

INTEGRITY PACT

This Pact made thisday of.....between Airports Authority of India, a body corporate constituted by the Central Government under the Airports Authority of India Act, 1994 and having its Corporate Office at Rajiv Gandhi Bhawan, New Delhi, and offices atin India, hereinafter called the Authority (which term shall unless excluded by or is repugnant to the context, be deemed to include its Chairman, or Member, Executive Directors, Airport Directors, Officers or any of them specified by the Chairman in this behalf, and shall also include its successors and assigns) of the one part.

AND

.....represented byof the other part, hereinafter called the “Bidder/Contractor” (which term shall unless excluded by or is repugnant to the context be deemed to include its heirs, representatives, successors and assigns of the Bidder/Contractor)

WHEREAS the Authority intends to award, under laid down organizational procedures, tender/contract for The Authority, while discharging its functions on business principles, values proper compliance with all relevant laws and regulations, and the principles of **natural justice, ethics, equity, fairness and transparency** in its relations with the Bidders/Contractors;

WHEREAS the Authority is desirous to make its business mechanism more transparent, thus to ensure strict adherence of the aforesaid objectives/goals, the Authority hereby adopts the instrument developed by the renowned international non-governmental organization “Transparency International” (TI) headquartered in Berlin (Germany). The Authority will appoint an External Independent Monitor (EIM) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above;

AND WHEREAS the Bidder is submitting a tender to the Authority forin response to the NIT (Notice Inviting Tender) dated...../ Contractor is signing the contract for execution of

NOW, therefore, this indenture witnesseth herewith:

SECTION 1. Commitment of the Authority

1.1. That the Authority commits itself to take all measures necessary to prevent corruption and to observe the following principles:

- i. No employee of the Authority, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a

promise for or accept for him/her or third person, any material or immaterial benefit, which he/she is not legally entitled to.

- ii. The Authority will, during the tender process treat all Bidders with equity and reason. The Authority will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
- iii. The Authority will take all measures to exclude all known prejudiced persons from the tender process.

1.2. That if the Authority receives information on the conduct of any of its employee which is a criminal offence under the relevant anti-corruption laws of India, or if there be a substantive suspicion in this regard, the Authority will inform its Vigilance Department to initiate appropriate action.

SECTION 2. Commitments of the Bidder/Contractor

2.1. That the Bidder/Contractor commits itself to take all measures necessary to prevent corruption. Further he commits himself to observe the following principles during his participation in the tender process and during the contract execution:

- i. The Bidder/Contractor has not offered, promised or given and will not, directly or through any other person or firm, offer, promise or give to any of the Authority's employees involved in the tender process or the execution of the contract or to any third person, any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- ii. The Bidder/Contractor has not entered and will not enter with other bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- iii. The Bidder/Contractor has not committed and will not commit any offence under the relevant Anti-Corruption Laws of India. Further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Authority as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

- iv. The Bidder/Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- v. The Bidder/Contractor will inform the External Independent Monitor:
 - a) If he receives demand for an illegal/undue payment/benefit.
 - b) If he comes to know of any unethical or illegal payment/benefit.
 - c) If he makes any payment to any Authority's associate(s).
- vi. The Bidder(s)/Contractor(s) will not submit a frivolous/ false/bogus complaint with malafide intention.

2.2. That the Bidder/Contractor will not instigate any person to commit offences mentioned in Clause 2.1 above or be an accessory to such offences.

SECTION 3. Disqualification from tender process and exclusion from future contracts

3.1. That if the Bidder(s)/ Contractor, during tender process or before the award of the contract or during execution of the contract/work has committed a transgression in violation of section 2 or in any other form such as to put his reliability or credibility as Bidder(s)/ Contractor into question, the Authority is entitled to disqualify him from the tender process or to terminate the contract for such reason.

3.2. That if the Bidder/Contractor against whom any action in terms of Section 3.1 above has already been taken in any other tender/contract process, again commits a transgression in violation of section 2 such as to put his reliability or credibility into question, the Authority is entitled also to debar the Bidder/Contractor from future tender/contract processes. The imposition and duration of the debarment will be determined by the severity of the transgression. The severity will be determined taking into consideration the circumstances of the case, in particular the number of transgression, the position of the transgressor within the company hierarchy of the bidder and the amount of the damage. The debarment will be imposed for a period minimum of six months and maximum of five years.

3.3. That the Bidder/Contractor accepts and undertakes to respect and uphold the Authority's absolute right to resort to and impose such debarment and further accepts and undertakes not to challenge or question such debarment on any ground.

3.4. That if the Bidder/Contractor applies to the Authority for premature revocation of the debarment and proves to the satisfaction of the Authority that he has installed a suitable and effective corruption prevention system and also restored/recouped the damage, if any, caused by him, the Authority may, if thinks fit, revoke the debarment prematurely considering the facts and circumstances of the case, and the documents/evidence adduced by the Bidder/Contractor for first time default.

3.5. That a transgression is considered to have occurred if the Authority is fully satisfied with the available documents and evidence submitted along-with External Independent Monitor's recommendations/ suggestions that no reasonable doubt is possible in the matter.

SECTION 4. Previous transgression

4.1. That the Bidder/Contractor declares that no previous transgression occurred in the last five years with any other company in any country or with any other Public Sector Enterprise in India conforming to the TI approach that led to debarment/ disqualification and could justify his exclusion from the tender process.

4.2. That if the Bidder/Contractor makes incorrect statement on the subject, he can be disqualified from the tender process or the contract, if already awarded can be terminated for such reason and he may be considered for debarment for future tender/contract processes.

SECTION 5. Compensation for damages

5.1. That if the Authority has disqualified/debarred the Bidder from the tender process prior to the award under section 3 or 4, the Authority is entitled to forfeit the earnest money deposited/bid security.

5.2. That if the Authority has terminated the contract under section 3 or 4, or if the Authority is entitled to terminate the contract under section 3 or 4, the Authority shall be entitled to demand and recover from the contractor damages equivalent to 5% of the contract value or the amount equivalent to security deposit or performance bank guarantee, whichever is higher.

5.3. That the Bidder/Contractor agrees and undertakes to pay the said amount without protest or demur subject only to condition that if the Bidder/Contractor can prove and establish to the satisfaction of the Authority that the disqualification/ debarment of the bidder from the tender process or the termination of the contract after award of the contract has caused no damage to the Authority.

SECTION 6. Equal treatment of all Bidders/Contractors/Sub-contractors/ associates

6.1. That the Bidder/Contractor undertakes to get this Pact signed by the sub-contractor(s) and associate(s) whose value of the work contribution exceeds Rs. 5 (Five) crores, and to submit the same to the Authority along-with the tender document/ contract before contract signing.

6.2. That sub-contractor(s)/ associate(s) engaged by the Contractor, with the approval of the Authority after signing of the contract, and whose value of the work contribution exceeds Rs.5 (Five) crores will be required to sign this Pact by the Contractor, and the same will be submitted to the Authority before doing/ performing any act/ function by such sub-contractor(s)/ associate(s) in relation to the contract/ work.

6.3 That the Authority will disqualify from the tender process all Bidder(s) who do not sign this Pact or violate its provisions or fails to get this Pact signed in terms of section 6.1 or 6.2 above.

6.4 That if the Contractor(s) does/ do not sign this Pact or violate its provisions or fails to get this Pact signed in terms of section 6.1 or 6.2 above, Authority will terminate the contract and initiate appropriate action against such Contractor(s).

SECTION 7. Allegations against bidders/contractors/sub-contractors/ associates.

7.1. That if the Authority receives any information of conduct of a Bidder, Contractor or Sub-contractor, or of an employee or a representative or an associates of a Bidder, Contractor or Sub-contractor which constitutes corruption, or if the Authority has substantive suspicion in this regard, the Authority will inform the Vigilance Department for appropriate action.

SECTION 8. External Independent Monitor(s), number depending on the size of the contract to be decided by the Chairman of the Authority.

8.1. That the Authority will appoint competent and credible External Independent Monitor(s) for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact. He will also enquire into any complaint alleging transgression of any provision of this Pact made by the Bidder, Contractor or Authority.

8.2. That the Monitor is not subject to any instructions by the representatives of the parties and would perform his functions neutrally and independently. He will report to the Chairperson of the Board of the Authority.

8.3. That the Bidder/Contractor accepts that the Monitor has the right to access without restriction to all project documentation of the Authority including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to sub-contractors and associates. The Monitor is under obligation to treat the information and documents of the Authority and Bidder/Contractor/Sub-Contractors/ Associates with confidentiality.

8.4. That the Authority will provide to the Monitor sufficient information about all meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between the Authority and the Contractor/Bidder. The parties offer to the Monitor the option to participate in such meetings.

8.5. That as soon as the Monitor notices, or believes to notice, a violation of this Pact, he will so inform the management of the Authority and request the management to discontinue or heal the violation, or to take other relevant action. The Monitor can in this regard submit his recommendations/ suggestions. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

8.6. That the Monitor will submit a written report to the Chairperson of the Board of the Authority within 2 weeks from the date of reference or intimation to him by the Authority and, should the occasion arise, submit proposals for correcting problematic situations.

8.7. That if the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Department, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

8.8. The word 'Monitor' would include singular and plural.

SECTION 9. Pact duration.

9.1. That this Pact comes into force when both the parties have signed it. It expires for the Contractor 12 months after the final payment under the respective contract, and for all other Bidders 3 months after the contract is awarded.

9.2. That if any claim is made/lodged during this period, the same shall be binding and continue to be valid despite the lapse of this Pact as specified herein before, unless it is discharged/determined by Chairman of the Authority.

SECTION 10. Miscellaneous provisions.

10.1. That this Pact is subject to Indian Laws. Place of performance and jurisdiction is the Corporate Headquarter/the Regional Headquarter/ offices of the Authority, as applicable.

10.2. That the changes and supplements as well as termination notices need to be made in writing.

10.3. That if the Contractor/Bidder is a partnership or a consortium, this Pact must be signed by all the partners and consortium members, or their authorized representatives.

10.4. That should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact remains valid. In this case the parties will strive to come to an Agreement to their original intentions.

For the Authority

For the Bidder/Contractor

Place -----

Witness 1 : -----.

Date -----

Witness 2 : -----