**Warehouse Rehabilitation and Infrastructure Works**

**Contract of Adherence**

This Contract of adherence **(Hereinafter referred to as the “Contract”)** is made and entered into by and between:

**Mobile Interim Company No.2 S.A.L.,** registered at the Trade Register of Beirut under the number /1000382/, and registered at the Ministry of Finance under the number /291711/, having its principal place of business at touch Building, (Beirut Central-blocs B &C), Fouad Chehab Avenue, Beirut, Lebanon.

(Hereinafter referred to as **“MIC2”**).

**And**

**……….,** registered at the Trade Register of Beirut under the number /..……../, and registered at the Ministry of Finance under the number /………../, having its principal place of business at …………….., Beirut, Lebanon, represented in this Contract by its …………………………...

(Hereinafter referred to as “**Contractor**”).

Each of the two parties is hereinafter referred to as a ‘’Party”’ and collectively as the "Parties".

1. MIC2 is operating the second mobile network for the account and for the benefit of the Republic of Lebanon (hereinafter referred to as “ROL”); and,
2. MIC2 wishes to proceed with the rehabilitation of two warehousing locations in Ministry of Telecommunications warehouse located in Dekweneh to be used for storing MIC2 equipment and archives including:

* Removal of existing equipment in the warehousing locations,
* Rehabilitation of those locations including all civil, electrical, fire-fighting, Air-conditioning, employees offices construction, etc…
* Installation of Heavy Duty Racking Systems
* Generators

and, therefore, needs to procure the services of specialized contractors in warehouse rehabilitation and provisioning of rehabilitation and infrastructure works, at the said sites and desires to assign such works to qualified contractors; and to this effect it has launched a tender on ………………………. for the Rehabilitation of its above mentioned warehousing locations (hereinafter “the Project”) by one bidder having a proven experience in that field;

1. At the outcome of the abovementioned tender, Contractor was selected for the execution of the Project;
2. Contractor has declared its commitment to the execution of the Project as described in above paragraph (2) and has stated its commitment to the provisions of the Contract and has acknowledged that the Contract constitutes the basis of the final contractual relationship that shall be established with MIC2; and,

Whereas, MIC2 and Contractor wish by the present Contract to set out the terms and conditions upon which Contractor shall carry out all kind of rehabilitation and infrastructure works at MIC2 warehouses mentioned in above paragraph 2.

NOW THEREFORE, in consideration of the above, it is hereby mutually agreed between the Parties as follows:

**1. The Entire Contract**

The Preamble above, the Annex (es) and the Appendix (es) attached hereto and any purchase order issued under this Contract form an integral part of this Contract.

**2. Scope of Work and Specifications**

2.1. The scope of work shall consist of providing scheduled provisioning of rehabilitation and infrastructure works for MIC2 as detailed in the attached Offer Annex (1).

2.2. Contractor undertakes to perform its obligations in the in the provisioning of rehabilitation and infrastructure works in line with the specifications set out in Technical specifications (Annex 2), under the monitoring of MIC2 and as per MIC2’s directives where necessary.

2.3. Key personnel deployed by Contractor for the performance of works under this Contract must be pre-approved by MIC2.Contractor shall ensure that all their teams are equipped with safety gears (Helmets, full body harness, safety boots, eyes protection, first aid medical kits, etc..). Moreover rigging teams (if needed) who will work on heights or shafts need to be properly trained and have official climbing certificates.

2.4. For the purposes of the performance of this Contract, Contractor undertakes to have one authorized and qualified representative (must be either an Engineer or a Team Leader) on behalf of Contractor present at all times on site for the provisioning of rehabilitation and infrastructure works.

2.5. Contractor undertakes to comply with the conditions and technical specifications as presented by MIC2 in Annex (2).

2.6. Contractor may not use any equivalent products/materials unless that has been pre-approved by MIC2 in writing, and as per the specifications set out by MIC2 in Annex (2) particularly in respect to the specifications of the products/materials in terms of kind and manufacturers, provided that the use of such equivalent material does not lay any financial burdens upon MIC2, and provided that MIC2 has the right to a reduction of the prices if the equivalent products/materials in question are less costly.

2.7. MIC2 may change the technical specifications of rehabilitation and infrastructure works products/materials during the term of Contract and undertakes to notify the Contractor accordingly. Contractor undertakes to accept such changes without any objection or reservation.

2.8. Contractor is responsible for the warehousing of the supplied materials till the installation in site.

2.9. Contractor is responsible to provide or arrange any machinery or tools needed to complete the scope (for example pickups, cranes, execution machinery, cement mixer, magnetic thickness gauge for Galvanization coating thickness, professional pulley theodolite, torque spanner, earth-resistance meter, electric welding machine, gradienter, etc...)

**3. Oder of products and Delivery Period**

3.1. MIC2 shall issue one or several written purchase order(s) of the quantities of products/materials required from the Contractor (Hereinafter referred to as the “Purchase Order” or “PO”).

3.2. The PO shall be forwarded to Contractor by any means at MIC2’s sole discretion.

3.3. The PO issued by MIC2 shall only be legally or financially effective in favor of Contractor in light of Contractor’s good intentions and full commitment to its contractual obligations and the proper fulfillment of such obligations.

3.4. The delivery period of each type of the completed and accepted works must be in line with the submitted PIP along with the RFP documents

3.5. The delivery period of each type of the completed and accepted infrastructure works must be clearly indicated on the Implementation/construction plan mentioned in the relevant purchase order.

3.6. A penalty of one percent (1%) of the total amount of the relevant purchase order will be applied to the benefit of MIC2 for each five (5) working days of delay in finalizing the subject works. This penalty shall be lawfully and automatically applied by MIC2 in the event of delay, and shall be up to a maximum of 10% of the relevant PO value and shall be deducted by MIC2 from the amount due to the Contractor.

3.7. The Title and risk of loss and or of damage to products or materials transfers to MIC2 upon Provisional Acceptance.

* 1. **Purchase Order Changes**
     1. MIC2 may at any time by written notice to the contractor require a variation (“Change”) to a Purchase Order, provided written notice of the Change is delivered to Contractor within two (2) weeks prior to shipment of the products that will be subject to the Change or services that are to be provided.
     2. Within five (5) days after receiving such written notice from MIC2, the contractor shall advise MIC2 of its effect on the System and send a written notice (“Response to Change”) to MIC2 specifying the effect that such a change may have upon the Purchase Order including price, delivery of products and Services, impact (if any) on the Delivery Plan and/or Implementation Plan.
     3. Within three (3) days of receipt of the Response to Change, MIC2 shall by written notice to the contractor inform the contractor as to whether MIC2 wishes the Change and Response to Change to be incorporated in the Purchase Order and if MIC2 so advises, then a formal Change Order setting out in detail the nature of the change shall be given to the contractor.
     4. The Contractor agree:
* that any change in the Purchase Order Price or change of the Delivery Plan and/or Implementation Plan based on contractor’s advice must be reasonable and shall be justified by the Contractor to the satisfaction of MIC2; and
* not to cause a delay in Delivery or Implementation longer than the maximum number of Working Days needed to implement the Change

**4. Infrastructure works Acceptance**

4.1. MIC2 shall not grant its acceptance for the rehabilitation and infrastructure works unless the rehabilitation and infrastructure works are totally completed without any minor or major reserve and in conformity with the defined implementation timeframe as detailed in the Contractor’s Offer (Annex 1) and Technical specifications (Annex 2).

4.2. Contractor must be present on site with MIC2 for the commissioning of the products/materials and implementation.

(i) Commissioning forms must be completed by all Parties as presented by MIC2.

(ii) Complete set of warehouse documentation must be prepared and submitted prior to acceptance.

(iii) Documents must include the site drawings and specifications, the installed system drawings and layouts.

(iv) Contractor shall provide all needed tests for acceptance, for example Integrity tests, functionality tests, Compressive strength test for concrete, , grounding system resistivity test, etc…

4.3. Any acceptance of implementation/construction and/or provisioning shall not be effective unless issued by MIC2 in writing.

4.4. All products/materials and installations must include the Contractor’s warranty and the free after-sales services, for the periods defined in Contractor’s Offer Annex (1).

4.5. Defective products/materials shall be replaced within the time limit set in Annex (1) and/or the relevant purchase order.

4.6. A product/material shall be deemed to be defective or non-conforming if it is not in conformance with the specifications as detailed in the attached Annex (1).

**5. Liability and Indemnities**

5.1. Contractor shall fully indemnify MIC2, together with its officers, agents and employees, against any claims with respect to damages to property, loss and personal injury, including death, howsoever caused to any personnel, or which may be imposed on or incurred by MIC2 arising directly out of the negligent acts or omissions of Contractor, its agents, subcontractors, or employees during the performance of any work hereunder or arising out of the products/materials malfunctioning/hidden defects save to the extent caused by the direct negligence of MIC2 or its employees or agents.

5.2. Contractor, its assigned personnel, and any of its employees involved directly or indirectly in the construction of the provisioning of rehabilitation and infrastructure works shall be individually and jointly responsible for the terms and conditions of this Contract.

5.3. Contractor is solely and fully responsible for its assigned personnel, their remuneration, allowances, compensations, work emergencies, and any other rights and obligations that might arise during or on the occasion of their relationship with MIC2. Contractor must carry an insurance policy covering all his staff working on site during and in the occasion of infrastructure work process as well as damages caused by Contractor’ representative work on site.

5.4. Contractor shall, at its sole expense, defend any suit based upon a claim or cause of action and satisfy any judgment that may be rendered against MIC2 resulting from the works done under this Contract.

5.5. Contractor will be still liable for any damages that happens on MIC2’ site and/or premises even related to the quality of the work or materials even after this Contract is terminated for any reason.

**6. Cost, Prices**

The cost of the Project has been set out to USD / ………………. / (……………………………), VAT exclusive as detailed in the attached Offer (Annex (1))

The cost of the Project shall not be subject to any modification whatsoever unless by reduction where possible.

**7. Invoicing and Payments**

**7.1. Invoicing**

* + 1. Invoicing for provisioning of infrastructure works shall be made for each quantity of accomplished infrastructure works as follows:
* Seventy percent (70%) of the part of the purchase order value shall be invoiced by Contractor after delivery and/or implementation/construction of the relevant quantity.
* Thirty percent (30%) of the part of the purchase order value shall be invoiced by Contractor at the date MIC2 has issued the Final Acceptance Certificate.
  + 1. The final invoices must be based on the exact measured work quantities implemented and or carried out on sites/premises and approved by both MIC2 and Contractor.

**7.2. Payments**

* + 1. MIC2 shall pay Contractor the cost of rehabilitation and infrastructure works and/or the price of the materials within sixty days (60) days after technical acceptance and signature of related invoice by MIC2
    2. The above costs and/or prices constitutes all the financial entitlements of Contractor from MIC2 under this Contract, and it includes all expenses that may be incurred by Contractor in relation to this Contract.
  1. **Performance Bond.**

Within Fifteen (15) days of signing each Purchase Order, the Contractor shall provide MIC2 with a Performance Bond in an amount equal to **ten percent (10%)** including VAT (if applicable) of the value of the relevant Purchase Order issued by an accredited Lebanese qualified Bank listed on the Lebanese Central Bank list of Banks or foreign bank that have received a credit rating of at least a **“prime” investment grade (BBB or above),**to guarantee the implementation by the Contractor of its obligations under this Contract, particularly the implementation of the Contract and/or the relevant PO in good faith and in conformance with the set-out KPIs as well as the highest standards of the technical and commercial state of art within the deadlines specified by MIC2. The Contractor shall bear all costs in relation to the provision of the performance bond. The performance bond shall remain valid and effective from the date of issuance up to the date MIC2 has issued the respective Final Acceptance Certificate (FAC). The text of the said Performance Bond is attached to this Contract as Appendix (1).

**8. Tax**

Each Party shall bear taxes and other fiscal charges resulting from this Contract as prescribed by the Law in Lebanon.

**9. Term and Termination**

9.1. This Contract will be effective as of the date of the first relevant purchase order (the “Effective Date”) and shall remain valid for one year thereafter.

9.2. If at the time of expiry a certain amount of work is not completed by Contractor, then this Contract shall be deemed extended until the completion of all the said amount of work.

**9.3**. **Termination for Cause**

MIC2 may terminate this Contract and/or any relevant Purchase Order immediately, upon its sole will and discretion, and may appoint another contractor in the following cases:

* Contractor is unable to perform its contractual obligations in full and in a way that is accepted by MIC2.
* Contractor’s work does not meet with the requirements of MIC2 in terms of quality and timeliness.

The performance by MIC2 of its right to terminate the Contract as stipulated hereinabove shall not entitle Contractor to any compensation whatsoever and subsequently Contractor shall not be entitled to claim for any compensation from MIC2.

* 1. **Termination for Convenience**

MIC2 may terminate this Contract and/or any relevant Purchase Order by providing the contractor with a written notice period of thirty (30) days. In such case, MIC2 shall pay to Contractor the part of all terminated Purchase Orders which have been implemented and accepted and/or have been delivered to MIC2 and not implemented and/or under customized manufacturing, provided Contractor can prove such customized manufacturing.

**10. Confidentiality**

10.1. Contractor shall keep in strict confidence and shall use all reasonable endeavors to bind all of its executives, employees, agents and personnel to keep in strict confidence all the information received, or which it obtains or to which it has access directly or indirectly from MIC2 in connection with this Contract and shall not in any time disclose such information to any third party or make use of any such information for any purpose other than as required to execute the object of this Contract.

10.2. Contractor is aware that MIC2 is entitled to disclose any information and/or document relating to this Contract to the Republic of Lebanon represented by the Ministry of telecommunications, without obtaining Contractor’s prior approval.

10.3. The confidentiality provisions contained in this Article shall survive the termination or expiration of the Contract.

**11. Relationship of the Parties**

11.1. The relationship of the Parties established by this Contract shall be solely that of independent contractors. Nothing contained in this Contract shall be construed to make one Party the agent for the other or partner of the other for any purpose. Neither Party shall by virtue of this Contract have the right or authority to act for, or to bind the other in any way, or to sign the name of the other, or to represent that the other is in any way responsible for its acts and omissions.

11.2. The Contract shall not produce any legal or material obligations upon MIC2 towards third parties beyond the scope of MIC2’s relationship with Contractor. Any party who has not signed this Contract is not a party thereto.

**12. Non-exclusivity**

12.1. This Contract is not exclusive to Contractor. MIC2 retains the right to contract other parties for part of the work covered by this Contract.

12.2. In the event where MIC2 does not assign any works to Contractor under this Contract, MIC2 shall not be deemed in a position of failure to perform any of its contractual obligations.

**13. Force Majeure**

13.1. Neither Party is liable for delay or failure to perform any of its obligations under this Contract insofar as the performance of such obligation is prevented by a force majeure event. Each Party shall notify the other Party of the occurrence of such a force majeure event and shall use all reasonable endeavors to continue to perform its obligations hereunder for the duration of such force majeure event. In case force majeure event exceeded three (3) months period, whether continuously or intermittently, either Party has the right to immediately terminate the Contract by means of written notice without bearing any liability whatsoever.

13.2. For the purposes of this Contract, a force majeure event means any event, which is unpredictable, beyond the reasonable control of the Party liable to affect performance and external to this Party, and shall include but not be limited to riots, acts of war, acts of terrorism, epidemics, major fire, or natural disasters. For the avoidance of doubt, force majeure does not include strikes or other employment disputes of either Party’s personnel or such Party’s subcontractor’s personnel.

**14. Assignment**

Contractor shall not assign this Contract, totally or partially, or any right or obligation hereunder. However, MIC2 shall have the right to assign, transfer or purport all of its rights and obligations under this Contract to the Republic of Lebanon or any of its designee, without having to refer to Contractor or to obtain its consent prior to such assignment. The assignee of the present Contract shall also have the right of assignment provided for under this Article.

**15. Applicable Law and Dispute Resolution**

15.1. Both Parties agree that the Lebanese Laws shall apply to any litigation arising out of the application or interpretation of this Contract.

15.2. Disputes arising in connection with this Contract shall be finally settled by the competent Courts of Law in Beirut.

**16. Waiver**

Waiver of any provision herein shall not be deemed a waiver of any other provision herein, nor shall waiver of a breach of any provision of this Contract be construed as a continuing waiver of other breaches of the same or other provisions of this Contract.

**17. Notices**

Both Parties have elected domicile at the addresses mentioned beside their respective names in the preamble. Any notification made to these addresses shall be considered valid unless any Party has notified the other in writing of any change in said address.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed in Beirut with effect as of (the day) ………… of (the month) …………, …………………………….. By their respective authorized representatives, on two (2) originals, one to be kept by each Party.

|  |  |
| --- | --- |
| **For and on behalf of**  **Mobile Interim Company No. 2 S.A.L.**  **Salem Itani**  **Chairman General Manager**  **Signature:** | **For and on behalf of**  **Signature:** |

**Appendix 1**

**Performance Bond**

To: Mobile Interim Company No. 2 S.A.L

Att: ……………………….

Fouad Chehab Avenue, touch building (Beirut central), Bashoura, Beirut – Lebanon-03-792000.

(Hereinafter referred to as “MIC2”)

From: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address

(Hereinafter referred to as “the Bank”)

**Subject: Performance Bond**

Re: MIC2 …………………………….. Contract

This Performance Bond is made on \_\_\_\_\_\_\_\_ (day) of \_\_\_\_\_\_\_\_\_\_\_ (month) 201..…. by the Bank in favor of MIC2.

Preamble

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“the Contractor”) was selected by MIC2 on \_\_\_\_/\_\_\_\_/\_\_\_\_ to perform the …………………….. Project (hereinafter referred to as “the Project”) pursuant to the Tender Process and in accordance with the RFP Terms and Conditions.

Pursuant to the RFP Terms and Conditions and in accordance with the Contract of Adherence entered into on \_\_\_\_/\_\_\_\_/\_\_\_\_ for a period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by and between MIC2 and the Contractor (hereinafter referred to as “Contract”), it is an obligation of the Contractor to submit within fifteen (15) working days following the issuance date of the relevant Purchase order and to maintain in full force and effect, a Performance Bond up to the amount representing ten per cent (10%) of the total Purchase Order value (hereinafter referred as “the Guarantee”) issued and signed by a Local Qualified Bank authorized by the Central Bank of Lebanon in order to ensure the satisfactory, timely and faithful performance of the Contractor’s obligations under the Contract.

1. **Guarantee.**

The Bank hereby irrevocably, unconditionally, jointly and severally with the Contractor ensures and guarantees the payment of any amount due by the Contractor to MIC2 up to the aggregate net amount of USD /-----------------/ (US Dollars…………………Only), representing ten per cent (10%) of the total relevant Purchase Order value, in accordance with the provisions of Article (7.3) of the Contract, immediately upon first written demand by MIC2, and in any case, without any notice, reference or further enquiry from the Contractor or any other party and without requiring or obtaining any evidence or proof (other than the first written demand) that MIC2 is entitled to any such payment of the respective Contractor’s guaranteed obligations.

**Any amount paid by the Bank under this Guarantee will automatically reduce its amount for the same.**

1. **Contractor’s Guaranteed Obligations**.

By the present Guarantee, the Bank hereby irrevocably and unconditionally guarantees the timely, faithful and satisfactory performance by the Contractor of all its obligations under the Contract all in conformance with the set out timelines, Key Performance Indicators and Service Levels.

1. **The Continuity of the Guarantee.**

This Guarantee shall continue to be effective and in force, or be revived and reinstated, as the case may be after its expiration,(i) if the Contractor’s obligations under the Contract are not satisfactorily completed and to the extent of cost of said obligations or (ii) if at any time, any payment of all or part of the Guaranteed Obligations is rescinded, or must otherwise be returned to MIC2 for any reason all as though such payment has never been made.

The liability of the Bank hereunder shall not be diminished or impaired by any illegality, invalidity, unenforceability of the guaranteed Obligations against the Contractor, or by the extension or renewal of any amount payable in respect of the Guaranteed Obligations; or by any demand made to the Bank by MIC2 and or by any payment made by the Bank to MIC2, any other circumstance which might otherwise constitute a defense available to or a discharge of the Contractor in respect of the Guaranteed Obligations or the Bank in respect of this Guarantee.

1. **Release.**

Upon the irrevocable payment in full of the Guaranteed Obligations, MIC2 shall release the Bank by a written instrument signed by the authorized signatory of MIC2. Notwithstanding the prior receipt by the Bank of a written instrument from MIC2 discharging or releasing the Bank, this Guarantee shall continue to be effective against the Bank until the last day of the last Project implementation period as defined in the Contract, and the right of MIC2 to make a written demand at any time during this period shall not be impaired thereby.

1. **Waiver of Defenses.**

The Bank hereby acknowledges that it does not have any right of discussion or divisibility under Lebanese law in respect of the Guaranteed Obligations.

The Bank hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law:

* + - * 1. any and all notices which may be required by statute, rule of law or otherwise, to preserve intact any rights of MIC2 against the Contractor including without limitation, any demand, presentment, protest or notice of acceptance, notice of any liability to which this guarantee may apply; and
        2. promptness, diligence and any right to the enforcement, assertion or exercise by MIC2 of any right, power, privilege or remedy; and
        3. any requirement that MIC2 or any other person exhaust any right, power, privilege or remedy, or mitigate any damages resulting from default, in respect of the Guaranteed Obligations; and
        4. the litigation, administration, dissolution, lack of capacity or authority or, any change in the name or constitution of the Contractor or the Bank.

1. **Assignment.**

It is acknowledged and agreed by the Bank that MIC2 may at any time transfer rights under this Guarantee to the Republic of Lebanon or any of its designee. Accordingly, the Bank agrees that the benefit of this Guarantee may be assigned (in whole or in part) by MIC2 without the consent of the Bank or of the Contractor to, and may be enforced by, any third party to whom the benefit of the Guarantee is assigned (in whole or in part) as if such third party were MIC2 under this Guarantee. MIC2 shall then give notice of the assignment to the Bank.

However, the Bank shall not, nor shall it purport to, assign, transfer, charge or otherwise deal with all or any of its rights under this Guarantee nor grant, declare, create, or dispose of any right or interest in it, without the prior written consent of MIC2.

1. **Notices.**

All notices, demands, or communications given or sent to MIC2 or the Bank in connection with this Guarantee shall be given in writing addressed to the recipient at the address specified at the top of this Guarantee or at such other address as may be notified by a party to the other, from time to time, for that purpose.

1. **Governing Law.**

This Guarantee is governed by, and shall be construed in accordance with the Lebanese law.

All disputes arising out, of, or in connection with the present Contract shall be submitted to the Beirut courts and settled under the Lebanese Laws.

1. **Expiration.**

This Guarantee expires on……………………, and can be renewed at the contractor’s sole expense for a period of ……………….. at the unilateral request of MIC 2; this request will not require approval of Contractor and it will be executed unconditionally. Any claim from MIC2, if any, must be delivered to and duly received by the Bank on or before the expiry date of this Guarantee, after which date this Guarantee will automatically become null and void and no claim whatsoever shall be entertained by the Bank thereafter irrespective of the return or non-return of the original Guarantee instrument to the Bank.

IN witness of which this Guarantee has been signed on behalf of the Bank on the date which appears on the first page.

BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_