AEROPORT INTERNATIONAL DE DJIBOUTI

and

DUBAI PORTS INTERNATIONAL FZE

DRAFT CONCESSION AGREEMENT

THIS CONCESSION AGREEMENT is made on XXXXXXX **BETWEEN**:

(1) **AEROPORT INTERNATIONAL DE DJIBOUTI** of BP 204, Republic of Djibouti (the "**Owner**"); and

(2) **DUBAI PORTS INTERNATIONAL FZE**, a subsidiary of Dubai Ports Authority, of PO Box 17000, Dubai, United Arab Emirates ("**DPI**").

1. DEFINITIONS

In this Agreement the following words have the following meaning:

"**Airport**" means the Airport at Djibouti including all associated lands, buildings, hangars and other related facilities

"**Annual Plan**" means the annual plan for any Operating Year as prepared by DPI and determined or agreed in accordance with Clause 4(6).

"**Auditors**" means the auditors appointed by the Owner which shall be a firm of international auditors agreed in writing by the parties from time to time.

"**Commencement Date**" means XXXXXXXXX.

"**Core Management Team**" means the core management team as described in Clause 7.

"**DPI's Capital Account**" means the account referred to in Clause 9(3).

"**DPI's Profit Share**" has the meaning given in Clause 9(1).

"**Financial Controller**" means the person to be appointed as the financial controller for the Airport in accordance with Clause 7.

"**General Manager**" means the person to be appointed as the general manager of the Airport in accordance with Clause 7.

"**Management Fee**" means the management fee payable by the Owner to DPI in consideration for the performance of the Services in accordance with Clause 8.

"**Operating Accounts**" means the accounts referred to in Clause 6(1).

"**Operating Period**" means the period beginning on the Commencement Date and ending upon expiry or earlier termination of this Agreement.

"**Operating Year**" means each 12 month period during the Operating Period commencing on 1st January in each year, save that the first Operating Year shall begin on the Commencement Date and end on 31st December 2002.

"**Owner's Capital Account**" has the meaning given in Clause 9(4).

"**Owner's Profit Share**" has the meaning given in Schedule 2.

"**Requisite Standard**" means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from an experienced operator of airports seeking in good faith to comply with its contractual obligations.

"**Services**" means those services described in Schedule 1.

"**Working Days**" means days on which banks are generally open for business in Dubai and Djibouti.

2. APPOINTMENT OF DPI

The Owner hereby appoints DPI to perform, and DPI agrees to perform, the Services during the Operating Period upon and subject to the terms and conditions of this Agreement.

3. OBLIGATIONS OF THE OWNER

(1) The Owner shall, where it is reasonably able, assist any DPI representative visiting Djibouti to gain such access to any premises and personnel, as is necessary for the performance of the Services.

(2) The Owner shall provide DPI with timely and unrestricted access to information in the possession of the Owner and to which access is reasonably required in order to provide the Services.

(3) The Owner shall arrange for the issue of any appropriate (including long-term) visa (and such other permits and/or licences that are required) from the relevant authorities in Djibouti permitting any visiting staff of DPI travelling in furtherance of the obligations of DPI under this Agreement, and each member of the Core Management Team to carry out his task in Djibouti.

(4) The Owner shall obtain and shall maintain through the term of this Agreement any and all licences, permits and authorities to enable DPI to perform its obligations as set out in this Agreement. In the event of a failure by the Owner to comply with this Clause 3(4), this Agreement shall be capable of termination by DPI pursuant to Clause 17(2).

(5) The Owner shall indemnify, hold harmless and defend DPI in respect of any claims, liabilities, fines, judgements or otherwise incurred by DPI as a result of the Owner's failure to comply with Clause 3(4).

4. SERVICES

(1) DPI shall during the Operating Period have the exclusive right and authority to manage and to direct and supervise the operation of the Airport. DPI shall undertake all such acts and things as are within the scope of the Services except that, whenever it is provided that legislative approval of the Owner or international organization is required, no authority is given to DPI to do the relevant act or thing unless such approval is obtained.

(2) The Owner shall not interfere with any acts or things within DPI's authority done by DPI to manage and direct and supervise the management of the Airport. The Owner shall have access to all parts of the Airport so long as such access does not unreasonably interfere with Airport operations.

(3) The authority conferred on DPI to manage, direct and supervise the operation of the Airport pursuant to the terms of this Agreement shall not entitle it, without the prior approval of the Owner, to:-

(a) make any loan;

(b) borrow or raise any money other than normal credit obtained from suppliers in the ordinary course of business;

(c) enter into any agreement or arrangement which imposes a liability in excess of that specified in the relevant Annual Plan in any Operating Year; or

(d) conduct in the Airport any other activity or business other than as contemplated in the relevant Annual Plan.

(4) DPI shall prepare and submit to the Owner a strategic development plan for the operation and development of the Airport. The parties shall use all reasonable endeavours to agree the strategic development plan as soon as possible. The plan shall be submitted not sooner than 6 months after commencement of the contract.

(5) Prior to the commencement of each Operating Year (other than the first Operating Year), DPI shall submit to the Owner its annual plan for that Operating Year which shall include:-

(a) annual budget, being a detailed revenue and expenditure budget for that Operating Year and which shall include the budgeted sales, budgeted gross operating profit and budgeted adjusted gross operating profit for that Operating Year;

(b) special annual budgets, being detailed budgets of expenditure to be incurred in that Operating Year on, respectively (i) capital expenditure; and (ii) repairs and maintenance;

(c) annual cash flow, being a projection of monthly cash flow for that Operating Year; and

(d) proposed staffing levels, for which DPI shall be solely responsible for deciding staffing, without interference from the Owners.

(6) The Owner shall notify DPI within 30 days of receiving the annual plan if it approves or disapproves the capital expenditure budget. If no notice is given within the 30 day period the Owner shall be deemed to have accepted the capital expenditure budget in the form submitted. If the Owner notifies DPI within the 30 day period of its non-approval of any part of the submitted capital expenditure budget it shall provide reasonable details of the reason for its non-approval and the parties shall discuss in good faith amendments to, and endeavour to agree, the capital expenditure budget. The annual plan as so determined or agreed shall become the "**Annual Plan**".

(7) DPI shall manage and operate the Airport in each Operating Year (except the first Operating Year) in accordance with the Annual Plan for that Operating Year (subject to any changes to the same that may be approved from time to time by the Owner and DPI). If, by the commencement of an Operating Year, the parties have not agreed the capital expenditure budget for that Operating Year, DPI shall operate in accordance with the agreed capital expenditure budget for the previous Operating Year until such time as the capital expenditure budget is agreed.

(8) DPI shall manage and operate the Airport in the first Operating Year in accordance with the Owner's annual plan for the calendar year 2002 as adjusted by agreement between the Owner and DPI.

(9) The Owners confirm and warrant that, with effect from 1st October 2001, that they have not and will not enter into any other agreements or contracts for use of the Airport infrastructure or for the provision of airport / aerospace related services without the express written agreement of DPI. In the event of any breach of this warranty, DPI has the right to immediately terminate such contracts or agreements, and the Owner will fully indemnify DPI in respect of such actions.

(10) The Owners confirm and warrant that no additional staff have been hired (or transferred from part-time to full-time status) by the Airport after 1st October 2001; the Owners further warrant that no additional staff will be hired (or transferred from part-time to full-time status) before the Commencement Date, without the written agreement of DPI. The Owners confirm and warrant that no increases in salaries, benefits or allowances and no promotions have been made by the Airport after 1st October 2001; the Owners further warrant that no increases in salaries, benefits or allowances and no promotions will be made before the Commencement Date, without the written agreement of DPI. Finally, the Owners warrant that no loans (or extensions of existing loans) have been made to staff after 1st October 2001; the Owners further warrant that no new loans (or extensions of existing loans) will be made to staff before the Commencement Date, without the written agreement of DPI. In the event of any breach of the warranties contained in this section, DPI has the right to immediately terminate or reverse such actions, and the Owner will fully indemnify DPI in respect of such actions.

(11) DPI has the right to divest, at a fair or agreed market value, any assets or operations under the control of the Airport which are not core airport or air navigation activities, and which do not add value to the services provided by the Airport. The Government of Djibouti is to be given right of first refusal on the acquisition of these assets at the agreed price.

(12) DPI has the right to sub-contract passenger and cargo handling services management to a third party, and DPI will be responsible for the payment of any related management fees. Any full-time staff seconded to work in Djibouti shall be treated the same manner as DPI appointed staff, and their full costs will be borne by the Airport. Any other consulting or sub-contracting fees or salaries shall be borne by the Airport, with the agreement of the Owners.

(13) The Owners confirm and warrant that any civil service employees of the Airport not required by the Airport will be immediately transferred to other Government departments, without future cost to the Airport or DPI. Any civil servants remaining with the Airport will have their contracts transferred to become employees of the Airport, with similar employment terms and benefits as other Airport employees.

(14) The Owners confirm and warrant on behalf of the Government of Djibouti that government-imposed taxes, duties and other levies on the Airport will not be increased over year 2000 levels for the first 5 years of the contract, and that no back-taxes or levies have been or will be made by the Government against the Airport. In future years, taxes, duties and other levies will not be increased at a rate higher than that applied to other similar government entities.

5. ACCOUNTING AND REPORTING

(1) DPI shall provide to the Owner during the Operating Period accounting services (according to International Accounting Standards) which shall include the maintenance of accounting books and records at the Airport reflecting all current and other transactions (whether operating or otherwise) relating to the Airport and establishment of written accounting policies and control procedures relating to the business of the Airport.

(2) DPI shall submit to the Owner in respect of the Operating Period:-

(a) within 15 Working Days after the end of the period beginning on the Commencement Date and ending three calendar months thereafter, and of each subsequent three month period during the Operating Period, a balance sheet as at the end of that period and an operating profit and loss statement covering sales and operating expenses for that period and for the Operating Year so far as elapsed to the end of that period; and

(b) within 120 days after the end of each Operating Year, a detailed financial statement for that Operating Year audited and certified by the Auditors and which shall consist of a balance sheet as at the end of that Operating Year, a profit and loss statement for that Operating Year, and a certificate prepared in accordance with Clause 8(3) as to the Management Fee payable to DPI in respect of that Operating Year.

(3) The Owner shall at all reasonable times have full and unrestricted access to and right to make copies of all accounting and other books and records of the Airport.

6. OPERATING ACCOUNTS

(1) The Owner has the following current accounts:

DPI may also open deposit account(s) in the name of the Owner. These accounts which are used only for matters relating to the Airport, are referred to as the "**Operating Accounts**".

(2) The parties shall designate each member of the Core Management Team as signatories to the Operating Accounts.

(3) Any amounts owed by the Government of Djibouti to the Owner for services rendered in respect of the Airport shall be paid into the Operating Accounts.

(4) DPI shall (save as otherwise provided in this Agreement) at all times throughout the Operating Period ensure that all monies received directly or indirectly from the operation of or otherwise relating to the Airport are promptly paid into the Operating Accounts.

(5) If at any time during the Operating Period the funds in the Operating Accounts are insufficient to make when due and payable any of the payments referred to in Clause 6(7) below, the Owner shall pay into the Operating Accounts such additional funds as may be needed for such purpose within 30 days after being notified in writing by DPI of the relevant insufficiency with full details thereof.

(6) The Operating Accounts, and all monies from time to time therein or credited thereto, shall at all times remain the property of the Owner. No funds credited to the Operating Accounts shall be withdrawn by the Owner except in accordance with Clause 9(4) below.

(7) DPI will also have the right to withdraw funds from the Operating Accounts but only for the following purposes:-

(a) constituting and maintaining petty cash banks for the operation of the Airport;

(b) paying such operating expenses as are reasonably required to operate the Airport so long as, save with the prior approval of the Owner, no payment so made shall have the effect of making the total of all payments in respect of any particular head of operating expenses in the relevant Annual Plan exceed 110 per cent of the figure for that head in such Annual Plan; and

(c) paying the Management Fee in accordance with Clauses 8(2) and (3) and DPI's Profit Share in accordance with Clause 9(3) below.

(8) Provided that DPI has notified the Owner of the need for additional funding pursuant to Clause 6(3) and provided that DPI properly withdraws funds from the Operating Accounts in accordance with the provisions of Clause 6(6), should such cheque drawn on the Operating Accounts not be honoured, the Owner shall indemnify, hold harmless and defend DPI in respect of any claims, liabilities, fines, judgments or otherwise incurred by DPI as a consequence of such cheque being dishonoured.

7. CORE MANAGEMENT TEAM

(1) The Core Management Team (which shall consist of a general manager (the "**General Manager**") and a financial controller (the "**Financial Controller**") and such other personnel as DPI may, from time to time, determine and shall be responsible for the overall direction of the management of the Airport in accordance with this Agreement and with the terms of each Annual Plan. The sole duties of the General Manager shall be to manage the Airport and other government / DPI contracts as agreed by the parties. The sole duties of the Financial Controller shall be management of financial matters relating to the Airport and other government / DPI contracts as agreed by the parties. The Owner shall execute a general power of attorney in favour of the General Manager conferring on the General Manager authority to exercise his powers for the performance of his duties under this Agreement.

(2) The Owner may at any time refer to DPI any concern or issue relating to any member of the Core Management Team and DPI shall determine what action, if any, shall be taken in relation to such member. Notwithstanding the foregoing, in the event that any member of the Core Management Team brings any claim against DPI as a consequence of the Owner terminating or suspending his or her employment without due cause, the Owner shall indemnify and hold harmless DPI from and against such claim.

(3) DPI will be solely responsible for the selection and recruitment of the Core Management Team. Prior to the employment by the Owner of each member of the Core Management Team, DPI shall submit details of its chosen candidate to the Owner for approval. DPI may assign members of the Port Autonome International de Djibouti (PAID) Core Management Team to fill these roles at the Airport, in which case PAID will pay all salaries and benefits, and invoice the Airport in respect of time spent on Airport matters.

(4) The Core Management Team shall be employed either by the Owner or DPI and seconded to the Owner (as determined by DPI) under terms and conditions agreed between DPI and the Owner. DPI shall be entitled to a recruitment fee and expenses for this purpose.

(5) The Owner shall provide to such members of the Core Management Team as DPI deem appropriate in-country benefits, (as determined by DPI) with effect from their respective dates of arrival in, to their respective dates of departure from, Djibouti.

8. MANAGEMENT FEE

(1) By way of consideration for DPI's performance of the Services the Owner shall pay to DPI a Management Fee which shall be calculated as follows:

(i) on all local and transit passengers for each Operating Year:

first 100,000 passengers	at the rate of US$2.50 per passenger
next 50,000 passengers	at the rate of US$3.50 per passenger
thereafter	at the rate of US$4.50 per passenger

ii) on all freight (including post and military cargo) for each Operating Year:

first 5,000 tons	at the rate of US$30 per ton
next 5,000 tons	at the rate of US$35 per ton
next 5,000 tons	at the rate of US$40 per ton
thereafter	at the rate of US$45 per ton

in the event that any Operating Year is less than a full calendar year the thresholds set out above shall be reduced pro rata to the length of the Operating Year; and

iii) on all plane movements, including transit and military, at the rate of US$75 per movement

(2) As soon as possible after the end of each calendar month during the Operating Period DPI shall estimate the accrued Management Fee for that month and DPI may thereafter withdraw the accrued fee so estimated from the Operating Accounts. Any such estimate of the accrued fee shall be provisional only. DPI shall, in such estimate for any month adjust if necessary its estimate for any previous month and add that adjustment to or deduct that adjustment from (as appropriate) the accrued fee which would otherwise have been in the current estimate.

(3) DPI shall procure that within 120 days of the end of each Operating Year to finalize the amount of the Management Fee with agreement from the Owner. If the aggregate amount of the Management Fee which has been paid to DPI in respect of

the Operating Year exceeds or falls short of the aggregate amount of the Management Fee which should have been so paid DPI shall repay to the Owner the amount of such excess or the Owner shall pay to the DPI the amount of such shortfall (and DPI may withdraw the appropriate amount from the Operating Accounts).

9. PROFIT SHARES

(1) By way of consideration for DPI's performance of the Services DPI shall be entitled to a share in the profit of the Airport which shall be calculated in accordance with Schedule 2 ("**DPI's Profit Share**").

(2) DPI shall procure that within 120 days of the end of each Operating Year, the Auditors shall certify DPI's Profit Share and the Owner's Profit Share.

(3) DPI shall forthwith after production of the Auditors certificate of DPI's Profit Share for each Operating Year:

(a) be entitled to withdraw an amount up to 50 per cent of DPI's Profit Share; and

(b) retain the balance of DPI's Profit Share on capital account ("**DPI's Capital Account**").

(4) The Owner shall forthwith after production of the Auditors certificate of the Owner's Profit Share for each Operating Year:

(a) be entitled to withdraw an amount up to 50 per cent of the Owner's Profit Share; and

(b) retain the balance of the Owner's Profit Share on capital account ("**Owner's Capital Account**").

(5) DPI shall maintain separate records of DPI's Capital Account and the Owner's Capital Account. The amounts credited to DPI's Capital Account and the Owner's Capital Account shall, subject to Clauses 18(3) and (4), be used for working capital and investment purposes.

(6) The level of payments to be made pursuant to Clauses 9(3) and (4) above may be amended by agreement of the parties from time to time.

10. RECOVERY OF EXPENSES

In addition to the management fees and profit share, DPI shall be entitled to reimbursement from the Owner for all expenses properly and reasonably incurred by DPI in connection with the provision of the Services.

11. PERFORMANCE STANDARDS

DPI shall at all times perform its obligations under this Agreement in accordance with the provisions of this Agreement and to a standard no less stringent than the Requisite Standard

12. INSURANCE

(1) DPI shall procure and maintain at the cost of the Owner at all times during the Operating Period the following insurance, on terms and conditions commensurate with the risks for such amounts as shall be determined by DPI:

(a) workers' compensation and employer's liability insurance;
(b) general legal liability insurance to cover the Airport against damages arising from its operation;
(c) public liability insurance; and
(d) such other insurance as DPI reasonably considers necessary for the protection of the Airport, business interruption, or any other risks arising out of or relating to the operation of the Airport.

(2) The insurance referred to in Clause 12(1) above shall

(a) name the Owner and DPI as joint insured;
(b) contain a waiver of the insurer's right of subrogation in favour of the Owner; and
(c) be underwritten by a reputable insurer and the terms and conditions of such insurance shall be in accordance with good industry practice.

(3) The Owner shall not take or fail to take any reasonable action or (in so far as it is reasonably within its power) permit or allow others to take or fail to take any action whereby any of the insurances maintained pursuant to this Clause 12 may be rendered void, voidable, unenforceable or suspended or impaired.

(4) Each party shall indemnify the other party against any loss incurred by that other party to the extent the loss arises by reason of any insurance effected pursuant to this Clause 12 being vitiated or invalidated or payment under the same being reduced or withheld as a result of any act, omission, negligence or wilful default on the part of that party.

13. LIABILITY/INDEMNITY

(1) Nothing in this Agreement shall exclude or restrict the liability of either party for death or personal injury resulting from its negligence or that of its employees, servants or agents while acting in the course of their employment.

(2) Save as otherwise provided in this Agreement, neither party shall be liable to the other in connection with the exercise of its rights or the performance of its obligations under this Agreement for any consequential, or indirect loss, or loss of business, contracts or damage to goodwill, profits or anticipated savings whether foreseeable or otherwise.

(3) If any claim is made against either party then the party so notified will inform the other party in writing at the earliest opportunity and will not prejudice the position of the other party in relation to such claim.

(4) The Owner agrees to indemnify and hold harmless DPI from and against any and all actions, proceedings, costs, claims and demands brought against DPI arising as a direct consequence of DPI's provision of the Services in accordance with this Agreement save and to the extent that such actions, proceedings, costs, claims or

demands arise out of the breach by DPI of its obligations under this Agreement or as a consequence of the negligence of DPI.

14. REPRESENTATIONS AND WARRANTIES

Each of the parties makes the following representations and warranties to the other:

(a) it has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery by it of, this Agreement;

(b) this Agreement constitutes its legal, valid and binding obligations;

(c) the entry into and performance by it of, and the transactions contemplated by this Agreement do not and will not:

(i) conflict with any law or judicial or official regulation applicable to it; or

(ii) conflict with its constitutional documents; or

(iii) conflict in any respect with any Agreement or document which is binding upon it.

15. CONFIDENTIALITY

Each party hereto shall not, and shall use all reasonable efforts to ensure that its employees and advisers do not, at any time hereafter (whether during the term of this Agreement or thereafter) disclose (except with the prior written consent of the other party) to any person, firm or company (save as may be necessary for it to exercise its rights and discharge its obligations under this Agreement) any information (whether written or not), being the property of or otherwise relating to the other party or its business, secrets, dealings, transactions or affairs and which is not in the public domain otherwise than through an unauthorised disclosure. A copy of this agreement may be delivered to the Auditors for purposes of their confirmation of the profit sharing calculations. The Auditors shall be required to maintain and respect the commercial confidentiality of the information contained in this agreement.

16. FORCE MAJEURE

Neither party will be liable to the other for failure to perform its obligations under this Agreement to the extent that such failure is caused by an event of force majeure (being an event beyond the reasonable control of that party and causing prevention of performance which could not reasonably have been avoided by the exercise of due diligence by that party either when the event happened or previously) provided that party gives to the other party immediate written notice to that effect specifying the nature of the event of force majeure and its likely duration. The party whose performance is affected by the event of force majeure shall forthwith upon the occurrence of such event take all steps within its power and at its cost with a view to terminating the event of force majeure or, while continuing, to ameliorate or to remove its effect.

17. TERM AND TERMINATION

(1) This Agreement commences on the date of signing by both parties and subject to Clause 17(2) shall continue in force for a term of 20 years.

(2) Without prejudice to any other rights or remedies, either party may serve notice of termination on the other party if:

(a) the other party is in breach of any material obligation contained in this Agreement (including but not limited to failure to make any payment when it is due under this Agreement) which is not remedied within 45 days of a written notice to do so; or

(b) the other party suspends or discontinues business or becomes subject to or itself invokes, or evidences an intention to invoke, any law or proceedings (in any jurisdiction to which it is subject) relating to its insolvency, liquidation, bankruptcy, winding-up, administration or dissolution; or

(c) the other party is unable to comply with all or a material part of its obligations under the Agreement by reason of an event of force majeure in accordance with Clause 16 and the event of force majeure continues for more than six months; or

(d) the Owner may serve notice of termination on DPI if DPI ceases (without the consent of the Owner) to be a subsidiary of DPA;

in which case this Agreement shall terminate immediately, unless in the case of subparagraph (a), the matter is the subject of a bona fide dispute between the parties and has been referred to arbitration pursuant to Clause 21.

18. CONSEQUENCES OF TERMINATION

(1) Termination of this Agreement will be without prejudice to any rights and obligations which may have accrued prior to the date of termination which shall include the payment by the Owner to DPI of such sum which represents the value of any Services provided by DPI prior to such termination in relation to which no previous invoice has been submitted.

(2) In the event that this Agreement is terminated in accordance with its terms by either party and notwithstanding that this Agreement will have terminated, DPI shall, at the request of the Owner, continue to provide the Services to the Owner to the extent that this is necessary to maintain the safe running of the Airport until the Owner has appointed a successor to manage the Airport provided that:

(a) the Owner pays to the DPI a pro rated portion of the Management Fee which shall be calculated by reference to the period of time during which DPI provides the Services in accordance with this Clause;

(b) the period of time in which DPI provides the Services in accordance with this Clause shall not exceed six months from the date of termination of the Agreement; and

(c) the Owner shall use its best endeavours to appoint a successor to DPI as soon as possible following the termination of this Agreement.

(3) Upon expiration or termination of this Agreement in accordance with its terms, DPI shall forthwith be entitled to payment of all of DPI's Profit Share retained on DPI's Capital Account in accordance with Clause 9(3)(b), in immediately available and freely transferable US Dollars.

(4) In the event that the Owner terminates this Agreement, prior to the expiry of the 20 year term referred to in Clause 17(1) above, for any reason other than as set out in Clause 17(2) above, DPI shall be entitled to an amount equal to three times the average Management Fee for the preceding two Operating Years (or any lesser period, if less than 2 years completed), together with payment of all DPI's Profit Share retained on DPI's Capital Account in accordance with Clause 9(3)(b). The amount so payable to DPI shall be paid by the Owner within 30 days after the date of termination in immediately available and freely transferable US Dollars.

(5) Termination or expiry of this Agreement shall not affect any rights or obligations which have accrued prior to such termination or which are expressly intended to survive termination, whether resulting from the event giving rise to the right to terminate or otherwise.

19. ASSIGNMENT, WAIVERS, MODIFICATIONS, SEVERABILITY, ENTIRE AGREEMENT AND COUNTERPARTS

(1) Neither party shall without the prior written consent of the other assign, transfer or otherwise deal with any of its rights and obligations under this Agreement.

(2) No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. No waiver shall be effective unless expressed in writing signed by or on behalf of the party granting it.

(3) No modification of or addition to this Agreement shall be effective unless made in writing and signed by both parties.

(4) If any provision of this Agreement shall be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this Agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. The parties hereby agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision which achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision.

(5) This Agreement supersedes all oral and written representations and agreements between the parties relating to the subject matter hereof prior to the date hereof, and this Agreement represent the entire understanding between the parties in relation to the subject matter hereof and thereof.

(6) This Agreement may be executed in any number of counterparts, each deemed to be an original, but all of which together shall constitute one and the same instrument.

20. GENERAL OBLIGATIONS

Each party agrees to co-operate with the other in the fulfilment of the purposes and intent of this Agreement.

21. DISPUTE RESOLUTION

Any dispute arising in connection with this Agreement will be referred in writing by either party to arbitration in London in accordance with the arbitration rules of the International Chamber of Commerce. Any such arbitration will be conducted in English before one arbitrator who will be appointed by agreement between the parties to this Agreement, or failing such agreement within 14 days, upon the application of either party by the International Chamber of Commerce.

22. GOVERNING LAW

This Agreement is governed by English law.

IN WITNESS WHEREOF the above-named parties or their authorised representatives have set their hands the day and year first above written.

SIGNED for and on behalf of)
AEROPORT INTERNATIONAL DE DJIBOUTI)
by ……………………….

SIGNED for and on behalf of)
DUBAI PORTS INTERNATIONAL FZE)
by

……………………….

SCHEDULE 1

MANAGEMENT SERVICES

DPI shall do all things and take all necessary action for the operation and management of the Airport. This shall include the following:

(A) the selection, employment and termination of all employees, supervision, direction and training of employees;

(B) the appointment of technical consultants or experts;

(C) the determination and implementation of operating policy, standards of operation and quality of service standards;

(D) the establishment of all tariffs, rates, prices and charges for the Airport;

(E) the settting of rates and the collection of all charges, rents and other amounts due from users and tenants, including all departure taxes, parking and pass dues, taxes on the domestic sale of airline tickets, and all other revenues, taxes and fees directly or indirectly related to air travel in Djibouti;

(F) the selection, engagement, supervision, determination of remuneration and termination of the engagement of those persons, firms and companies required to supply or render goods and/or services in connection with the operation of the Airport;

(G) the supervision and control of the activities of users and tenants;

(H) the granting and termination of leases, licenses, concessions and privileges as DPI shall consider reasonably necessary or desirable;

(I) the planning, supervision and direction of advertising, promotion and other public relations activities in respect of the Airport;

(J) the initiation, supervision and control of the maintenance and repair of the Airport;

(K) the maintenance of books and records; and

(L) the commencement of, settlement or compromise of legal actions, claims or proceedings.

(M) the commercial marketing of the Airport to airlines and airport related services

(N) selection of airlines authorized to utilize the services of the airport in accordance with the government's open sky policy, and subject to international agreements or conventions regarding international travel restrictions on designated countries

SCHEDULE 2

(A) DPI shall be entitled to a share in the profit of the Airport in each Operating Year ("**DPI's Profit Share**") in the amount of:

A less B

Where A is calculated as follows:

7.5 per cent of the first US$500,000 of Gross Operating Profit; and
12.5 per cent of the next US$500,000 of Gross Operating Profit; and
17.5 per cent of the next US$500,000 of Gross Operating Profit; and
22.5 per cent of Gross Operating Profit in excess of US$1,500,000

save that in the first Operating Year A shall be calculated with percentages reduced pro rata to the length of the Operating Year;

and B is DPI's share of the Finance Charges which is pro rata to its share in Gross Operating Profit.

In the event that any Operating Year is less than a full calendar year the US$ threshold for Gross Operating Profit set out above shall be reduced pro rata to the length of the Operating Year.

(B) The Owner shall be entitled to the balance, after deducting DPI's Profit Share, of Gross Operating Profit less its pro rata share of the Finance Charges (the "**Owner's Profit Share**")

(C) In this Schedule 2:-

"**Gross Operating Profit**" means, in relation to any Operating Year, any excess of Gross Revenue over Operating Expenses. It is specifically agreed that all provisions related to activities prior to the Commencement date will not be included in the calculation of Gross Operating Profit. It is further agreed that all provisions in respect of Government of Djibouti – related financial transactions and accounts will not be included in the calculation of Gross Operating Profit.

"**Gross Revenue**" means, in relation to any Operating Year, all revenues and income from the operating of the Airport determined in accordance with International Accounting Standards.

"**Finance Charges**" means for each Operating Year, the aggregate amount of all interest, fees, commissions and costs payable by the Owner in as far as they relate exclusively to the ownership or operation of the Airport during such Operating Year in respect of all of its Financial Indebtedness.

"**Financial Indebtedness**" means any indebtedness in respect of moneys borrowed, any debenture, bond, note, loan, stock or other security, any acceptable credit, any guarantee, indemnity or similar assurance against financial loss of any person or any amount raised under any other transaction having the commercial effect of a borrowing or raising of money. Any financial indebtedness incurred prior to the

Commencement Date that is not directly related to Airport activities is to be excluded for purposes of this calculation.

"**Operating Expenses**" means, in relation to any Operating Year, all reasonably and properly incurred costs and expenses of operating and maintaining the Airport determined in accordance with International Accounting Standards but excluding, for this purpose, Finance Charges.

"**International Accounting Standards**" means International Accounting Standards as published by the Accounting Standards Committee of the International Federation of Accountants.