

**Ministry of Roads and Urban Development
Ports and Maritime Organisation**

**Contract for Equipping and Operation of Multipurpose and
Container Terminals at First Development Phase of Shahid-Beheshti
– Chabahar Port**

Between

**Aria Banader Iranian Port and Marine Services Company
As the Lessor**

And

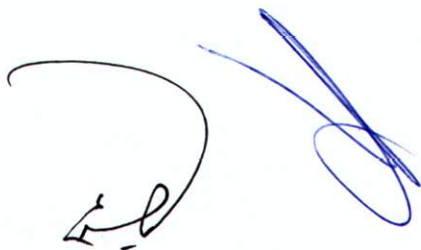
**India Ports Global Private Limited
As the Lessee**

And

**Ports and Maritime Organization of Islamic Republic of Iran
As the Confirming Party 1**

And

**Ministry of Road Transport, Highways and Shipping
Republic of India
As the Confirming Party 2**



**Contract for Equipping and Operation of Multipurpose and Container
Terminals of Phase I Shahid Beheshti - Chabahar Port**

THIS Contract is concluded according to the provisions of the Memorandum of Understanding (MOU) dated May 6th 2015, attached as **Annex 1** and the Lessor-Lessee Act 1997 of the Islamic Republic of Iran and its Executive Codes (**Annex 2**), Amongst:

- (i) Aria Banader Iranian Port and Marine Services Company (ABI) with registration number of 243036 at the Companies Registration Office of Tehran and holder of Economic Code 41151789345 and National ID NO. 10103827066 represented by Ebrahim Yaseri, as the Managing Director and Chairman of the Board of Directors and Habibollah Akbari Monfared, as the Member of the Board and having its registered office at Unit 1007, 10th Floor, Negin Building, Africa Blvd., (Jordan) Tehran – Islamic Republic of Iran, 1949734653, hereinafter referred to as the “Landlord” or “**Lessor**” (which expression shall also include its legal successors); and
- (ii) India Ports Global Private Limited (IPGPL), a private Limited Liability Company incorporated and registered under the laws of India, bearing registration number U61100MTT2015PTC261274 and represented by Mr. Arun Kumar Gupta as the Managing Director and Dr. Alok Srivastava as the member of the board, and having its registered office at 1107, Raheja Centre, Nariman Point, Mumbai, hereinafter referred to as “**Lessee**” (which expression shall also include its legal successors);

The terms of the Contract with the following terms and conditions, which are binding on the Parties and which are confirmed by the Confirming Party 1 and Confirming Party 2, are specified below.

- Ministry of Roads and Urban Development of Islamic Republic of Iran, as represented by the Port and Maritime Organization (which expression shall also include its legal successors), (as the “**Confirming Party 1**”); and
- The Ministry of Road Transport, Highways and Shipping, Republic of India (which expression shall also include its legal successors) (as the “**Confirming Party 2**”).

Copies of the Articles of Association of the companies and latest notice of changes are attached herewith as **Annex 3**.

ARTICLE 1

DEFINITIONS AND GENERALITIES

1.1 Definitions

Unless otherwise defined in the Contract, the terms and expressions used in this Contract have got the following meanings assigned to them:

1.1.1 Area of the Terminals Subject of the Contract

Area of the Terminals Subject of the Contract in this Contract means the building site and existing property within the port area assigned to the Lessee by the Lessor including: jetty docks, container terminal (about 640 meters in length), multipurpose terminal (about 600 meters in length), and multipurpose cargo yards, administration and welfare buildings, workshops, installations, public utility branching, etc. whose detailed specifications have been provided in **Annex 4** which is also called "leasehold property" which the Lessor leases to the Lessee in terms of this Contract.

1.1.2 Exclusive yards:

Means the yards of the Lessor or other companies which are contract parties to the Lessor authorized by the Lessor to provide some Terminal services.

1.1.3 Organization:

Means Ports and Maritime Organization or any other organization which will be port administrator of the Country in future in accordance to the law.

1.1.4 Port:

Means Chabahar – Shahid Beheshti port located in the Iranian Sistan & Baluchestan Province.

1.1.5 Change in Laws and Regulations:

Means repeal or amendment or change in application of the current laws, regulations (for example, any tax laws and regulations), consents or approvals, or legislation of new laws and regulation.

1.1.6 Terminal Services

Means loading and unloading of cargos and containers from/to ships, planning and storage of cargos and containers in multipurpose and container yards, reefer services, storage of containers containing dangerous goods according to requirements of IMDG CODE, stevedoring, warehousing, cargo and container unloading and loading from/to land transportation vehicles including road and railway vehicles, relocation of containers within the exclusive terminals and yards, stowing and offloading of consignments in the containers, document processing operations and electronic exchange of data

and documents with customers and respective establishments and all usual and normal operations in the ports according to the common practice of the leading world ports and called "terminal services".

1.1.7 Expert Group:

In this Contract, Expert Group means "specialized expert group" comprising of representatives of the Lessor, the Lessee and a mutually appointed specialist.

1.1.8 Country

Means the Islamic Republic of Iran.

1.1.9 Month:

Means a calendar month as per Islamic Republic of Iran's solar calendar.

1.1.10 Day:

Means a 24-hour period starting and ending at midnight (Local time).

1.1.11 Governmental Authority

Means the Government of the Islamic Republic of Iran, any governmental ministry, department, commission, board, bureau, agency, authority, instrumentality, directorate, public authority, and administrative body at central or local level or other person having jurisdiction in the Islamic Republic of Iran.

1.1.12 Judicial Authorities:

Means all Judicial Authorities of the Country.

1.1.13 FCL Container:

Means a container that contains full container load belonging to only one owner.

1.1.14 LCL Container:

Means a container that contains less than container load and goods belonging to more than one owner.

1.1.15 De-Stuffing/Strip:

Means offloading of the goods from a container.

1.1.16 Stuffing:

Means loading of the goods into the container.

1.1.17 Miscellaneous Services:

Means the services which the Lessee provides upon receiving the relevant charges in relation to part of the contract services to the clients and shipping lines at the container and multipurpose terminals in addition to the items stipulated in the tariff booklet including, stevedoring, cargo handling, terminal handling services and warehousing services.

1.1.18 Lessor's Representative(s):

Means representative(s) that are selected and officially introduced in writing by the Lessor as duly required and according to the necessities stipulated in this Contract for supervision affairs and following up of the Project affairs.

1.1.19 THC Tariff:

Means the tariff related to the charges of container unloading from ship, moving it to the container terminal, stacking at the yard and its delivery to the owner of the goods or vice versa.

1.1.20 TEU:

Means the container counting unit which is equal to one 20 ft. container (1 TEU = one 20 feet container).

1.1.21 Binding Laws and Regulations:

Means any law, by – law, instruction or other governmental regulations and limitations or any executive decision governing the Lessor's activities which has legal validity and ratified or made by a government authority with jurisdiction over the Contract subject.

1.1.22 Annex:

Means any table, list, tariff or complementary documents related to this Contract which has attached to that.

1.1.23 Requested Licences:

Means any permission, permit or approval of the government authorities issued in relation to execution of the subject of the Contract needed and requested by the Lessee.

1.1.24 Default:

Means material (intentional or unintentional) failure to perform or discharge any of its obligations in accordance with the provisions of this Contract to the extent such failure adversely affects whole or part of the Project.

1.1.25 Iranian Currency:

Means "Rial" of the country of Islamic Republic of Iran.

1.1.26 Dollar:

Means Dollar as the United States of America's currency unit.

1.1.27 INR:

Means "Rupee" as the Republic of India's currency unit.

1.1.28 Equipment:

Means the equipment which, according to the technical specification as mentioned in this Contract, will be used in equipping of the multipurpose and container terminals.

1.1.29 Funding Date:

Shall mean the date on which the Confirming Party 2 makes available credit for an amount of INR 9000 million (approximately USD 150 million) to the Confirming Party 1 as per the terms of this Contract and the MOU.

1.1.30 FIPPA License:

Shall mean the license to be obtained by foreign investors under Iran's Foreign Investment Promotion and Protection Act (FIPPA).

1.1.31 Good Performance Practice:

Shall mean the exercise of that degree of skill, diligence and prudence and those practices, methods, specifications and standards of equipment, safety and performance, as may change from time to time and which would reasonably and ordinarily be expected to be used by a skilled and experienced operator engaged in port/terminal services of the type and size similar to the Project in accordance with the reasonable best practices, methods and standards that are generally accepted internationally for such Project.

1.1.32 Infrastructure Facilities:

Shall mean the facilities to be made available by the Lessor to the Lessee in connection with the Project, as detailed in Annex 7 (Infrastructure Facilities), in each case constructed and maintained as per Good Performance Practice.

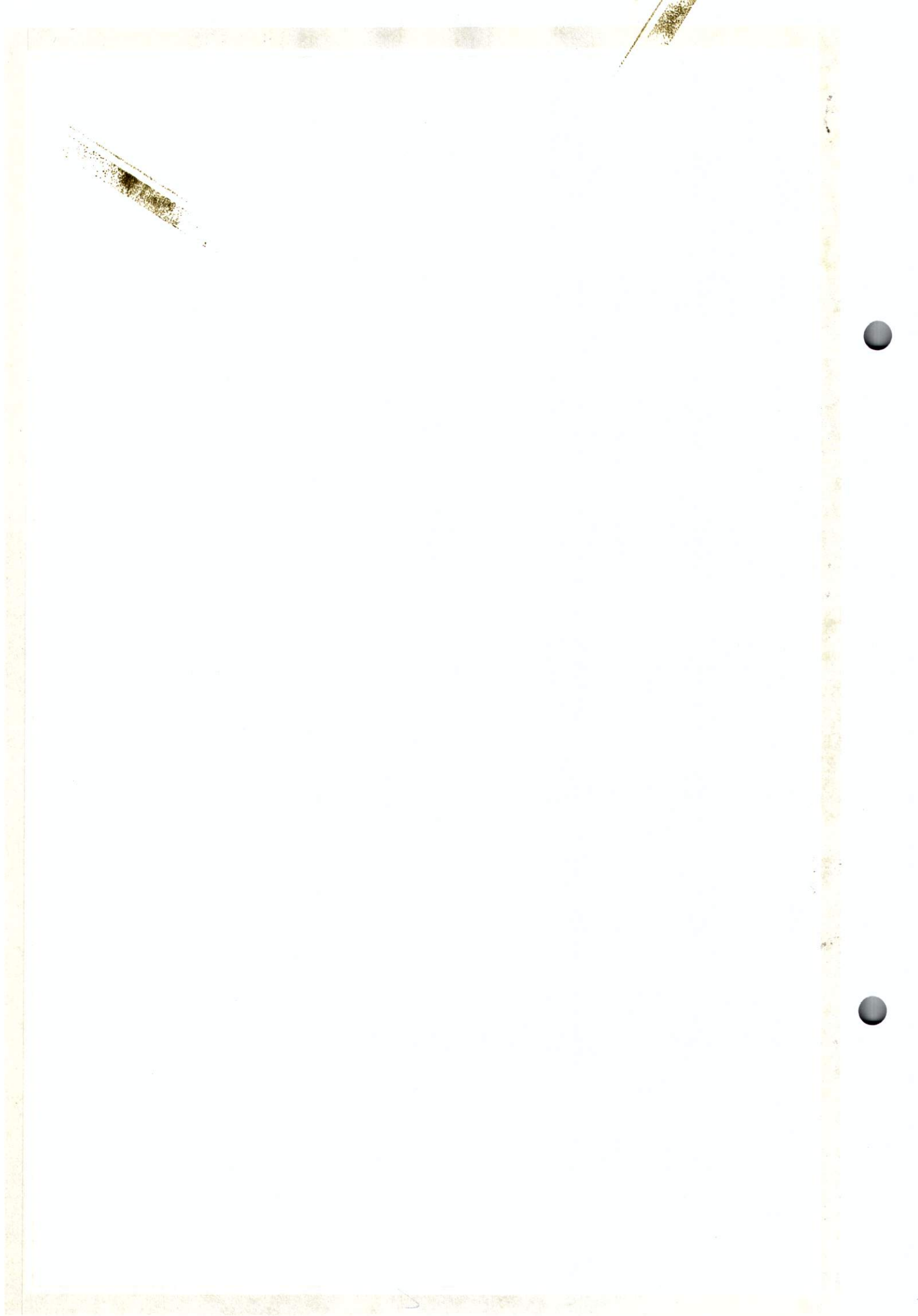
1.1.33 Cargo handling:

Means terminal handling of cargo—including cargo handling, discharging, stowing, carriage of cargo to warehouse/storage area and loading of cargo and vice versa.

1.1.34 Lenders:

Means the banks and financial and credit institutions that provide necessary financial assistance to the Lessee in connection to the Project and according to the regulations.

1.1.35 Minimum Guaranteed Traffic:



Means the minimum volume of the containers undertaken and guaranteed to be handled by the Lessee on an annual basis according to the Annex 5.

1.1.36 MOU:

Means the Memorandum Of Understanding drafted and signed between the governments of Islamic Republic of Iran and Republic of India in respect to partnership of Indian government in Chabahar port development plan on Ordibehesht 16th. 1394 corresponding to May 6th 2015 as annexed in Annex 1.

1.1.37 Official Holidays:

Means the first day of the Iranian new year and "Ashura" day as well.

1.1.38 Right of Way(s):

Means the permission issued by the Lessor for using public ways and access roads to the terminals leased by the Lessee in accordance with Annex 6.

1.1.39 Project

Means the equipping and operating of the multipurpose and container terminals at the first development phase of the Shahid Beheshti – Chabahar Port.

1.1.40 Project SPV (Special Purpose Vehicle):

Means incorporation and registration of a company by IPGPL in and according to the current laws and regulations of Islamic Republic of Iran to assume all binding activities as per the Contract.

1.1.41 Revenue Share Arrangements Between the Lessor and Lessee:

Means the procedure in which the revenue share of both parties is separately paid to the respective accounts of the Lessor and Lessee and other beneficiaries in respect of the provided services and agreed conditions, simultaneously, in accordance to provisions of this Contract, after issuance of bills for port dues and charges.

1.1.42 Safe Berth:

Means a berth that complies with the safe berth parameters.

1.1.43 Stevedoring:

Means all phases related to unloading of the goods from the ship's cargo hold onto the berth or trailer and or loading of the goods from the berth or trailer in to the vessel's cargo hold.

1.1.44 Supervisory Body:

Means the Lessor's representative(s), introduced to the Lessee in writing by the Lessor for supervision on good performance of the Lessee's obligations, according to the duties assigned to the Supervisory Body in this Contract.

1.1.45 Tariff:

Means the chargeable price of the port services notified by the Port/Lessor to the Lessee in form of a tariff booklet annually approved by the Organization.

1.1.46 Tax:

Means any tax or similar duties by whatever name called in the Islamic Republic of Iran, notified within the tax laws for due implementation.

1.1.47 Unfair Discrimination:

Means making intentional/special decisions in relation to the port or the area of the terminals subject of the Contract by the government and judicial authorities or Lessor in a way that its effects lead to reduction in traffic or revenue or increase in the operating expenditure.

1.1.48 Contract Signing Date:

Means the date on which the Contract will be signed by Contract parties and Confirming Parties 1 and 2.

1.1.49 Contract Activation Date:

Means the date, after the period specified for fulfillment of obligation by the Confirming Party 2, in respect of making available the credit facilities (of USD 150 million) for development plan of phase 1 of Chabahar – Shahid Beheshti port.

1.1.50 Commercial Operation Date (COD):

Means the completion date of the process for supply, shipment, installation and commissioning of all equipment undertaken to be provided by the Lessee within the period agreed in Clause 6.1 of this Contract (operational readiness of the Equipment).

1.1.51 Dispute Notification:

In respect to any dispute emerged between the parties in relation to this Contract, each party may notify the other party on emergence of the dispute in writing. The said notification shall consist of a reasonable explanation on the nature of dispute.

1.1.52 Intellectual Property Rights:

Means the intellectual rights and ownership related to the technical know-how and operation software of the terminals subject of the Contract, obtained or made and developed by the Lessee within its contractual obligations fulfillment period.

1.2 Generalities

- 1.2.1 In this Contract, singular shall mean plural and vice versa, if so required.
- 1.2.2 Any reference to the current rules and regulations of the Country shall also include reference to their amendments that might be made in future (after the Contract Activation Date), and it also applies to new rules and regulations, unless such amendment/new rule or regulation has a material and adverse impact on the Project or the Lessee or its ability to perform this Contract.
- 1.2.3 In case of discrepancy and any difference in interpretation between the provisions of this Contract and its annexes, the Contract text shall be applicable.
- 1.2.4 The Contract is made in English and Persian languages each of which are equally authentic.

ARTICLE 2

SUBJECT OF THE CONTRACT

This Contract is for leasing of the Area of the Terminals subject of the Contract with an area of about 70 hectares, as delineated in the map and specifications provided in Annex 4, to provide Terminal Services as per conditions stated in the provisions of this Contract. Lessee agrees to make investment of at least USD 85 million for supply of the agreed equipment as mentioned in Annex 9.

ARTICLE 3

CONDITIONS PRECEDENT TO EFFECTIVENESS

- 3.1 The Confirming Party 2 has committed to provide credit of INR 9,000 Million (approximately USD 150 Million) to the Confirming Party 1 as per the MOU. The modalities of utilization of credit will be in accordance with the Framework Agreement for Buyers Credit Facility signed with seven (7) Iranian Banks on December 23rd, 2014 by Export Development Fund (EDF), a fund administered by EXIM Bank of India. The Framework Agreement has been made effective on 9th June, 2015.
- 3.2 The Confirming Party 2 shall within a period of four (4) months from the date of receipt of the completed application to the satisfaction of EXIM Bank, for inclusion of any contract relating to Chabahar Port development from any of the seven (7) Iranian signatory banks, process and approve the proposal for providing credit within the ceiling of INR 9,000 Million (approximately USD 150 Million) to Confirming Party 1.
- 3.3 In the event the Confirming Party 2 fails to fulfill the above conditions precedent within the timeline stipulated above, the Contract shall be terminated (without any liability on any Party), on and from the date on which the aforementioned time period of four (4) months has expired.

ARTICLE 4

JOINT OBLIGATION OF PARTIES

The Parties shall, no later than four (4) months from the Contract Signing Date, and in any case prior to effectiveness of this Contract, jointly agree to finalise:

- 4.1 the technical specifications of the Equipment mentioned in the Contract subject. Any reference to the country and make of Equipment set out in such specifications or otherwise shall be indicative in nature and shall not form part of the tender documents to be issued for procurement of Equipment.
- 4.2 codification of the procedure and mechanism for issuance of statements and simultaneous distribution of revenues and their collection according to the "Revenue Sharing Arrangements Between the Lessor and Lessee".

ARTICLE 5

INVESTMENT AND MARKETING PLAN

- 5.1 The Lessee undertakes to, invest an amount of at least USD 85 Million and supply, transport and install all equipment at his own responsibility and expense, in accordance with the mutually agreed standards and specifications, an indicative list of which is set out in **Annex 9**. Variation of upto 5% (of USD 85 million) in the cost of Equipment will be the responsibility of the Lessee. Any increase in cost of procurement of Equipment beyond 5% (of USD 85 million) upto 10% (of USD 85 million) will be borne by the Lessor. In the unlikely event of increase in cost of procurement of Equipment beyond 10% (of USD 85 million), the Lessor, Lessee, Confirming Party 1 and Confirming Party 2 will discuss and mutually agree the way forward on the basis of the limitations set out in the MOU/Contract.
- 5.2 Notwithstanding the above, the tender process for ordering the Equipment shall be run by the Lessee in accordance with the laws and regulations applicable to it. The procurement committee to be formed for the purpose of overseeing good performance of the tender (based on guidelines set out in the MOU and the Contract) shall have 2 members from the Indian Side and 2 members from the Iranian Side. The Iranian members shall form part of the said committee and shall have equal rights in the committee. The chairman of the said committee shall be from the Indian Side to conduct meetings and maintain records. If the chairman is unable to resolve an issue as per provisions of the Contract and extant laws and regulations, the same shall be referred for resolution to senior officials of Lessor and Lessee for resolution at the earliest and in any case, in strict adherence to the guidelines and timelines laid down in the Contract. Issues that cannot be resolved by the senior officials of Lessor and Lessee, will be referred to both Confirming Parties for resolution in accordance with the Contract/MOU.
- 5.3 The Lessee shall have no right to bring in any additional cargo handling equipment in addition to that mentioned in **Annex 9** for performance of obligations under this Contract as per terms hereof, without taking prior permission of Lessor.
- 5.4 All Equipment supplied by the Lessee, according to the Annex mentioned in Clause 5.1 above, shall be automatically transferred to the Lessor (acting on behalf of the Organisation) free of charge upon expiry of the Contract Period. In this relation, the Lessee shall proceed with legal formalities maximum within three (3) months after Contract Expiry Date. Otherwise, the Lessor (acting on behalf of the Organisation) is empowered by the Lessee to directly proceed with the same.
- 5.5 In case that the traffic at the Terminals increases beyond the Lessee's estimates of traffic such that the Equipment supplied by the Lessee is insufficient to handle the same, the Lessee and Lessor shall mutually discuss

and agree on the modalities of handling such increased traffic including additional equipment and other requirements, on mutually agreed terms and conditions.

- 5.6 The Lessee shall make endeavours to implement an effective marketing and organization plan and also use suitable and modern procedures, and proceed with market development and traffic increase, specially transit/transship traffic, for increasing of direct entrance of liner ships and development of safe feeder network.

ARTICLE 6

COMMERCIAL OPERATIONS DATE

- 6.1 The Lessee shall equip and operate the Terminals as per Good Performance Practice and shall make reasonable endeavors to achieve Commercial Operations Date in:
- (i) Eighteen (18) months from the Contract Activation Date; or
 - (ii) Four (4) months from the date on which the Lessor hands over the Terminals and the Infrastructure Facilities to the Lessee in accordance with the terms of this Contract,
- whichever is later.
- 6.2 The Lessee shall notify the Lessor on the Commercial Operation Date in writing.

ARTICLE 7

PROJECT SPV

- 7.1 In order to execute the Project according to the laws of Islamic Republic of Iran, the Lessee may register one or more companies in the Islamic Republic of Iran. This provision shall not be interpreted in a way to reduce the commitments of the Lessee hereunder including to make an investment of at least USD 85 million.
- 7.2 The Parties agree that, the Lessee shall, as soon as practicable, incorporate the Project SPV and immediately upon such incorporation, this Agreement and all rights and obligations of the Lessee hereunder, shall be assigned to the Project SPV by the Lessee and the Project SPV shall replace IPGPL as the Lessee hereunder, on and from the date of such assignment. For the avoidance of doubt, the Project SPV shall, at all times, be controlled by IPGPL and IPGPL and Project SPV, shall jointly and severally have full responsibility to the Lessor for performance of obligations hereunder.

ARTICLE 8

DURATION OF THE CONTRACT

The initial duration of the Contract shall be for ten (10) years from Commercial Operations Date unless renewed by request of the Lessee, acceptance of the Lessor and approval by Confirming Party 1, in accordance with the MOU (the "**Contract Period**").

ARTICLE 9

APPLICABLE TARIFFS AND DISTRIBUTION OF THE COLLECTED REVENUES

- 9.1 The applicable tariffs at the multipurpose and container terminals at Commercial Operations Date, shall be applied by the Lessee, according to the tariffs approved by the Organization, provided in Annex 8 and also future changes.
- 9.2 The revision of tariff-rates may be proposed by the Lessee to the Organisation through the Lessor and shall be applicable upon approval of the Organisation. In any case, the Lessee may not, unilaterally and without consent of the Organization, change or amend the rate and structure of the tariffs. The Lessee's proposal for amendment of the rate of the tariffs shall be documented and supported by appropriate rationale.
- 9.3 The rate of those services which are provided within the area of multipurpose and container terminals subject of this Contract and not provided within tariff booklet and/ or the rate of the services that may be provided in future, shall be proposed by the Lessee through the Lessor and approved by the Organization.
- 9.4 The Lessee is authorized to apply the approved tariffs in respect of the provided services as per the bills issued by the Lessor's financial software and collect from all users of the multipurpose and container terminals, according to the current laws and regulations.
- 9.5 The Lessee shall issue the relevant bills in respect of the services provided, as per the procedure agreed with the Lessor for distribution of the revenues. The share of each beneficiary party will be paid to the respective accounts of each one of the beneficiaries simultaneous with payment of the bill by the customers.
- 9.6 The revenues of the Lessee are limited to his specified share from Terminal Services including onboard stevedoring and onshore services, cargo handling services, terminal handling services, storage/warehousing and miscellaneous services. All port dues and duties, other than the above, either applied at the present or to be enacted in future, including port dues and charges on cargo and container (full and empty), port loading and discharge charges at the berth, port sanitation duties, demand levies, goods fire insurance, etc. belong to the Port and the Lessor and Lessee will have no share from that.
- 9.7 Based on customs procedures, the revenue share pertaining to multipurpose cargo and container terminals shall be distributed, for the first and second 5-year periods within the Contract Period between the Lessor and Lessee as provided in the following table:

Customs Procedural	First 5 Contract Years (in %)		Second 5 Contract Years (in %)	
	Lessee	Lessor	Lessee	Lessor
Import	40	60	30	70
Transit- Transship	70	30	60	40
Export and others	50	50	50	50

ARTICLE 10

INSURANCE

- 10.1 The Lessee shall provide and maintain the following policies during the Contract from reputed insurer, and shall submit to the Lessor the certified copies thereof.
- 10.1.1 The Lessee undertakes to, at his own cost and in favor of the Lessee, purchase all risk insurance policies for the installations handed over to the Lessee and Equipment in use within the Area of the Terminals subject of the Contract, other than the berth infrastructure constructed/provided by the Lessor.
- 10.1.2 The Lessee shall, in line with execution of the subject of Contract, purchase third party liability insurance policies in Lessee's name, for owners of goods, ships and other relevant people.
- 10.1.3 The insurance policy to be obtained by the Lessee, shall be finalized by a consultative committee comprising of representatives of the Lessor, Lessee and the Iranian insurance company to address the suggestions, in line with the terms of the Contract, in a comprehensive manner. The Organisation's central policy will be followed for the purpose of obtaining insurance and identifying the insurer.

ARTICLE 11

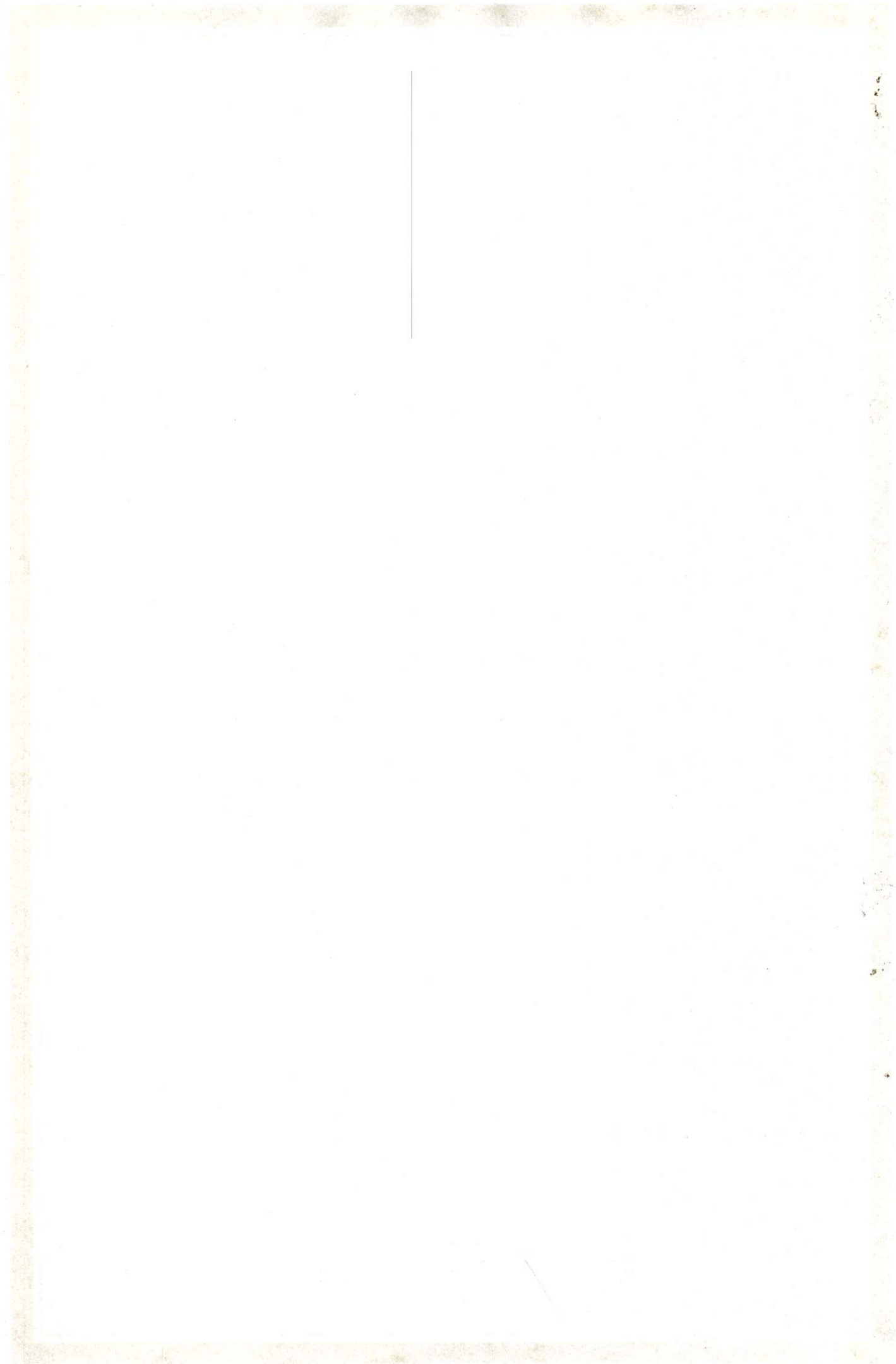
TAXES AND OTHER INCENTIVES

The Confirming Party 1 shall make best endeavors to, facilitate annexation of Chabahar- Shahid Beheshti port into Free Trade-Industrial Zones, and make available to the Lessee, all the advantages available in respect of a free trade zones, including the Tax Benefits, discounts, etc.

ARTICLE 12

LESSEE'S OBLIGATIONS

- 12.1 The Lessee shall not assign the subject of Contract, minor or major to third parties, other than to the Project SPV.
- 12.2 Without prejudice to the Lessor's obligations, the responsibility of leading and managing all affairs related to the Terminals, after Commercial Operations Date and during the Term, including management, planning, repair and maintenance of structures and superstructures, installations and equipment, safety, protection, sanitation and environment protection, human resource management and other related affairs are to be borne directly by the Lessee (at his own expense) and the Lessee shall have the powers required for execution of his duties under this Contract and within the applicable rules and regulations of the Country. In the same line, the Lessee shall improve the level of its services and facilities to the required standards through using the modern know-how, employing qualified manpower, planning and providing necessary trainings, using modern and state-of-the-art hardware and software, including those provided by the Lessee and their and effective management, proceed with establishing a customer-oriented system.
- 12.3 The Lessee undertakes to operate the Contract subject as per Good Performance Practice.
- 12.4 The Lessee undertakes to comply with all rules, regulations, conventions and codes of the Islamic Republic of Iran and the regulations of Port and Maritime Organization, regarding the subject of Contract.
- 12.5 The Lessee undertakes to comply with all related standards, conventions, codes and executive guidelines approved by the Organization which are related to Health, Safety and Environment (HSE), firefighting, security, IT, repair and maintenance of superstructures and infrastructures, as well as facilities and equipment of the Terminals subject of the Contract, which are notified by the Lessor to the Lessee.
- 12.6 Regarding the goods, which as determined by the relevant authority, expired or abandoned, the Lessee undertakes to comply with all related rules and regulations and executive by-laws, the regulations of the sales authority as well as the Customs Laws and Codes and shall take any and all measures in this respect.
- 12.7 The Lessee shall apply the related rules and regulations with respect to its own personnel. Those individuals who are employed by the Lessee during the execution of the present Contract are considered as Lessee's personnel and the Lessor shall assume no responsibility with respect to payrolls, insurance, Social Security Organization, and compliance with principles of safety, work



accidents including firing, incapacity, disability and death during the execution of the Contract or after its expiration.

- 12.8** The Lessee undertakes to, upon commencement of operation of the subject of Contract, implement and execute a mechanized operational software system to be approved by the Lessor, in container and multipurpose cargo field at its own expense.
- 12.9** In addition to being responsible against the Lessor, the Lessee shall be directly responsible and liable for its own performance against third parties as per the applicable rules and regulations of the Country and he shall regularly inform the Lessor of its measures in this respect.
- 12.10** Under this Contract, the Lessee is recognized as the goods and containers receiving party and according to the rules and regulations of the Country, all port duties and responsibilities for taking delivery, warehousing and delivery of the goods at the Terminals shall be the responsibility of the Lessee. The compensation of damages to the goods and the containers within the provision area of Terminal Services, shall be borne by the Lessee, as required under the instruction manual in Annex 10, as such norms apply to all ports in Iran.
- 12.11** The Lessee, within maximum one (1) year from the Commercial Operations Date, undertakes to prepare and establish an effective customer satisfaction system according to the standards acceptable to the Lessor and he shall use this system in order to inform the Lessor, rectify the affairs, remove the problems and achieve the customer satisfaction.
- 12.12** The Lessee undertakes to, periodically and regularly (to the satisfaction of the Lessor), provide the Lessor with statistical reports on the operating performance, repair and maintenance (installations, premises and equipment) according to the samples provided in Annex 11. Further, if the Lessor requires ad-hoc reports, the Lessee shall provide them within the reasonable time and as specified by the Lessor.
- 12.13** The Lessee undertakes to, during the Contract Period, observe the vessel's productivity indices (loading and unloading norms) and also the unloading and loading criteria notified by the Lessor which will be determined according to the type and dimensions of the ships, specifications of the jetties, equipment and other effecting parameters, as such norms apply to all ports in the Islamic Republic of Iran.
- 12.14** The Lessee undertakes to, at his own responsibility and expense, obtain certificate of operation safety certificate for the equipment used, from reliable institutes acceptable to the Lessor and shall provide the Lessor with the verified copies of such certificates and maintain validity of these certificates till the end of Contract Period.

12.15 The Lessee undertakes to establish Integrated Management System standards within twenty one (21) months from the Commercial Operations Date and shall maintain the validity of related certificates until expiry date of the Contract.

12.16 The Lessee undertakes to provide and implement Preventive Maintenance and Total Productive Maintenance (TPM) plans for the transferred terminal equipment, installations, premises, areas, places and buildings based on the standards acceptable to the Organisation, through the Lessor at his own expense

12.17 The Lessee hereby undertakes to comply with the obligations of the international conventions for safety and protection of goods and the containers containing dangerous goods (IMDG CODE), Convention on Safe Containers (CSC), (ISPS CODE) and other related conventions to which the Government of the Islamic Republic of Iran has joined.

Note: In case of offloading, loading and storage of dangerous containers and goods, the Lessee undertakes to comply with the corresponding regulations (including International Maritime Dangerous Goods Code), and shall provide necessary training for his own personnel with respect to the regulations on loading, unloading and shipment of dangerous goods and containers and shall nominate to the Lessor at least one of his qualified personnel as in charge of shipping, transportation and storage of dangerous goods.

12.18 The Lessee undertakes to send all electronic data of the vessels, goods and containers including the information on vessels' arrival and departure, loading, unloading, handling and storage of goods and containers and also the issued invoices (according to the structure and format agreed between the Lessor and Lessee) to the Lessor's computer data center in due time and shall provide the Lessor access to the information of the operational software used in the aforementioned Terminals.

12.19 The Lessee undertakes to, immediately after signing of the Contract, introduce his representatives to the Lessor with a sample of their signature, responsible for execution of the Contract provisions. The Lessee shall update the Lessor of any changes to such representative, along with the sample of signature of the new representatives, from time to time.

12.20 In case of occurrence of any damage to the installation, buildings and equipment of the Lessor and goods and ships of customers, as a result of Lessee or his personnel's Default, the Lessee shall pay to the extent covered by the insurance policies of the Lessee. For avoidance of doubt, compensation payable to abovementioned customers arising out of Lessee's fault, shall not be limited by materiality.

- 12.21** The Lessee undertakes to prepare the information brochures related to documentation of its operational activities in the Contract subjected terminals and give them to the relevant parties.
- 12.22** The Lessee undertakes to provide optimal protection of the Contract subjected terminals and fully cooperate with the Lessor and Port in execution of security regulations and codes issued by the organization (ISPS CODE). The Lessee undertakes to ensure observation of national security considerations to the Lessor as well as ISPS CODE or any other obligations notified by the government authorities based on the circumstances.
- 12.23** In order to optimise operation of the Equipment and terminals subject of this Contract, the Lessee undertakes to employ well-trained qualified personnel, who hold valid certificates, according to Annex 12 as such norms apply to all ports in the Islamic Republic of Iran. Whilst the Lessee may, at its option, employ white collar staff who are Iranian nationals, Indian nationals or of other nationalities, the blue collar staff shall be Iranian nationals.
- 12.24** During the Contract, the Lessee shall, at his own cost and under the supervision of the Lessor, improve the level of knowledge and know-how of his personnel through regular training programs and hold training courses.
- 12.25** The Lessee undertakes to obtain all legal authorizations required for operation of the terminals, and shall ensure they are kept valid during the Contract and the Lessor shall guide and cooperate with the Lessee in this regard.
- 12.26** In case of any Default and error in entering the information, computing and issuance of invoices including additional or lower charges collected, in respect to the real bill, the Lessee undertakes to compensate for loss according to the below conditions:
- (a) If the issued bill is computed and received lower than the prescribed tariff due to entering wrong information, by the Lessee, the Lessee shall, compensate the Lessor for its proportionate revenue share in respect of such deficient amount and shall compensate other beneficiaries, and shall be entitled to raise amended bills on the customers to recover such deficient amounts from the customers.
 - (b) If the issued bill is computed and received higher than the prescribed tariff due to entering wrong information, the Lessee shall, based on an amended bill to be issued to such customers, deposit the additional revenue so recovered into a designated account held in the name of the Lessor, for onward transfer to the customers. In relation to the additional amounts received by the Lessor and the other beneficiaries, the Lessee shall recover such amounts by way of set-off/adjustments from amounts payable to the Lessor and such beneficiaries from subsequent bills.

12.27 The Lessee shall control access to the requisite portions of the Area of Terminal subject of the Contract and use of all roads constructed by the Lessee within the Area of Terminal subject of the Contract (which are not designated as public roads), and shall have the authority to reasonably restrict access in the interest of safety, security and non-interference with the Project. Access, if required, shall be granted in coordination with the Port Security Facility Officer. Officials authorized by statute shall not be denied access.

ARTICLE 13

LESSOR'S OBLIGATIONS

- 13.1** The Lessor undertakes to, before completion of the 18 (eighteen) months period after Funding Date, and upon his own responsibility and expenditure:
- (i) design, construct, complete and deliver the jetties located within the Contract subjected area to the Lessee in addition to the relevant infrastructures and installations according to the Annex 4 and on Good Performance Practice basis.
 - (ii) transfer the infrastructure facilities to the Lessee, without any encumbrances and in such a manner that the infrastructure facilities are "fit for purpose" in order for the Lessee to equip the terminals with the Equipment and operate the terminals;
 - (iii) ensure that all the Preparatory Actions as set out in Annex 7 have been completed in accordance with Good Performance Practice and shall maintain the same throughout the Contract Period.
- 13.2** The Lessor undertakes to provide and maintain the berth-side draft and access route of the ships to the jetties located at the multipurpose and container terminals for safe receiving of the ships, in proportion to the capacity and depth designed in technical specifications upon his own responsibility and expenditure.
- 13.3** The Lessor undertakes to provide berthing and unberthing operations for the ships which come and go to the multipurpose and container terminals according to the announcement of the Port/Lessee at his own responsibility and expense. This may take place directly by the Lessor or through the other Contract parties to the Lessor. Evidently, the relevant revenues also belong to the Lessor and or the said parties.
- 13.4** The Lessor undertakes to proceed with overall repairs of the jetties located within the assigned area (except for the jetty decks) and public utilities and installations passing through the Area of the Terminals subject of the Contract which are also used by other port users, at his own responsibility and expense.
- 13.5** The Lessor undertakes to provide the public utilities required by the Lessee including water, electricity, telephone line, data transferring, etc. The Lessee shall be responsible for any further development of utilities/connections within the Area of the Terminals subject of the Contract.
- 13.6** [Intentionally left blank]

- 13.7 The Lessor undertakes to provide the Lessee with full road access to the assigned area within the Contract Period at his own responsibility and expense.
- 13.8 The Lessor undertakes to issue the necessary permanent or temporary permits for gate pass of the managers, local and foreign personnel and all people whom the Lessee requests entry or exit to the assigned area of the Contract, subject and upon the written request of the Lessee and observance of the laws and regulations. Evidently, obtaining of the permits related to employment of the foreign citizens shall be directly done at the responsibility and expense of the Lessee.
- 13.9 The Lessor and the Confirming Party 1 shall provide the necessary assistance for obtaining of the approvals including the Foreign Investment Protection and Promotion Act (FIPPA) License, upon the Lessee's request. The investment made by the Confirming Party 2 would be protected under the Foreign Investment Promotion and Protection Act of the Islamic Republic of Iran and all revenues can be repatriated under the abovementioned Act.
- 13.10 During the Contract execution period, the Lessor shall provide the Lessee with necessary water supply, electricity and telephone utilities at the same rate at which such utilities are made available to the Lessor by the Port. The Lessee shall make payment to the Lessor based on actual consumption of such utilities as indicated by meters installed at the Terminals by the Lessor. The fixed and demand charges payable with respect to any such utilities shall be split amongst the users of the terminal services on the basis of the proportion of actual consumption against the total consumption. The cost of purchasing and installing of the said meters shall be borne by the Lessee.
- 13.11 Maximum thirty (30) days after proposal date for employment of every non-Iranian personnel by the Lessee, the Lessor will try to, according to the laws and regulations of Islamic Republic of Iran, provide necessary assistance in respect to obtaining the visa and required permits for the said persons and their relatives.
- 13.12 The Lessor will provide necessary assistance for the import of equipment and the materials required under the Contract at the Country's entrance border, including obtaining necessary licences for importing of the equipment/materials and according to the laws and regulations of Islamic Republic of Iran.
- 13.13 The Lessor shall assist the Lessee, according to the laws and regulations of the Islamic Republic of Iran, in respect to opening Rial and foreign currency accounts in the banks of the Country.
- 13.14 Should the decisions made by the Lessor substantially affect the Contract subject and Unfair Discrimination becomes applicable, the Lessor shall take proper actions to compensate for the said losses.

- 13.15** The Lessor is responsible for supervision of maintenance of law and order, safety, health and security of the Port, including the Contract subjected area according to the standards and obligations of the Organization.
- 13.16** The Lessor undertakes to, promptly upon request made by the Lessee, make available all records and information, as it may possess, in relation to the Terminals, Infrastructure Facilities and the Area of Terminals subject of the Contract, to the Lessee.
- 13.17** The Lessor shall have full responsibility for any loss or damage (other than normal wear and tear) caused to or on account of the infrastructure facilities constructed/provided by the Lessor, other than loss or damage caused due to Lessee's Default, and shall compensate all relevant parties in respect of all such loss or damage.

ARTICLE 14

INTELLECTUAL PROPERTY RIGHTS AND PATRONAGE

- 14.1 Intellectual Property Rights developed by the Lessee shall be transferred to the Lessor, upon expiry/termination of the Contract.
- 14.2 This Contract does not establish for the Lessee and the Lessee shall not during or after the Contract Period, claim any right of business and patronage at the Area of the Terminals subject of the Contract.

ARTICLE 15

SUPERVISING BODY

- 15.1** In order to ensure the execution of the Contract provisions including proper operation of the Contract subject, suitable maintenance of the area assigned by the Contract, observance of the binding conventions in relation to Terminal Services and establishment and enactment of the codes related to efficiency enhancement, achievement of the ship's productivity indices (observance of loading/unloading norms), increase in customer satisfaction, increase of safety, health and environment protection levels, the Lessor will supervise the Lessee's activities on a regular or occasional basis.
- 15.2** According to the provisions of the Contract, supervision on the Lessee's good performance of obligations is assigned by the Lessor to the Supervisory Body, and the Lessor shall introduce in writing the Supervisory Body and its supervisors along with a job description and the inspection procedure to the Lessee.
- 15.3** The Lessee shall implement all reasonable recommendations provided within the Lessor's communicated reports prepared based on the reports of the Supervisory Body and advised to the Lessee and shall provide the Lessor with the reports of the action taken. The Lessor's communicated reports shall be drafted based on Good Performance Practice.
- 15.4** Except when there is a possibility for accidents, the inspections, surveillance plans and monitoring measures of the Supervisory Body shall not in any manner affect operations or result in any intervention in the Lessee's routine duties and operations.
- 15.5** The Lessor shall immediately after Contract Activation Date, introduce to the Lessee, his representatives for execution of the provisions of the Contract and responding against their duties, along with a specimen of their signatures. The Lessor shall update the Lessee of any changes to such representative, along with the sample of signature of the new representatives, from time to time.

ARTICLE 16

LESSEE'S GUARANTEES

In order to guarantee execution of the Lessee's obligations and simultaneous to effectiveness of the Contract (Contract Activation Date), the below guarantee is obtained from Lessee:

- 16.1 Upon Contract Activation Date (Funding Date), the Lessee shall submit a bank guarantee, issued by one of the Iranian banks located inside the Islamic Republic of Iran, and as per extant laws and regulations of the Country, of USD 5 Million, to the Lessor, to guarantee Lessee's fulfillment of contractual obligations. This bank guarantee will remain valid till the end of the Contract Period. This bank guarantee shall be renewed and shall replace the previous guarantee at the beginning of every New Year.
- 16.2 Should the Lessor enforce the Lessee's bank guarantee, in whole or in part, the Lessee is obliged to reinstate the contractual guarantees maximum within one (1) month period as per Clause 16.1 of this Article.
- 16.3 In case of inadequacy of the Lessee's bank guarantee for fulfillment of the contractual obligations, the Lessor may proceed with direct collection of the revenues of the Contract subjected terminals (Lessor and Lessee's shares) from the customers, after exhaustion of other remedial process provided under the Contract.

ARTICLE 17

PENALTIES

- 17.1** In case of Lessee's Default in fulfillment of any of the contractual obligations and his failure to remedy for his obligations following the Lessor's written notifications, the Lessee shall pay penalties as mentioned in this Article and those stipulated in Annex 13.
- 17.2** In case of Lessee's failure to deliver and install the Equipment, according to the Contract obligations to the amount of (about) USD 85 million by the Commercial Operation Date, the Lessee shall be liable to pay penalty as follows:
- (a) For 1 - 15 days of delay: USD 15000 per day;
 - (b) For 16 - 30 days of delay : USD 35000 per day;
 - (c) For 31 - 45 days of delay: USD 45000 per day;
 - (d) For 46 - 60 days of delay : USD 65,000 per day;
 - (e) For more than 60 days of delay: USD 85,000 per day.

Note: In the event the Lessee is unable to deliver and install the Equipment on account of reasons beyond the control of the Lessee, the Lessee shall not be liable to pay any penalties.

ARTICLE 18

TRANSFER PLAN AT THE CONTRACT COMMENCEMENT

- 18.1** After effectiveness of the Contract (Contract Activation Date) as per agreed time schedule, a joint committee including the representatives of the Lessor and Lessee shall be formed to prepare the transfer plan in consideration of the current conditions and circumstances with in the provisions of this Contract.
- 18.2** The deeds for grant of the leasehold property shall be drafted, approved and exchanged by the representatives of the Lessor and Lessee at the time of handover of Infrastructure Facilities by the Lessor.

ARTICLE 19

TRANSFER PLAN AT THE EXPIRY DATE OR TERMINATION DATE OF THE CONTRACT

- 19.1 Six (6) months before expiry or termination of the Contract (after the termination notice) a committee consisting of the representatives of the Lessor and Lessee shall be formed which shall prepare the transfer plan, with due consideration to the current circumstances and within the provisions of this Contract. The transfer plan shall include all executive methods and practices so that while the Lessee vacates the leasehold property of the Contract and delivers the same to the Lessor and disposition of the status of the existent equipment, goods and containers, it shall not lead to major stoppage or interruption of the normal operation of the terminals subject of the Contract with in this transferring period. The withdrawal of Lessee's own employees from the Area of the Terminals subject of the Contract and delivery of the terminals to Lessor and determination of the status of the existing goods and containers, should not create any major stoppage or interruption of the normal operations of the terminals in the transition period subject of the Contract.
- 19.2 In case of the Lessee's failure to introduce the representative or if the representative(s) of the Lessee do not take part in said committee, the Lessor may directly prepare the transfer minutes and plan and communicate the same to the Lessee for execution.
- 19.3 In case the Contract is terminated as a result of its expiry, all super structures, facilities, equipment and operation softwares constructed, manufactured and or purchased by the Lessee shall be, automatically and without any payment, transferred to the Lessor.
- 19.4 The Lessee shall move out those parts of his properties which are not included within the transfer (plan) to the Lessor and their exit from the Port do not lead to any major disorder in the operations of the terminals subject of the Contract, of the Contract subjected area upon the Lessor's approval.
- 19.5 The scrap properties of the Lessee shall be moved out of the area of the Contract subjected terminals at the Lessee's responsibility and expense.
- 19.6 The Contract subjected terminals shall be released from Lessee's possession and handed over to the Lessor upon considering their normal wear and tear and being in good condition.
- 19.7 All information, data and documents related to the terminals subject of the Contract including equipment, existent containers and goods, operation and management, administration, financial, human resources, statistics and information of the employment contract with personnel, except for those related to internal affairs of the Lessee, shall be transferred to the Lessor at

the expiry of the Contract. Also, the operational software database related to the operation of the terminals subject of the Contract shall be handed over to the Lessor to ensure that the terminal operations will continue uninterrupted.

- 19.8 The contracts signed between the Lessee and third parties for execution of the obligations as per this Contract, are assigned by the Lessee to the Lessor, upon agreement of the Lessor and the said third parties upon condition of settlement of the previous activities by the Lessee. In case of disagreement of the Lessee or the concerned third parties, the Lessee shall finally dispose the said contracts.
- 19.9 The containers and goods remaining in the terminals subject of the Contract shall be delivered to the Lessor along with the relevant documents and according to the transfer plan at the expiry of the Contract. Evidently, the Lessee's share from the value of the services provided (including cargo hold handling, Cargo Handling, terminal handling, warehousing, stevedoring and miscellaneous services) in respect to the containers and goods remaining in the terminals subject of the Contract shall be computed and paid to the Lessee's account at the clearance and exit of the goods from Contract subjected area.
- 19.10 In case the Contract is terminated prior to expiry of its term except for a Lessee's Default as per Clause 21.1 of this Contract, the Lessor undertakes to pay to the Lessee, an amount as the termination compensation as per the following formula, which shall include the Termination Costs payable to the Lessee. Evidently, after payment of termination compensation to the Lessee, ownership of all Equipment and possible constructed superstructures shall be transferred to the Lessor and the Lessee shall have no claim in this regard. Meanwhile, the Lessee's share from the value of the services provided (including cargo hold handling, Cargo Handling, terminal handling, warehousing stevedoring/storage and miscellaneous services) in regard to the containers and goods remaining in the terminals subject of the Contract till the Contract termination date, shall be computed and paid to the Lessee's account at the clearance and exit of the goods from Contract subjected area.

Termination Compensation = (Remining Period of the Contract ÷ Total Period of the Contract) × Total Amount Invested by the Lessee (As per Proving Documents) + Termination Costs

Note 1: Termination Costs means completion of all legal payments, including termination costs of the personnel, legal debts and transfer costs which may be payable by the Lessee at Contract termination date.

Note 2: In case the Lessee provides/establishes installations as per requirement/approval of the Lessor and the Contract terminates prior to the Expiry Date due to any reason except Lessee's Default, the value of such installations shall be calculated as per the following formula:

Value of Installation = Price of installation as per the documentation and approved voucher *minus* Deduction of Depreciation.

- 19.11** In case the Contract is terminated prior to expiry of the Contract Period, and due to Lessee's Default as per Clause 21.1, while confiscating the relevant guarantees, the share of the equipment and properties belonging to the Lessor will be computed and paid to the Lessee according to the following formula. Meanwhile, the share of the Lessee from the value of the provided services (including cargo hold handling works, terminal handling, warehousing stevedoring/storage and miscellaneous services) in respect to the containers and goods remaining at the Contract subjected terminals till the end of the Contract Period will be computed and paid to the Lessee's account.

Termination Compensation = (Remining Period of the Contract ÷ Total Period of the Contract) × Total Amount Invested by the Lessee (As per Proving Documents) + Termination Costs

Note 1: Termination costs will be decided by an independent expert.

ARTICLE 20

FORCE MAJEURE

20.1 Any event or condition or a combination of both which is unpredictable and beyond control of the injured party and has adverse undesired impact on the capability of the affected party to perform its obligations under this Contract, the whole and details, and includes:

- (a) Natural incidents such as, lightening, fire, earthquake, flood, storm, tide, whirlwind or other natural disasters
- (b) Accidents or explosions
- (c) Outbreak of epidemic diseases
- (d) War (declared or non-declared), military offensive, armed conflict or measures taken by enemies of the country, siege, economic sanctions (in conditions led to severe decline, more than 50 (fifty) percent or stoppage of traffic at the Contract subjected terminals), rebellion, domestic disturbance, sabotage or terrorist acts against the Country.
- (e) Radioactive contamination or leakage of ionic radiation
- (f) Strikes and other public labor riots which hinders provision of services and entrance into the port (except for strikes or sanctions related to the Lessee's personnel, agents or representatives or contractors related to the Lessee and or strikes emerging from any act or omission by the said people)
- (g) Any act or omission by the governmental bodies of the country or non-issuance of the required licences or revocation of the licences issued for execution of the activities subject of this Contract which is not resulted from fault or violation of the Lessee
- (h) Change in Laws and Regulations if results in major change in duties/obligations of the affected contract party and leads to undesired impact in execution of the Contract obligations

20.2 Invocation by the affected party of the above events in occurrence of the force majeure, is conditional upon the following items:

- (a) Despite reasonable efforts of the affected party, there is no possibility to prevent occurrence or avoidance of the impacts.
- (b) The concerned event has serious effect on the ability of the affected party in fulfillment of his obligations under this Contract.

- (c) The damage resulted from the concerned event is not due to the Default of the party affected in fulfillment of his obligations under this Contract.
- (d) The affected party informed the other party (according to the provision of Clause 20.3 hereof) about the occurrence of force majeure.

20.3 In case of occurrence of force majeure, should each Contract party wish to invoke in occurrence of force majeure as an excuse for delay in execution or non-execution (wholly or partly) of his obligations as per this Contract, the affected party shall notify the other party in writing about occurrence of force majeure. This notification shall be issued maximum within 10 (ten) days after (the affected party became aware of) occurrence of force majeure and include the below items:

- (a) Nature, occurrence date (time) and extent of the force majeure event along with relevant documents.
- (b) The exact or estimated duration of possible impact(s) of the force majeure event on the ability of the affected party for fulfillment of his obligations as per this Contract.
- (c) Measures taken by the affected party to mitigate the impacts of the force majeure or reduction of damages.
- (d) Other relevant information

20.4 The occurrence period of the force majeure is the time period between the starting date of the event according to notification of affected party and the expiry date of the period in which the affected party is exempted from execution of this contractual obligations (according to the provisions of this Article).

20.5 The invoking party in the force majeure shall make best endeavours to mitigate force majeure impacts. If the invoking party fails to make best endeavours to mitigate the impact of force majeure, such party shall be responsible in proportion to his fault in such mitigation.

20.6 The affected party by the force majeure, and to the extent that has been made incapable of fulfillment of his Contract obligations or part of that, shall be exempted from performing just those obligations affected by such force majeure.

20.7 The Contract Parties shall proceed with all reasonable measures to avoid emergence of force majeure impacts or mitigating the said impacts and also prompt resuming of the Contract provision execution after removal of causes and effects of the force majeure and also proceed with fulfillment of their

obligations per this Contract in presence of force majeure conditions to their maximum possible ability. On condition of observing the provisions of this Clause, the affected party shall not be responsible regarding non-fulfillment of his contractual obligations during force majeure period.

- 20.8** The time period specified in this Contract for fulfillment of each one of obligations by the affected party shall be extended. This extension of period shall also increase the Contract Period in case of occurrence of the conditions of this Article.
- 20.9** In case the duration of the force majeure is less than three hundred and sixty five (365) days, the Contract will be suspended within this period and after extinction of the force majeure, the Contract will continue upon the same conditions.
- 20.10** In case the duration of the force majeure is more than three hundred and sixty five (365) days, the Contract may be terminated upon the request of each party.
- 20.11** Provided observing the provisions of this Article, each party shall bear the costs emerging from occurrence of force majeure on his own side.

ARTICLE 21

TERMINATION OF THE CONTRACT

The Contract parties may, in case of occurrence of any of the following conditions, terminate the Contract upon observance of the termination conditions and procedure:

Default of each party including:

21.1 Default of the Lessee:

21.1.1 Non-fulfillment of the obligations related to equipping the terminals subject of the Contract, within six (6) months of the Commercial Operations Date;

21.1.2 Non-fulfillment of other (contractual) obligations mentioned in Article 12 of the Contract by the Lessee for more than ninety (90) days;

21.2 Dissolution or bankruptcy of the Lessee, as declared by a court of competent jurisdiction

21.3 Attachment of Lessee's properties which have material adverse impacts on fulfillment of his contractual obligations and continues more than ninety (90) days

21.4 The Organization may proceed with termination of the Contract due to execution of national plans and expropriate/confiscate all or portion of the Area of the Terminals subject of the Contract. In this case and as per Clause 19. 10 of this Contract, it shall compensate the losses of the Lessee according to the ruling of a mutually agreed expert in addition to payment of termination compensation.

21.5 Total assignment of the Contract by the Lessee to the third parties except for the Project SPV.

21.6 Default of the Lessor

21.6.1 Non-fulfillment of the main obligations as per this Contract by the Lessor including non-observance of payment of the Lessee's rights in collection of the revenues related to the Lessee;

21.6.2 Non-fulfillment of other obligations mentioned in Article 13 of the Contract by the Lessor for more than ninety (90) days;

21.6.3 Lessor's bankruptcy announcement by the competent court;

21.6.4 Dispute between the Port and Lessor in a way that causes abandonment of the terminals subject of the Contract or infrastructure facilities by the Lessor at the Port and failure in payment of compensation by the Lessor within ninety (90) days from the date of notice.

- 21.7 Each one of Contract parties entitled to terminate the Contract shall issue the termination notice in writing and its communication to the other party. The termination notice shall include the termination reasons and specification of the required period for execution of the termination conditions. The minimum period for termination of the Contract is ninety (90) days from receiving date of the termination notice by the other party.
- 21.8 In case of termination notification, the Lessee is obliged to provide the Lessor with the information related to his properties in the container and multipurpose terminals, outstanding debts to the lenders upon their approval, Contract with third parties and other relevant information within thirty (30) days.
- 21.9 The following measures shall be taken during the termination period:
- 21.9.1 The transfer plan shall be proceeded with as per provisions of Article 19 of this Contract.
- 21.9.2 The Lessee's rights shall be computed and paid to the Lessee, as per Article 19.10 or Article 19.11 (as applicable), or as agreed between the parties.
- 21.9.3 In case of Contract termination due to the Lessee's Default, the bank guarantee of the Lessee, shall be confiscated and collected upon Lessor's discretion and without any need to refer to Judicial Authorities.
- 21.9.4 In case of Contract termination due to the Lessor's fault, the Lessee's guarantees shall be released by the Lessor.

ARTICLE 22

EXPIRY OF THE CONTRACT

- 22.1** The following measures have to be taken after expiry of the Contract:
- 22.1.1 Preparing and implementing the transfer plan according to the provisions of Article 19 of this Contract;
 - 22.1.2 Full and final settlement of accounts between the Lessee and the Lessor;
 - 22.1.3 In case all obligations have been fulfilled and certificates of settlement from relevant authorities have been submitted, the Lessee's guarantees shall be released.

ARTICLE 23

SETTLEMENT OF DISPUTES

In case of any dispute arisen in execution and/or interpretation of the Contract provisions, the parties shall try to settle the dispute through amicable negotiations and if no agreement is reached, the matter shall be referred to the Expert Group and if no positive result is achieved, then it shall be settled by arbitration. If arbitration fails, the matter shall be referred to the judicial authorities of the Country. Obviously, as long as the matter of dispute is not settled, the Lessee shall continue to comply with and execute the provisions of the Contract as instructed by the Lessor.

23.1 Notice of Dispute

In case of any dispute arising between the Parties out of or in connection with this Contract, either Party may notify the other Party in writing that a dispute has arisen or that notice shall include a reasonable description of the nature of the dispute.

23.2 Nominated Representatives

Within five (5) days of receipt of the Dispute Notice, each one of the Parties must nominate a Representative, who is fully authorized to either settle the dispute amicably or initiate proceedings for resolving the dispute in accordance with this Clause 23.

23.3 Amicable Settlement

Within ten (10) days of receipt of the Dispute Notice (or within such other period as the Parties may agree in writing), the Representatives shall meet and attempt to resolve the dispute amicably by way of mediation. Any resolution shall be binding between the Parties if reduced to writing and signed by the Representatives.

23.4 Referring to Expert Group

- (a) If the representatives of the Contract parties do not succeed to settle the arisen dispute, then according to the provisions of this Contract, they shall refer the issue to the Expert Group for determination.
- (b) In addition, for any issue that the Parties agree in writing to refer to the Expert Group, either Party may specify the nature of the dispute in writing for submitting the same to the Expert Group.
- (c) Upon receiving such notice as set forth in Clause 23.4 (a) above, the Expert Group shall be appointed by the Parties with mutual consent within five (5) days from the date of the notice.
- (d) The decision of the Expert Group will be binding upon the Parties unless the Parties agree otherwise in writing. In addition, if the parties

fail to agree with the decision rendered by the Expert Group within ten (10) days following the Expert Group's decision, the Parties agree to submit the issue to arbitration.

- (e) The costs of the Expert Group will be shared by both Parties, unless the Expert Group finds that either of the Parties has acted unreasonably in relation to the dispute process or the events constituting the subject matter of the dispute in which case that Party will bear all of the costs of the Expert Group.

23.5 Referring to arbitration as per ICC Rules

- 23.5.1 Failing amicable settlement and/or settlement with the assistance of Expert Group, the dispute shall be finally settled by arbitration as per the Rules of the International Chamber of Commerce (ICC Rules).
- 23.5.2 The arbitration shall be by a panel of three (3) arbitrators, two of which shall be appointed by each of the Parties, and the last one, who shall act as the presiding arbitrator, shall be appointed by the two other arbitrators in accordance with the said Rules. The arbitration shall be invoked by one party issuing written notice to the other Party and appointing an arbitrator. If the other Party fails to appoint an arbitrator, within ten (10) days from the date of receiving the notice from the Party invoking the arbitration, then such arbitrator shall instead be appointed in accordance with the ICC Rules.
- 23.5.3 The place of arbitration shall be London (England). The language to be used in the arbitration proceedings shall be English.
- 23.5.4 The award rendered by the arbitral tribunal, which shall also cover the proportions in which the respective parties are to bear the costs of the arbitration, shall be final and binding on the parties to the arbitration.

23.6 Referring to the Judicial Authorities

- 23.6.1 Failing arbitration by the Expert Group and as per ICC Rules, the dispute shall be referred to the judicial authorities to be finally settled according to the laws and regulations of the Country.
- 23.6.2 The award issued by the Judicial Authorities of the Country, shall be final and binding on the parties. The share of each party in relation to the Judicial charges shall be specified as per ruling issued by the Judicial Authorities.

ARTICLE 24

CONTRACT GOVERNING LAW

This Contract shall be governed under the laws of the Government of Islamic Republic of Iran.



ARTICLE 25

REPRESENTATIONS AND WARRANTIES

Each Party to this Contract, represents and warrants to the other Parties that:

- (a) It is duly organized, validly existing and in good standing under the laws of its incorporation;
- (b) It has full power and authority to execute, deliver and perform its respective obligations under this Contract and execution or performance of this Contract does not conflict with or will not result in a breach of the constitutional documents of the respective Party or any contractual obligation by which any Party is bound;
- (c) It has taken all necessary action to authorise the execution, delivery and performance of this Contract;
- (d) This Contract constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with the terms hereof; and
- (e) There are no actions, suits or proceedings pending or to its best knowledge, threatened against or affecting it before any court, administrative body or arbitral tribunal which might materially and adversely affect its ability to meet or perform any of its obligations under this Contract.

ARTICLE 26

MISCELLANEOUS

26.1 Contract Counterparts and Annexes

This Contract, including 26 Articles and 13 Annexes, is drawn up and executed in four counterparts, each of which shall have the same effect and validity as per their obligations under the Contract.

26.2 Variations in Writing

All additions, amendments and variations to this Contract shall be valid and binding only if it is in writing and signed by duly authorized representatives of each of the four Parties to the Contract.

26.3 Severability

If any part or parts of this Contract are agreed by the Parties or declared by any competent court or tribunal to be void, illegal or invalid under applicable laws, such provisions shall be fully separable from the rest of the Contract and the remaining provisions shall remain valid and enforceable.

26.4 Non-Waiver

None of the provisions of this Contract shall be deemed waived by either Party except when such waiver is given in writing. The failure by either Party to insist upon strict performance of any of the provisions of this Contract or to take advantage of any of its rights under this Contract shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future.

26.5 Assignment

Except as permitted under this Contract, neither Party shall assign or transfer any of its rights, interests, benefits and/or obligations under this Contract and their respective underlying assets without the prior written consent of the other Parties.

26.6 Limitation of Liability

Except as expressly provided in this Contract, neither Party nor its/their respective officers, directors, agents, employees or affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Contract, or anything done in connection herewith.

The liability of the Lessee hereunder shall not, in any case, exceed the amounts agreed in the MOU/Contract.

26.7 Several Obligations

Nothing contained in this Contract shall be construed to create an association, trust, partnership, agency or joint venture among the parties and the Parties shall be liable to perform their respective duties and discharge their respective obligations or liabilities in accordance with this Contract.

26.8 Notices

Unless otherwise agreed by the Parties, all notices to be given under this Contract, including without limitation a notice of waiver of any term or related to breach of any term, shall be in writing and in English. Notices shall be given by hand delivery, recognized international courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

- (a) The Lessor: Aria Banader Iranian Port and Marine Services Company (ABI)

No. 4, Kish St., Jordan St.
Tehran, Iran
Phone : +9821 8888 8328

- (b) The Lessee: India Ports Global Private Limited
4th Floor, Nirman Bhavan, M.P. Road
Mazgaon, Mumbai – 400010
Phone : +9122 6900 0430

or such other address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of communication made by letter, when delivered by hand, by recognized international courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

26.9 Costs and Expenses

Each Party shall bear its own costs in relation to preparation, negotiation and finalization of the Contract. The costs of execution of this Contract, including any stamp duties, registration fees etc. in respect of this Contract shall be borne equally by the Parties.

ANNEXES

1. Memorandum of Understanding (MOU);
2. Landlord and Tenant Relations Act;
3. Constitutional Documents of Lessor and Lessee;
4. Area of Terminals Subject of the Contract;
5. Minimum Guaranteed Traffic (MGT);
6. Public Roads and Access to Terminal;
7. Infrastructure Facilities and Preparatory Actions;
8. Tariff Booklet;
9. Equipment Technical Specifications;
10. Instructions Manual;
11. Specimen Formats for Reports;
12. Employee (Operations) Qualification Criteria;
13. Penalties.

IN WITNESS WHEREOF the Parties have entered into this Agreement at 23rd May 2016 through their duly authorised representatives.

**Aria Banader Iranian Port and Marine
Services Company (ABI)**

(Lessor)

Signature



[Handwritten signature in blue ink]

India Ports Global Private Limited

(IPGPL)

(Lessee)

Signature



[Handwritten signature in blue ink]

**Ministry of Roads and Urban Development
of Islamic Republic of Iran,**

**as represented by the Port and Maritime
Organization**

(Confirming Party 1)

Signature

[Handwritten signature in blue ink]

Ministry of Shipping, Republic of India

(Confirming Party 2)

Signature

[Handwritten signature in blue ink]