that part thereof in respect of which progress is suspended. If, within the said time, such permission is not granted, the Contractor may, but is not bound to, elect to treat its engagement under this Contract as having been terminated by notice to the Employer and the provisions of Clause 42 (*Termination for Employer’s Convenience*) shall apply thereto.

## During the period of suspension, the Contractor shall not remove from the Site any Materials or any Construction Equipment without the prior written consent of the Employer.

## As soon as possible after permission to resume work is given, the Contracting Parties shall jointly examine the Works and the Materials affected by the suspension. The Contractor shall make good any deterioration or defect in or loss of the Works or Materials which has occurred during the suspension.

# Termination for Employer’s Convenience

## The Employer may at any time upon fourteen (14) days’ notice terminate the Contractor’s engagement under this Contract for any reason by giving the Contractor a notice of termination which refers to this Clause 42 (*Termination for Employer’s Convenience*) and which is accompanied by a notice from the Lenders approving such notice of termination.

## Upon receipt of the notice of termination under Clause 42.1, the Contractor shall either immediately or upon the date specified in the notice of termination:

#### cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Works already executed or any work which is required to leave the Site in a clean and safe condition;

#### terminate all Subcontracts, except those to be assigned to the Employer pursuant to Clause 42.2(d) below;

#### unless otherwise specified by the Employer in the notice of termination, remove all Construction Equipment from the Site and repatriate the Contractor’s and its Subcontractors’ personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind and leave the whole of the Site in a clean and safe condition;

#### deliver to the Employer the parts of the Works executed by the Contractor up to the date of termination;

#### to the extent legally possible, procure the assignment to the Employer or such person as the Employer may direct, of all rights, title and benefit of the Contractor to the Works and in the Materials as at the date of termination, and, as may be required by the Employer, in any Subcontracts between the Contractor and its Subcontractors;

#### procure that any Licences obtained in connection with this Contract are transferred into the name of the Employer or as the Employer may direct; and

#### deliver to the Employer all Documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Works.

## In the event of termination of the Contractor’s engagement under Clause 42.1, an account shall be prepared reflecting the payments to be made in accordance with Clause 45.3.

# Termination for Contractor Default

## For the purposes of this Contract “**Events of Default**” comprise the following:

#### the occurrence of an Insolvency Event in respect of the Contractor; or

#### any material breach by the Contractor of its obligations under this Contract which shall include, without limitation:

##### permanent or frequent interruptions in the carrying out of the Works, or the Contractor otherwise failing to proceed regularly and diligently with the performance of its obligations hereunder (other than where the Contractor is entitled to do so under this Contract), including a failure by the Contractor to perform any activity at either Site substantially advancing the progress of the Works for ten (10) out of fifteen (15) consecutive Business Days;

##### failing to achieve Substantial Completion of the Lyon Airport Section or the Grenoble Airport Section as referred to in Clause 29.9 (*Delay Damages*);

##### failing to achieve Final Completion for of the Lyon Airport Section or the Grenoble Airport Section on or before the Target Date for Final Completion of that Section;

##### the Contractor failing to pay any sum due to the Employer hereunder (being a sum which is in excess of Euro 20,000,000 and which is not reasonably in dispute) and such failure continuing for twenty eight (28) days following notice of failure to the Contractor;

##### the Contractor failing to comply with Clause 5.16 (*Contractor’s Responsibilities*);

##### the Contractor failing to comply with Clause 18 (*Design Development*);

##### assigning, charging or otherwise parting with or purporting to assign, charge, or otherwise part with the benefit of this Contract in violation of Clause 58.5 (*Assignment*);

##### the Contractor does not provide to the Employer within fifteen (15) days after notification by the Employer a revised Programme demonstrating, to the reasonable satisfaction of the Employer, the Technical Adviser and the Facility Agent, that the Works can be performed such that Substantial Completion of the Lyon Airport Section or the Grenoble Airport Section will occur by a date no later than one hundred and twenty (120) calendar days after the Target Date for Substantial Completion of that Section and Final Completion of the Lyon Airport Section or the Grenoble Airport Section will occur by a date no later than one hundred and twenty (120) calendar days after the relevant Target Date for Final Completion;

##### a breach of the Contractor’s obligations under this Contract which causes the Employer to breach its obligations under the Concession Contract and which results or which may result in termination of the Concession Contract; or

##### the Contractor repudiating this Contract;

#### the aggregate value of liabilities incurred by the Contractor which are subject to the limit of liability imposed by Clause 32.2 (*Limitation on Liability*) reaching or exceeding 50% (fifty per cent) of the Contract Price;

#### the Employer becoming entitled to terminate this Contract in the circumstances referred to in Clause 16.7 (*Organisation Chart and Programme*); or

#### the Employer becoming entitled to terminate this Contract in the circumstances referred to in Clause 30.4(d) (*Defects Liability Period*).

## Without prejudice to any other right or remedy, the Employer shall be entitled:

#### in the case of the Events of Default referred to in Clauses 43.1(b)(i)), 43.1(b)(v) and 43.1(b)(viii) to serve notice of default on the Contractor allowing a reasonable period for the Contractor to remedy the relevant matter or requiring the Contractor within fourteen (14) days to submit a remedial plan and a programme for the remedying of the relevant matter for the approval of the Employer, except that in the case of the Events of Default which may result in a breach of the Concession Contract, the Employer will allow the Contractor only such time (if any) as will allow the Employer to comply with the Concession Contract. If the Employer does not approve the remediation plan or programme submitted by the Contractor, or if the relevant matter is not remedied in accordance with such notice or agreed plan and programme the Employer may terminate the Contractor’s engagement under this Contract forthwith on written notice to the Contractor; or

#### in the case of the other Events of Default, to terminate the engagement of the Contractor under this Contract forthwith on written notice to the Contractor,

save always that any written notice from the Employer purporting to terminate the engagement of the Contractor under this Contract shall be of no effect unless it is simultaneously copied to the Facility Agent.

## Upon receipt of a notice of termination under Clause 43.2, the Contractor shall either immediately or upon such date as is specified in the notice of termination:

#### cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Works being executed or any work required to leave the Works and the Site in a clean and safe condition;

#### terminate all Subcontracts, except those to be assigned to the Employer pursuant to Clause 43.3(d);

#### deliver to the Employer the parts of the Works executed by the Contractor up to the date of termination;

#### to the extent legally possible, procure the assignment to the Employer or such person as the Employer may direct of all rights, title and benefit of the Contractor to the Works and in the Materials and Works as at the date of termination and, as may be required by the Employer, any Subcontracts between the Contractor and its Subcontractors;

#### procure that any Licences obtained in connection with this Contract are transferred into the name of the Employer or such person as the Employer may direct; and

#### deliver to the Employer all Documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Works.

## The Employer may enter upon the Site and expel the Contractor therefrom and the Employer may complete the Works itself or by employing any third party. The Employer may, to the exclusion of any right of the Contractor over the same, take over and use without payment to the Contractor any Construction Equipment, temporary works and Materials which are owned by the Contractor and are on the Site in connection with the Works for such reasonable period as the Employer considers expedient for the execution and completion of the Works and rectification of Defects. The Employer may, in its sole discretion and without any obligation to do so, pay Subcontractors amounts payable in accordance with their Subcontracts in respect of any Materials delivered or works or services carried out for the purposes of the Works whether before or after the date of termination insofar as the price for the same has not already been discharged by the Contractor. Payments so made may be deducted from any sum due or to become due to the Contractor or may be recovered from the Contractor as a debt.

## Upon completion of the Works or at such earlier date as the Employer thinks appropriate, the Employer shall give notice to the Contractor that the Construction Equipment shall be returned to the Contractor at or near the Site and shall return such Construction Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its risk and cost remove or arrange removal of the same from the Site. If the Contractor has not done so within twenty (20) days after notice from the Employer, the Employer may (without being responsible for any losses arising) remove and sell such Construction Equipment and shall hold the proceeds, less its reasonable costs and expenses incurred in the removal and sale, to the credit of the Contractor.

## Following a termination pursuant to this Clause 43 (*Termination for Contractor Default*), subject to Clause 43.7 the provisions of this Contract which require any further payment to the Contractor shall not apply and the Employer’s Representative shall as soon as possible determine and advise the Employer and the Contractor of:

#### if the Employer intends to complete the Works, the estimated excess cost (or saving) which the Employer will be caused to incur in order to complete the Works after termination (which shall be calculated as the excess (or shortfall) of (i) the sums paid or due to the Contractor under this Contract plus the reasonable costs which it is estimated by the Employer’s Representative will be incurred by the Employer in completing the Works, including correcting any Defects in Works or Materials provided by the Contractor prior to termination, over or under (ii) the Contract Price plus any Additional Payments amounts paid or due to the Contractor under this Contract);

#### the amount of any liability which the Employer incurs, owes or is required to pay to the Secured Finance Parties under the Finance Documents in respect of interest, principal and/or breakage or prepayment costs by reason of the termination of this Contract, less the aggregate of (i) any benefit to the Employer of breakage under any Finance Document, and (ii) subject to Clause 3.9 (*Scope of Works*), any compensation received by the Employer from the Conceding Authority as a result of any termination of the Concession Contract which occurs by reason of or at or around the time of termination of this Contract;

#### without double counting of any sum included under (b) above, all other loss and/or expense which it is estimated will be incurred by the Employer as a result of the termination (including any delay costs and the amount of any penalties paid or payable by the Employer to the Conceding Authority under the Concession Contract in connection with termination or the events or circumstances giving rise to such termination), and including without limitation any loss of revenue, in respect of which the Employer shall be entitled to receive amounts equivalent to those which would have fallen due under Clause 29.3 (*Delay Damages*) in respect of a period of delay to the Works equivalent to that which it is estimated will result from termination (and/or from the Contractor’s wrongful delay prior to termination), subject to the limitation on liability in Clause 32.2 (*Limitation on Liability*), but not subject (in the case of amounts equivalent to those which would have fallen due under Clause 29.3 (Delay Damages) to the limit on liability stated in Clause 29.3 (*Delay Damages*); and

#### any other amounts due from the Contractor to the Employer but not paid or otherwise recovered,

(the result of the calculation being the “**Initial Termination Account**”). If the Initial Termination Account shows a balance due to the Employer, the Contractor shall make payment to the Employer of the same forthwith (and the Employer may forthwith recover the same by any other available means, including making demand on the Performance Bond and/or Advance Payment Bond and/or Retention Bond (if any)). If the Initial Termination Account shows a balance due to the Contractor it shall be treated in accordance with Clause 43.8 and the Employer shall not be liable to make any payment of such balance to the Contractor (or any other payment under this Contract) until the calculations referred to in Clause 43.8 have been completed.

## If the Employer decides after the termination of the Contractor’s engagement not to have the Works carried out and completed (or it is unable to do so by reason of termination of the Concession Contract) it shall so notify the Contractor within six (6) months of such decision. Within a reasonable time of such notice or (where the Employer determines to complete the Works) within thirty (30) days of the completion of the Works and the making good of any defects therein, the Employer’s Representative shall make the calculations referred to in Clause 43.8.

## The Employer’s Representative shall draw up an account (the “**Final Termination Account**”) setting out:

#### if the Employer completes the Works, the excess cost (or saving) which the Employer is caused to incur in order to complete the Works after termination (which shall be calculated as the excess (or shortfall) of (i) the sums paid or due to the Contractor under this Contract plus the reasonable costs incurred by the Employer in completing the Works, including correcting any Defects in Works or Materials provided by the Contractor prior to termination, over or under (ii) the Contract Price plus any Additional Payments amounts paid or due to the Contractor under this Contract);

#### the amount of any liability which the Employer incurs, owes or is required to pay to the Secured Finance Parties under the Finance Documents in respect of interest, principal and/or breakage or prepayment costs by reason of the termination of this Contract, less the aggregate of (i) any benefit to the Employer of breakage under any Finance Document, and (ii) subject to Clause 3.9 (*Scope of Works*), any compensation received by the Employer from the Conceding Authority as a result of any termination of the Concession Contract which occurs by reason of or at or around the time of termination of this Contract;

#### without double counting of any sum included under (b) above, all other loss and/or expense incurred by the Employer as a result of the termination (including any delay costs and the amount of any penalties paid or payable by the Employer to the Conceding Authority under the Concession Contract in connection with termination or the events or circumstances giving rise to such termination), and including without limitation any loss of revenue, in respect of which the Employer shall be entitled to receive amounts equivalent to those which would have fallen due under Clause 29.3 (*Delay Damages*) in respect of a period of delay to the Works equivalent to that which has resulted from termination (and/or from the Contractor’s wrongful delay prior to termination), subject to the limitation on liability in Clause 32.2 (*Limitation on Liability*), but not subject (in the case of amounts equivalent to those which would have fallen due under Clause 29.3 (*Delay Damages*)) to the limit on liability stated in Clause 29.3 (*Delay Damages*); and

#### any other amounts due from the Contractor to the Employer but not paid or otherwise recovered.

The sum of such amounts shall be reconciled against any estimates of the same contained in the Initial Termination Account. The resulting balance shall be payable by the Employer to the Contractor or by the Contractor to the Employer as the case may be. If the resulting balance is due to the Employer, the Contractor shall make payment to the Employer of the same forthwith (and the Employer may forthwith recover the same by any other available means, including making demand on the Performance Bond and/or Advance Payment Bond and/or Retention Bond (if any)). If the resulting balance is due to the Contractor, the Employer shall make payment to the Contractor of the same forthwith.

## Termination of the Contractor’s engagement by the Employer shall not prejudice any other rights or remedies of the Employer under this Contract or otherwise.

# Self-Help, Buy Down and Rejection

## If the Employer is entitled to terminate the Contractor’s engagement hereunder pursuant to Clause 43 (*Termination for Contractor Default*), then the Employer may by notice to the Contractor:

#### have the Works completed and commissioned by other parties at the Contractor’s risk and the Contractor shall pay or allow the Employer’s proper costs in so doing forthwith and Clause 43.8 (*Termination for Contractor Default*) shall apply mutatis mutandis;

#### accept the Works as having achieved Substantial Completion of any Section or the Works subject to such reduction in the Contract Price as may be agreed or, in default of agreement, determined by the Employer to be a reasonable reduction, with reference to the condition and performance of the Airports and the effect on the Project (including the impact of delay and/or lesser performance on projected revenues), and the Contractor shall pay or allow to the Employer such reduction forthwith unless the Contracting Parties agree otherwise; or

#### reject the Works and terminate the Contractor’s engagement under this Contract forthwith in which event the Employer shall, to the exclusion of any remedy under Clause 43 (*Termination for Contractor Default*), be entitled to recover from the Contractor (and the Contractor shall forthwith pay to the Employer) all sums paid to it in respect of the Works together with the cost of dismantling the same, clearing the Site and returning Materials to the Contractor or otherwise disposing of them in accordance with the Contractor’s instructions.

## If the Conceding Authority becomes entitled under clause 16.4.1(c) to the Concession Contract to take the place of the Employer and complete the Works (or cause the Works to be completed), then the Employer may permit the Conceding Authority (and the Contractor shall permit the Conceding Authority) to complete or cause others to complete the Works at the cost and risk of the Contractor (and the Contractor shall pay or allow to the Employer both the Employer’s and the Conceding Authority’s costs of the Conceding Authority so acting). The Contractor shall nevertheless remain prepared to resume the Works in the event the Conceding Authority ends its action under clause 16.4.1(c) to the Concession Contract.

# Termination by Contractor

## The Contractor may terminate this Contract immediately on notice to the Employer and the Facility Agent in the event that the Employer has failed to pay to the Contractor an undisputed sum due under any Interim Payment Certificate in excess of Euro 500,000 (five hundred thousand Euro) for a period exceeding one hundred and twenty (120) days after the date of receipt of such Interim Payment Certificate subject to any deduction or adjustment that the Employer is entitled to make under the Contract **provided that** the Contractor has upon the expiry of that one hundred and twenty (120) day period given not less than ninety (90) days’ notice of non payment in writing to the Facility Agent and the Employer and payment has not been made to the Contractor by the expiry of such ninety (90) day period.

## If the Contractor’s engagement is terminated under Clause 45.1 above, then the Contractor shall immediately or upon such date as is specified in the notice of termination:

#### cease all further work, except for such work as may be necessary for the purpose of protecting that part of the Works already executed or any work which is required to leave the Site in a clean and safe condition;

#### terminate all Subcontracts, except those to be assigned to the Employer pursuant to Clause 45.2(e);

#### unless otherwise specified by the Employer, remove all Construction Equipment from the Site and repatriate the Contractor’s and its Subcontractors’ personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind and leave the whole of the Site in a clean and safe condition;

#### deliver to the Employer the parts of the Works executed by the Contractor up to the date of termination;

#### to the extent legally possible, procure the assignment to the Employer or such person as the Employer may direct of all rights, title and benefit of the Contractor to the Works and in the Materials as at the date of termination, and, as may be required by the Employer, in any Subcontracts between the Contractor and its Subcontractors;

#### procure that any Licences obtained in connection with this Contract are transferred into the name of the Employer or such person as the Employer may direct; and

#### deliver to the Employer all Documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Works.

## If the Contractor shall terminate its engagement under this Contract pursuant to this Clause 45 or its engagement is terminated as referred to in Clause 42.1 (*Termination for Employer’s Convenience*), the Contractor shall with reasonable dispatch prepare an account setting out the sum of the amounts it contends are due as referred to below:

#### the value of the Works executed and Additional Payment Amounts due to the Contractor (which shall be ascertained on the same basis as for the preparation of an Interim Payment Certificate in accordance with Part A (*Terms of Payment*) of Schedule 2 (*Payment*)), up to and including the date of termination;

#### the Costs incurred by the Contractor in the removal of Construction Equipment from the Site and the repatriation of the Contractor’s personnel;

#### the Cost of Materials properly ordered on an arm’s length basis for the Works which the Contractor shall have paid for or for which the Contractor is legally bound to pay, and on such payment in full by the Employer such Materials shall become the property of the Employer, and the Contractor shall deliver the Materials to the Site;

#### any reasonable amounts to be paid by the Contractor to its Subcontractors in connection with termination of the Subcontracts, including reasonable cancellation charges; and

#### the reasonable Costs incurred by the Contractor in protecting the Works and leaving the Site in a clean and safe condition.

After taking into account amounts previously paid to or otherwise discharged in favour of the Contractor, the Employer shall pay to the Contractor the amount properly due in respect of this account within twenty eight (28) days of receipt of the account by the Employer. Save as specified in this Clause 45.3, the Contractor shall have no further rights against the Employer in the event of termination of its engagement under this Contract by the Employer. For avoidance of doubt, the Contractor shall not be entitled to compensation pursuant to this Clause 45.3 for any loss of profit in respect of Work not executed, loss of income, indirect or consequential losses.

## Termination by the Contractor pursuant to this Clause 45 (*Termination by Contractor*) is without prejudice to any other rights or remedies of the Contractor which may be exercised in lieu of or in addition to the rights conferred by this Clause 45 (*Termination by Contractor*).

# Non-Fault Termination

## The Employer may terminate this Contract under this Clause 46.1 if the Concession Contract is terminated (or the Employer is “dismissed” as referred to in clause 52 of the Concession Contract) for any reason not resulting from the Contractor’s breach of this Contract.

## On termination of this Contract in accordance with Clause 38.8 (*EPC Force Majeure*) or Clause 46.1, the Employer shall (subject to Clause 3.9 (*Scope of Works*)) pay to the Contractor so much of the following amounts as the Employer has recovered from the Conceding Authority:

#### the value of the Works executed and Additional Payment Amounts due to the Contractor (which shall be ascertained on the same basis as for the preparation of an Interim Payment Certificate in accordance with Part A (*Terms of Payment*) of Schedule 2 (*Payment*)), up to and including the date of termination to the extent recovered by the Employer from the Conceding Authority (but disregarding any damage to the Works caused by the event of EPC Force Majeure);

#### the Costs incurred by the Contractor in the removal of Construction Equipment from the Site and the repatriation of the Contractor’s personnel;

#### the Cost of Materials properly ordered on an arm’s length basis for the Works which the Contractor shall have paid for or for which the Contractor is legally bound to pay, where any such Materials shall (upon payment by the Employer) become the property of the Employer and have been delivered to the Employer;

#### any reasonable amounts to be paid by the Contractor to its Subcontractors in connection with termination of the Subcontracts, including reasonable cancellation charges; and

#### the reasonable Costs incurred by the Contractor in protecting the Works and leaving the Site in a clean and safe condition;

less

#### any sums due to the Employer from the Contractor as at the date of termination, for the avoidance of doubt subject (where and the to the extent applicable) to the limitation on liability pursuant to Clause 32.3 (*Limitation on Liability*).

The Contractor shall take all reasonable steps to mitigate Costs and losses recoverable under this Clause 46.2.

## If the Employer has terminated the Contractor’s employment pursuant to Clause 38.8 (*EPC Force Majeure*), the Contractor shall undertake to perform such actions referred to in Clause 43.3 (*Termination for Contractor Default*) which are reasonably requested by the Employer and which are reasonably practicable in the circumstances.

# Employer Assistance

Any obligation imposed on the Employer pursuant to the terms of this Contract to assist, or to use its reasonable endeavours to assist, the Contractor shall not be construed as any obligation on the Employer to incur costs in providing such assistance, nor shall the Employer be obliged to do anything in breach of any Law, the Concession Contract or the Finance Documents.

# Independent Contractor

## The Contractor shall be an independent contractor performing this Contract. This Contract does not create any, partnership, joint venture or other joint relationship between the Employer on the one hand and the Contractor on the other hand.

## Subject to the provisions of this Contract, the Contractor shall be solely responsible for the manner in which the Works are executed and for the acts, defaults and omissions of the Subcontractors. All employees, representatives or Subcontractors engaged by the Contractor in connection with the performance of this Contract shall be under the complete control of the Contractor and shall not be deemed to be employees or agents of the Employer.

# Language

## The Contract and all correspondence and communications to be given and all other documentation to be prepared and supplied under this Contract shall be in the English language save as stated in Clause 49.4.

## If any part of this Contract is prepared in any language in addition to English, the version of the part of this Contract in the English language shall prevail in case of inconsistency **provided that** in the case of the Specifications, the English language version attached to the Concession Contract shall prevail in the event of any inconsistency.

## The language for day to day communications under this Contract shall be the English language.

## Certain of the Manuals shall be prepared by the Contractor in English language, according to the requirements of Schedule 7 (*Manuals and Training*). All signs and notices (whether for the attention of staff or the public generally) erected by the Contractor as part of or in the course of performing the Works shall be displayed in the English language and in any other language which may be required to be used by any Law governing such notices.

# Partial Invalidity

If, at any time, any provision of this Contract 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.

# Remedies and Waivers

## No failure to exercise, nor to delay in exercising, on the part of any Contracting Party, any right or remedy under this Contract shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by Law.

## Any waiver of a Contracting Party’s rights, powers or remedies under this Contract must be in writing, dated and signed by an authorised representative of the Contracting Party granting such waiver, and must specify the right and the extent to which it is being waived.

# Counterparts

This Contract may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Contract.

# Contract Documents

## Subject to Clause 53.2, this Contract is intended to be read and construed together as a composite whole and each provision shall be treated as complementary to and mutually explanatory of the others.

## In the event of any inconsistency within this Contract, the order of precedence shall be as follows:

#### the main body of this Contract; and

#### the Schedules to this Contract.

In the event of any inconsistency between a provision of this Contract which is consistent with the Concession Contract and a provision of this Contract which conflicts with the Concession Contract, the provision consistent with the Concession Contract shall prevail (but this shall not limit any obligation of the Contractor under this Contract which is additional, to but does not conflict with, any requirement of the Concession Contract).

## If there is any inconsistency within this Contract which cannot be resolved by applying Clause 53.2, the Contracting Party discovering it shall notify the other promptly following its discovery. If so requested by the Employer, the Contractor shall as soon as reasonably practicable propose an amendment to resolve the same. The Employer shall issue to the Contractor an instruction which shall (at the Employer’s sole discretion) either implement the Contractor’s proposed amendment or otherwise resolve the inconsistency. For the avoidance of doubt the Employer’s instruction may give precedence to one provision in this Contract over another, where the two are inconsistent, notwithstanding that the Contractor has previously proceeded on the basis of a different interpretation of such provisions.

## The Contractor warrants that, prior to entering into this Contract, it has inspected this Contract and confirmed to its satisfaction that they do not contain any inconsistency which will require the operation of Clause 53.3. The Contractor hereby accepts the entire risk that Clause 53.3 may be required to be operated (irrespective of this Contract or Documents in which the inconsistency arises, and irrespective of which Contracting Party was responsible for the preparation of such Contract or Document). The Contractor will comply with an instruction of the Employer issued under Clause 53.3 without, by reason of such compliance, becoming entitled to any extension of time or the adjustment to the Contract Price or other Additional Payment, and any such entitlement is hereby expressly excluded.

# Entire Agreement

The Contract constitutes the entire agreement between the Employer and the Contractor with respect to the subject matter of this Contract and supersedes all prior arrangements, representations, communications, negotiations, agreements and contracts (whether written or oral) made between or entered into by the Contracting Parties with respect thereto prior to the date of this Contract.

# Amendments

## No amendment (including an amendment of this Clause 55.1) or other variation of this Contract shall be effective unless it is in writing, is dated, expressly refers to this Contract and is signed by a duly authorised representative of each Contracting Party.

## The Contractor agrees that it will not unreasonably withhold its consent to any amendment which any Lender or other provider of funds or facilities in connection with the financing of the Project or prospective Lender or other provider of funds or facilities requires to be made to this Contract **provided that** in the case of a prospective Lender or other provider of funds or facilities no such amendment shall actually be made save to the extent that any such person in fact becomes a Lender or provider of funds or facilities and such amendment is required by such person in connection with the actual funds or facilities made available.

# Costs and Expenses

Each Contracting Party shall be responsible for paying its own costs and expenses incurred in connection with negotiating, preparing and entering into this Contract.

# Notices

## Unless otherwise expressly stated, all notices to be given under this Contract shall be in writing, and may be sent by personal delivery, post, special courier or fax to the relevant address as provided in this Clause 57 (*Notices*). Email addresses are provided for convenience only.

## Notices to the Employer’s Representative shall be addressed as follows (subject to Clause 57.7):

|  |  |
| --- | --- |
| Address: | TLV Exchange Corporation - ‘The Great’ Airport 1043, Grenoble - France |
| Fax: | +389 22 500 525 |
| E-mail: | melin.batar@tlv.aero |
| Attn: | Mr. Melin Batar |

With a copy to

|  |  |
| --- | --- |
| Address: | TLV Construction Limited  13 avenue des Muriers, 38240 Meylan  France |
| Fax: | + 90 212 400 32 40 |
| E-mail: | mailto:bulure.gerrash@TLV.aero |
| Attn: | Mrs. Burcu Geriş |

## The address details set out in this Clause 57 (*Notices*) may be altered by the Contracting Parties at any time upon ten (10) days written notice to each other Contracting Party.

## In this Clause 57 (*Notices*) references to “notices” shall include any approvals, consents, instructions, orders, certificates and other formal communications to be given under this Contract.

## Wherever in this Contract provision is made for a communication to be “written” or “in writing” this means any handwritten, typewritten or printed communication, including facsimile transmission.

# Assignment

## The Employer shall be freely entitled, without the consent of the Contractor, to assign, charge or otherwise encumber its interest under this Contract or any receivables, rights or benefits under this Contract in favour of any Lenders or to the Security Agent or any agent or trustee acting on behalf of the Lenders or any of them. Any such assignment, charge or encumbrance shall include the right to make second or subsequent assignments, charges or encumbrances and freely to enforce the same by way of sale or otherwise. The Contractor shall provide the Employer with such assistance as the Employer may from time to time reasonably request in relation to the Employer’s financing arrangements with actual or potential Lenders and/or any export credit agencies and shall co-operate fully with the Employer to that end.

## The Employer may assign its interest under this Contract or any receivables, rights or benefits under this Contract in favour of the Conceding Authority, without the consent of the Contractor being required.

## Other than as permitted under Clauses 58.1 and 58.2, the Employer shall not be entitled without the prior written consent of the Contractor (not to be unreasonably withheld or delayed by the Contractor) to assign to any other third party its interest under this Contract or any right or benefit arising under this Contract.

## For the avoidance of doubt, it is expressly confirmed that all rights of the Employer under or in relation to this Contract may be exercised by and shall enure for the benefit of its assignees.

## The Contractor shall not be entitled, without the prior written consent of the Employer (which consent must be endorsed by or on behalf of the Lenders) to assign to any third party its interest under this Contract or any receivable, right or benefit, arising under this Contract.

## The Contracting Parties do not intend that any provision of this Contract shall be enforceable by third parties pursuant to the Contracts (Rights of Third Parties) Act 1999.

SECTION 9  
LAW AND JURISDICTION

# Governing Law

This Contract shall be governed by and construed in accordance with the laws of England and Wales.

# Settlement of Disputes and Jurisdiction

## The Contracting Parties agree to seek to resolve any Dispute arising between them by mutual consultation.

## If a Contracting Party is unable to settle a Dispute through mutual consultation it shall first refer the Dispute in writing to a committee comprising two (2) directors of the Contracting Parties who shall not be involved in the day to day running and/or management of this Contract (the “**Management Committee**”) with a copy of the notice of referral to the other Contracting Party. The Management Committee shall convene at a mutually agreed venue within seven (7) days of the notice of referral to consider the information available and provide the opinion within twenty one (21) days of the notice of referral, **provided that** the Contracting Parties may agree to longer periods for convening the Management Committee and for it to form an opinion.

If within such twenty one (21) day or longer period as aforesaid, a unanimous decision is reached by the Management Committee resolving the Dispute, such decision shall be final and binding on the Contracting Parties.

## If a dispute is not resolved in accordance with Clause 60.1 or 60.2 (including where the Management Committee does not reach a unanimous decision or is not convened in accordance with the requisite timetable), then either Contracting Party may refer the dispute to be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “**Rules**”) by an arbitral tribunal consisting of three (3) arbitrators appointed in accordance with the Rules. The seat of arbitration shall be Geneva, Switzerland, and the language shall be English.

## Any decision or award of an arbitral tribunal appointed under this Clause 60 shall be final and binding upon the Contracting Parties. The Contracting Parties renounce any rights of recourse or appeal against a decision or an award of the arbitral tribunal in so far as such renunciation may validly be made in law.

## Judgment upon any arbitral award may be entered in any court of competent jurisdiction and either Contracting Party may apply to such court for the recognition and enforcement of such award as the law of such jurisdiction may allow.

## The Contracting Parties shall have the right to seek interim injunctive relief or other interim relief from a court of competent jurisdiction, both before and after the arbitral tribunal has been appointed.

1. Insurances

Part A: Employer’s Insurances

APPENDIX 1 -CONSTRUCTION INSURANCES

The following insurance covers shall be effected for the period of cover set out in the relevant paragraphs in this Appendix 1 of Schedule 1 (*Insurances*), Part A (*Employer’s Insurances*).

The insurance obligations set out in this Appendix 1 of Schedule 1 (*Insurances*), Part A (*Employer’s Insurances*) relate to the Project.

|  |  |  |
| --- | --- | --- |
| * 1. MARINE TRANSIT INSURANCE | | |
| * + 1. **Interest/Property insured**: | All types of imported machinery, plant, equipment systems, spare parts and materials for the Project and other items for incorporation in the Project against All Risks of physical loss or damage while in transit by sea, air or land or inland waterway from the time the insured items leave the warehouse or factory anywhere in the world for shipment or transit to, and until they are delivered and unloaded at the Site. | |
| * + 1. **Insured Parties**: | The Borrower and, where applicable, contractors, subcontractors, suppliers and vendors of whatsoever tier and agents of whatsoever tier, the Technical Advisor and, if the insurance is provided by TLV Construction, the Security Agent on behalf of the Secured Finance Parties.  Each insured for their respective rights and interests. | |
| * + 1. **Sum insured**: | 110 per cent. of the replacement value (including customs, freight and insurance charges) of the maximum value property insured in any one consignment. | |
| * + 1. **Deductibles**: | Not greater than EUR 25,000 other than in respect of losses attributable to an Institute Cargo or Institute Strike or War peril where no deductible attaches. | |
| * + 1. **Period of Cover**: | The date of commencement of the first consignment, transit or shipment to the Site of the Project until date of delivery of the final consignment. | |
| * 1. CONSTRUCTION ALL RISKS INSURANCE | | |
| * + 1. **Interest/Property insured**: | | The Works and any other permanent and temporary works executed in connection with the Project and in the course of execution, the materials, parts, excavations, spare parts, consumables and all other parts or units of property or equipment of whatsoever nature the property of the insured or for which they are responsible (but excluding any contractors’ or subcontractors’ constructional plant and equipment) while on or adjacent to the Site, including access roads and related structures, lay down areas, the electrical, sewerage, telecommunications and water interconnection facilities and all associated and ancillary works connected to the Project against all-risks of direct physical loss or damage and all testing and commissioning risks. |
| * + 1. **Principal Extensions** | | (a) Debris Removal for 10 per cent. of the loss up to a total per occurrence of a minimum EUR 4,000,000; |
|  | | (b) Automatic reinstatement of the sum insured; |
|  | | (c) Professional fees; |
|  | | (d) Expediting expenses, not less than 50 per cent., subject to a maximum sum of EUR 800,000 per occurrence; |
|  | | (e) Inland Transit to a minimum sum insured per occurrence of EUR 1,600,000; |
|  | | (f) Plans Specifications Drawings clause; |
|  | | (g) Computer and electronic equipment, data carrying media; |
|  | | (h) Tenants Fit-Out Works to the extent, if any, of the responsibility of the Borrower to insure under contract; |
|  | | (i) Public Authorities clause; |
|  | | (j) 72 hours clause; |
|  | | (k) 50/50 Marine/Construction Loss Sharing clause; |
|  | | (l) Temporary Repairs and minimising loss; and |
|  | | (m) Additional customs duties; |
|  | | (n) Strikes Riot Civil Commotion to a minimum sum insured of EUR 7,500,000 in relation to the Grenoble “The Great” Airport and EUR 2,500,000 in relation to the Lyon “St. Paul the Apostle” Airport; |
| * + 1. **Main Exclusions**: | | (a) War, etc.;  (b) Terrorism;  (c) Radioactive contamination;  (d) Costs of normal upkeep or normal making good;  (e) Excluding costs to repair or replace defective property but not excluding any consequent damage to non defective property insured (LEG2/DE3);  (f) Damage to plant and machinery resulting from experiments or overload or similar tests requiring the imposition of abnormal conditions (other than overload or similar tests carried out with the approval of the manufacturer or by normal rules of operational practice);  (g) Watercraft and aircraft exclusion;  (h) Contractor’s plant and equipment;  (i) Inventory losses;  (j) Electronic Date Recognition;  (k) Mould;  (l) Asbestos;  (m) Cost of rectifying natural wear and tear and gradual deterioration;  (n) Liquidated damages, penalties, and consequential loss; and  (o) Loss of cash, bank notes and monetary instruments. |
| * + 1. **Insured Parties**: | | The Republic of France, the Borrower, the Security Agent on behalf of the Secured Finance Parties, contractors, subcontractors, suppliers and vendors of whatsoever tier and agents of whatsoever tier, the Technical Adviser and their respective directors, officers employees and agents.  Each insured for their respective rights and interests. |
| * + 1. **Sum insured**: | | The full reinstatement value of the Works, including allowance for the costs of demolition and debris removal and professional fees (including construction management and customs duties (but in respect of covers outlined in the Principal Extensions above, inner limits as agreed). |
| * + 1. **Deductibles**: | | EUR 150,000 each and every occurrence or series of occurrences but in respect of Earthquake the first EUR 250,000 or 2 per cent. of value at risk, whichever is higher, each and every occurrence or series of occurrences. |
| * + 1. **Period of Cover**: | | For each Airport, from the earlier of the commencement of work at the Site for that Airport by the relevant contractor under the construction contract and continuing until the completion of the Works for that Airport, including any testing and commissioning by the contractor and a minimum 12 months extended maintenance following the completion of the Works for that Airport. |

* 1. CONSTRUCTION DELAY IN START UP
     1. **Interest**:

Loss of anticipated revenue and increased cost of working following a delay in the commencement of the business at the Project as a direct result of physical loss or damage covered under the Construction All Risks insurance of this Appendix 1.

* + 1. **Cover to include**:
       1. Delay following loss or damage caused by fire, lightning, aircraft, explosion, at key plant and machinery supplier’s premises;
       2. Delay following loss or damage in the vicinity of the Site of the Project that results in a denial of access; and
       3. Delay following loss or damage at the premises of electricity, gas, water, telecommunications, sewerage service suppliers.
    2. **Main Exclusions**:
       1. Interruption due to loss or damage to the Project not insured under paragraph 1 (Construction All Risks Insurance) above;
       2. Fines or damages for breach of contract;
       3. Additional work resulting from improvement in the original design plan specification or workmanship following an occurrence of loss or damage insured under the Construction All Risks Insurance;
       4. Delay costs due to restrictions on reconstruction or operation imposed by the Conceding Authority or any public authority;
       5. Non availability of funds to reinstate; and
       6. Costs arising out of a suspension or cancellation of the Concession Agreement unless such costs stem directly from insured loss or damage.
    3. **Sum insured**:

A sum insured under the delay in start up insurance that is at all times adequate to insure not less than 18 months of anticipated revenue less return on equity and variable costs.

* + 1. **Indemnity period**:

Not less than 18 months for each Airport.

* + 1. **Deductible**:

Not exceeding 45 days each and every interruption.

* + 1. **Insured**:

The Borrower and the Security Agent on behalf of the Secured Finance Parties.

Each insured for their respective rights and interests.

* + 1. **Period of cover**:

For each Airport, from the date of Financial Close and continuing until the Airport Works Final Completion Date for the relevant Airport.

* 1. CONSTRUCTION THIRD PARTY LIABILITY
     1. **Interest**:

All sums which any Insured becomes liable to pay in respect of legal liability to third parties for bodily injury or damage to property arising out of the construction and maintenance of the Project, and professional costs and expenses incurred in dealing with any insured claim, and in each case, on each occurrence. Form of wording to include:

* + - 1. cross liability clause;
      2. sudden and accidental seepage, pollution and contamination and the costs incurred of cleaning up; and
      3. legal costs and expenses.
    1. **Limit of indemnity**:

At least EUR 25,000,000 any one occurrence or series of occurrences consequent upon one event but in respect of pollution only, such amount in the aggregate and in relation to liability for underground cables, pipes etc., to a limit of EUR 400,000 any one occurrence;

* + 1. **Geographical limits**:

France.

* + 1. **Deductible**:

The first EUR 20,000.

* + 1. **Insured**:

The Borrower, the Republic of France, the Contractor, and all subcontractors, consultants and engineers, the Technical Adviser, and the Security Agent on behalf of the Secured Finance Parties and their respective directors, officers and employees.

Each insured for their respective rights and interests.

* + 1. **Period of cover**:

For each Airport, from the date of Financial Close until Airport Works Final Completion Date for the relevant Airport plus 12 months in respect of cover for the EPC Contractor during the defects liability period for that Airport.

* 1. CONSTRUCTION AVIATION THIRD PARTY LIABILITY INSURANCE
     1. **Interest**

All sums which any Insured becomes liable to pay in respect of legal liability to third parties for bodily injury or damage to property arising out of the construction elements of the Project, and professional costs and expenses incurred in dealing with any such claim, and in each case, on an occurrence form wording to include:

* + 1. **Principal Extensions**
       1. Cross liability clause;
       2. Legal costs and expenses;
       3. Contractual liability (assumed under the Concession Agreement and the EPC Contract); and
       4. Personal Injury including: (i) false arrest, imprisonment and detainment; (ii) medical malpractice, (if clinical medical services are provided); and (iii) the publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual’s right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named insured, limited to US$ 25,000,000 any one offence and in the annual aggregate (AVN60A).
    2. **Limit of indemnity**:

Not less than EUR 200,000,000 for any one occurrence but in the aggregate in respect of products liability and in respect of War, Hijacking and Other Perils, (AVN52G) US$ 50,000,000 only.

* + 1. **Deductible**:

EUR 17,500 of each claim for damage to property.

* + 1. **Insured**:

The Borrower, the Republic of France, the Security Agent on behalf of the Secured Finance Parties, all contractors, subcontractors, suppliers and vendors of whatsoever tier and agents of whatsoever tier, the Technical Adviser and their respective directors, officers employees and agents.

Each insured for their respective rights and interests.

* + 1. **Period of cover**:

In relation to each Airport, from the date of Financial Close and continuing until the Airport Works Final Completion Date for the relevant Airport.

* 1. TERRORISM – CONSTRUCTION ASSET & REVENUE PROTECTION
     1. **Interest**:

Loss or damage and subsequent loss of anticipated revenue and increased costs of working sustained following a delay to the commencement of the business at the Project as a direct result of physical loss of or damage to the contract works during construction, testing or commissioning caused by an act of terrorism.

Wording based on LMA3030 and LSW667 appropriately amended as agreed to reflect the risks of the Project and under terms acceptable to the Borrower and the Lenders covering asset and revenue terrorism insurance.

* + 1. **Exclusions**:
       1. Nuclear detonation, reaction, nuclear radiation or radioactive contamination cost of making good loss or damage to the Project;
       2. War, civil war, rebellion, revolution, insurrection, uprising, military or usurped power or martial law or confiscation by order of any Government or public authority;
       3. Seizure or illegal occupation;
       4. Confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, any order of public or government authority;
       5. Pollutants or contaminants, chemical or biological release or exposure of any kind;
       6. Electronic attacks;
       7. Vandals, malicious persons, protesters, strikes, riots or civil commotion;
       8. Cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service; and
       9. Threat or hoax.
    2. **Sum insured**:

Not less than the full reinstatement value of the estimated maximum loss or damage to the Project and not less than subsequent loss of anticipated revenue in respect of debt service (including principal and interest), and fixed operating costs.

* + 1. **Insured**:

The Republic of France, the Borrower, the Security Agent on behalf of the Secured Finance Parties, the Technical Adviser, the EPC Contractor and their respective directors, officers employees and agents.

Each insured for their respective rights and interests.

* + 1. **Deductibles**:
       1. Assets: not to exceed EUR 25,000 per event; and
       2. Revenue: not to exceed 14 days.
    2. **Period**:

For each Airport, from the date of Financial Close until the Airport Works Final Completion Date for the relevant Airport.

* 1. MISCELLANEOUS

Other insurance which:

* + - 1. is necessary to comply with Applicable Law, including:
         1. motor vehicle liability insurance (both airside and non airside) for any vehicle which is owned, hired, leased or borrowed in connection with the Project;
         2. personal accident for passengers in public transport undertakings; and
         3. workers’ compensation; and
      2. is considered by the Borrower to be desirable or prudent, including:
         1. Group Personal Accident;
         2. Directors and Officers’ Liability insurance; and
         3. Professional Indemnity insurance.

APPENDIX 2 - OPERATING INSURANCES

The following insurance covers shall be effected for the period of cover set out in the relevant paragraphs in this Appendix 2 of Schedule 1(*Insurances*), Part A (*Employer's Insurances*).

1. ALL RISKS INSURANCE

1.1 **Interest/Property Insured**:

All assets comprising the Project including but not limited to the Airports including the cargo terminal, plant machinery, electronic and computer equipment, buildings and their contents, stock, fixtures, fittings, mobile or in transit, of every kind and description not otherwise excluded (but excluding the fuel depot), either owned, leased, hired or borrowed by the Borrower or held in the care, custody or trust of the Borrower or for which the Borrower is responsible or have assumed responsibility all forming part of or in connection with the Project against All Risks of physical loss or damage (including mechanical and electrical breakdown, earthquake, and flood).

1.2 **Principal Extensions**

(a) Inflation protection/escalator in sum insured to not less than 115 per cent.;

(b) 85 per cent. Condition of underinsurance;

(c) Professional fees (Minimum EUR 500,000 in the annual aggregate per airport);

(d) Debris removal clause (Minimum 5 per cent. of the Sum Insured in the annual aggregate per airport);

(e) Public authorities clause;

(f) Valuable papers and records (Minimum EUR 1,000,000 in the annual aggregate per airport);

(g) Computer and electronic systems (Minimum EUR 5,000,000 in the annual aggregate per airport);

(h) Automatic reinstatement of sums insured;

(i) Application of deductible (72 hour) clause for flood and earthquake;

(j) Overtime and express freight expenses; and

(k) Temporary removal clause.

1.3 **Sums insured and Limit of Indemnity**:

Not less than the full replacement value on a reinstatement as new basis from time to time of each Airport (including an allowance for professional fees, removal of debris and customs duties (but in respect of cover outlined in Part 1.1 of this Appendix 2 (*Operating Insurances*) above, subject to (i) an inner limit of EUR 7,500,000 any one occurrence in relation to electrical and mechanical breakdown and (ii) any other inner limits as agreed).

1.4 **Deductible**:

Not to exceed EUR 40,000 of each and every loss except with respect to earthquake and strikes, riot and civil commotion where the deductible is not to exceed EUR 250,000 each and every loss and strikes, riot and civil commotion where the deductible is not to exceed EUR 250,000 each and every loss.

1.5 **Insured**:

The Republic of France, the Borrower, the Security Agent (on behalf of the Secured Finance Parties) and the Technical Adviser, and until the Airport Works Final Completion, the Contractor and subcontractors, Consulting Engineers, Architects, Suppliers and Manufacturers (for their manual site activities only).

Each insured for their respective rights and interests.

1.6 **Period of cover**:

In relation to each Airport, from the date of Financial Close until 1 March 2011 and to be annually renewed thereafter.

2. AIRPORT AVIATION /THIRD PARTY/PUBLIC/PRODUCTS LIABILITY

2.1 **Interest**:

All sums which any Insured becomes liable to pay in respect of legal liability to third parties for bodily injury or damage to property arising out of the operation and maintenance of the Airports, including the provision of security and fire services or otherwise in connection with the Project and/or in connection with the performance and/or provision of the services at the Airports; and professional costs and expenses incurred in dealing with any claim, and in each case, on an occurrence form wording.

2.2 **Cover to include**:

(a) Costs and legal expenses in addition to limit of indemnity (excluding USA and Canada where costs and legal expenses are included in the limit of indemnity);

(b) Personal Injury including: (i) false arrest, imprisonment and detainment; and (ii) the publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual’s right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the named insured, limited to US$ 25,000,000 any one offence and in the annual aggregate (AVN60);

(c) Contingent Airside Property Damage Liability arising from the use of motor vehicles (Excess of automobile liability insurance);

(d) War, hijacking and terrorism cover to the equivalent of EUR 200,000,000 any one occurrence and in the annual aggregate;

(e) Cross liability clause (AVN60A);

(f) Products liability;

(g) Noise and Pollution (AVN46B);

(g) Liability for bodily injury and property damage to third parties to the extent required under contracts and/or agreements for the inclusion of additional Insureds, special agreements, hold harmless agreements, indemnities, waivers of subrogation and special agreements falling within the scope of the Insured’s normal operations, as required; and

(h) World-wide jurisdiction for Products Liability, jurisdiction of the Francen courts otherwise.

2.3 **Main Exclusions**:

(a) Death or bodily injury to or illness or disease contracted by the employees of the Insured arising out of or in the course of their employment;

(b) Construction or alteration of buildings, runways or installations but not the Project Works undertaken at the Project;

(c) Property belonging to or in the charge or under the control of the Insured but this does not apply in respect of third party premises or property being worked upon;

(d) Liability arising out of technical or professional advice given for a fee by the Insured or by any person acting on behalf of the Insured other than in respect of injury or damage;

(e) Liability arising out of the use of mechanically propelled vehicles for which compulsory insurance or security is required by legislation, except whilst in use as a tool of trade;

(f) Liability arising from ownership possession or use or control of any aircraft or watercraft;

(g) The cost of making good loss or damage to property indemnified under the All Risks insurance referred to in paragraph 1 of this Appendix 2 (*Operating Insurances*);

(h) Fuelling and defueling services; and

(i) Fines or penalties imposed by regulatory or statutory authorities or courts.

2.4 **Limit of indemnity**:

Not less than EUR 275,000,000 for any one occurrence or all occurrences of a series consequent upon or attributable to one original source or cause but in respect of products liability, EUR 275,000,000 in the aggregate in any twelve month period of insurance.

2.5 **Deductible**:

Not greater than EUR 25,000 of each claim for damage to property and bodily injury caused by defective products only.

2.6 **Insured**:

The Republic of France, the Borrower, the Security Agent on behalf of the Secured Finance Parties, the Technical Adviser and their respective directors, officers employees and agents, and until the Airport Works Final Completion Date, the Contractor and subcontractors (but only where subcontractors maintain primary insurance in their own right) Consulting Engineers, Architects, Suppliers and Manufacturers for their manual site activities only.

Each insured for their respective rights and interests.

2.7 **Period of cover**:

In relation to each Airport, from the date of Financial Close until 1 March 2011 and to be annually renewed thereafter.

3. TERRORISM ASSET & REVENUE PROTECTION

3.1 **Interest**:

Loss or damage and subsequent interruption caused by an act of terrorism to the Project with LMA3030 and LSW667 policy wording basis amended as agreed to reflect the risks of the Airports and under terms acceptable to the Borrower and the Security Agent covering asset and revenue terrorism insurance.

3.1 **Main Exclusions**:

(a) Loss or damage by chemical or biological release or exposure of any kind;

(b) Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electro-Magnetic Weapons Exclusion Clause (CL 370);

(c) War, civil war, rebellion, revolution, insurrection, uprising, military or usurped power or martial law or confiscation by order of any government or public authority;

(d) Seizure or illegal occupation but this exclusion shall not apply with respect to damage to property caused by or attributable to a terrorist act and directly resulting therefrom;

(e) Confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, any order of public or government authority;

(f) Pollutants or contaminants, chemical or biological release or exposure of any kind;

(g) Electronic attacks;

(h) Vandals, malicious persons, protesters, strikes, riots or civil commotion;

(i) Cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service; and

(j) Threat or hoax.

3.3 **Sum insured**:

A combined first loss limit of indemnity for each and every loss and in the annual aggregate of no less than the full replacement value on a reinstatement as new basis from time to time of any Airport (including an allowance for professional fees and removal of debris) and the sum adequate to insure not less than 18 months’ revenue less return on equity and variable costs in respect of Grenoble “The Great” Airport and, after the Airport Works Final Completion Date, not less than 12 months’ revenue less return on equity and variable costs in respect of Lyon” St. Paul the Apostle” Airport.

3.4 **Deductible**:

(a) Assets: not to exceed EUR 100,000 per event; and

(b) Revenue: not to exceed 14 days per event.

3.5 **Insured**:

In the case of loss of revenue insurance, the Republic of France, the Borrower and the Security Agent on behalf of the Secured Finance Parties only, but otherwise, the Borrower, the Security Agent on behalf of the Secured Finance Parties, the Technical Adviser, and their respective directors, officers employees and agents.

Each insured for their respective rights and interests.

3.6 **Period of cover**:

In relation to each Airport, from the date of Financial Close until 1 March 2011 and to be annually renewed thereafter.

4. MISCELLANEOUS

4.1 **Other insurance which**:

(a) is necessary to comply with Applicable Law, including:

(i) motor vehicle liability insurance (both airside and non airside) for any vehicle which is owned, hired, leased or borrowed in connection with the Project; and

(ii) workers’ compensation; and

(b) is considered by the Borrower to be desirable or prudent, including:

(i) Group Personal Accident;

(ii) Directors and Officers’ Liability insurance; and

(iii) Professional Indemnity insurance.

Such insurances are to be purchased in the name of the Borrower with the Security Agent on behalf of the Secured Finance Parties being named insured (but only if so required by the Security Agent), and for such sums insured as a Reasonable and Prudent Operator would purchase.

SCHEDULE 1  
Insurances

Part B: Contractor’s Insurances

|  |  |  |
| --- | --- | --- |
| 1. | Automotive Liability |  |
|  | Cover: | Motor insurance policies for all mechanically propelled vehicles owned by the Contractor used on public highways or in any circumstance for which compulsory motor insurance is required in the Republic of France. |
|  | Sum Insured: | As required by Law. |
|  | Insured: | The Contractor and all subcontractors of any tier (subcontractors may be required to maintain their own policies instead of being insureds on a policy maintained by the Contractor) |
| 2. | Constructional Plant and Equipment Insurance |  |
|  | Cover: | “All Risks” of loss or damage to Constructional Plant and Equipment whilst on the Site and in transit thereto, to be maintained from commencement of transit of such property to the Site until its removal therefrom. |
|  | Sum insured: | Full replacement value of such Constructional Plant and Equipment |
|  | Insured: | Contractor |
| 3. | Workers’ compensation insurance and any other insurances required by law. |  |

1. Payment

Part A: Terms of Payment

* 1. METHOD OF APPLICATION FOR PAYMENTS OTHER THAN THE FINAL PAYMENT
     1. The Contractor may make an application for payment on the 3rd (third) day of each month, in respect of the previous calendar month, by submitting a draft Interim Payment Certificate showing:
        1. the overall value of Progress achieved, calculated as the percentage of Progress achieved on each Activity as at the last day of the previous calendar month, multiplied by the total value of the relevant Activity as set out in Part C (*Indicative Breakdown of the Contract Price*) of this Schedule 2 (*Payment*) (and for the avoidance of doubt Progress shall be valued for the purpose of this sub-paragraph (a)); and
        2. Additional Payments in accordance with this Contract, if any,

together with a Release of Liens and Claims Certificate pursuant to Clause 34.9 (*Transfer of Ownership*).

* + 1. Applications for payment shall be accompanied:
       1. in the case of Progress achieved, by such evidence, supporting documents and other information as may reasonably be requested by the Employer and the Technical Adviser, for the purpose of satisfying themselves of the proper achievement of the relevant Progress;
       2. in case of an adjustment of the Activities in accordance with paragraph 6 of this Part A (*Terms of Payment*) of Schedule 2 (*Payment*), evidence that the Technical Adviser has approved such adjusted Activities;
       3. a statement that the Contractor is no more than five (5) Business Days overdue in making payment of any amount invoiced to it by Subcontractors, save for amounts which the Contractor is disputing in good faith (and the Contractor shall identify any such amounts and state brief particulars of the matters in dispute); and
       4. in the case of claims for Additional Payments, by the particulars required under Clause 9 (*Claims for Additional Payments*).
    2. In respect of any Progress which comprises, or substantially comprises, the supply of any Materials, then before that Progress may be treated as having been achieved (so as to entitle the Contractor to include any amount relating to that Progress in an Interim Payment Certificate) the following conditions must be satisfied:
       1. The Contractor must provide evidence reasonably satisfactory to the Employer and the Technical Adviser that title to the Materials has vested, or will vest immediately upon the making of payment by the Employer, in the Employer, under all applicable Laws of all relevant countries.
       2. The Materials must be present on the Site, or (if not present on Site) must have been inspected on behalf of the Employer or the Technical Adviser at premises away from the Site and determined by that inspection to have been appropriately and securely stored, segregated from other goods at those premises, safe from theft, damage and weather or other environmental conditions which might cause deterioration in the Materials, and clearly and indelibly labelled as being the property of the Employer.
       3. The Subcontractor or other supplier or manufacturer of the Materials (which may include more than one person in the supply chain where, acting reasonably, the Employer or the Technical Adviser so requires) has provided written confirmation to the Employer that no lien or other form of security or retention of title exists or is capable of being created over the Materials.
  1. APPROVAL OF AN INTERIM PAYMENT CERTIFICATE
     1. Within seven (7) days after receiving an Interim Payment Certificate which the Contractor was entitled to issue under this Contract the Employer shall return the Interim Payment Certificate to the Contractor showing the amount due, **provided** **that** all evidence, supporting documents and other information required by the Contract has been submitted with the Interim Payment Certificate and it has been verified to the satisfaction of the Employer and the Technical Adviser that Progress has been achieved as stated in the Contractor’s Interim Payment Certificate. If the same cannot be verified to the satisfaction of the Employer and the Technical Adviser, the Employer shall promptly notify the Contractor giving its reasons therefor. The Employer shall make such corrections or amendments to the Interim Payment Certificate so that it prescribes only those items for which all evidence, supporting documents and other information has been received and which has been verified to its and the Technical Adviser’s satisfaction (including the receipt of a Release of Liens and Claims Certificate pursuant to Clause 34.9) (*Transfer of Ownership*), and shall state the reasons for the corrections or amendments. In the absence of any such notification by the Employer in respect of any Interim Payment Certificate within seven (7) Business Days of receipt of the Contractor’s draft, such Interim Payment Certificate shall be deemed to have been approved by the Employer and the Technical Adviser.
     2. Approval of applications for payment contained in an Interim Payment Certificate shall not be withheld by the Employer on account of:
        1. defects of a minor character which are not such as to affect the use of the Works; or
        2. any part of the payment applied for being disputed. In such case, the Employer shall approve an Interim Payment Certificate for the undisputed amount.
     3. Every Interim Payment Certificate shall certify the total sum due to the Contractor from the Employer in respect of:
        1. the value of Progress achieved, calculated as the percentage of Progress achieved on each Activity as at the last day of the previous calendar month, multiplied by the total value of the relevant Activity as set out in Part C (*Indicative Breakdown of the Contract Price*) of this Schedule 2 (*Payment*); plus
        2. claims for Additional Payment; plus
        3. VAT due to the Contractor in accordance with this Contract,

up to the date named in the Interim Payment Certificate (which shall be the last day of the month preceding the month in which the Contractor submitted the draft of the relevant Interim Payment Certificate) less:

* + - 1. the total of any sums previously certified in Interim Payment Certificates as payable to the Contractor, other than the Advance Payment;
      2. at least 15% (fifteen per cent) of the value of Progress under sub-paragraph (a) above, provided that the aggregate amount deducted under this paragraph (e) may not exceed the amount of the Advance Payment;
      3. any sum payable under this Contract by the Contractor to the Employer;
      4. any deductions from the Contract Price authorised by this Contract; and
      5. (without limitation of (g)) if the Retention Bond has not been provided to the Employer, a retention amount which (when added to the value of any retention amounts previously withheld by the Employer) will sum to 5% (five per cent) of the value of Progress under paragraph (a) above,

**provided that** the Employer and the Technical Adviser shall be entitled to withhold its approval of an Interim Payment Certificate submitted in respect of the achievement of Progress so far as such Progress comprises any work or Materials which, in the reasonable opinion of the Employer and the Technical Adviser do not comply with this Contract or in respect of which the Contractor has not submitted satisfactory evidence, supporting documents and information referred which can be verified to the satisfaction of the Employer, the Technical Adviser and the Facility Agent in accordance with paragraphs 1 and 2 of this Part A (*Terms of Payment*) of this Schedule 2 (*Payment*).

* + 1. The Employer holds retention amounts as security for the Contractor’s obligations under this Contract, and may apply the same in discharge of any obligation or liability of the Contractor. The Employer shall have no obligation to invest or segregate any retention amounts, nor any fiduciary duty in respect of the same.
  1. CORRECTIONS TO CERTIFICATES OF PAYMENT
     1. The Employer, in consultation with the Technical Adviser, may in any Certificate of Payment make any correction or modification that should properly be made in respect of any previous Interim Payment Certificate. If any sum shall become payable to the Contractor under this Contract, the amount thereof shall be included in the next Interim Payment Certificate. If any sums shall become payable under this Contract by the Contractor to the Employer whether by deduction from the Contract Price or otherwise, the amount thereof shall be deducted in the next Certificate of Payment or, if no such Certificate of Payment is due, such sum shall be recoverable as a debt due to the Contractor from the Employer.
     2. No Interim Payment Certificate shall be relied upon as conclusive evidence of any matter stated therein, nor shall it affect or prejudice any right of the Employer or the Contractor against each other.
  2. METHOD OF PAYMENT
     1. The Employer shall pay the amount approved by it and by the Technical Adviser as due to the Contractor in an Interim Payment Certificate within fourteen (14) Business Days from the date which such Interim Payment Certificate is approved by the Technical Adviser.
     2. Payments to the Contractor shall be made into the account numbers and at the banks notified by the Contractor to the Employer within ten (10) days of the date of execution of this Contract or such other accounts and/or banks as may from time to time be advised by the Contractor to the Employer by ten (10) days prior written notice.
  3. DATE OF PAYMENT

Any payment which becomes payable on any day which is not a banking day shall be paid on the immediately succeeding banking day.

* 1. PROGRESS & ACTIVITY SCHEDULE
     1. No later than three (3) months after the date of this Contract, the Contractor and the Employer shall, subject to the prior written approval of the Technical Adviser, amend those Activities denoted with an asterisk so as to include additional detail.
     2. Any adjustment to the Activities from time to time under paragraph 6.1 may only be made with the prior written consent of the Technical Adviser and the Facility Agent.

SCHEDULE 2  
Payment

Part B: Interim Payment Certificate

|  |  |
| --- | --- |
| Date | [  ] |
| To: | [*the Employer*] |

In accordance with Part A (*Terms of Payment*) of Schedule 2 (*Payment*) paragraph 1 of the Construction Contract dated [•] 2010 and between [*the Employer*], and [*the Contractor*], we hereby request payment of the amount specified below in respect of [*insert month/year*]. We hereby provide the following information as required by the Construction Contract:

(a) [Details of amounts due upon the achievement of Progress, calculated as the percentage of Progress achieved on each Activity, multiplied by the total value of the relevant Activity as set out in Part D (*Progress & Activity Schedule*) of Schedule 2 (*Payment*)]

(b) Claims for Additional Payments under this Contract: [        ]

Amount Requested: € [•]

Signed:

On behalf of: [*insert name of the Contractor*]

On behalf of [the Employer], I hereby approve this certificate subject to the following terms, corrections and/or amendments for the reasons stated:

Corrections/Amendments:

Reasons:

Payment to be made no earlier than: [*insert:*]

Signed:

for [*the Employer*]

SCHEDULE 2  
Payment

Part C: Indicative Breakdown of the Contract Price

|  |  |  |
| --- | --- | --- |
| **GRENOBLE "THE GREAT" AIRPORT** | |  |
| **No** | **Item** | **Amount (€)** |
| **1** | **INDIRECTS** | **7,600,000** |
| 1.1 | Mobilization | 1,000,000 |
| 1.2 | Design | 600,000 |
| 1.3 | Manpower and Machinery | 3,600,000 |
| 1.4 | Site running | 2,400,000 |
| **2** | **DISPLACEMENT of MILITARY FACILITIES** | **10,958,000** |
| 2.1 | Demolition Works | 77,891 |
| 2.2 | New Apron works for helicopter and aircrafts | 2,761,498 |
| 2.3 | Technical workshop (Hangars) | 4,626,251 |
| 2.4 | Accumulator Station (Battery Building) | 327,201 |
| 2.5 | Command Building | 1,963,816 |
| 2.6 | Fire fighting Building | 317,943 |
| 2.7 | Sports terrain | 736,082 |
| 2.8 | New Checkpoint | 147,318 |
| **3** | **TERMINAL BUILDING WORKS** | **32,800,000** |
| 3.1 | Earthworks | 2,808,000 |
| 3.1.1 | Excavation and Filling Works | 2,201,381 |
| 3.1.2 | Landscaping Works | 606,619 |
| 3.2 | Civil Works | 7,172,000 |
| 3.2.1 | Concrete Works | 5,367,194 |
| 3.2.2 | Roof Steel Works | 904,109 |
| 3.2.3 | Fixed Bridges Steel Works | 900,697 |
| 3.3 | Finishing Works | 7,498,000 |
| 3.3.1 | Insulation Works (foundation waterproofing works) | 374,512 |
| 3.3.2 | Brick Walls | 398,289 |
| 3.3.3 | Gypsum Partition Walls | 490,605 |
| 3.3.4 | Internal Glazed Walls | 405,808 |
| 3.3.5 | Ceramic Wall Tiles | 110,197 |
| 3.3.6 | Facade Works | 2,002,718 |
| 3.3.7 | Roof Covering Works | 238,322 |
| 3.3.8 | Ceiling Works | 659,900 |
| 3.3.9 | Plastering And Painting Works | 667,917 |
| 3.3.10 | Screed | 191,822 |
| 3.3.11 | Surface Hardener | 176,269 |
| 3.3.12 | Ceramic Floor Tiles | 54,673 |
| 3.3.13 | Resilient Flooring | 329,556 |
| 3.3.14 | Reconstituted Stone Floor Covering | 64,645 |
| 3.3.15 | Stainless Works | 288,345 |
| 3.3.16 | Wet Area Furnishings | 128,640 |
| 3.3.17 | Doors | 775,630 |
| 3.3.18 | Counters | 140,150 |
| 3.4 | Mechanical Works | 2,934,000 |
| 3.4.1 | HVAC Works | 1,277,326 |
| 3.4.2 | Fire Fighting System | 1,050,060 |
| 3.4.3 | Plumbing and Sanitary System | 407,842 |
| 3.4.4 | Automation System | 198,772 |
| 3.5 | Electrical & Electronical Works | 5,766,758 |
| 3.5.1 | Earthing Works | 283,478 |
| 3.5.2 | Lightning Protection Works | 364,472 |
| 3.5.3 | Low Voltage Works | 2,332,621 |
| 3.5.4 | Lighting Works | 1,619,876 |
| 3.5.5 | Generators | 510,261 |
| 3.5.6 | CCTV & CACS Works | 259,180 |
| 3.5.7 | Fire Alarm System | 80,994 |
| 3.5.8 | Public Adress System | 117,441 |
| 3.5.9 | Master Clock System | 16,199 |
| 3.5.10 | Security System | 182,236 |
| 3.6 | IT Works | 753,242 |
| 3.6.1 | Network System | 356,373 |
| 3.6.2 | FIDS (Flight Information Display System) | 89,093 |
| 3.6.3 | Telephone (PABX) System | 145,789 |
| 3.6.4 | LDCS (Local Departure Control System) | 72,894 |
| 3.6.5 | CMS (Commercial Management System) | 89,093 |
| 3.7 | Mechanical systems | 4,238,000 |
| 3.7.1 | BHS (1 set) | 1,550,000 |
| 3.7.2 | PBB's (6 units) | 1,515,000 |
| 3.7.3 | Elevators | 586,500 |
| 3.7.4 | Escalators | 586,500 |
| 3.8 | Commissioning | 1,630,000 |
| **4** | **NEW CARGO TERMINAL BUILDING** | **1,840,000** |
| 4.1 | Earthworks & Civil works | 736,000 |
| 4.1.1 | Excavation and Filling Works | 190,888 |
| 4.1.2 | Civil Works | 437,892 |
| 4.1.3 | Landscaping Works | 107,220 |
| 4.2 | Finishing Works | 644,000 |
| 4.2.1 | Wall And Wall Materials Works | 190,017 |
| 4.2.2 | Floor Covering Works | 53,805 |
| 4.2.3 | Ceiling Works | 5,740 |
| 4.2.4 | Facade Works | 258,753 |
| 4.2.5 | Roof Covering Works | 51,453 |
| 4.2.6 | Doors | 84,231 |
| 4.3 | Mechanical Works | 239,200 |
| 4.3.1 | HVAC Works | 104,136 |
| 4.3.2 | Fire Fighting System | 85,608 |
| 4.3.3 | Plumbing and Sanitary System | 33,250 |
| 4.3.4 | Automation System | 16,205 |
| 4.4 | Electrical Works & IT works | 220,800 |
| 4.4.1 | Earthing Works | 33,120 |
| 4.4.2 | Lightning Protection Works | 26,496 |
| 4.4.3 | Low Voltage Works | 61,824 |
| 4.4.4 | Lighting Works | 50,784 |
| 4.4.5 | Fire Alarm System | 17,664 |
| 4.4.6 | Network System | 13,248 |
| 4.4.7 | Telephone (PABX) System | 17,664 |
| **5** | **ADMINISTRATIVE BUILDING** | **2,521,000** |
| 5.1 | Earthworks & Civil works | 1,008,400 |
| 5.1.1 | Landscaping Works | 298,000 |
| 5.1.2 | Concrete Works | 710,400 |
| 5.2 | Finishing works | 882,350 |
| 5.2.1 | Wall And Wall Materials Works | 260,344 |
| 5.2.2 | Floor Covering Works | 73,719 |
| 5.2.3 | Ceiling Works | 7,864 |
| 5.2.4 | Facade Works | 354,520 |
| 5.2.5 | Roof Covering Works | 70,497 |
| 5.2.6 | Doors | 115,406 |
| 5.3 | Mechanical Works | 327,730 |
| 5.3.1 | HVAC Works | 142,678 |
| 5.3.2 | Fire Fighting System | 117,293 |
| 5.3.3 | Plumbing and Sanitary System | 45,556 |
| 5.3.4 | Automation System | 22,203 |
| 5.4 | Electrical Works & IT works | 302,520 |
| 5.4.1 | Earthing Works | 45,378 |
| 5.4.2 | Lightning Protection Works | 36,302 |
| 5.4.3 | Low Voltage Works | 84,706 |
| 5.4.4 | Lighting Works | 69,580 |
| 5.4.5 | Fire Alarm System | 24,202 |
| 5.4.6 | Network System | 18,151 |
| 5.4.7 | Telephone (PABX) System | 24,202 |
| **6** | **AIRCRAFT FIRE FIGHTING ARFF BUILDING** | **565,000** |
| 6.1 | Earthworks & Civil works | 226,000 |
| 6.1.1 | Excavation and Filling Works | 58,615 |
| 6.1.2 | Civil Works | 134,461 |
| 6.1.3 | Landscaping Works | 32,924 |
| 6.2 | Finishing works | 197,750 |
| 6.2.1 | Wall And Wall Materials Works | 65,920 |
| 6.2.2 | Floor Covering Works | 23,706 |
| 6.2.3 | Ceiling Works | 8,539 |
| 6.2.4 | Facade Works | 76,225 |
| 6.2.5 | Roof Covering Works | 4,772 |
| 6.2.6 | Doors | 18,588 |
| 6.3 | Mechanical Works | 73,450 |
| 6.3.1 | HVAC Works | 31,977 |
| 6.3.2 | Fire Fighting System | 26,287 |
| 6.3.3 | Plumbing and Sanitary System | 10,210 |
| 6.3.4 | Automation System | 4,976 |
| 6.4 | Electrical Works & IT works | 67,800 |
| 6.4.1 | Earthing Works | 10,170 |
| 6.4.2 | Lightning Protection Works | 8,136 |
| 6.4.3 | Low Voltage Works | 18,984 |
| 6.4.4 | Lighting Works | 15,594 |
| 6.4.5 | Fire Alarm System | 5,424 |
| 6.4.6 | Network System | 4,068 |
| 6.4.7 | Telephone (PABX) System | 5,424 |
| **7** | **AIRFIELD INFRASTRUCTURE WORKS** | **12,482,000** |
| 7.1 | Runway extension (with additional turning area of 90m x 90m) | 4,712,000 |
| 7.2 | Runway Extension & New Apron Area Power Supply Works | 700,000 |
| 7.3 | New and Existing Apron Areas Lighting Works | 120,000 |
| 7.4 | Runway Extension (500 m) Lighting Works | 700,000 |
| 7.5 | New Terminal Apron | 3,600,000 |
| 7.6 | Construction of sewage primary network | 720,000 |
| 7.7 | Construction of filter station for waste water | 350,000 |
| 7.8 | Construction of storm water sewage treatment with a filter station | 300,000 |
| 7.9 | Construction of water supply | 230,000 |
| 7.10 | Landscaping Works | 700,000 |
| 7.11 | Urban Lighting Works - carpark and urban | 350,000 |
| **8** | **OPEN CAR PARK WORKS - ROADWORKS** | **5,132,000** |
| 8.1 | Car park Construction Works | 2,316,000 |
| 8.2 | Car parking System (IT Works) | 350,000 |
| 8.3 | Access road | 1,972,800 |
| 8.4 | Access road electrical works | 147,960 |
| 8.5 | Access Roundabout around parking lot | 345,240 |
| **LYON AIRPORT** | |  |
| **9** | **LYON WORKS** | **6,799,000** |
| 9.1 | MOBILIZATION WORKS | 100,000 |
| 9.2 | MAN POWER and MACHINERY | 390,000 |
| 9.3 | SITE RUNNING | 430,000 |
| 9.4 | VIP FACILITIES | 450,000 |
| 9.5 | ADMINISTRATION BUILDING | 275,000 |
| 9.6 | CARGO CENTER | 250,000 |
| 9.7 | NEW AIRCRAFT HANGAR CONSTRUCTION | 1,650,000 |
| 9.8 | TERMINAL BUILDING FACILITIES | 1,074,000 |
| 9.9 | CAR PARK WORKS | 1,080,000 |
| 9.10 | AIRFIELD INFRASTRUCTURE WORKS | 1,100,000 |
|  | **Total :** | **80,697,000** |

SCHEDULE 2  
Payment

Part D: Progress & Activity Schedule

|  |  |  |  |
| --- | --- | --- | --- |
| **GRENOBLE "THE GREAT" AIRPORT** | |  |  |
| **No** | **Item** | **Start Date** | **Finish Date** |
| **1** | **INDIRECTS** |  |  |
| 1.1 | Mobilization | 01.03.2010 | 26.07.2010 |
| 1.2 | Design | 10.03.2010 | 28.12.2010 |
| 1.3 | Manpower and Machinery | 20.04.2010 | 15.10.2011 |
| 1.4 | Site running | 01.03.2010 | 15.10.2011 |
| **2** | **DISPLACEMENT of MILITARY FACILITIES** |  |  |
| 2.1 | Demolition Works | 13.07.2010 | 20.03.2011 |
| 2.2 | New Apron works for helicopter and aircrafts | 19.07.2010 | 15.11.2010 |
| 2.3 | Technical workshop (Hangars) | 02.06.2010 | 16.03.2011 |
| 2.4 | Accumulator Station (Battery Building) | 14.07.2010 | 31.01.2011 |
| 2.5 | Command Building | 28.05.2010 | 03.01.2011 |
| 2.6 | Fire fighting Building | 14.07.2010 | 31.01.2011 |
| 2.7 | Sports terrain | 14.10.2010 | 28.12.2010 |
| 2.8 | New Checkpoint | 15.11.2010 | 31.01.2011 |
| **3** | **TERMINAL BUILDING WORKS** |  |  |
| 3.1 | Earthworks |  |  |
| 3.1.1 | Excavation and Filling Works | 03.05.2010 | 15.03.2011 |
| 3.1.2 | Landscaping Works | 15.06.2010 | 10.10.2011 |
| 3.2 | Civil Works |  |  |
| 3.2.1 | Concrete Works | 16.06.2010 | 19.03.2011 |
| 3.2.2 | Roof Steel Works | 20.08.2010 | 25.03.2011 |
| 3.2.3 | Fixed Bridges Steel Works | 11.12.2010 | 23.04.2011 |
| 3.3 | Finishing Works |  |  |
| 3.3.1 | Insulation Works (foundation waterproofing works) | 30.06.2010 | 09.03.2010 |
| 3.3.2 | Brick Walls | 13.12.2010 | 15.04.2011 |
| 3.3.3 | Gypsum Partition Walls | 27.12.2010 | 23.05.2011 |
| 3.3.4 | Internal Glazed Walls | 24.01.2011 | 16.06.2011 |
| 3.3.5 | Ceramic Wall Tiles | 24.01.2011 | 16.06.2011 |
| 3.3.6 | Facade Works | 15.09.2010 | 03.08.2011 |
| 3.3.7 | Roof Covering Works | 20.09.2010 | 11.05.2011 |
| 3.3.8 | Ceiling Works | 10.01.2011 | 16.07.2011 |
| 3.3.9 | Plastering And Painting Works | 27.01.2011 | 26.07.2011 |
| 3.3.10 | Screed | 15.12.2010 | 11.06.2011 |
| 3.3.11 | Surface Hardener | 13.01.2011 | 30.06.2011 |
| 3.3.12 | Ceramic Floor Tiles | 04.02.2011 | 18.07.2011 |
| 3.3.13 | Resilient Flooring | 24.02.2011 | 18.07.2011 |
| 3.3.14 | Reconstituted Stone Floor Covering | 14.02.2011 | 18.07.2011 |
| 3.3.15 | Stainless Works | 21.04.2011 | 08.08.2011 |
| 3.3.16 | Wet Area Furnishings | 22.03.2011 | 15.07.2011 |
| 3.3.17 | Doors | 15.01.2011 | 02.08.2011 |
| 3.3.18 | Counters | 18.05.2011 | 27.07.2011 |
| 3.4 | Mechanical Works |  |  |
| 3.4.1 | HVAC Works | 26.07.2010 | 28.07.2011 |
| 3.4.2 | Fire Fighting System | 26.07.2010 | 07.06.2011 |
| 3.4.3 | Plumbing and Sanitary System | 26.07.2010 | 06.08.2011 |
| 3.4.4 | Automation System | 26.07.2010 | 06.08.2011 |
| 3.5 | Electrical & Electronical Works |  |  |
| 3.5.1 | Earthing Works | 26.07.2010 | 12.03.2011 |
| 3.5.2 | Lightning Protection Works | 26.07.2010 | 12.03.2011 |
| 3.5.3 | Low Voltage Works | 26.07.2010 | 27.07.2011 |
| 3.5.4 | Lighting Works | 26.07.2010 | 27.06.2011 |
| 3.5.5 | Generators | 26.07.2010 | 16.07.2011 |
| 3.5.6 | CCTV & CACS Works | 26.07.2010 | 14.07.2011 |
| 3.5.7 | Fire Alarm System | 26.07.2010 | 16.07.2011 |
| 3.5.8 | Public Adress System | 26.07.2010 | 14.07.2011 |
| 3.5.9 | Master Clock System | 26.07.2010 | 14.07.2011 |
| 3.5.10 | Security System | 26.07.2010 | 11.07.2011 |
| 3.6 | IT Works |  |  |
| 3.6.1 | Network System | 20.09.2010 | 19.07.2011 |
| 3.6.2 | FIDS (Flight Information Display System) | 20.09.2010 | 15.07.2011 |
| 3.6.3 | Telephone (PABX) System | 20.09.2010 | 01.07.2011 |
| 3.6.4 | LDCS (Local Departure Control System) | 20.09.2010 | 11.07.2011 |
| 3.6.5 | CMS (Commercial Management System) | 20.09.2010 | 07.07.2011 |
| 3.7 | Mechanical systems |  |  |
| 3.7.1 | BHS (1 set) | 15.09.2010 | 17.08.2011 |
| 3.7.2 | PBB's (6 units) | 15.09.2010 | 18.08.2011 |
| 3.7.3 | Elevators | 15.09.2010 | 09.08.2011 |
| 3.7.4 | Escalators | 15.09.2010 | 09.08.2011 |
| 3.8 | Commissioning | 19.08.2011 | 19.09.2011 |
| **4** | **NEW CARGO TERMINAL BUILDING** |  |  |
| 4.1 | Earthworks & Civil works |  |  |
| 4.1.1 | Excavation and Filling Works | 27.04.2010 | 23.08.2010 |
| 4.1.2 | Civil Works | 11.06.2010 | 28.10.2010 |
| 4.1.3 | Landscaping Works | 15.02.2011 | 15.04.2011 |
| 4.2 | Finishing Works |  |  |
| 4.2.1 | Wall And Wall Materials Works | 22.09.2010 | 04.04.2011 |
| 4.2.2 | Floor Covering Works | 22.12.2010 | 08.04.2011 |
| 4.2.3 | Ceiling Works | 10.03.2011 | 01.04.2011 |
| 4.2.4 | Facade Works | 20.10.2010 | 24.02.2011 |
| 4.2.5 | Roof Covering Works | 30.10.2010 | 15.12.2010 |
| 4.2.6 | Doors | 01.03.2011 | 04.03.2011 |
| 4.3 | Mechanical Works |  |  |
| 4.3.1 | HVAC Works | 26.07.2010 | 02.04.2011 |
| 4.3.2 | Fire Fighting System | 17.10.2010 | 18.12.2010 |
| 4.3.3 | Plumbing and Sanitary System | 03.01.2011 | 04.04.2011 |
| 4.3.4 | Automation System | 18.02.2011 | 18.04.2011 |
| 4.4 | Electrical Works & IT works |  |  |
| 4.4.1 | Earthing Works | 28.07.2010 | 24.08.2010 |
| 4.4.2 | Lightning Protection Works | 28.07.2010 | 24.08.2010 |
| 4.4.3 | Low Voltage Works | 24.01.2011 | 17.03.2011 |
| 4.4.4 | Lighting Works | 30.01.2011 | 06.03.2011 |
| 4.4.5 | Fire Alarm System | 24.01.2011 | 17.03.2011 |
| 4.4.6 | Network System | 20.01.2011 | 06.03.2011 |
| 4.4.7 | Telephone (PABX) System | 20.01.2011 | 06.03.2011 |
| **5** | **ADMINISTRATIVE BUILDING** |  |  |
| 5.1 | Earthworks & Civil works |  |  |
| 5.1.1 | Landscaping Works | 10.01.2011 | 20.03.2011 |
| 5.1.2 | Concrete Works | 27.05.2010 | 16.09.2010 |
| 5.2 | Finishing works |  |  |
| 5.2.1 | Wall And Wall Materials Works | 26.07.2010 | 26.10.2010 |
| 5.2.2 | Floor Covering Works | 01.11.2010 | 15.12.2010 |
| 5.2.3 | Ceiling Works | 15.12.2010 | 18.02.2011 |
| 5.2.4 | Facade Works | 15.10.2010 | 25.01.2011 |
| 5.2.5 | Roof Covering Works | 15.09.2010 | 15.01.2011 |
| 5.2.6 | Doors | 15.01.2011 | 24.02.2011 |
| 5.3 | Mechanical Works |  |  |
| 5.3.1 | HVAC Works | 20.07.2010 | 15.01.2011 |
| 5.3.2 | Fire Fighting System | 20.07.2010 | 10.01.2011 |
| 5.3.3 | Plumbing and Sanitary System | 20.07.2010 | 10.01.2011 |
| 5.3.4 | Automation System | 20.07.2010 | 15.01.2011 |
| 5.4 | Electrical Works & IT works |  |  |
| 5.4.1 | Earthing Works | 20.07.2010 | 20.11.2010 |
| 5.4.2 | Lightning Protection Works | 20.07.2010 | 19.11.2010 |
| 5.4.3 | Low Voltage Works | 20.07.2010 | 15.01.2011 |
| 5.4.4 | Lighting Works | 20.07.2010 | 16.01.2011 |
| 5.4.5 | Fire Alarm System | 20.07.2010 | 13.01.2011 |
| 5.4.6 | Network System | 20.07.2010 | 10.01.2011 |
| 5.4.7 | Telephone (PABX) System | 20.07.2010 | 10.01.2011 |
| **6** | **AIRCRAFT FIRE FIGHTING ARFF BUILDING** |  |  |
| 6.1 | Earthworks & Civil works |  |  |
| 6.1.1 | Excavation and Filling Works | 26.03.2010 | 17.07.2010 |
| 6.1.2 | Civil Works | 21.04.2010 | 20.08.2010 |
| 6.1.3 | Landscaping Works | 25.12.2010 | 15.02.2011 |
| 6.2 | Finishing works |  |  |
| 6.2.1 | Wall And Wall Materials Works | 19.08.2010 | 25.01.2011 |
| 6.2.2 | Floor Covering Works | 22.09.2010 | 11.12.2010 |
| 6.2.3 | Ceiling Works | 20.10.2010 | 30.12.2010 |
| 6.2.4 | Facade Works | 13.08.2010 | 26.10.2010 |
| 6.2.5 | Roof Covering Works | 16.08.2010 | 21.09.2010 |
| 6.2.6 | Doors | 25.11.2010 | 25.01.2011 |
| 6.3 | Mechanical Works |  |  |
| 6.3.1 | HVAC Works | 18.08.2010 | 13.01.2011 |
| 6.3.2 | Fire Fighting System | 18.08.2010 | 05.12.2010 |
| 6.3.3 | Plumbing and Sanitary System | 25.09.2010 | 19.02.2011 |
| 6.3.4 | Automation System | 25.10.2010 | 19.02.2011 |
| 6.4 | Electrical Works & IT works |  |  |
| 6.4.1 | Earthing Works | 29.06.2010 | 04.08.2010 |
| 6.4.2 | Lightning Protection Works | 29.06.2010 | 04.08.2010 |
| 6.4.3 | Low Voltage Works | 04.11.2010 | 19.01.2011 |
| 6.4.4 | Lighting Works | 31.10.2010 | 12.02.2011 |
| 6.4.5 | Fire Alarm System | 04.11.2010 | 19.01.2011 |
| 6.4.6 | Network System | 20.01.2011 | 21.03.2011 |
| 6.4.7 | Telephone (PABX) System | 20.01.2011 | 21.03.2011 |
| **7** | **AIRFIELD INFRASTRUCTURE WORKS** |  |  |
| 7.1 | Runway extension (with additional turning area of 90m x 90m) | 16.08.2010 | 02.07.2011 |
| 7.2 | Runway Extension & New Apron Area Power Supply Works | 22.09.2010 | 22.02.2011 |
| 7.3 | New and Existing Apron Areas Lighting Works | 19.03.2011 | 18.07.2011 |
| 7.4 | Runway Extension (500 m) Lighting Works | 07.03.2011 | 02.07.2011 |
| 7.5 | New Terminal Apron | 19.03.2011 | 18.07.2011 |
| 7.6 | Construction of sewage primary network | 13.09.2010 | 23.04.2011 |
| 7.7 | Construction of filter station for waste water | 06.01.2011 | 06.07.2011 |
| 7.8 | Construction of storm water sewage treatment with a filter station | 06.01.2011 | 10.08.2011 |
| 7.9 | Construction of water supply | 25.08.2010 | 03.03.2011 |
| 7.10 | Landscaping Works | 17.01.2011 | 15.07.2011 |
| 7.11 | Urban Lighting Works - carpark and urban | 17.05.2011 | 13.08.2011 |
| **8** | **OPEN CAR PARK WORKS - ROADWORKS** |  |  |
| 8.1 | Car park Construction Works | 01.03.2011 | 09.07.2011 |
| 8.2 | Car parking System (IT Works) | 20.05.2011 | 20.07.2011 |
| 8.3 | Access road | 15.07.2010 | 11.08.2011 |
| 8.4 | Access road electrical works | 15.08.2010 | 11.08.2011 |
| 8.5 | Access Roundabout around parking lot | 15.05.2011 | 11.08.2011 |
| **LYON AIRPORT** | |  |  |
| **9** | **LYON WORKS** |  |  |
| 9.1 | MOBILIZATION WORKS | 12.04.2010 | 28.06.2010 |
| 9.2 | MAN POWER and MACHINERY | 10.04.2010 | 28.02.2011 |
| 9.3 | SITE RUNNING | 12.04.2010 | 28.02.2011 |
| 9.4 | VIP FACILITIES | 09.09.2010 | 26.02.2011 |
| 9.5 | ADMINISTRATION BUILDING - RENOVATION WORKS | 01.09.2010 | 04.12.2010 |
| 9.6 | CARGO CENTER - RENOVATION WORKS | 01.10.2010 | 03.12.2010 |
| 9.7 | NEW AIRCRAFT HANGAR CONSTRUCTION | 16.08.2010 | 28.02.2011 |
| 9.8 | TERMINAL BUILDING FACILITIES | 01.10.2010 | 06.01.2011 |
| 9.9 | CAR PARK WORKS | 02.08.2010 | 29.12.2010 |
| 9.10 | AIRFIELD INFRASTRUCTURE WORKS | 15.09.2010 | 21.01.2011 |

1. Completion and Testing
   1. TESTS ON COMPLETION
      1. The Contractor shall demonstrate to the satisfaction of the Employer and the Technical Adviser that:
         1. the Works comply in all respects with the Specification;
         2. the Works are free of any Defects (other than Punch List Items);
         3. the Works comply in all respects with the Concession Contract;
         4. the Works comply in all respects with the Environmental Management Plan, and any applicable Laws;
         5. the Contractor has delivered sufficient supplies required for preventative maintenance to the Employer so as to enable planned preventative maintenance of the Works for twelve (12) months following Substantial Completion of the relevant Section;
         6. the Contractor has delivered a complete list of recommended spare parts to the Employer; and
         7. all relevant Licences have been obtained.
      2. Prior to the commencement of any Tests on Completion that Contractor shall have:
         1. provided full and accurate Manuals to the Employer;
         2. trained sufficient personnel of the Employer to operate and maintain the Works.
   2. TESTING AND COMMISSIONING PLAN
      1. The Contractor shall, at the time of submitting the draft detailed procedures for the testing and commissioning of the first System, submit to the Employer and the Technical Adviser a programme listing all Systems to be tested, and their target dates for testing.
      2. The Contractor shall, no later than two (2) months prior to the target date for testing of a System (as set out in the Programme), deliver to the Employer and the Technical Adviser the draft detailed procedures for the testing and commissioning of that System in compliance with the Concession Contract and this Contract (a “**Testing and Commissioning Plan**”). The Employer and the Technical Adviser shall be entitled to comment on such draft procedures (within fourteen (14) days of receipt) and the Contractor shall take account of such comments and reissue the draft procedures for approval (within fourteen (14) days thereafter). The Contractor and the Employer shall use their best efforts to ensure that the Testing and Commissioning Plan (including its procedures) is agreed by not later than one (1) month prior to the Target Date for Substantial Completion of the relevant Section.
      3. If the Employer and the Technical Adviser:
         1. confirm; or
         2. fail to confirm (other than as a result of the Contractor’s failure to deliver additional information or a revised Testing and Commissioning Plan) within one (1) month of receipt of the draft Testing and Commissioning Plan,

that the draft Testing and Commissioning Plan is satisfactory, such proposed Testing and Commissioning Plan shall constitute the Tests on Completion to be carried out by the Contractor in accordance with Clause 26 (*Tests on Completion*).

* + 1. If the Employer and the Technical Adviser reject the draft Testing and Commissioning Plan, the Contractor shall be obliged to carry out testing and commissioning of a System in accordance with procedures approved by the Technical Adviser acting reasonably and in accordance with Good Industry Practice.

1. Completion Certificate

Part A: Substantial Completion Certificate

|  |  |
| --- | --- |
| To: | [*Contractor*] |
|  | [*Insert Address*] |
| Attention: | [•] |
| From: | [*Employer*] |
|  | [*Insert Address*] |

Construction Contract relating to the design, construction and operation of the “The Great” Airport in Grenoble and the “St. Paul” Airport in Lyon dated [•] 2010 and between [•] (the “**Construction Contract**”)

1. We refer to the Construction Contract. This is the Substantial Completion Certificate. Terms defined in the Construction Contract have the same meaning in this Substantial Completion Certificate unless otherwise defined herein.

2. Without prejudice to the rights of the Employer or the obligations of the Contractor under the Construction Contract, the Employer hereby confirms that the requirements for Substantial Completion have been satisfied in relation to [describe section] on [•] in accordance with, and subject to the conditions contained in Clause 27.1 (*Substantial Completion*) of the Construction Contract.

|  |
| --- |
| **TLV EXCHANGE CORPORATION** |
| …..…………………………………………… |
| Name: |
| Title: |

Part B, Final Completion Certificate

|  |  |
| --- | --- |
| To: | [*Contractor*] |
|  | [*Insert Address*] |
| Attention: | [•] |
| From: | [*Employer*] |
|  | [*Insert Address*] |

Construction Contract relating to the design, construction and operation of the “The Great” Airport in Grenoble and the “St. Paul” Airport in Lyon dated [•] 2010 and between [•] (the “**Construction Contract**”)

1. We refer to the Construction Contract. This is the Final Completion Certificate. Terms defined in the Construction Contract have the same meaning in this Final Completion Certificate unless otherwise defined herein.

2. Without prejudice to the rights of the Employer or the obligations of the Contractor under the Construction Contract, the Employer hereby confirms that the requirements for Final Completion have been satisfied on [•] in accordance with, and subject to the conditions contained in Clause 28.1 (*Final Completion*) of the Construction Contract.

|  |
| --- |
| **TLV EXCHANGE CORPORATION** |
| …..…………………………………………… |
| Name: |
| Title: |

1. Quality Assurance Scheme

****

**NEW WORKS FOR THE**

**CONSTRUCTION AND DEVELOPMENT**

**OF THE GREAT ALEXANDER**

**AIRPORT/ GRENOBLE- FRANCE**

**PROJECT QUALITY PLAN**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rev. No | Rev. Date | Revision Definition | System Appr. | Issue Appr. |
| 0 | 09.06.2010 | First Issue | QA | PM |
| Draft | May 2010 | First Draft | QA | PM |

**TABLE OF CONTENTS**

**1. General**

1.1. Purpose and Scope of the Project Quality Plan

1.2. Project Description

1.3. Employer of the Project

1.4. Main Activities of the Project

**2. References**

**3. Definitions**

3.1 Abbreviations

3.2 Definitions

3.2.1 Corrective Action

3.2.2 Preventive Action

3.2.3 Procedure 3.2.4 Quality

3.2.5 Quality Assurance

3.2.6 Quality Audit

3.2.7 Quality Control

3.2.8 Quality Management

3.2.9 Quality Management System

3.2.10 Project Quality Plan

3.2.11 Quality Policy

3.2.12 Subcontractor

3.2.13 Supplier

**4. Management Responsibility**

4.1. Management Commitment

4.2. Quality Policy

4.3. Project Specific Objectives

4.4. Employer Focus

**5. Organizational Structure and Responsibilities**

5.1 Organization Chart

5.2 Project Management Principles

5.3 QA Management Principles

5.4 Duties and Responsibilities

5.4.1 Project Manager

5.4.2 Quality Responsible

5.4.3 Technical Department Chiefs 5.4.4 Technical Office Manager

**6. Description of the Quality Management System**

6.1 Scope and Correspondence with Other Management Systems

6.2 Documentation Structure

6.2.1 Quality Manual

6.2.2 Main Processes

6.2.3 Corporate Procedures

6.2.4 Project Quality Plan

6.2.5 Project Specific Documents

6.2.6 External Documents

6.2.7 Records

**7. Project Quality System Elements**

7.1 Project Management

7.2 Relations With Employer/Client

7.3 Design

7.3.1 General

7.4 Procurement and Logistic

7.4.1 General

7.4.2 Purchased Material Control and Nonconforming Materials 7.4.3 Material Approvals

7.5 Construction

7.6 Subcontractor Management

7.7 Quality Control

7.7.1 General

7.7.2 Nonconformance Report (NCR)

7.8 Machine & Equipment Management

7.9 Site Management

**8. Management of Quality System**

8.1. Performance Monitoring of Quality System

8.2. Internal Audits

8.3. Corrective and Preventive Actions

8.4. Management of Documents and Records

8.4.1 Document Management

8.4.2 Management of Records

8.5. Human Resources Management

8.6. Training and Orientation Activities

**ATTACHMENTS**

App. 1 - System Procedures of TLV Construction

App. 2 - List of Project Specific Documents

App. 3 - Project Organization Chart

App. 4 - Procedures and ISO 9001 Cross Reference Table

App. 5 - List of Project Specific Technical Documents

App. 6 - Records Retention List

* 1. General
     1. **Purpose and Scope of the Project Quality Plan**

This Project Quality Plan has been prepared to establish and document the quality management system of TLV CONSTRUCTION FRANCE SKP project.

This Project Quality Plan is the principle quality document, which governs the all projects activities that cover design, procurement, logistics, construction, erection, equipment installation and commissioning of the extension and development of THE GREAT ALEXANDER Airport Project according to contract requirements.

Project Quality Plan contains 8 sections, describing key elements of the Quality Management System and gives references to the detailed execution to the Project. Project Quality Plan is a “living” document that will be changed and updated as needed. All users are encouraged to bring changes or suggestions for improvement to TLV Management for evaluation and possible incorporation.

* + 1. **Project Description**

The project covers design, engineering, procurement, construction, erection, installation, commissioning, testing, importing, shipping, transporting, storing materials and construction equipment in order to development, finance, operation and maintenance of Grenoble “The Great” airport.

The scope of the project is:

1. Providing 6 new passenger boarding bridges at the Terminal (including 400 Hz and PCAs)
2. Providing 6 escalators and 9 elevators at the Terminal
3. Providing 23 Check in counters and 21 passport counters at the Terminal
4. Construction of 40100 m2 Terminal area.
5. Construction of 1000 m2 A.R.F.F Building
6. Construction of 3000 m2 Cargo Building
7. Providing a new 42.630 m2 car park.
   * 1. **Employer of the Project**

TLV EXCHANGE CORPORATION is the Employer/Client of this project.

* + 1. **Main Activities of the Project**

The main activities of the project are listed below will be performed in accordance with the construction projects approved by the Employer based on the preliminary drawings and the contract between TLV Construction France and The Employer.

• To procure electrical, mechanical and electronical systems and commissioning,

• Fire prevention systems and commissioning,

• To increase the parking capacity.

* 1. References

• ISO 9001:2008 Quality Management System Standard

• Applicable legal requirements and regulations

• Project Contract Documents

* 1. Definitions and Abbreviations
     1. **Abbreviations**

**PQP** : Project Quality Plan

**PM** : Project Manager

**CM** : Construction Manager

**NCR** : Non-Conformity Report

**PAR** : Preventive Action Request (combined with NCR)

**CAR** : Corrective Action Request

**QMS** : Quality Management System

**SKP** : The Great Airport - Grenoble

* + 1. **Definitions**
       1. **Corrective Action** - An action taken to eliminate the root cause(s) of an existing nonconformity, defect, or other undesirable situation in order to prevent recurrence.
       2. **Preventive Action** - An action taken to eliminate the root cause(s) of a potential nonconformity, defect, or other undesirable situation in order to prevent occurrence
       3. **Procedure** - Specified way to perform an activity
       4. **Quality** - Totality of characteristics of an entity that bear on its ability to satisfy stated and implied needs
       5. **Quality Assurance** - All those planned and systematic actions necessary to provide adequate confidence that a project or service will satisfy given requirements for quality
       6. **Quality Audit** - A systematic and independent examination to determine whether quality activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives
       7. **Quality Control** - The operational techniques and activities that are used to fulfill requirements for quality such as measuring, examining, testing, or gauging one or more characteristics of an entity and comparing the results with specified requirements to establish whether conformity is achieved for each characteristic
       8. **Quality Management** - All activities of the overall management function that determine the quality policy, objectives, and responsibilities, and implement them by means such as quality planning, quality control, quality assurance, and quality improvement within the quality system
       9. **Quality Management System** - Organizational structure, procedures, processes, and resources needed to implement quality management
       10. **Project Quality Plan** - Document setting out the specific quality practices, resources, and sequence of activities relevant to a particular project or contract
       11. **Quality Policy** - The overall quality intentions and direction of an organization regarding quality, as formally expressed by management
       12. **Subcontractor** - Organization that provides a product to the supplier
       13. **Supplier** - Organization that provides a product to the customer
  1. Management Responsibility
     1. **Management Commitment**

TLV CONSTRUCTION FRANCE will provide the Employer/Client with the products and services that comply with the quality requirements in the Contract of “**SKP Extension and Development Project**”, as well as all applicable specifications, codes, and regulations.

It is responsibility of all TLV SKP employees, subcontractors, suppliers and others supporting the project activities, to comply with the TLV SKP Quality Management System and execute their scope of work to the highest professional standards.

The main quality objective for the Project is to implement TLV SKP Quality Management System from starting day of the project to final hand over to the Owner.

The goal of the Quality Management System is to achieve compliance with the contractual requirements and statutory regulations with regard to quality, safety and reliability.

* + 1. **Project Quality Policy**

*Project quality policy complies with the TLV CONSTRUCTION quality policy.*

The basic principle of policy is that SKP project should be completed within the period prescribed, contract requirements and as per the satisfaction of the employer.

All TLV SKP employees will provide their best efforts to apply these policies in all activities within their own field of responsibility.

With TLV SKP quality objectives and policies, employer satisfaction and legal obligations will be observed and “continuous improvement and development” will be provided.

* + 1. **Project Specific Objectives**

In order to realize the designated policies, TLV SKP Management has been defined project specific objectives to provide continuous improvement.

Project Management will follow up the level of achievement for the objectives with periodical reviews.

• To construct facilities that are safe, environmentally acceptable, and cost effective and that meet all applicable standards, codes and regulations.

• To perform an outstanding work, to do work on time and right the first time; minimizing the occurrence of errors and need for rework.

On behalf of SKP, the undersigned makes a commitment to the above Project Quality Objectives and Policy.

* + 1. **Employer Focus**

TLV CONSTRUCTION FRANCE accepts that, employers' satisfaction and non-satisfaction data is an important parameter in the monitoring of the performance of quality management system. So that, Project manager and management team shall communicate to all organization includes subcontractors’ the importance of meeting contract requirements and providing employer satisfaction.

* 1. Organisational Structure and Responsibilities
     1. **Organization Chart**

The Organization Chart of the project is attached to the Project Quality Plan. (App.3 - Organization Chart)

* + 1. **Project Management Principles**

Interactions and communication between the project execution groups and support groups are in a systematic manner. Relationships between project execution units and support units are defined in the system, which consists of procedures and project plans. According to the these principles, managers and personnel of the project;

• Are responsible to implement system elements (methods, procedures and plans), within their field of responsibility, which are agreed and issued officially.

• Have authorities to deviate from established systems in case of insufficiency of systems by informing top management of the project and relevant support groups.

• Are responsible to communicate both project and head office departments either horizontally or vertically for execution of their duties.

• Are responsible to establish and implement appropriate communication processes in order to provide effectiveness of the quality management systems.

* + 1. **QA Management Principles**

TLV CONSTRUCTION has been established and put into affect its quality system in such a form as to meet the requirements of ISO 9001.

Quality Management System is structured according to the fact that the methods employed in project management and system requirements may differ from project to project, they are restructured according to the specific requirements of the projects and TLV CONSTRUCTION FRANCE’s project management approach.

TLV CONSTRUCTION FRANCE’s project management approach and quality policy have a significant effect in the determination of the scope of the quality system. TLV CONSTRUCTION FRANCE quality system covers management of the head office and all job site operations.

Corporate Quality Assurance Manager has top level authorities for development and implementation of quality management system and leads to the quality responsible of each project. Corporate Quality Assurance Manager shall work together with the Quality Responsible of each Project, for establishing, maintaining and implementing of Quality Program within the framework of TLV CONSTRUCTION FRANCE policies.

* + 1. **Duties and Responsibilities**
       1. **Project Manager**

His main duties are;

• To define strategic objectives to complete the project on time, on budget and compliant to the contract requirements,

• To coordinate all departments to comply with the contract requirements,

• To coordinate the internal meetings,

• To represent the project to the Authority and to the Employer,

• To assure all the activities in the project are compliant with the legal, technical and contractural requirements by conducting Quality meetings and reviewing quality reports,

• To assure all the activities in the project are compliant with the legal and company procedures to conduct safe work and to prevent unsafe conduct and accidents.

• To monitor the overall performance of the project to ensure the continual improvement of the TLV SKP Quality Management System in line with the quality policy and project objectives.

* + - 1. **Quality Responsible**

• Reports to the Project Manager.

• Dispatches and follows up the Project Quality Plan.

• Validates the Quality Control Plans issued by the related technical departments.

• Follows up as necessary the good implementation of the Quality Control System.

• Sets up and prepares the necessary procedures, including supervision of laboratories.

• Prepares and ensures the implementation of the Quality Management Program

• Keeps a set of documentation covering project specifications and relevant standards.

• Issues, on a regular basis a report in order to inform the Project Manager of any deviation or problem related to quality assurance on critical/major items or on quality control in general.

• He liaises with the Client’s Representative on matters relating to Quality; in particular;

• Follows employer/customer satisfaction data and provide the analysis to the head office;

• prepares and issues reports.

• Plans and implements quality system audits including all activities and functions in the project, evaluates the findings and plans all necessary measures to prevent reoccurrence.

* + - 1. **Technical Departments Chiefs (Construction, E&E, Airports System, Mechanical Works, Mechanical Systems and IT)**

He is in charge of site production activities, and his main duties are;

• To take all necessary action for the good implementation of the Project in terms of production activities,

• To prepare method of statements, Control and Test Plans for all critical activities under their supervision.

• To manage the production responsibility of the sub-contractors in charge of designated works.

• To control that Works inspections, Non-conformity and Corrective Actions procedures are in use and provides all records to QA department.

• To take all necessary precaution to implement the work schedule.

* + - 1. **Technical Office Manager**

• Delegates all project Manager’s duties in case of his absence.

• To plan the construction activities, to keep the work schedule up to date,

• To prepare cost and budget reports,

• To keep all necessary records for budgetary purposes,

• To control the quantity of the work performed, prepare subcontractors invoices,

• To gather offers from the subcontractors based on the technical specifications prepared by the technical disciplins.

* 1. Description of the Quality Management System
     1. **Scope and Correspondence with Other Management Systems**

TLV SKP shall establish, implement, document and continually improve the effectiveness

of quality system in such a form as to meet the requirements of ISO 9001:2008. TLV SKP quality managemet systems covers all activities and processes those are essential for contractual activities to meet employer satisfaction.

Quality Management System is established and operated to cover design, construction, installation, commissioning, purchasing, logistics, equipment management and related measurement and embracing supportive activities.

This Project Quality plan does not include requirements specific to other management systems, such as environmental management, occupational health and safety management. However, this PQP gives references from the quality management system to related management system requirements. In order to define the rules and criteria for HSE managemet system for TLV SKP Project, HSE management plan have been prepared and documented.

* + 1. **Documentation Structure**

TLV CONSTRUCTION QMS documentation structure is based on the six main document groups those are related with each others. The basic elements of Quality System documentation and their relations are summarized below.

* + - 1. **Quality Manual**

Quality Manual embraces all operations and projects of TLV CONSTRUCTION FRANCE. It is approved by Top Management and issued for all projects.

Quality Manual describes the structure of the TLV CONSTRUCTION FRANCE quality management system; includes Policies, mission and vision statements, quality system processes and basic rules for each elements of quality system. In relevant chapters of the quality manual, references are given to the System Procedures and Project Quality Plans in order to describe more detailed explanation. Quality Manual also includes the interactions and sequence of processes of the quality management system.

Quality Manual is reviewed at least once annually by the management committee in terms of the currency of its policies and principles, practicability and validity.

* + - 1. **Main Processes**

TLV CONSTRUCTION FRANCE quality management systems are managed by process approach. According to this approach, main activities of QMS are determined and interactions and sequence of those processes are described by TLV CONSTRUCTION FRANCE documentation system.

The main process of TLV CONSTRUCTION FRANCE are listed below;

• Internal Audits

• Corrective-Preventive Actions and Improvements

• Performance Monitoring

• Document and Records Management

• Human Resources

• Business Development and Tender

• Project Planning and Cost Control

• Design

• Procurement and Logistics

• Construction- Commissioning

• Business Management

• Project Handover and Close-up

Each process are documented that documents cover the aim, scope, key performance indicators and relevant procedure of the processes. Process documents refer to procedures.

* + - 1. **Corporate Procedures**

They are the documents formed in order to control the quality of the construction and contracting work rendered by TLV CONSTRUCTION FRANCE, and all management activities that may affect TLV CONSTRUCTION FRANCE’s productivity.

The basic principles in the operations of head office supportive functions and project executions performed at the jobsite, are described within the procedures.

Procedures are formed in such a manner as to follow up the workflow. System procedures refer to instructions and project quality plans.

* + - 1. **Project Quality Plans**

The definitions of the operations that differ from project to project and/or operations that are redefined as per project requirements are made via Project Quality Plans.

Project Quality Plans are used to document the operations in the performance of which alternative methods and procedures may be used. Project quality plans refers to project specific documentation.

* + - 1. **Project Specific Documents**

Those documents shall be prepared in order to meet the contractual requirements of the project. Project Management determines required Project specific documents that are prepared to meet project specific needs. TLV SKP specific documents prepared by project teams and those documents referred from the relevant part of the project quality plan.

All documents prepared for TLV SKP projects are listed at the end of the Project Quality Plan in format “**App2-DOC.30.FRM.01 List of Project Specific Documents**”.

Three types of project specific document shall be prepared by the project organizations that are described below.

• Project Business Procedure

Document that gives a detailed explanation for the business processes. Those processes are neither defined nor has a different methodology from corporate procedure Such as local purchasing, local recruitment, etc.

• Project Construction Procedure(MOS)

Document that gives detailed explanation for the construction work processes or method instructions applicable to activities, such as; construction, electricity, instrumentation, welding, architectural, mechanical installation, equipment assembling in the projects undertaken by project

• Inspection and Test Plan(ITP)

ITP is documents that describe and identify the applicable monitoring, measurement and test methods and other characteristics of the quality control processes that described in both contract and project quality system have been met.

The preparation of the Project Construction Procedures and ITP’s are planned at the beginning of the project with “**CON.50.FRM.01 Method of Statement and ITP Preparation Plan**”. ITP’s for all activities are prepared using “**PQP.SKP.CON.60.FRM.01 Control and Test Plan**”.

* + - 1. **External Documents**

Documents, on which TLV CONSTRUCTION FRANCE does not have the right to make revisions, such as standards, laws, directives, contractual requirements of the employer, drawings are agreed to be called external originated documents and an important elements of the Quality System documentation. The rules about the providing, updating and distribution of the external documents were defined.

Each project shall prepare an external originated document list to show the valid revisions of the external origin documents which were used as requirement of contract, administrative and/or technical specifications-on contract sign date.

Each department/discipline or unit is responsible of providing and following the updates of external origin documents that related the activities under their control. Project quality responsible shall coordinate and document that the process defined above. “**DOC.20.FRM.01 External Origin Document List**” attached to the project quality plan.

* + - 1. **Records**

These are a kind of documents in order to evidence that the operations in the scope of Quality Management System are efficiently performed.

TLV CONSTRUCTION FRANCE has determined the records required by its Quality Management System, and ensures that these records are collected and kept by defining these requirements in the related procedures.

According to the related corporate procedure, Project Management team analyze the corporate record retention plan according to the requirements of the own project. Project specific requirements may come from; contracts, legal and local regulations, technical and managerial specifications of project and others depend on the country or regional conjuncture. After that analyze, project shall prepare a project specific Record Retention Plan in order to cover all project specific requirements.

For TLV SKP projects, a record retention plan was prepared and posted to all project management team. “**DOC.40.FRM.01 Record Retention Plan**” attached to the TLV SKP Project Quality Plan.

* 1. Project Quality System Elements
     1. **Project Management**

Construction shall be planned by the correct identification of Material, Procedures / Method Statements, Training, Tests and Inspections to meet the quality requirements defined in Specifications and Standards.

All the stages of construction; planning, execution and records shall be carried under controlled conditions. Documents of control; approvals, verifications, procedures/method statements, test and inspections, work instructions, etc. shall be prepared, used, recorded and preserved.

TLV Construction established a reporting process to provide management control on the project activities. Reporting process both cover from jobsite to the Head Office and internal of the Job Site.

Progress Reports shall be submitted to the Employer and to the Project Manager as a documented stage of control showing the daily progress/status of processes including data of manpower, material, and equipment availability. In order to define the rules, periods and responsibilities of the both reporting and communication, a project specific business procedure called “**PQP.SKP.MGT.30.INS.01 Reporting and Communication Instruction**” was established.

Prior to commencement of works, assigned Departments of Construction and Subcontractors shall review the following items, as a minimum:

#### Approval of Inspection and Test Reports for Materials and Equipment to be utilized

#### Records of completion or previous operations

#### Availability of manpower, materials and equipment to perform the work

#### Any other preparatory steps dependent upon particular

#### Inspection and Test Requirements

Work schedule covering each activity shall be prepared and kept up-to-date at all times. Variation or change to contract shall be made, documented and circulated to other members of the Project and related departments.

* + 1. **Relations With Employer/Client**

TLV CONSTRUCTION FRANCE shall provide the definition and execution of the requirements, for the improvement of the Employer/ Client’s satisfaction about the services needed in the Project.

All meetings done between the employer and TLV CONSTRUCTION FRANCE are recorded and records are given to the QA Department. Meetings are done according to the procedure called “**PQP.SKP.MGT.30.INS.01 Reporting and Communication Instruction**” Methods and procedures of monitoring, acquiring and processing information on customer perception regarding whether client requirements are satisfied shall be defined by inspection and testing and by corrective and preventive actions.

All Employer/ Client’ complaints and dissatisfaction are recorded, causes investigated then resolved agreeing with the Employer/ Client and corrective action initiated to prevent recurrence of the complaint.

All information such as minutes of meeting with Employer/ Client, site investigations, temporary and final acceptance records are collected, classified and analyzed in order to measure Employer/ Client’s Satisfaction. This data is recorded by QA department to the **MGT.10.FRM.01** and the statistical information is gather to the **MGT.10.FRM.02** and sent to the head office monthly.

* + 1. **Design**
       1. **General**

TLV Construction FRANCE subcontracts design coordination and all related design activities. All related rules are described in “**GMW Design Coordination and Distribution Procedure**”.

For each design activity, a design plan is prepared and implemented. An effective communication and data exchange provided and performed between all involved parties of design activities. Design plans are revised as design stages proceed and/or as required.

Design inputs defined and documented the requirements related with the construction and contracting work to be designed.

All design outputs will be documented in such characteristics as defined by TLV SKP and to meet the expectations defined in the inputs.

In order to evaluate the ability of the construction or contracting work designed to meet the specified requirements, and to define the problems met, and to start corrective actions, they are systematically reviewed. The results of the reviews and actions are recorded.

Verification will be realized in proper stages of the design according to design plan.

The validation procedures of the design will be realized at and after the main design stage and finished at the delivery stage of the project to the employer, together with the controls carried out and data produced. The validity of the design will be obtained with the minutes kept in the final acceptance procedures.

The design documents are distributed to the job site in a controlled manner according to the “**GMW Design Coordination and Distribution Procedure**”.

All information about the applications on site are communicated to the design office and implemented on the drawings to create as-built projects. All as-built projects shall be prepared and filed by the design office and handed over to the Employer/Client at the close-out stage of the projects along with the user manuals of the systems as per **GMW Design Coordination and Distribution Procedure**”.

The performance of the design subcontractor shall be evaluated as described in the related business procedure using **CON.40.FRM.02** Design Subcontractor Performance evaluation form and sent to the head office.

* + 1. **Procurement and Logistic**
       1. **General**

Suppliers and manufacturers who can demonstrate their ability to comply with the specified quality and program can only provide materials and products for permanent works.

All suppliers are selected and evaluated based on the predefined quality criteria. The Purchase Order should indicate all information necessary to clarify:

• Specifications to meet,

• Type of products (name, type, series,)

• Color or color range,

• Quantity,

• Dates of delivery,

• Reference of the product approved by the Client.

Upon delivery of purchased materials on Site, a material receiving inspection is carried out by the technical department’s representatives to ensure the compliance of materials with the technical specifications. All materials are identified by their acceptance status (accepted, rejected, conditional acceptance) to prevent the unwanted use of the materials.

All documents concerning the quality and quantity purchased shall be documented as well as the user manuals of the products. Traceability and identification records of the major materials and equipment shall be maintained throughout the project. The rules about all procurement activities are described in “**PQP.SKP.LOG.20.INS.01 Procurement Instruction**”.

* + - 1. **Purchased Material Control and Nonconforming Materials**

All materials are controlled and accepted by the procurement department as per the specifications defined during Purchase Order stage. The technical controls for construction critical materials shall be defined in “**PQP.SKP.CON.60.FRM.01 Control and Test Plan**” and all non-conformances related to these materials shall be treated as a nonconforming product and the requirements defined in “**PQP.SKP.CON.70.INS.01 Non-Conforming Product Management Instruction**” shall be followed. If the control of materials requires specific tests (such as re-bar, concrete,etc.). The sampling shall be done according to related ITP and all samples shall be labeled to allow the traceability in case the test results are not acceptable. Samples shall be kept (if possible) by the related department until the test results are received. All test results shall be filed at QA folder and a copy of the test results shall be delivered to the supervisor. If the conformance of materials can be identified by producer’s certificates, the related certificates shall be received by the supplier and delivered to the Employer/Client and a copy of the certificate shall be kept by the related department. All test and/or certificate requirements shall be defined in related ITP’s.

There is no need to record the nonconformances for non-critical materials. All damaged and non-conformed materials shall be marked by attaching a “Do not use” label and segregated to designated areas in the storage areas. These items will be quarantined until correction is completed.

The nonconformance reports are also used to be an input for performance evaluation of the Suppliers.

* + - 1. **Material Approvals**

Material Approval shall be needed for all project materials. The Approval shall be seeked form the Employer/Client by TLV SKP using “**PQP.SKP.LOG.50.FRM.01 (Material Approval Form)**” , and the approvals shall be followed by the TLV SKP Technical Office using “**PQP.SKP.LOG.50.FRM.02 Material Approval Log**”. Samples of the materials subject to approval shall be labeled and kept by the Technical Office.

* + 1. **Construction**

TLV SKP shall plan necessary work environment, equipment and workmanship during the mobilisation stage based on the work schedule approved.

To ensure the compliance with the technical specifications and requirements, the technical departments along with the QA Management and Project Management shall determine which method of statements need to be documented. The plan of method of statement preparation is done by related departments using **CON.50.FRM.01 Method of Statement Preparation Plan**.

* + 1. **Subcontractor Management**

Subcontractors are selected and evaluated by their ability and capability to perform the quality requirements of the work to be assigned.

The method of statements are either given to the subcontractors by TLV SKP or asked to be prepared by them and submitted to TLV SKP for approval.

The controls of the subcontractors are done by following up the work schedule, and quality control activities. Quality control activities can be performed by the subcontractor himself but records shall be kept and reviewed by TLV SKP.

Nonconformances encountered by the controls performed to the subcontractors are immediately communicated to the subcontractor and to the QA Department by minutes of meetings, letters or noncoformance reports.

All activities related to Subcontractor Management are executed as per “**PQP.SKP.CON.30.INS.01 (Subcontractor Management Instruction)**”.

* + 1. **Quality Control**
       1. **General**

In order to conform satisfaction of requirements set out for products, several inspections and tests for material entrance, continuing production or installation control and final control of products shall be planned, documented and executed.

All quality control activities are planned by Inspection and Test Plans at the beginning of the project including means of keeping records for compliance.

* + - 1. **Nonconformance Report (NCR)**

When a nonconformance is detected during inspections or site walks, TLV SKP utilizes appropriate procedures to prevent usage of non-conforming materials, structures and proceed with the unsuitable activity, which are not conforming to the defined requirement.

Correction of the deficiency or proceed of action without degradation of structure’s quality are determined by the Technical departments and Project Management. Records are kept and maintained how deficiencies are rectified and who evaluated and approved. Non conformances are grouped according to the importance and to provide continuity of the system, important ones are reported to be follow-up. In case of non-conformances during site activities, communicated with the Employer framework of the contract conditions. Solutions are developed considering Employer’s evaluation.

Non-conformance reports shall be prepared for the work that is found to be in nonconformance with contract documents, design documents, construction drawings, specifications and standards or good engineering practice. Each non-conformance report shall have a unique number given by QA Department and it shall be identified, controlled and traced by that number.

When a non-conformance is encountered; an evaluation on the tracebility of the deficiency and the necessity of initiating corrective actions shall be made. Corrective actions shall be initiated when necessary.

The needs and the steps to be followed for NCR reports are detailed in “**PQP.SKP.CON 70.INS.01 Non-Conforming Product Management Instruction**”.

* + 1. **Machinery & Equipment Management**

TLV CONSTRUCTION FRANCE shall ensure the use of suitable construction and manufacturing equipment, and a suitable work environment, and perform the maintenance of equipment for ongoing process capability.

Maintenace of machinery and equipment is planned, performed and records are kept. Maintenance periods are determined based on work conditions, climate and manufacturer’s advises. Malfunction and break-downs are recorded for further evaluation and analysis.

Inspection, measuring and test equipments are controlled, verified and calibrated and records of controls and calibration results are kept by Quality Assurance department. The calibration scope and period is determined by QA Management and the technical department responsible based on the purpose of the usage of the equipment and the previous calibration results and listed on **CON.80.FRM.01 Measuring Devices Control List**. The label (**PQP.SKP.CON.80.FRM.02 Calibration Label**) which indicates the approval information and the next calibration date is taped onto the all measuring and testing equipment by QA department. All measuring and testing equipments shall be calibrated and/or validated and approved by QA department before first usage.

All measuring and test equipment shall be controlled to assure that they are complete, undamaged and that markings are legible.

* + 1. **Site Management**

The capacity of the site facilities such as dormitories, staff canteen shall be determined by the Administrative Affairs Manager based on the maximum number of personnel. The settlement plan of the site shall be done to ensure the most effective usage of the land, and the availability of the electricity, water, sewage systems nearby the site. Before the mobilization all plans for the facilities, energy needs, logistics, etc. shall be planned and mobilization shall be done according to the plans.

The Site Manager shall ensure all facilities are managed and maintained in a good condition during the project construction, commissioning and handover stage.

* 1. Management of Quality System
     1. **Performance Monitoring of Quality System**

TLV CONSTRUCTION FRANCE shall plan and implement a performance monitoring system for evaluating the effectiveness of the quality management system. The aim of the monitoring system is both to demonstrate conformity to the contractual requirements and to provide continuous improvement.

For the purpose of monitoring of quality system performance, key performance indicators (KPI) shall be recorded in **PER.10.FRM.02 Monthly Quality Statistics Report** and sent to the TLV construction head office.

* + 1. **Internal Audits**

The effectiveness of TLV SKP quality management system is provided by the quality audits.

In addition to the requirements of ISO 9001:2008, audit plan includes important activities like personnel affairs that are included in TLV SKP Quality Management System but fall out of the scope of ISO 9001.

Audit results are recorded and reported to the responsible persons and senior management and observed that the necessary corrective actions start.

Internal audits are made at least once annually covering all of the activities, by auditors who attended internal auditors training and passed the evaluation examination at the end of the training.

Internal audit plans are prepared and revised depending on the importance of process and previous audit results.

Audits are planned under the heading procedure, department, project/site, etc. With the project-based audit planning, procedures project-specifically formed are checked to see whether they are realised, as they were decided or not.

The efficiency of the corrective actions started after audit is reviewed by follow-up inspections.

That the departments audit each other according to employer-supplier principle makes the principles independent and effective.

Internal audits are organised and carried out under the responsibility of TLV SKP Management Representative and Quality Assurance Manager. In internal audits, auditors may not audit the activities under their own responsibility.

* + 1. **Corrective and Preventive Actions**

In order to prevent recurrence of nonconformity in the TLV SKP operations or in constructed buildings and contracting works corrective actions are carried out.

Corrective actions are started in order to eliminate the factors causing the detected nonconformities.

Corrective actions initiated when;

• Review of non conformities including Employer’s and user’s complaints

• To find causes of non conformities

• Necessity of corrective action evaluation

• To determine and implement required actions

• Records related with the initiated actions

• Review of corrective actions

When the site operations are completed, nonconformities generally faced and solutions realized are recorded and evaluated.

* + 1. **Management of Documents and Record**
       1. **Document Management**

A document management methodology has been established to control the Quality System Documents that cover;

• Quality manual,

• Corporate and project procedures,

• Project quality plan

• Project method statements

• External originated documents

• Design drawings

• Relevant documents which has an influence on the quality of the activities and services to employer.

The management of documents includes the preparation, approval, issue, distribution, revision and keeping processes of the documents. For management of documents, the following rules were adopted and put into use in all projects.

• The rules for managing external documents were described,

• Documents shall be reviewed and approved by authorized persons, and put into effect following the approval.

• Methods are established for according to the requirement of project in order to trace the currency/validity of the documents,

• Everyone who need document to accomplish his duties, could be reach the up-to-date issue of appropriate documents

In order to prevent using obsolete documents that are marked or/and separated.

* + - 1. **Management of Records**

A records management methodology has been established to provide evidence of conformity the requirements of both contract and quality management systems. Records also cover Design calculations, Correspondences Process results and etc.

According to the methodology;

• The type and media of records,

• Storage places

• Protection methods

• Retention times

• Retrieval methods

Are defined depending of the requirement of project.

The records will be maintained in a secure environment and in a traceable and retrievable manner. Data back-up and protection activities against intruders are being carried out especially for the security of records kept in the computer system.

When defined in the contract, quality records shall be made available for evaluation by the employer or the employer representative for an agreed period.

* + 1. **Human Resources Management**

In order to provide effectiveness of the quality management system and satisfy the contractual requirements personnel who work affecting quality shall be competent. To prevent any problems about competency, personnel recruitment and personnel management systems of the project have been established based on the principles of TLV Holding.

If the contract includes specific competency requirements for the project personnel, relevant managers/coordinators shall be responsible to define and declare those qualifications to the personnel department of the project. In the recruitment process, those requirements shall be considered by recruitment unit.

Appropriate competency records shall be maintained to be ensured that the requirements are met.

* + 1. **Training and Orientation Activities**

Training and awareness needs of project personnel includes subcontractors’ are evaluated by each managers and coordinators during the all phases of the project management. The evaluation processes is coordinated and documented as a training program by quality responsible and approved by the project manager.

If the contract includes specific training requirements against the project activities, relevant managers/coordinators shall be responsible to define and report them to the quality responsible. Those trainings shall be added to training plan by Quality Responsible of the project.

Each new employee shall go through an orientation training given by the QA department to ensure that all employees comply with the QMS requirements of the project.

One of the objectives of those training and awareness programs is made project employees to be able to practice their jobs in the most effective way. Another one is to ensure that project personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.

The records for those programs are kept by the job site personnel departments. And also those records shall be transmitted to the head office human resources.

1. Licences

**Part A: Contractor’s Licences**

1. The obtaining of the work permits with the Ministry of Social Affairs for expatriate workers of the Contractor.
2. The obtaining of residency permits delivered by the Ministry of Interior for expatriate workers of the Contractor.
3. The obtaining of the Commercial Card.
4. The obtaining of the Licence to run contracting business in France
5. The obtaining of a construction licence of the project related to development of the Grenoble and Lyon Airports
6. The obtaining of the required consents to be granted by the Civil Aviation Authority for relevant works
7. The obtaining of the Building operation permit required for the building to enter into service.

**Part B: Employer’s or Conceding Authority’s Licences**

1. The obtaining of a construction licence of the project related to relocation project of Military Barracks
2. The connexion to the network of high voltage electricity and relevant licenses
3. The connexion to the network of highly pressured gas and relevant licenses
4. The Permit for discharge of waste treated water in open channel (in authority of Skopsko Pole)
5. The connexion to the water supply network and relevant licenses
6. The authorisations required in respect of material, machines with steam, pressurized gas, elevators, freight elevator, lifters and other devices
7. The obtaining of the work permits with the Ministry of Social Affairs for expatriate workers of the Employer.
8. The obtaining of residency permits delivered by the Ministry of Interior for expatriate workers of the Employer.

1. Manuals and Training
   1. MANUALS
      1. The Contractor shall provide detailed Manuals (in a form acceptable to the Employer and the Technical Adviser) relating to the operation and maintenance of the Works, including:
         1. in respect of health, safety and the protection of the environment;
         2. in respect of each System and all infrastructure comprising the Works.
      2. Such Manuals shall comply with all requirements in the Concession Contract and shall be provided in English.
   2. TRAINING
      1. The Contractor shall, prior to the Target Date for Substantial Completion, train sufficient numbers of the Employer’s and the Operator’s personnel to enable the Employer and Operator to efficiently operate and maintain the parts of the Airports the subject of the Contract in accordance with the requirements of the Concession Contract.
   3. MANUALS AND TRAINING PROCEDURES
      1. Not later than three (3) months prior to the target date for testing a System, or three (3) months prior to handover of infrastructure (in each case, as set out in the Programme) the Contractor shall deliver to the Employer and the Technical Adviser a draft plan setting out an outline of the Manuals to be to be developed and training procedures to be implemented in respect of that System, or that infrastructure (as the case may be). The Employer and the Technical Adviser shall be entitled to comment on such draft plan (within fourteen (14) days of receipt) and the Contractor shall take account of such comments and reissue the draft plan for approval (within fourteen (14) days thereafter).
      2. The Contractor shall, no later than two (2) months prior to the target date for testing a System, or two (2) months prior to the handover of infrastructure (in each case, as set out in the Programme), deliver to the Employer and the Technical Adviser the draft detailed Manuals and training procedures in respect of that System, or that infrastructure (as the case may be). The Employer and the Technical Adviser shall be entitled to comment on such draft Manuals and procedures (within fourteen (14) days of receipt) and the Contractor shall take account of such comments and reissue the draft Manuals and procedures for approval (within fourteen (14) days thereafter). The Contractor and the Employer shall use their best efforts to ensure that the Manuals and the training procedures are agreed by not later than one (1) month prior to the target date for testing a System or (as the case may be) the target date for the handover of infrastructure.
      3. The Contractor shall give the Employer at least two (2) months’ notice of the date of commencement of training.
      4. If the Employer and the Technical Adviser:
         1. confirm; or
         2. fail to confirm (other than as a result of the Contractor’s failure to deliver additional information or revised Manuals or training procedures within one (1) month of receipt of the draft Manuals and training procedures,

that the draft Manuals and training procedures are satisfactory, such proposed Manuals and training procedures shall constitute the Manuals and training procedures to be delivered or carried out by the Contractor in accordance with Clause 26.1(c) (*Tests on Completion*).

1. Documents for Review by the Employer and the Technical Adviser

The following are the documents which require review by the Employer pursuant to Clause 18.1 (*Design Development*):

1. documents referred to in clause 8.2.3 of the Concession Contract;

2. general arrangement drawings (at increased scale as the works progresses) including floor plans, sections and architectural detail;

4. primary mechanical and electrical schematic and layout service drawings (both internal and external);

5. drawings and specifications for airport special equipment;

6. commissioning procedures to be provided two (2) months before planned commissioning date for all key airport systems including (without limitation) BHS, FIDS, IT, PBB systems and emergency systems including (without limitation) the fire alarm systems and public address systems; and

7. any subsequent changes in relation to paragraphs 1 to 6 above.

1. Form of Monthly Construction Progress Report

|  |  |
| --- | --- |
| To: | **TLV EXCHANGE CORPORATION** AS EMPLOYER |
| From: | **TLV CONSTRUCTION LIMITED** as Contractor |
| Dated: | [•] |

Dear Sirs

Engineering, Procurement and Construction Contract Relating to the  
“The Great” Airport in Grenoble, the “St. Paul” Airport in Lyon  
(the “EPC Contract “)

1. We refer to the EPC Contract. This is a Monthly Construction Progress Report. Terms defined in the EPC Contract have the same meaning in this Monthly Construction Progress Report unless otherwise defined herein.

2. We refer to the month calendar period [*insert*] (the “**Month**”).

3. We hereby confirm that, in relation to the Month:

(a) [*insert details of the work*] has been carried out in relation to the construction of the [NAME OF ] Airport;

(b) there is no default or event which would (with the expiry of a grace period, the giving of notice, the lapse of time, the making of any determination or any combination of any of the foregoing) be a default under the EPC Contract;

(c) the current state of construction has been reached [*before/at the same time as/after*] the time scheduled for the achievement of such stage in the work Programme in accordance with Schedule 15 (*Milestones*) of the EPC Contract. [The reasons for the delay were [•]]. The portion of the Works and Systems completed in accordance with the Programme represents [•] per cent of the Works and Systems scheduled to have been completed in accordance with the Programme;

(d) the total amount of payment claimed was EUR [•] representing [•] per cent of the Contract Price;

(e) the sum total of amounts previously certified for payment to the Contractor (not including the amount in (d) above) is EUR [•] representing [•] per cent of the Contract Price;

(f) the sum total of the amounts set out in (d) and (e) above is EUR [•] representing [•] per cent of the Contract Price;

(g) all Licences (as that term is defined in the EPC Contract) required for the carrying out of the Works (including, without limitation, [*specify relevant Licences*]) have been obtained and are in full force and effect [other than [*insert details of non compliance, reasons thereof and steps taken to remedy*]];

(h) the Contractor has complied with all its obligations under the EPC Contract and any Law relating to the health and safety of its employees [other than [*insert details of non compliance, reasons thereof and steps taken to remedy*]];

(i) the following [Progress] [has/has not] been achieved in accordance with the Programme [other than [insert details of non compliance, reasons thereof and steps taken to remedy, only if work around plan has not already been delivered to the Employer]];

(j) the following accidents on the [Site] have happened:

[•] the causes of such accidents are:

[•]; and

the following steps have been taken so that they can be avoided in the future:

[•];

(k) the following potential problems in connection with the construction of the Project exist:

[•];

giving rise to a delay risk of:

[•] days and

cost overruns of:

[•]

[*insert details of assessment and measures taken to remedy the problems and reduce the delay/cost overrun*];

(l) the Contractor has complied with its obligations relating to quality assurance and audits; and

(m) the following disputes in connections with the EPC Contract exist:

[•].

|  |  |  |
| --- | --- | --- |
| By: | [Full Name] | [Full Name] |

for and on behalf of

|  |  |
| --- | --- |
| **TLV CONSTRUCTION LIMITED** |  |
| Confirmed (for the benefit of Lenders only) by: |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| [Employer] |  |
| Confirmed by: |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| [Technical Adviser] |  |

1. Intellectual Property Rights
   1. LAN ACTIVE

Lan Management

Openview Network Management Module

Microsoft SCOM

NNM Network report

* 1. FIREWALL

Application Servers Security Firewall

VPN-1 Power Gateway for 25 Users

Enterprise Software Subscription for CP VPN-1 Power Gateway for 25 Users

Secondary VPN-1 Power Gateway 25 Users for High Availability

Enterprise Software Subscription for Secondary VPN-1 Power Gateway 25 Users for High Availability

ClusterXL for Load Sharing Add-on for VPN-1 Cluster up to 500 Users

Enterprise Software Subscription for CP ClusterXL for Load Sharing Add-on for VPN-1 Cluster up to 500 Users

SmartDefense for VPN-1 Power Gateway 25 Users Annual Subscription

VPN-1 Power Gateway for 250 Users

Enterprise Software Subscription for CP VPN-1 Power Gateway for 250 Users

SmartView Reporter & Monitor for 1 Site with 500 Users

Enterprise Software Subscription for CP SmartView Reporter & Monitor for 1 Site with 500 Users

SmartDefense for VPN-1 Power Gateway 250 Users Annual Subscription

Enterprise Software Subscription for CP InterSpect

InterSpect Quad Copper FO NIC

* 1. DESKTOP SECURITY ANTIVIRUS SYSTEM:

Microsoft Forefront

* 1. FIDS

Red Hat version 4 release 4

Automatic Announcement Software Licence TLV IT

Oracle Db 10 g: 10.2.0.3

Application Software TLV IT

Windows 2003 Server for IVR and PAS

* 1. CMS

Red Hat version 4 release

* 1. BACKOFFICE SYSTEM

Windows Server ENT 2008 License

* 1. DCS

IDS opat software license

1. The Specification

**Part A - Grenoble**

**Part B - Lyon**

1. Forms of Performance Bond and Retention Bond

PART A   
  
FORM OF PERFORMANCE BOND

**TLV EXCHANGE CORPORATION**[●]

Performance Bond No: [  ] (the “**Performance Bond**”)

|  |  |
| --- | --- |
| Bond Amount: | The amount of EUR [        ], which shall be released at the date of the issuance of the Defects Liability Certificate by the Beneficiary as defined in the EPC Contract, or (if the Beneficiary gives earlier notice or notices in its sole discretion) shall be released in such partial amount(s) and on such earlier date(s) as the Beneficiary may notify to us in writing (the “**Bond Amount**”) |
| Issuance Date: | [  ] (the “**Issuance Date**”) |

We have been informed that the Engineering Procurement and Construction Contract for the design, construction, commissioning of the “The Great” Airport in Grenoble and the “St. Paul” Airport in Lyon (the “**EPC Contract**”) dated [ ] and has been entered into by and between TLV EXCHANGE CORPORATION as employer (the “**Beneficiary**”) and TLV Construction Limited as contractor (the “**Contractor**”), and that the Contractor is obliged to provide a performance bond in favour of the Beneficiary as a security for the due and full performance of the obligations of the Contractor under the EPC Contract.

We the undersigned [*please insert name of the Issuer Bank*], hereby unconditionally and irrevocably guarantee and undertake to the Beneficiary the due performance by the Contractor of all its obligations under the EPC Contract and we, waiving all rights of objection or defence arising from the EPC Contract and as a continuing obligation, unconditionally and irrevocably guarantee and undertake on a primary obligation and not as a surety the prompt payment to the Beneficiary up to the maximum amount of € [*please insert the Bond Amount in figures*] (Euro [*please insert the Bond Amount in writing*]) immediately and without any delay upon receipt by us of the first duly signed written request or duly encoded swift from the Beneficiary for payment stating that the Contractor has failed to fulfil its obligations or any of them under the EPC Contract or an Insolvency Event as defined in the EPC Contract has taken place in relation to the Contractor, notwithstanding any contestation thereof by or between the contracting parties and without requiring the permission of the Contractor and without the need to initiate any legal proceeding or serve a protest or service of any notification on the Contractor or to obtain a court order and without requiring any evidence other than the request of the Beneficiary or duly encoded swift to this effect.

For the purpose of this Performance Bond, the claim of the Beneficiary shall be considered to have been received and made once we are in receipt of a duly signed written request or duly encoded swift from the Beneficiary for payment under this Performance Bond at the following address: [*please insert the address of the Issuer Bank*].

The Beneficiary may take one (1) or more demands hereunder.

Any and all payments to be made by our Bank under this Performance Bond shall be made exclusively in Euros for the purposes of Article 83/2 of the Turkish Code of Obligations in full without any set-off or counterclaim and shall be made net, free and clear of and without deduction or withholding for or on account of any and all present and/or future income or other taxes, levies, duties, stamp taxes or withholdings of any nature whatsoever, if any, payable in the Republic of Turkey with regard to the arrangement, issuance, execution, performance and delivery of this Performance Bond. If a tax deduction is required by law to be made by our Bank, the amount of payment due from our Bank shall be increased to an amount which after making the relevant deduction leaves an amount equal to the payment which would have been due if no tax deduction had been required.

The payment obligation of our Bank under this Performance Bond is a continuing obligation which:

(a) shall continue in full force and effect irrespective of the legality, validity or enforceability of any other clause or provision of this Performance Bond and/or the EPC Contract and irrespective of any amendments to the EPC Contract and notwithstanding the winding-up or dissolution of the Contractor or any change in its status, function, corporate identity or control;

(b) shall not be satisfied by any intermediate payment or satisfaction of any part of any sum or sums owing by the Contractor to the Beneficiary under the EPC Contract; and

(c) shall be in addition to and not in substitution for or in derogation of any other security or guarantee in respect of the obligations of the Contractor under the EPC Contract.

The benefit of the Beneficiary in and to this Performance Bond may be assigned, charged or transferred without our consent, but we shall be notified of any such assignment charge or transfer.

The formation, validity, performance and interpretation of this Performance Bond and each clause and part hereof and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Republic of Turkey.

Central Courts of İstanbul shall have exclusive jurisdiction to hear and determine any lawsuit, action or proceeding and to settle any disputes and all matters that may arise out of or in connection with this Performance Bond.

This Performance Bond shall become effective on its Issuance Date and the obligations of our Bank under this Performance Bond shall be released and discharged absolutely on the earliest of:

(a) the date on which the total of all payments made under this Performance Bond first equal the Bond Amount;

(b) receipt by our Bank of the Defects Liability Certificate referred to in the EPC Contract as executed and to be presented to our Bank by the Beneficiary; or

(c) on the date of [*please insert the date of expiry*],

and after that date this Performance Bond will be released and of no further effect whether it is returned to us for cancellation or not save in relation to any demand(s) received before the date of expiry.

Provided that the Beneficiary may in its sole discretion notify us in writing on any earlier date that the Bond Amount is reduced by any partial amount. We acknowledge that: (i) the Contractor has arranged for other bonds (in addition to this Performance Bond) to be provided to the Beneficiary; (ii) the Contractor and the Beneficiary have agreed that the Beneficiary shall have sole discretion as to whether, and in what proportions, the Bond Amount under this Performance Bond and the bond amounts under those other bonds are subject to early reduction (and that this discretion need not be applied to reduce this Performance Bond and those other bonds equally); and (iii) as between us and the Beneficiary, the Beneficiary has sole discretion as to whether, and in what percentage, to reduce the Bond Amount in this Performance Bond prior to the occurrence of the earliest of (a), (b) or (c) above.

For the purpose of identification, any written request under this Performance Bond, any notification and other correspondences must be received by us through a correspondent bank of [].

This Performance Bond is executed by the duly authorised representatives of our Bank as a deed and is delivered as a deed on the Issuance Date first written above.

[*name of the Issuer Bank*]

PART B  
  
FORM OF RETENTION BOND

**TLV EXCHANGE CORPORATION**[ ]

|  |  |
| --- | --- |
| Retention Bond No: | [  ] |
| Bond Amount: | The amount equal to [5] % of the Contract Price, being EUR [ ] (the “**Bond Amount**”) |
| Issuance Date: | [  ] (the “**Issuance Date**”) |

With reference to the Engineering Procurement and Construction Contract for the design, construction, commissioning of the “The Great” Airport in Grenoble, the “St. Apostle Paul” Airport in Lyon (the “**EPC Contract**”) dated [  ] and entered into by and between TLV EXCHANGE CORPORATION as employer (the “**Beneficiary**”) and TLV Construction Limited as contractor (the “**Contractor**”), and that the Contractor is obliged to provide a retention bond in favour of the Beneficiary as a security for the due and full performance of the obligations of the Contractor under the EPC Contract.

We, the undersigned [*please insert name of the Issuer Bank*], hereby unconditionally and irrevocably guarantee and undertake to the Beneficiary the due performance by the Contractor of all its obligations under the EPC Contract and we, waiving all rights of objection or defence arising therefrom and as a continuing obligation, unconditionally and irrevocably undertake as a primary obligation and not as a surety the prompt payment to the Beneficiary up to the maximum amount of € [*please insert the Bond Amount in figures*] (Euro [*please insert the Bond Amount in writing*]) immediately and without any delay upon receipt by us of the first duly signed written request or duly encoded swift from the Beneficiary for payment stating that the Contractor has failed to fulfil its obligations (or any of them) under the EPC Contract or an Insolvency event as defined in the EPC Contract has taken place in relation to the Contractor, notwithstanding any contestation thereof by or between the contracting parties and without requiring the permission of the Contractor and without the need to initiate any legal proceeding or serve a protest or service of any notification to the Contractor or to obtain a court order and without requiring any evidence other than the request or duly encoded swift of the Beneficiary to this effect.

For the purpose of this Retention Bond, the claim of the Beneficiary shall be considered to have been received and made once we are in receipt of a duly signed written request (for the purposes of identification, any written claim and other correspondence must be received by us through a correspondent bank of [] confirming that the signatures thereon are legally binding upon you) or duly encoded swift from the Beneficiary for payment under this Retention Bond at the following address: [ ].

The Beneficiary may make one (1) or more demands hereunder.

Any and all payments to be made by our Bank under this Retention Bond shall be made exclusively in Euros for the purposes of Article 83/2 of the Turkish Code of Obligations in full without any set-off or counterclaim and shall be made net, free and clear of and without deduction or withholding for or on account of any and all present and/or future income or other taxes, levies, duties, stamp taxes or withholdings of any nature whatsoever, if any, payable in the Republic of Turkey with regard to the arrangement, issuance, execution, performance and delivery of this Retention Bond. If a tax deduction is required by law to be made by our Bank, the amount of payment due from our Bank shall be increased to an amount which after making the relevant deduction leaves an amount equal to the payment which would have been due if no tax deduction had been required.

The payment obligation of our Bank under this Retention Bond is a continuing obligation which:

(a) shall continue in full force and effect irrespective of the legality, validity or enforceability of any other clause or provision of this Retention Bond and/or the EPC Contract and irrespective of any amendments to the EPC Contract and notwithstanding the winding-up or dissolution of the Contractor or any change in its status, function, corporate identity or control;

(b) shall not be satisfied by any intermediate payment or satisfaction of any part of any sum or sums owing by the Contractor to the Employer under the EPC Contract; and

(c) shall be in addition to and not in substitution for or in derogation of any other security or guarantee in respect of the obligations of the Contractor under the EPC Contract.

The benefit of the Beneficiary in and to this Bond may be assigned, charged or transferred without our consent, but we shall be notified of any such assignment charge or transfer.

The formation, validity, performance and interpretation of this Retention Bond and each clause and part hereof and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Republic of Turkey.

Central Courts of Istanbul shall have exclusive jurisdiction to hear and determine any lawsuit, action or proceeding and to settle any disputes and all matters that may arise out of or in connection with this Retention Bond.

This Retention Bond shall become effective on its Issuance Date and the obligations of our Bank under this Retention Bond shall be released and discharged absolutely on the earlier of:

(a) the date on which the total of all payments made under this Retention Bond first equal the Bond Amount;

(b) receipt by our Bank of the Final Completion Certificate of the last to occur of the Lyon Airport Section and the Grenoble Airport Section to achieve Final Completion (as referred to in the EPC Contract as executed by the Beneficiary); or

(c) on the date of [*please insert the date of expiry*] by which date any written claim must at latest be received by us.

After that date this guarantee will be released and of no further effect whether it is returned to us for cancellation or not.

This Retention Bond is executed by the duly authorised representatives of our Bank on the Issuance Date first written above.

|  |
| --- |
| [*name of the Issuer Bank*] |
| By : |
| Title : |
| Seal & Signature : |

1. Scope of Works

(A) **Grenoble “The Great” Airport:**

To procure, design, engineer and construct a New Terminal Building complex including new access road, parking and apron as listed below. The Grenoble “The Great“ Airport.

- the size of the New Terminal Building to be minimum of forty thousand square meter (40.000 m2) with a demonstrated possibility for further upgrade c.q. extension;

- the New Terminal Building shall have six (6) gates that shall connect with the aircrafts via six (6) bridges, (twenty-three) 23 check-in (stands) desks, twenty-one (21) passport controls desks and (four) 4 information desks;

- to procure design, engineer and construct a new cargo terminal with a capacity of forty thousand 40.000 tons per year;

- to procure, design and install in the New Terminal Building an integrated airport management IT system [linking operational data with administrative data including flight information system, point of sales system], a high end security system, an automated building climate control system, fire alarm and access control systems;

- to procure, design and install in the New Terminal Building shall be equipped with a baggage system that includes in-line baggage security check and control systems;

- to procure and install in the New Terminal Building high end interior fit out and Passenger amenities;

- to procure, design, engineer and build a car parking (with a possibility for a storey garage) to cover a total area of forty-two thousand six hundred and thirty square meter (42.630 m2) (one thousand two hundred and six (1.206) parking places, two hundred and fifty (250) places for parking of the employees, one hundred (100) parking places for rent-a-car or a total area of thirty eight thousand five hundred square meter (38.500 m2), whilst 100 places are foreseen for taxi vehicles and 6 places for buses or an area of four thousand one hundred and thirty square meter (4.130 m2);

- to procure, design, engineer and build an access road along with a new interchange - maximum of two kilometer (2 km);

* 1. To procure, design, engineer and construct a runway extension of five hundred meter (500 m) to the South (towards the highway) in order to increase the runway length to two thousand nine hundred and fifty meter ( 2.950 m) and allow Code E aircraft operations to over-sea destinations;
  2. To procure and install relevant navigation systems with the optimum quality available in the market which is applicable to the Airport subject to the GoM written approval (such approval can not be unreasonably withheld or delayed) according to ICAO and FAA and any relevant international standards and procedures;
  3. To procure, design, engineer and construct the necessary communal infrastructure, i.e. a double power supply, new water supply and sewage primary network, filter station for waste water, storm water sewage with a filter station and phyto-sanitary station (in line with the requirements of the Ministry of Agriculture);
  4. To procure, engineer and complete the construction of the five thousand square meter (5.000 m2) administrative building;
  5. To design and reconfigure the current aircraft parking apron to accommodation of nineteen (19) Code C and three (3) Code B, or total of twenty two (22) aircrafts;
  6. To procure, design, engineer and construct provide a new aircraft firefighting and rescue (ARFF) station and provide direct access from the firefighting station to the runway ends and an access road from the firefighting station to the border fence of the airport;
  7. To relocated military infrastructures, that need to be displaced in accordance with the Strategy for relocation part of the military barracks in Petrovec (Annex 24) located within the airport space defined in the Urban Plan;
  8. To build first medical aid facilities (and procure ambulance services) in line with the requirements of the Ministry of Health;
  9. To procure new patrolling and firefighting vehicles in line with the necessities for optimal functioning of the airport and the international standards;
  10. To procure new necessary equipment for optimal functioning of the airport, in line with the international standards, with its minimum stated characteristics (electric voltage forklift, digital scales for imported storehouse, Electrical tractors, elevators, buses for transport of passengers to/from the aircraft and terminal building, passenger stairs, High loader/transporter, follow me vehicles, Aggregates for electricity and lighting equipment in terrain conditions and in decreased visibility , monitoring systems for perimeter fence, equipment for detection of explosives, chemical agents and toxic substances, x-rays, metal detector-doors, equipment for control of access movable containers for storage of explosives, ambulance vehicles, push-backs, friction tester vehicle, baggage belts, system for continuous voltage, etc);

(B) **Lyon “St. Paul” Airport:**

1. to procure, design, engineer and construct the car parking lot extension for a further one hundred and twenty (120) vehicles with an area of six thousand square meter (6.000 m2);
2. to procure, design, engineer and construct reconstruct the current parking lot, final layer of five thousand square meter (5.000 m2);
3. to procure, design, engineer and reconstruct the upper row at the parking lot for aircraft parking of thirty six thousand square meter (36.000 m2);
4. to procure, design, engineer and renovate, adapt and repair the current objects in the Cargo centre and to build a new aircraft hangar of one hundred square meter (1.000 m2);
5. to procure, design, engineer and construct a VIP facility with an area between two hundred and three hundred square meter (200 - 300 m2);
6. To procure and install relevant navigation systems with the optimum quality available in the market which is applicable to the Airport subject to the GoM written approval (such approval can not be unreasonably withheld or delayed) according to ICAO and FAA and any relevant international standards and procedures;
7. To procure, design, engineer and reconstruct the current administrative building;
8. To procure new necessary equipment for the optimal functioning of the airport, in line with international standards with its minimum stated characteristics (electric voltage forklift, digital scales for imported storehouse, Electrical tractors, , elevators, buses for transport of passengers to/from the aircraft and terminal building, passenger stairs, High loader/transporter, follow me vehicles, Aggregates for electricity and lighting equipment in terrain conditions and in decreased visibility , monitoring systems for perimeter fence, equipment for detection of explosives, chemical agents and toxic substances, x-rays, metal detector-doors, equipment for control of access movable containers for storage of explosives, ambulance vehicles, push-backs, friction tester vehicle, baggage belts, system for continuous voltage, etc) including but not necessary limited to:

- six (6) check-in stands;

- a vehicle for the needs of the VIP service;

- One (1) vehicle for provisions of a drinking water at the aircrafts;

- One (1) vehicle for servicing the toilets at the aircrafts;

- To procure new patrolling and firefighting vehicles in line with the necessities for optimal functioning of the airport and the international standards with a minimum of two emergency firefighting vehicles to achieve a 7 level of protection in accordance with ICAO standards; and

- three (3) buses for transport of employees

1. Advance Payment Bond
2. Milestones

PART A  
  
MILESTONES

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Milestone** | **Details** | **Date for achievement** |
|  | **GRENOBLE** | |  |
| 1 | Start of Roof Steel Structure Installation | All concrete works completed in Zones 4 & 8 to allow for steelwork in these zones to start. All necessary steelwork for Zones 4 & 8 delivered to site and installation commenced. | 30-Nov-10 |
| 2 | Testing & Commissioning and Approval Strategy (Part 1) | Have carried out consultation with all approvals parties and established approvals scope and outline programme with each. Amend construction programme (and milestones) to reflect required handover of operational facilities to TLV France and 3rd parties. Submit to Employer & TA. | 31-Dec-10 |
| 3 | Undertake Asbestos Surveys | On all buildings requiring demolition. Carry out survey, obtain results, identify extent of asbestos strip, amend construction programme (and milestones) to allow for required works. Submit to Employer & TA. | 31-Dec-10 |
| 4 | Start of Roof Covering | Finished all Roof Steel Structure works in Zones 4 & 8 and have all Roof Covering materials delivered to site for these zones. Installation of Painted Galvanized Trapezoidal Metal Deck (A1310) to have commenced. | 22-Jan-11 |
| 5 | Complete part-demolition of Military Command Building | Completed the demolition of those parts of the Military Command Building which prevent the completion of Zone 05 of the Terminal Building | 31-Dec-10 |
| 6 | Testing & Commissioning and Approval Strategy (Part 2) | Develop detailed testing commissioning and approval strategy to include Schedule of FATs, Programme of SAT, Integration and Performance Testing, Sign-off and Certification. Submit to TLV-France & TA. | 31-Jan-11 |
| 7 | Start of BHS Installation Works - steelwork | Materials (steelwork) on site. Building area ready to allow commencement of installation. Sub-contractor mobilised to site. Installation commenced. | 17-Mar-11 |
| 8 | Start of Terminal Apron Works | Area clear. Removal/demolition of all buildings/items (excluding technical workshops) complete. Removal/diversion of existing utilities complete. Earthworks to have commenced. | 14-Apr-11 |
| 9 | Displacement of Military Technical Workshops | New facility built. All equipment, staff, contents moved to new facility. Building ready for demolition. | 22-Apr-11 |
| 10 | Completion of Roof Covering for Terminal Building | Roof structure (deck insulation membrane etc.) installed and water tight. All roof penetrations (vents, grilles, glazing etc.) installed and water tight. Rainwater drainage system installed and functioning. | 14-May-11 |
| 11 | Completion of Terminal Building Façade | All façade works inc. external doors and windows etc completed to enable entire water tight building. Where temporary openings are provided for testing and commissioning activities to be undertaken - temporary coverings to be installed to prevent water ingress. | 27-Jul-11 |
| 12 | Completion of Runway Extension Works | Including operational approval from regulatory bodies (Official NOTAM issued by local civil aviation and international authorities) | 27-Jul-11 |
| 13 | Substantial Completion - Grenoble | Achieve Substantial Completion for the Grenoble Airport Section | 21-Oct-11 |
|  |  |  |  |
|  | **LYON** | |  |
| A | Finalise Terminal Internal Refurbishment Scope & Design | To allow all procurement and construction to commence. | 30-Oct-10 |
| B | Substantial Completion - Lyon | Achieve Substantial Completion for the Lyon Airport Section | 01-Mar-11 |

PART B  
  
WORK PROGRAMME

1. Form of Subcontractor Letter

This is the form of letter to be provided by Subcontractors in the circumstances referred to in Clause 17.6 (*Subcontrators*).

[DATE]

TLV EXCHANGE CORPORATION

[]

We refer to

(i) the EPC Contract Relating to the Design and Construction of the “The Great” Airport in Grenoble, the “St. Paul” Airport in Lyon (the “**Project**”) dated [—] entered into between you as employer and executed between TLV Tepe Akfen Yatirim Insaat ve Isletme A.S. as contractor (the “**EPC Contract**”);

(ii) the contract agreement dated [—] entered into between us and TLV Construction limited. France Branch (“**TLV Construction**”) with its registered address at [●] for the works of [—] undertaken to be performed by us for the Project (the “**Agreement**”).

We hereby agree that upon any termination of the EPC Contract, TLV Construction shall be entitled to assign its rights and interests under the Agreement to you and that you may assign the same onwards to the lenders providing financing for the Project or to a new EPC contractor and that such assignment will be binding on us.

|  |  |
| --- | --- |
| [Name of Subcontractor] |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| Acknowledged by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| TLV EXCHANGE CORPORATION |  |
| Acknowledged by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| TLV Construction Limited [France Branch] |  |

1. Form of Lender Direct Agreement

|  |  |
| --- | --- |
|  |  |
|  | |
| DIRECT AGREEMENT | |
| DATED [⚫] 2010 | |
| BETWEEN  TLV CONSTRUCTION LIMITED  AND  TLV EXCHANGE CORPORATION  AND  BANK LUXEMBOURG S.A.  as the Security Agent | |

Contents

Clause Page

1. Interpretation - 364 -

2. Consent and Acknowledgement - 366 -

3. Payment of Monies - 366 -

4. Notices - 366 -

5. Eligible Person - 367 -

6. Step-In Period - 368 -

7. Step-Out - 368 -

8. Novation - 369 -

9. Transfers by Seller - 370 -

10. Further assurance - 370 -

11. Indemnity - 370 -

12. Information - 370 -

13. Miscellaneous - 370 -

14. Communications - 371 -

15. Language - 373 -

16. Governing law - 373 -

17. Jurisdiction - 373 -

18. Service of Process - 373 -

19. Waiver of Immunity - 373 -

Signatories 375

1. **THIS AGREEMENT** is dated [DATE] **BETWEEN**:
2. **TLV CONSTRUCTION LIMITED**,a joint stock company (*anonym şirket*) organised under the laws of the Republic of Turkey with its registered office at Atatűrk Havalimani Diş Hatlar Terminali Yeşilkőy Istanbul, Turkey (the **Contractor**);
3. **TLV EXCHANGE CORPORATION**, a company organised and existing under the laws of the Republic of France and having its principal office at Grenoble "The Great" Airport 1043, Petrovec, Republic of France (the **Company**); and
4. **BANK LUXEMBOURG S.A**. (the **Security Agent**) as agent and trustee for and on behalf of the Secured Finance Parties (as defined in the Senior Facility Agreement (defined below)).
5. **WHEREAS:**
6. The Company entered into a concession contract with the Government of the Republic of France on 24 September 2008 (as amended on 26 September 2010, the “**Concession Contract**”) for the design, construction and operation of the “The Great” Airport in Grenoble and the “St. Paul” Airport in Lyon (the “**Project**”).
7. The Company has entered into an agreement dated [•] (as the same may be amended, supplemented, novated, or assigned from time to time, with the Contractor to design, construct and commission the Project (the “**EPC Contract**”).
8. Pursuant to the Senior Facility Agreement, the Lenders have agreed to make certain financing facilities available to the Company for the purpose of financing in part the Project.
9. It is a condition precedent to the financing of the Project by the Lenders that direct rights under the EPC Contract are granted to the Security Agent on the terms of this Agreement.
10. **IT IS AGREED** as follows:
11. Interpretation
    1. Definitions
12. In this Agreement:
13. **Additional Obligor** means a person who, pursuant to Clause ‎5(a) (Eligible Person), assumes joint and several liability with the Company for the obligations referred to in that Clause.
14. **Default Notice** means a notice by the Security Agent to the Contractor that an Event of Default has occurred.
15. **Drawdown Date** means, in relation to any principal amount or principal amount outstanding of each borrowing under any loan facility made available to the Company (a “**Loan**”) the date specified as such in the relevant notice of drawdown or, on and after the making of such Loan, the date on which it was made.
16. **Eligible Person** means:
    * 1. the Security Agent;
      2. a Lender;
      3. any Affiliate of the Security Agent or a Lender;
      4. a person directly or indirectly owned or controlled by the Security Agent or the Lenders;
      5. an Insolvency Official; and
      6. any other person approved by the Contractor (acting reasonably) as having:

the legal capacity, power and authority to become a party to and perform the obligations of the Contractor under the EPC Contract; and

no lesser or otherwise acceptable resources available to it (including committed financial resources and sub-contracts) than were available to the Contractor at the date of the EPC Contract to enable it to perform the obligations owed to the Contractor under the EPC Contract.

* 1. In this definition **control** means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

1. **Enforcement Notice** means a notice given by the Contractor to the Security Agent, in accordance with Clause ‎4(a) (Notices) of this Agreement, proposing termination or suspension of the EPC Contract or the taking of action against or in respect of the Company or any of its assets.
2. **Insolvency Official** means an administrator, an administrative receiver, receiver or receiver and manager appointed under or pursuant to the Security Documents.
3. **Party** means a party to this Agreement.
4. **Senior Facility Agreement** means the EUR 70,000,000 credit agreement on or about the date hereof between (among others) the Company, the Security Agent and the Lenders.
5. **Step-In Date** means the date (if any) on which the Security Agent procures that an Insolvency Official is appointed in relation to the Company or an Eligible Person becomes an Additional Obligor.
6. **Step-In Period** means the period from the Step-In Date up to and including the earlier of:
   * 1. the corresponding Step-Out Date;
     2. the date of any novation permitted by this Agreement;
     3. the date of any termination of the EPC Contract by the Contractor for breach in accordance with this Agreement and the EPC Contract; and
     4. the date of expiry of the EPC Contract.
7. **Step-Out Date** means the date of release of the obligations of, and cancellation of any right of, any Additional Obligor under the EPC Contract in accordance with this Agreement.
   1. Construction

Unless the contrary intention appears, a reference to:

an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly;

a **document** is a reference to that document as amended; and

a **Party** or a **person** includes its successors in title, permitted assigns and permitted transferees.

Capitalised terms defined in the Senior Facility Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement.

1. Consent and Acknowledgement

This Agreement constitutes notice to the Contractor that under the Offshore Security Agreement the Company has assigned by way of security in favour of the Security Agent all its rights in respect of the EPC Contract (the "**Assignment**").

By execution of this Agreement, the Contractor acknowledges receipt of notice of the Assignment provided by the Company pursuant to Clause ‎2(a) (Consent and Acknowledgement) above and confirms that it has not received notice of the interest of any third party in the EPC Contract.

The Security Agent has agreed that, until such time as the Security Agent notifies the Contractor that an Event of Default has occurred and is continuing unremedied, the Company may exercise all of its rights under and obtain the benefits of the EPC Contract.

1. Payment of Monies

The Company hereby irrevocably authorises and instructs the Contractor and the Contractor undertakes to make all payments due or that may become due from the Contractor to the Company arising under or in respect of the EPC Contract by payment to the EUR Proceeds Accountor such other account as the Security Agent may at any time direct in writing to the Contractor on not less than seven days' prior notice.

The authority and instruction in paragraph ‎(a) above may not be revoked or varied without the prior written consent of the Security Agent.

Each payment made in accordance with paragraph ‎(a) above shall discharge pro tanto the Contractor's obligation to make the relevant payment to the Company.

1. Notices

The Contractor must not terminate or suspend or give notice to terminate or suspend all or any part of the EPC Contract or take any other action against or in respect of the Company or any of its assets (including, without limitation, taking any step towards any receivership, administration, winding up or other insolvency, liquidation or rehabilitative proceedings affecting the Company or any of its assets) without giving to the Security Agent at least 120 days' prior written notice stating:

the proposed date of termination, suspension or action (as appropriate); and

the grounds for terminating or suspending the EPC Contract or taking such action,

and given not less than ninety (90) days’ notice of termination due to non payment in writing to the Facility Agent and the Employer and payment has not been made to the Contractor by the expiry of such ninety (90) day period.

Not later than the date 30 days after the date of:

an Enforcement Notice; or

if a Default Notice has been served and the Security Agent so requests, that Default Notice,

* + 1. the Contractor must provide to the Company and the Security Agent full details of any amount owed by the Company to the EPC and any other unperformed liabilities of the Company under the EPC Contract at the date of that notice and, in the case of an Enforcement Notice, full details of any other payment obligations of the Company which will fall due to the Contractor on or before the period of 120 days following the Enforcement Notice.

The Contractor must not terminate or suspend or give notice to terminate or suspend all or any part of the EPC Contract or take any other action against or in respect of the Company or any of its assets (including, without limitation, taking any step towards any receivership, administration, winding up or other insolvency, liquidation or rehabilitative proceedings affecting the Company or any of its assets) if the grounds for such action:

arise by virtue of the exercise by a Secured Finance Party of any of its rights under the Finance Documents; or

are cured or mitigated within the 120 day period referred to in paragraph ‎(a) above whether by the Company or pursuant to paragraph ‎(d) below.

During the 120 day period referred to in paragraph ‎(a) above the Contractor will, for all purposes, accept performance of any obligation or liability of the Company and/or the remedy or cure of any breach or failure by the Company by or on behalf of any Eligible Person.

After any Enforcement Notice or Default Notice has been given any Eligible Person is, in addition to the Company, entitled to exercise and enjoy all rights (including, without limitation, all intellectual property licences) of the Company under the EPC Contract.

1. Eligible Person

Without affecting the Security Agent's rights under the Security Documents:

if an Event of Default is outstanding; or

during the period of 120 days following receipt by the Security Agent of an Enforcement Notice,

* + 1. the Security Agent may procure that an Insolvency Official is appointed in relation to the Company and some or all of the Company's assets in accordance with the Security Documents or an Eligible Person assumes, jointly and severally with the Company, all of the Company's payment obligations under the EPC Contract which are referenced in a notice delivered in accordance with Clause ‎4(b)(Notices) above and all of the Company's obligations under the EPC Contract which fall due for performance after the date of such assumption of joint and several liability.

The Contractor must:

co-operate with any Insolvency Official appointed in relation to the Company and some or all of the Company's assets; and

accept any Eligible Person assuming the Company's obligations under the EPC Contract in accordance with paragraph ‎(a) above.

1. Step-In Period

The Contractor must not terminate or suspend all or any part of the EPC Contract or take any other action against or in respect of the Company or any of its assets (including, without limitation, taking any step towards any receivership, administration, winding-up or other insolvency, liquidation or rehabilitative proceedings affecting the Company or its assets) during a Step-In Period on grounds:

that the Security Agent has taken any action under this Agreement or any other Finance Document; or

arising before the Step-In Date unless those grounds are:

* + - * 1. bona fide;
        2. entitle the Contractor to take such action;
        3. referred to in a notice delivered in accordance with Clause ‎4(b) (Notices) above; and
        4. continue unremedied for 45 days after the Step-In Date; or

arising under the EPC Contract during the Step-In Period unless the cause of the action is a breach of the EPC Contract which first occurred after the commencement of the Step-In Period and is not remedied within 60 days of notice from the Contractor to the Company, any Additional Obligor and the Security Agent requiring remedy of the same.

If an Additional Obligor is appointed, the Contractor must deal with the Additional Obligor and not the Company during the Step-In Period.

1. Step-Out
   1. Except as provided below:
      1. any Additional Obligor will be on the earlier of:
         1. 30 days' prior written notice from the Security Agent or the Additional Obligor to the Contractor; and
         2. the last day of the Security Period,
      2. released from its obligations to the Contractor under the EPC Contract arising before the Step-out Date and any rights of the Additional Obligor in respect of the EPC Contract will be cancelled.
      3. Paragraph ‎(a) does not apply to any payment obligation of the Additional Obligor falling due before the Step-out Date.
      4. This Clause ‎7 does not affect the Company's obligations under the EPC Contract which continue in full force and effect.
2. Novation

Except as provided in paragraph ‎(b) below:

if an Event of Default is outstanding; or

at any time during the Step-In Period,

* + 1. the Security Agent may on 30 days' prior written notice to the Contractor and any Additional Obligor, procure and, except as provided below, the Contractor must accept the transfer (by novation) of the Company's rights and obligations under the EPC Contract to an Eligible Person.

The Contractor must act reasonably in reaching any decision for the purposes of paragraph ‎(f) of the definition of Eligible Person and must supply notice of its decision to the Security Agent within 10 days of receipt of notice from the Security Agent under paragraph ‎(a) above. Failure by the Contractor to respond within ten Business Days of request by the Security Agent shall be considered to be an approval by the Contractor of the relevant person as an Eligible Person.

On any transfer under this Clause:

any Additional Obligor and the Company will be released from any obligations arising under or in connection with the EPC Contract after the date of transfer;

the relevant Eligible Person will assume those rights and liabilities on and after that date in substitution for the Company and the Additional Obligor;

any subsisting breach of the EPC Contract and any Enforcement Notice must be waived by the Contractor if that breach is remedied or the grounds for the Enforcement Notice are removed or mitigated within 30 days of the transfer; and

the Contractor must enter into a new direct agreement with the Security Agent on substantially the same terms as this Agreement.

1. Transfers by Seller
   1. The Contractor may not assign or transfer any interest in or its rights and/or obligations under the EPC Contract or this Agreement to any person unless:
      1. the Security Agent agrees; and
      2. the person accedes to this Agreement as the Contractor.
2. Further assurance
   1. The Contractor must, at the Company's expense, take whatever action the Security Agent, any Additional Obligor or any Eligible Person, may require for perfecting any transfer or release to be carried out under this Agreement including the execution of any transfer or assignment, and the giving of any notice, order or direction and the making of any registration which, in each case, the Security Agent, Additional Obligor or Eligible Person reasonably requires.
3. Indemnity
   1. The Company must forthwith on demand indemnify each Secured Finance Party against any loss or liability which that Secured Finance Party incurs as a consequence of the operation of this Agreement other than any liability caused by the gross negligence or wilful default of any Additional Obligor or that Secured Finance Party.
4. Information
   1. The Contractor must promptly notify the Security Agent of any default, potential default or any other event that may result in the termination, suspension or recission of the EPC Contract by the Contractor under the EPC Contract.
5. Miscellaneous

The Contractor warrants to the Security Agent and each other Secured Finance Party on the date of this Agreement and on each Drawdown Date that:

this Agreement is within its powers and has been duly authorised by it;

the obligations expressed to be assigned by it in this Agreement is its legally binding obligation;

this Agreement does not conflict with any law or agreement to which it is a party or its constitutional documents;

all authorisations required by it in relation to this Agreement have been obtained; and

the information contained in any notice delivered pursuant to Clause ‎4 (Notices) was true and accurate as at its date.

The rights of the Security Agent under this Agreement:

may be exercised as often as necessary;

are cumulative and not exclusive of its rights under the general law; and

may be waived only in writing and specifically.

* + 1. Delay in exercising or non-exercise of any such right is not a waiver of that right.

The Company enters into this Agreement solely to acknowledge its terms and to undertake the obligations expressed to be undertaken by it. This Agreement does not amend the EPC Contract.

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

the validity or enforceability in that jurisdiction of any other provision of the Agreement; or

the validity or enforceability in other jurisdictions of that or any other provision of the Agreement.

This Agreement will remain in effect until the date on which all amounts which may be or become outstanding by the Company to the Secured Finance Parties under the Finance Documents have been irrevocably paid in full.

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

1. Communications

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 letter.

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:

in the case of the Company:

Address: TLV Airports Holding

17 rue Bosquet, 75007 Paris

Fax number: +90 212 492 3100

Tel. number: +90 212 492 8394

E-mail: burcu.geris@tlv.aero

Attention: Mrs. Burcu Geris

Copy to:

Address: TLV Exchange Corporation

Grenoble "The Great" Airport 1043, Petrovec

Republic of France

Fax number: +389 22 561 525

Tel. number: +389 722 22 072

E-mail: metin.batak@TLV.aero

Attention: Mr. Metin Batak (Deputy General Manager)

in the case of the Security Agent:

Address: 12, Boulevard Konrad Adenauer

1115 Luxembourg, Luxembourg

Fax number: +352 42122 45992

E-mail: [francisco-josef.lewer@dbacek.com](mailto:francisco-josef.lewer@dbacek.com)

Attention: International Loans & Agency Services

Mr. Francisco-Josef Lewer

in the case of the Contractor:

Address: TLV Construction Limited

Istanbul Atatürk Havalimanı

Dış Hatlar Terminali Geliş Katı

34830

Yeşilköy/Istanbul

Turkey

Fax number: +90 212 465 36 81

Email: cem.ozark@tlv.aero

Attention: Mr. Cem Özark

or any substitute address or fax number or department or officer as the Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days notice.

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

if by way of fax, when:

* + - * 1. received by the recipient in legible form; and
        2. an automatic confirmation of receipt is received by the sender; or
      1. if by way of letter, when it has been left at the relevant address or ten Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause ‎14(b) (Communications), if addressed to that department or officer.

Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officers noted in the Security Agent's contact details above (or any substitute department or officer as the Security Agent shall specify for this purpose).

All notices from or to the Company shall be sent through the Security Agent.

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause ‎14(b) (Communications) or changing its own address or fax number, the Security Agent shall notify the other Parties.

1. Language

Any notice given under or in connection with this Agreement must be in English.

All other documents provided under or in connection with this Agreement must be:

in English; or

* + - 1. if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

1. Governing law
   1. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
2. Jurisdiction

For the benefit of the Security Agent, the English courts have exclusive jurisdiction to settle any dispute including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement and each party submits to the exclusive jurisdiction of the English Courts. To the extent allowed by law, the Security Agent may take:

proceedings in any other court with jurisdiction; and

concurrent proceedings in any number of jurisdictions.

The English courts are the most appropriate and convenient courts to settle any such dispute.

1. Service of Process
   1. Each of the Company and the Contractor irrevocably designates, appoints and empowers Law Debenture Corporate Services Limited (Fifth Floor, 100 Wood Street, London, EC2V 7EX, Telephone: +44 (0)20 7606 5451, Fax: +44 (0)20 7606 0643, Email: sop@lawdeb.com) to act as its authorised agent to receive for and on its behalf service of process and any other legal summons in any such action, suit or proceeding in the courts of England. Each of the Company and the Contractor irrevocably consents to the service of process or any other legal summons out of such courts by mailing copies of them by registered airmail postage prepaid to its address specified in this Agreement. Each of the Company and the Contractor covenants and agrees that, so long as it has any obligations under this Agreement, it shall maintain a duly appointed agent to receive for and on its behalf service of process and any other legal summons in any action, suit or proceeding which may be brought in the courts of England with respect to this Agreement.
2. Waiver of Immunity
   1. Each Party agrees that in any legal action or proceedings against it or its assets in connection with this Agreement, no immunity from such legal action or proceedings (which includes suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed, in any jurisdiction, by or on behalf of such Party or with respect to its assets and irrevocably waives, to the fullest extent permitted by applicable law, any such right of immunity which it or its assets now have, may in future acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including the making, enforcement or execution against any property whatsoever, of any order or judgment which may be made or given in such action or proceedings.
3. **IN WITNESS WHEREOF**, the Parties, acting through their duly authorised representatives, have caused this Agreement to be executed and delivered as a deed in their respective names as of the date first written above.

**SIGNATORIES**

1. **Contractor**
2. **TLV CONSTRUCTION LIMITED**
3. By:
4. **Company**
5. **TLV EXCHANGE CORPORATION**
6. By:

Security Agent

|  |  |
| --- | --- |
| **SIGNED** as a **DEED** by **BANK LUXEMBOURG S.A.** ) | Attorney to write in manuscript the following: |
| acting by its attorney ) | " ***BANK LUXEMBOURG S.A.*** *by its attorney"* |
| in the presence of: ) | [*Signature of attorney*] |

1. Witness's Signature:
2. Name:
3. Address:

6. Omitted
7. Form of Release of Liens and Claims Certificate

RELEASE OF LIENS AND CLAIMS CERTIFICATE

|  |  |
| --- | --- |
| To: | **TLV EXCHANGE CORPORATION** as Employer |
| From: | **TLV CONSTRUCTION LIMITED** as Contractor |
| Dated: | [         ] |

Dear Sirs

**Engineering, Procurement and Construction Contract (the “Contract”)**

**Relating to the “The Great” Airport in Grenoble, the “St. Paul” Airport in Lyon, dated [   ]**

We refer to our [interim][final] application for payment dated today and made under the above Contract.

We hereby waive and release irrevocably any right or benefit which we might otherwise possess to any liens (including mechanic’s liens, construction liens, materialmen’s liens or unpaid supplier’s liens), encumbrances or claims affecting the Works or the Site.

We also hereby confirm that we have no knowledge of any outstanding liens (including mechanic’s liens, construction liens, materialmen’s liens or unpaid supplier’s liens), encumbrances or claims affecting the Works or the Site, in favour of any of our suppliers or subcontractors (or their sub-suppliers or sub-subcontractors).

This Contract shall be governed by and construed in accordance with the laws of England and Wales.

If a dispute is not resolved by mutual consultation by the parties within thirty (30) days from one party notifying the other of a dispute, then either party may refer the dispute to be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “**Rules**”) by an arbitral tribunal consisting of three arbitrators appointed in accordance with the Rules. The seat of arbitration shall be Geneva, Switzerland, and the language shall be English.

1. Standards

All ICAO and IATA standards and recommended practices, including, without limitation, the following (as each of the following may be amended, supplemented, updated, revised or replaced from time to time), shall apply to the operation and, to the extent applicable, design of Airports:

a. ICAO Annex 14 (5th Ed July 2009) Volume I Aerodrome Design and Operations

b. ICAO Annex 9 (12th Ed July 2005) Facilitation

c. ICAO Annex 16 (5th Ed July 2008) Part 1 Aircraft Noise

d. ICAO Annex 16 (3rd Ed July 2008) Part 2 Aircraft Engine Emissions

e. ICAO Annex 17 (8th Ed April 2006) Security

f. ICAO Aerodrome Design Manuals (Doc 9157) Parts 1-6

g. ICAO Airport Services Manuals (Doc 9137) Parts 1-9

h. ICAO Airport Planning Manuals (Doc 9184) Parts 1-3

i. ICAO Manual on the Certification of Aerodromes (Doc 9774)

j. IATA Airport Development Reference Manual (ADRM 9th Ed)

k. IATA Airport Handling Manual (AHM 30th Ed)

The following FAA standards and recommended practices (as each of the following may be amended, supplemented, updated, revised or replaced from time to time) shall apply to the operation and, to the extent applicable, design of the Airport Works to the extent that they supplement or do not conflict with ICAO and IATA standards and recommended practices:

* FAA Integrated Noise Model, Latest Version (currently 7.0b)
* FAA Advisory Circular 150/5300 Series
* FAA Order 6480.7 E ATCT and TRACON Facility Design

If not covered by ICAO, IATA and applicable FAA standards, the applicable standards of the Republic of France covering design specifications for airport visual aids, navigational aids, pavement design and other facilities shall apply.

The design, engineering and construction (applicable to Annex 11, but not limited to) shall be performed in accordance with the applicable international standards but not limited to the laws of Republic and local standards and the European Standards (Еuro-codes).

The Contractor’s work shall be based on the latest edition of the Codes, Standards and Practices published as of the Date of this Agreement

**EXECUTION PAGE**

**The Employer**

**TLV EXCHANGE CORPORATION**

|  |  |  |  |
| --- | --- | --- | --- |
| Burcu Geriş | |  |  |
| Name: Burcu Geriş  Title: Authorised Signatory | | |  |
| Address: | **TLV EXCHANGE CORPORATION** Grenoble “The Great” Airport 1043, Petrovec  Republic of France | | |
| Attn: | Mr. Metin Batak | | |
| Fax: | + 389 22 561 525 | | |

**The Contractor**

**TLV CONSTRUCTION LIMITED**

|  |  |  |  |
| --- | --- | --- | --- |
| Sophie Gerisha | |  | Göler Kriel |
| Name: Sophie Gerisha  Title: acting by its duly authorised signatories | | | Name: Göler Kriel  Title: acting by its duly authorised signatories |
| Address: | TLV Construction Limited 13 avenue des Muriers, 38240 Turkey | | |
| Attn: | Mrs. Sophie Gerisha and Mr. Göler Kriel | | |
| Fax: | + 90 303 465 46 00 | | |