HOTEL MANAGEMENT AGREEMENT

relating to the Salmiya Bay Hotel, Kuwait City

between

BAY GATE REAL ESTATE KSCC

as Owner

and

NORTHSTAR HOSPITALITY MANAGEMENT LIMITED

as Operator

Dated 25 January 2021

Agreement reference: HMA/SBH/2021. Confidential. Prepared for the parties only.

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THIS AGREEMENT is made on 25 January 2021

BETWEEN

(1) **Bay Gate Real Estate KSCC**, a Kuwaiti closed shareholding company incorporated in the State of Kuwait with commercial registration number 384112 (the **Owner**); and

(2) **Northstar Hospitality Management Limited**, a company incorporated in the Abu Dhabi Global Market and a member of the Northstar Hospitality group, acting through its locally registered agent in the State of Kuwait (the **Operator**).

RECITALS

(A) The Owner is the owner of, or holds the long-term usufruct and development rights over, the land described in the title documents held by the Owner in the Hawalli Governorate, Kuwait City, the State of Kuwait, on which the Owner has developed a hotel of 198 keys together with its restaurants, meeting facilities, recreational areas, car parking and ancillary facilities, to be known as the Salmiya Bay Hotel.

(B) The Operator, directly and through its Affiliates, manages hotels and resorts under the Northstar Hospitality name and has experience in the management, operation and marketing of upscale and luxury hotels in the Middle East.

(C) The Owner wishes to appoint the Operator to supervise, direct and control the management and operation of the Hotel on behalf of and for the account of the Owner, and the Operator wishes to accept that appointment, on the terms and subject to the conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires, the following words and expressions have the following meanings:

Adjusted Gross Operating Profit or **AGOP** means, for any period, Gross Operating Profit for that period less (a) the Base Fee for that period and (b) the FF&E Reserve contributions required for that period under Clause 11.

Affiliate means, in relation to a person, any other person that directly or indirectly controls, is controlled by or is under common control with that person.

Annual Budget means the annual operating budget and the annual capital expenditure budget for the Hotel for a Fiscal Year, prepared by the Operator and approved (or deemed approved, where this Agreement so provides) in accordance with Clause 10.

Applicable Law means all laws, decrees, regulations, licences, permits and requirements of any governmental or regulatory authority having jurisdiction over the Hotel or the parties in the State of Kuwait.

Base Fee has the meaning given in Clause 7.1.

Brand Standards means the standards of operation, service, quality and design applicable from time to time to comparable hotels operated under the Northstar Hospitality name in the Middle East.

Business Day means a day (other than a Friday, Saturday or public holiday) on which banks are open for general business in Kuwait City.

Competitive Set means the hotels listed in Part C of Schedule 2, as varied from time to time in accordance with Clause 14.6.

FF&E means furniture, fixtures, equipment, soft furnishings, operating equipment of a capital nature and vehicles used in the operation of the Hotel.

FF&E Reserve means the reserve account established under Clause 11.1.

Fiscal Year means each period of twelve (12) months commencing on 1 January and ending on 31 December, save that the first Fiscal Year shall commence on the Opening Date and end on the following 31 December, and the last Fiscal Year shall end on the date of expiry or termination of this Agreement. A Fiscal Year is identified by the calendar year in which it ends.

Gross Operating Profit or **GOP** means, for any period, Total Revenue less Operating Expenses, determined in accordance with the Uniform System.

GOP Margin means Gross Operating Profit for a Fiscal Year expressed as a percentage of Total Revenue for that Fiscal Year.

Hotel means the Salmiya Bay Hotel, Kuwait City, comprising 198 keys and all associated land, buildings, facilities, FF&E and operating equipment.

Initial Term has the meaning given in Clause 3.1.

Opening Date means the date on which the Hotel first opens to the general public for paying guests, as recorded in Schedule 1.

Operating Expenses means all costs and expenses of operating the Hotel determined in accordance with the Uniform System, including payroll and related costs, but excluding the Base Fee, the Incentive Fee, FF&E Reserve contributions, insurance premiums for the building and contents, property taxes, rent, depreciation, amortisation, debt service and the Owner's corporate costs.

Operating Year means each period of twelve (12) months commencing on the Opening Date or an anniversary of it.

Performance Failure has the meaning given in Clause 14.1.

RevPAR means rooms revenue divided by the number of available room nights in the relevant period.

RevPAR Index means the RevPAR of the Hotel divided by the average RevPAR of the Competitive Set for the same period, expressed as a percentage, as reported by an independent benchmarking provider agreed by the parties.

Test Period means each full Fiscal Year commencing with the first full Fiscal Year following the third (3rd) anniversary of the Opening Date.

Technical Services Fee has the meaning given in Clause 7.3.

Total Revenue means all revenue and income of every kind derived directly or indirectly from the operation of the Hotel, determined in accordance with the Uniform System, but excluding (a) value added tax, municipality fees, tourism dirham or equivalent levies and other taxes collected from guests; (b) service charges distributed to employees; (c) gratuities; (d) insurance proceeds other than business interruption proceeds; (e) proceeds of the sale of FF&E; (f) interest on bank accounts; and (g) rebates and discounts allowed.

Uniform System means the Uniform System of Accounts for the Lodging Industry, in its latest edition as adopted by the parties from time to time.

1.2 In this Agreement: (a) references to Clauses and Schedules are to clauses of and schedules to this Agreement, and the Schedules form part of this Agreement; (b) headings are for convenience only and do not affect interpretation; (c) the words *including* and *include* are without limitation; (d) a reference to a person includes a body corporate, partnership or governmental authority; and (e) the singular includes the plural and vice versa.

1.3 If there is any conflict between the Clauses and the Schedules, the Clauses shall prevail, save where a Schedule expressly states that it is to prevail.

1.4 All sums referred to in this Agreement are expressed in United Arab Emirates Dirhams (AED). Where the accounts of the Hotel are kept in another currency, sums shall be converted at the mid-market rate published by the relevant central bank on the date of payment.

2. APPOINTMENT OF THE OPERATOR

2.1 The Owner appoints the Operator, on an exclusive basis, to supervise, direct and control the management and operation of the Hotel as agent of the Owner and for the account of the Owner during the Term, and the Operator accepts that appointment.

2.2 The Operator shall operate the Hotel under the name Salmiya Bay Hotel. The Owner acknowledges that all trade marks, names and intellectual property of the Northstar Hospitality group remain the property of the Operator or its Affiliates and that no licence is granted except as necessary for the operation of the Hotel during the Term.

2.3 Nothing in this Agreement constitutes a partnership, joint venture or lease between the parties. The Owner shall at all times retain title to the Hotel and all revenues of the Hotel shall belong to the Owner.

3. TERM

3.1 This Agreement shall come into force on the date of this Agreement and, subject to earlier termination in accordance with its terms, the operating term shall commence on the Opening Date and shall continue for an initial term of fifteen (15) years ending on 28 February 2038 (the **Initial Term**).

3.2 The Initial Term may be extended for one further period of five (5) years (a **Renewal Term**) by mutual written agreement. Either party wishing to extend shall give written notice to the other not less than eighteen (18) months and not more than twenty-four (24) months before the expiry of the Initial Term. If the parties have not agreed in writing to the Renewal Term at least twelve (12) months before the expiry of the Initial Term, this Agreement shall expire at the end of the Initial Term.

3.3 The Initial Term together with any Renewal Term is referred to as the **Term**.

4. TECHNICAL SERVICES AND OPENING

4.1 Before the Opening Date the Operator shall provide technical services to the Owner in relation to the design, construction, fitting-out and equipping of the Hotel, including review of the concept and schematic designs, review of the FF&E specification, review of mechanical, electrical and plumbing systems against the Brand Standards, and attendance at monthly design and construction meetings.

4.2 The Operator shall prepare, not later than eighteen (18) months before the Target Opening Date, a pre-opening plan and pre-opening budget for the Owner's approval, covering recruitment, training, sales and marketing, systems installation and opening events. The Owner shall fund the approved pre-opening budget in accordance with the cash calls set out in that budget.

4.3 The parties' target date for the opening of the Hotel is 1 January 2023 (the **Target Opening Date**). The Owner shall use reasonable endeavours to procure completion of the Hotel by the Target Opening Date. The Operator shall not open the Hotel to the public until all licences and certificates required by Applicable Law for its operation have been obtained.

5. OPERATION OF THE HOTEL

5.1 The Operator shall manage and operate the Hotel in a manner consistent with the Brand Standards, the approved Annual Budget, Applicable Law and the terms of this Agreement, and with the degree of skill, care and diligence reasonably expected of a prudent and experienced international hotel operator.

5.2 Without limiting Clause 5.1, the Operator shall on behalf of the Owner: (a) determine room rates, food and beverage prices and other charges; (b) arrange for and supervise all sales, marketing, advertising and promotional activities; (c) negotiate and enter into service, supply, maintenance and concession contracts in the name of the Owner, subject to Schedule 3; (d) keep the Hotel in good repair and condition; (e) obtain and maintain all licences and permits required for the operation of the Hotel; (f) collect all revenues and pay all Operating Expenses from the Operating Account; and (g) institute and defend legal proceedings arising out of the operation of the Hotel, subject to Schedule 3.

5.3 The Operator shall make available to the Hotel the centralised services provided by the Operator and its Affiliates to comparable hotels, including central reservations, the loyalty programme, revenue management systems, group sales offices and information technology platforms. The costs of such centralised services shall be charged to the Hotel on the same basis as they are charged to other comparable hotels managed by the Operator in the region and shall be included in the Annual Budget.

5.4 The Operator shall not, without the prior written consent of the Owner, enter into any contract binding on the Owner or the Hotel with a term exceeding one (1) year or which cannot be terminated without penalty on ninety (90) days' notice, or any contract with an Affiliate of the Operator.

6. PERSONNEL

6.1 All employees of the Hotel, other than the General Manager and such other senior executives as the parties may agree, shall be employed by the Owner or by a subsidiary of the Owner established for that purpose, and the Operator shall recruit, train, direct, supervise and discharge them as agent of the Owner. All payroll and related costs, including end of service benefits, housing, transport, medical insurance and visa costs, shall be Operating Expenses.

6.2 The Operator shall appoint the General Manager after consultation with the Owner. The Operator shall present to the Owner not fewer than two (2) candidates, and the Owner may reject one (1) candidate on reasonable grounds within fourteen (14) days of the presentation.

6.3 The General Manager and any secondees of the Operator or its Affiliates may be employed by the Operator or its Affiliate and seconded to the Hotel. Their salary, benefits and relocation costs shall be reimbursed to the Operator as Operating Expenses at cost, without mark-up.

6.4 The Operator shall comply with all Applicable Law relating to employment, immigration, health and safety and labour accommodation, and shall maintain a register of all employees of the Hotel and their visa sponsorship arrangements, which shall be made available to the Owner on request.

7. FEES

7.1 **Base Fee.** In consideration of the services provided under this Agreement, the Owner shall pay to the Operator a base fee equal to two per cent (2.0%) of Total Revenue for each Fiscal Year (the **Base Fee**).

7.2 **Incentive Fee.** The Owner shall pay to the Operator an incentive fee equal to seven per cent (7%) of Adjusted Gross Operating Profit for each Fiscal Year (the **Incentive Fee**).

7.3 **Technical Services Fee.** In consideration of the technical services described in Clause 4.1, the Owner shall pay to the Operator a fixed fee of AED 1,800,000 (the **Technical Services Fee**), payable in the instalments set out in Part B of Schedule 2. The Technical Services Fee is exclusive of the reasonable travel and accommodation expenses of the Operator's technical staff, which shall be reimbursed at cost.

7.4 **Payment.** The Base Fee shall be paid monthly in arrears, within ten (10) Business Days after delivery of the monthly report under Clause 9.3, on the basis of Total Revenue for the preceding month. The Incentive Fee shall be paid monthly on account on the basis of year-to-date AGOP, and shall be reconciled within thirty (30) days after delivery of the audited annual accounts for the Fiscal Year. Any overpayment shall be refunded by the Operator or set off against the next payment of fees.

7.5 **Taxes.** All fees are exclusive of value added tax or similar taxes, which shall be payable in addition on delivery of a valid tax invoice. If the Owner is required by Applicable Law to withhold any amount from a payment to the Operator, the Owner shall pay the amount so withheld to the relevant authority and provide evidence of payment.

7.6 Except as expressly provided in this Agreement, the Operator shall not be entitled to any other fee, commission or remuneration in respect of the management of the Hotel. Charges for centralised services under Clause 5.3 are reimbursements of cost and not fees.

8. BANK ACCOUNTS AND WORKING CAPITAL

8.1 The Operator shall open and maintain in the name of the Owner, with a bank in the State of Kuwait approved by the Owner, an operating account (the **Operating Account**), into which all revenues of the Hotel shall be deposited and from which all Operating Expenses, fees and FF&E Reserve contributions shall be paid. Signatories shall be nominated by the Operator, and payments above the thresholds in Schedule 3 shall require an Owner signatory.

8.2 The Owner shall provide and maintain working capital sufficient for the efficient operation of the Hotel, in the amount set out in the approved Annual Budget. If the Operating Account is insufficient to meet Operating Expenses as they fall due, the Operator shall notify the Owner and the Owner shall fund the shortfall within fifteen (15) Business Days.

8.3 Funds in the Operating Account in excess of working capital requirements shall be remitted to the Owner monthly, after payment of fees and FF&E Reserve contributions.

9. BOOKS, RECORDS AND REPORTS

9.1 The Operator shall keep at the Hotel full and accurate books of account and records of the operation of the Hotel in accordance with the Uniform System and International Financial Reporting Standards.

9.2 The Operator shall procure that the accounts of the Hotel for each Fiscal Year are audited by an independent firm of chartered accountants approved by the Owner, and shall deliver the audited annual accounts to the Owner within ninety (90) days after the end of each Fiscal Year.

9.3 The Operator shall deliver to the Owner, not later than the twentieth (20th) day of each month, a monthly report for the preceding month comprising a profit and loss statement in Uniform System format with comparison to the Annual Budget and the same month of the previous Fiscal Year, a balance sheet, a statement of the Operating Account and the FF&E Reserve, an accounts receivable ageing report, key operating statistics (occupancy, average daily rate, RevPAR and RevPAR Index) and a short commentary on performance.

9.4 The Operator shall deliver to the Owner a quarterly forecast for the remainder of the Fiscal Year within twenty (20) days after the end of each quarter, and shall meet the Owner at least once in each quarter to review the performance of the Hotel.

10. ANNUAL BUDGET AND APPROVALS

10.1 The Operator shall prepare and submit to the Owner a proposed Annual Budget for each Fiscal Year not later than sixty (60) days before the end of the preceding Fiscal Year. The proposed Annual Budget shall include an operating budget, a capital expenditure budget, a marketing plan, a staffing plan and a statement of the assumptions on which it is based.

10.2 The Owner shall review the proposed Annual Budget and shall, within thirty (30) days after receipt, notify the Operator in writing whether it approves it or, if it does not approve it, the items to which it objects with reasons. The parties shall meet promptly to discuss and resolve any objection in good faith.

10.3 The proposed Annual Budget shall not be deemed approved by reason of any silence or delay of the Owner. Until the Annual Budget is approved, the Operator shall operate the Hotel on the basis of the last approved Annual Budget, with operating expense lines adjusted by the change in the consumer price index published by the relevant statistics authority, and with any undisputed items of the proposed Annual Budget.

10.4 If any dispute regarding the proposed Annual Budget is not resolved within forty-five (45) days after the Owner's notice of objection, either party may refer the dispute to an independent hotel consultant under Clause 23.3.

10.5 The Operator shall use reasonable endeavours to operate the Hotel within the approved Annual Budget. The Operator may not, without the Owner's prior written approval, incur any expenditure that would cause any line of the operating budget to be exceeded by more than five per cent (5%), save for expenditure required in an emergency to protect life, health or property or to comply with Applicable Law, of which the Operator shall notify the Owner as soon as practicable.

11. FF&E; RESERVE AND CAPITAL EXPENDITURE

11.1 The Operator shall establish in the name of the Owner a separate interest-bearing bank account for the FF&E Reserve. The Operator shall transfer from the Operating Account to the FF&E Reserve, monthly and not later than the fifteenth (15th) day of each month in respect of the preceding month, an amount equal to four per cent (4%) of Total Revenue in each Operating Year.

11.2 Amounts in the FF&E Reserve shall be used only for the replacement, renewal and addition of FF&E and for capital repairs to the Hotel in accordance with the approved capital expenditure budget. Unused amounts shall be carried forward to the following Fiscal Year and shall remain the property of the Owner.

11.3 Capital expenditure on structural elements, building systems or the extension or reconfiguration of the Hotel shall be funded by the Owner and shall require the Owner's prior written approval, save for emergency works under Clause 10.5.

11.4 The Operator shall not, without the Owner's prior written approval, commit to any single FF&E project or capital item that is not contained in the approved capital expenditure budget and whose cost exceeds the threshold set out in Schedule 3.

12. RIGHTS OF THE OWNER

12.1 The Owner and its authorised representatives shall have access to the Hotel and its books and records at all reasonable times on reasonable notice, provided that such access does not unreasonably disrupt the operation of the Hotel or the privacy of guests.

12.2 The Owner may, once in each Fiscal Year and on not less than sixty (60) days' written notice to the Operator, cause the books and records of the Hotel and the calculation of the fees and centralised services charges to be audited by an independent firm of accountants appointed

by the Owner. The cost of such audit shall be borne by the Owner, save that if the audit reveals an overcharge of fees or charges of more than five per cent (5%) for the period audited, the Operator shall reimburse the cost of the audit and refund the overcharge with interest.

12.3 The Owner shall be entitled to appoint an asset manager to act on its behalf in relation to this Agreement. The Operator shall cooperate with the asset manager and provide it with the information and reports to which the Owner is entitled.

12.4 The Owner shall have the approval and consultation rights set out in Schedule 3.

13. INSURANCE

13.1 The Operator shall procure, as an Operating Expense and in the joint names of the Owner and the Operator, the following insurances with reputable insurers: (a) property damage insurance for the full reinstatement value of the Hotel and its contents; (b) business interruption insurance for a period of not less than eighteen (18) months; (c) public and products liability insurance for not less than AED 100,000,000 for any one occurrence; (d) employer's liability and workers' compensation insurance as required by Applicable Law; (e) motor insurance; and (f) such other insurances as are customary for hotels of comparable standard.

13.2 The insurances shall run for annual periods renewing on the date set out in Schedule 1. The Operator shall submit to the Owner the proposed renewal terms not later than forty-five (45) days before each renewal date and evidence of renewal within fourteen (14) days after it.

13.3 The Owner may elect to place the property damage and business interruption insurance itself under a portfolio programme, in which case the Operator shall be named as an additional insured and the premium shall be an Owner cost.

14. PERFORMANCE TEST

14.1 A **Performance Failure** occurs if, in each of two (2) consecutive Test Periods, both: (a) the RevPAR Index of the Hotel is less than ninety per cent (90%); and (b) Gross Operating Profit is less than eighty-five per cent (85%) of the Gross Operating Profit shown in the approved Annual Budget for that Test Period.

14.2 The first Test Period shall be Fiscal Year 2026. The performance test shall not apply in any Test Period materially affected by force majeure, a major renovation approved by the Owner, or a failure by the Owner to fund amounts required under this Agreement, and any such Test Period shall be disregarded in determining whether Test Periods are consecutive.

14.3 If a Performance Failure occurs, the Owner shall notify the Operator within ninety (90) days after delivery of the audited accounts for the second Test Period. The Operator may, within sixty (60) days after receipt of the notice, elect to cure the Performance Failure by paying to the Owner an amount equal to the difference between the actual Gross Operating Profit and eighty-five per cent (85%) of the budgeted Gross Operating Profit for the second Test Period (the **Cure Payment**). The Operator may exercise this cure right not more than twice during the Term.

14.4 If a Performance Failure occurs and is not cured in accordance with Clause 14.3 (where a cure right applies), the Owner may terminate this Agreement by giving the Operator not less than ninety (90) days' written notice, served within one hundred and eighty (180) days after delivery of the audited accounts for the second Test Period. No termination fee or compensation shall be payable.

14.5 Any dispute about whether a Performance Failure has occurred shall be referred to an independent hotel consultant under Clause 23.3, whose determination shall be final and binding save in the case of manifest error.

14.6 The Competitive Set may be varied by agreement of the parties, acting reasonably, to reflect hotels opening, closing or materially changing their positioning, but no variation shall apply retrospectively to a Test Period that has begun.

15. SALE OF THE HOTEL

15.1 The Owner may sell, transfer or otherwise dispose of the Hotel, or any interest in it, provided that the purchaser (a) is not a competitor of the Operator; (b) is not a person with whom the Operator is prohibited by Applicable Law or by the sanctions laws to which the Operator is subject from dealing; and (c) agrees in writing to assume the obligations of the Owner under this Agreement, unless this Agreement is terminated in accordance with Clause 15.2.

15.2 The Owner may, in connection with a sale of the Hotel to a third party that is not an Affiliate of the Owner and that completes on or after 1 March 2031, terminate this Agreement with effect from completion of the sale by giving the Operator not less than ninety (90) days' written notice and by paying to the Operator, on the date of termination, an amount equal to four (4) times the aggregate of the Base Fee and the Incentive Fee paid or payable in respect of the last full Fiscal Year preceding the date of termination.

15.3 The Operator shall cooperate with the Owner in any sale process, including by providing access to the Hotel and information reasonably required by prospective purchasers, subject to customary confidentiality undertakings.

16. TERMINATION

16.1 Either party may terminate this Agreement by written notice to the other with immediate effect if the other party: (a) commits a material breach of this Agreement which is not capable of remedy; (b) commits a material breach of this Agreement which is capable of remedy and fails to remedy it within sixty (60) days after receiving written notice specifying the breach and requiring its remedy, or, if the breach cannot reasonably be remedied within sixty (60) days, fails to commence remedial action within that period and diligently pursue it to completion within one hundred and twenty (120) days; or (c) becomes insolvent, enters into liquidation or administration, makes an arrangement with its creditors or suffers any analogous event under Applicable Law.

16.2 The Owner may terminate this Agreement by written notice to the Operator if: (a) the Operator fails to pay any sum due to the Owner within thirty (30) days after written demand; (b) the Operator or its Affiliate ceases to be entitled to use the brand under which the Hotel is operated; (c) the Hotel is damaged or destroyed and the Owner elects, acting reasonably, not to reinstate it; or (d) the whole or a substantial part of the Hotel is compulsorily acquired.

16.3 The Operator may terminate this Agreement by written notice to the Owner if the Owner fails to fund working capital, the FF&E Reserve or any other amount required under this Agreement within thirty (30) days after written demand, or if the Owner requires the Operator to operate the Hotel in a manner that would breach Applicable Law or materially breach the Brand Standards.

16.4 Save as provided in the Schedules, the Owner shall have no right to terminate this Agreement other than in accordance with Clauses 14, 15 and 16, and the Owner waives any right it may have under Applicable Law to terminate this Agreement for convenience or at will.

17. CONSEQUENCES OF TERMINATION

17.1 On the expiry or termination of this Agreement for any reason, the Operator shall: (a) surrender possession of the Hotel to the Owner in an orderly manner; (b) deliver to the Owner all books, records, contracts, licences, permits, guest data that may lawfully be transferred, employee records and keys; (c) assign to the Owner, to the extent assignable, all contracts and licences held in the name of the Operator for the benefit of the Hotel; (d) cooperate in the transfer of employees and the transfer of visa sponsorship of any employees sponsored by the Operator or its Affiliates; and (e) cease to use any name or mark of the Operator in connection with the Hotel within thirty (30) days.

17.2 The Owner shall pay to the Operator all fees and reimbursable costs accrued to the date of termination, and the Operator shall account to the Owner for all funds of the Hotel in its control. A final reconciliation shall be prepared within ninety (90) days after termination.

17.3 Termination shall not affect any rights or liabilities of the parties accrued before termination, nor the continuance in force of Clauses 17, 19, 21 and 23.

18. ASSIGNMENT

18.1 The Operator shall not assign, transfer or sub-contract this Agreement or any of its rights or obligations under it without the prior written consent of the Owner, save that the Operator may assign this Agreement to an Affiliate that manages hotels under the Northstar Hospitality name, provided that the Operator remains jointly and severally liable with the assignee.

18.2 The Owner may assign this Agreement to a purchaser of the Hotel in accordance with Clause 15, or by way of security to any lender financing the Hotel. The Operator shall, on request, enter into a customary non-disturbance and subordination agreement with any such lender.

19. INDEMNITIES AND LIABILITY

19.1 The Owner shall indemnify the Operator against all claims, losses, damages and costs arising out of the operation of the Hotel in accordance with this Agreement, save to the extent caused by the gross negligence, wilful misconduct or fraud of the Operator or its senior personnel, or by a breach of this Agreement by the Operator.

19.2 The Operator shall indemnify the Owner against all claims, losses, damages and costs arising out of the gross negligence, wilful misconduct or fraud of the Operator or its senior personnel, or the Operator's breach of Applicable Law.

19.3 Neither party shall be liable to the other for any indirect or consequential loss, or for loss of profit, save in the case of fraud or wilful misconduct.

20. FORCE MAJEURE

20.1 Neither party shall be liable for any failure or delay in performing its obligations (other than obligations to pay money) to the extent caused by an event beyond its reasonable control, including natural disaster, epidemic, war, terrorism, civil unrest, governmental action or the interruption of public utilities, provided that it notifies the other party promptly and uses reasonable endeavours to mitigate the effects.

20.2 If a force majeure event prevents the operation of the whole or a substantial part of the Hotel for more than one hundred and eighty (180) consecutive days, either party may terminate this Agreement on thirty (30) days' notice without payment of any termination fee.

21. CONFIDENTIALITY

21.1 Each party shall keep confidential the terms of this Agreement and all information relating to the other party and the Hotel obtained under it, and shall not disclose them except to its professional advisers, auditors, lenders, prospective purchasers and investors on a need-to-know basis and subject to confidentiality obligations, or as required by Applicable Law or the rules of any stock exchange.

22. NOTICES

22.1 Any notice under this Agreement shall be in writing in the English language and delivered by hand, by courier or by email (with a confirmation copy by courier) to the address of the relevant party set out in Schedule 1, or such other address as a party may notify. A notice shall be deemed received on delivery by hand or courier, or at 09:00 on the next Business Day after transmission by email.

23. GOVERNING LAW AND DISPUTE RESOLUTION

23.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of the State of Kuwait.

23.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, which is not resolved by negotiation between senior executives of the parties within thirty (30) days, shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce, which are deemed incorporated by reference. The tribunal shall consist of three (3) arbitrators. The seat of arbitration shall be Kuwait City, State of Kuwait. The language of the arbitration shall be English.

23.3 Disputes relating to the Annual Budget, the performance test or other matters expressly referred to an independent hotel consultant shall be determined by an independent hotel consultant of international standing appointed by agreement or, failing agreement within fourteen (14) days, by the president of the arbitral institution named in Clause 23.2. The consultant shall act as an expert and not as an arbitrator.

24. GENERAL

24.1 This Agreement, together with its Schedules, constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior agreements and understandings.

24.2 No amendment of this Agreement shall be effective unless in writing and signed by authorised signatories of both parties.

24.3 No failure or delay in exercising any right shall operate as a waiver of it. If any provision of this Agreement is held invalid, the remaining provisions shall continue in full force.

24.4 This Agreement is executed in the English language. If it is translated into Arabic for registration or any other purpose, the English text shall prevail to the extent permitted by Applicable Law.

24.5 This Agreement may be executed in counterparts, each of which shall be an original and which together shall constitute one agreement.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

Signed for and on behalf of the Owner	Signed for and on behalf of the Operator
Bay Gate Real Estate KSCC _____ Authorised signatory Name: [on file] Title: [on file]	Northstar Hospitality Management Limited _____ Authorised signatory Name: [on file] Title: [on file]

SCHEDULE 1: KEY DATES

Item	Detail
Hotel	Salmiya Bay Hotel, Kuwait City, the State of Kuwait (198 keys)
Date of this Agreement	25 January 2021
Target Opening Date	1 January 2023
Opening Date	1 March 2023
Expiry of the Initial Term	28 February 2038
Renewal Term	One period of five (5) years by mutual written agreement (Clause 3.2)
Fiscal Year	1 January to 31 December (first Fiscal Year from the Opening Date)
Proposed Annual Budget	Due not later than sixty (60) days before the end of each Fiscal Year, being on or before 1 November (Clause 10.1)
Owner review of the Annual Budget	Thirty (30) days after receipt (Clause 10.2); no deemed approval (Clause 10.3)
Monthly report	By the twentieth (20th) day of each month (Clause 9.3)
FF&E Reserve transfer	Monthly, by the fifteenth (15th) day of each month (Clause 11.1)
Audited annual accounts	Within ninety (90) days after the end of each Fiscal Year (Clause 9.2)
Owner audit right	Once in each Fiscal Year on sixty (60) days' notice (Clause 12.2)
Insurance renewal date	1 April in each year; renewal terms to the Owner forty-five (45) days before (Clause 13.2)
Address for notices: Owner	The Chief Executive Officer, Bay Gate Real Estate KSCC, Kuwait City
Address for notices: Operator	The Regional Vice President Operations, Northstar Hospitality Management Limited, with a copy to the General Counsel

SCHEDULE 2: FEES

Part A: Management fees

Fee	Basis	Payment
Base Fee (Clause 7.1)	2.0% of Total Revenue	Monthly in arrears
Incentive Fee (Clause 7.2)	7% of AGOP	Monthly on account; annual reconciliation
FF&E Reserve (Clause 11.1)	4% of Total Revenue	Monthly transfer to the FF&E Reserve account

Part B: Technical Services Fee

Technical Services Fee of AED 1,800,000, payable as to thirty per cent (30%) on signature of this Agreement, forty per cent (40%) on approval of the detailed design, and thirty per cent (30%) on the Opening Date. All instalments have been paid as at the date of the latest monthly report.

Part C: Competitive Set

For the purposes of the RevPAR Index: Gulf Road Bay Hotel; Salmiya Marina Tower Hotel; Kuwait Towers View Hotel; Hawalli Business Suites. (Names are illustrative identifiers for the purpose of this Agreement.)

SCHEDULE 3: APPROVAL MATRIX

This Schedule sets out the matters on which the Operator may act alone, the matters on which it must consult the Owner, and the matters which require the Owner's prior written approval. Where a time limit applies, the Owner shall respond within thirty (30) days of a complete request, unless otherwise stated. Silence shall be treated as approval only where this Agreement expressly so provides.

Matter	Operator alone	Consult Owner	Owner approval
Annual Budget (operating and capital)			Yes (Clause 10)
Variance above 5% on any operating budget line			Yes (Clause 10.5)
Single FF&E project or capital item outside the approved capital budget above AED 200,000			Yes (Clause 11.4)
FF&E items within the approved capital budget	Yes		
Room rates, packages and pricing	Yes		
Appointment of the General Manager		Yes	
Contracts over one (1) year or not terminable on 90 days' notice			Yes (Clause 5.4)
Contracts with Affiliates of the Operator			Yes (Clause 5.4)
Leases, concessions and licences of retail space		Yes	Yes if over three (3) years
Litigation or settlement above AED 500,000			Yes
Bank signatory on payments above AED 1,000,000			Owner signatory required
Selection of the external auditor			Yes (Clause 9.2)
Insurance renewal terms		Yes (Clause 13.2)	
Changes to the Competitive Set			Yes (Clause 14.6)
Headcount above the approved staffing plan by more than 3%			Yes
Emergency expenditure to protect life, health or property	Yes, with notice		