

IPBB & IGW Upgrade and Support Contract of Adherence



المراقب
ليلى سحر جلال
استوفى رسم وغرامة طابع مالي
موجب ايجال رقم ١٨٩٨ تاريخ ٢٠٠٩
قيمة الرسم ٢٧٠٠٠٠٠
قيمة الفرامة :
المجموع :
٢٠٠٩٢٤٤
مستطاب ليلان عمارت وادرسه
بشروط فني

IPBB & IGW upgrade and Support

Contract of Adherence

27 JUN 2023

This contract of adherence (hereinafter "the Contract") is made on 20 June 2023 by and between the undersigned, on one copy for each Party:

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, Fouad Chehab Avenue, Bashoura, Beirut, Lebanon (hereinafter referred to as "MIC2" or "Buyer");

And

Data Consult S.A.L., a company registered at the Trade Register of Baabda under the number /2016519/, and registered at the Lebanese Ministry of Finance under the number /288/, with its principal place of business in Mkalles 2001 center, 2nd floor, Mkalles, Lebanon. Represented into this Agreement by its chairman Mr. Elias Houayek. (hereinafter referred to as "Data Consult" or "Contractor").

MIC2 and Contractor are referred to hereinafter, collectively, as the "Parties".



Preamble:

1. MIC2 is operating the second mobile network in Lebanon for the benefit and for the account of the Republic of Lebanon (ROL);
2. MIC2 intends to upgrade the existing IPBB and IGW along with support services and to this effect it has launched a tender on 16 Aug 2022 for the upgrade and support of existing IPBB and IGW (hereinafter "the Project") by one bidder having an international experience in that field;
3. At the outcome of the abovementioned tender, Contractor was selected for the execution of the Project;
4. 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.

Based upon the above,

The Parties have agreed on the following:

SECTION ONE

1. The Entire Contract.

The above Preamble constitutes an integral part of the Contract.

2. Attachments

The attachments to the Contract are the following, and they constitute an integral and a complementary part of it. In the case of any inconsistency, ambiguity or conflict between The Contract and the Annexes, The Contract shall take precedence over the Annexes.

- Technical specifications – Annex (1)
- Compliance Sheet – Annex (2)
- The Performance Bond – Annex (3)-A
- Down Payment Guarantee – Annex (3)-B
- Contractor's Offer (Technical and Commercial proposals)– Annex (4).
- Responsibility Matrix – Annex (5)
- Acceptance procedure– Annex (6)
- Project Implementation Plan (PIP) – Annex (7)



3. Definitions and Interpretation:

3.1. Definitions:

The following definitions apply throughout the Contract and the Annexes attached thereto, and the Purchase Orders (PO) issued under the Contract unless the context otherwise requires:

“Existing IPBB and IGW upgrade and Support” or “Project” means the project initiated by MIC2 to upgrade existing IPBB and IGW in the second mobile network in Lebanon and which had been put out by MIC2 for Tender as mentioned in the Recitals.

“Acceptance Certificate” means the written confirmation of Acceptance of the Implementation to be issued by MIC2 in accordance with below Article (16);

“Acceptance Criteria” means the criteria to be fulfilled in order to determine whether the Implementation conforms to the Specifications, as mutually agreed upon in the Acceptance Tests;

“Acceptance Date” means the date at which the Acceptance Certificate is issued by MIC2 in accordance with below Article (16);

“Acceptance Tests” means the acceptance tests as mutually agreed upon between the Contractor and MIC2 prior to execution of the Purchase Order as per Annex (6);

"Acceptance" or **"Accepted"** means that the implementation has passed the agreed upon Acceptance Tests in accordance with the Acceptance Criteria or has been placed into Commercial Service by agreement of both parties;

"Best Industry Practice" means, in relation to any undertaking and any circumstances, the exercise of the skill, diligence, prudence, foresight and judgment which would be expected from a highly skilled, experienced certified person engaged in the same type of undertaking under the same or similar circumstances, applying the best standards currently generally applied in the industry relevant to the Services;

"Order Modification" means a document mutually agreed and duly signed by MIC2 and acknowledged by the Contractor in writing, introducing alterations, additions, amendments or modifications to the contents of a Purchase Order;

"Commercial Service" means the provision of revenue generating services to the public;

"Committed Delivery Date" means a date by which the Contractor has committed to and MIC2 has agreed to in writing, for Delivery of a given Product to MIC2;

"Confidential Information" means all and any information marked as confidential or proprietary or similar legend or which in all of the circumstances is clearly intended to be treated as confidential which, for purposes of this definition, shall include but not be limited to business plans, tender related documents, financial statements, strategies, marketing documents, pricing strategies and documents, governmental correspondence, contracts, operating licenses, new service plans, and any future additions to this list that MIC2 may request (whether (i) disclosed in writing, graphically, in machine recognizable form, sample form and/or orally or by any other means whatsoever and whether directly or indirectly; provided that, if disclosure is oral, it shall be reduced to writing within thirty (30) days of the date of such disclosure or (ii) obtained by examination, testing or analysis of any equipment, Software or any component part thereof provided by one Party to the another) including, without limitation, the Contract (and the subject matter, nature and existence thereof), formulae, processes, designs, photographs, plans, samples, equipment, equipment performance reports, subscriber lists, pricing information, studies, findings, inventions, ideas, drawings, schematics, sketches, specifications, parts lists, design right, know-how, data, technical data, data bases, Software in any form, flow charts, algorithms and other business and technical information and any information relating to the relevant Party's products, operations, processes, plans or intentions, product information, trade secrets, market opportunities and business affairs and any other information expressly agreed to be confidential in any other provision of the Contract;

"Contractor" means Contractor (and all of its current and future entities, subsidiaries, and affiliates) selected by MIC2 at the end of the tender process as qualified to undertake the Project or parts of the project and with which MIC2 agreed to enter into the Contract;

"Contract" means this contract signed between MIC2 and Contractor, which forms the framework for supply of all Products and/or Services relating to the Project to MIC2 by the Contractor;

"Customer Service Desk" means the telephone support operation in place to enable customers to solicit help with technical and operational issues as described in Annex (4);



"Date of Completion" means the date(s) specified in the agreed upon Implementation Plan on which the Implementation shall be ready for the performance of Acceptance Tests;

"Delivery Date" means the actual date on which a Product is delivered to MIC2;

"Delivery Plan" means a time specifying the Committed Delivery Dates;

"Delivery" means the transfer of physical control of a Product from Contractor at the locations determined by MIC2;

"Documentation" means all documents (regardless of the medium in or on which they are recorded) provided with the relevant Products and/or Services describing, explaining or assisting in the use or maintenance of the Products and their Implementation;

"Epidemic Failure" means that the same defect and/or failure occurs repeatedly in either (i) Products, or any part thereof; and/or (ii) any software used in Products, that is equal to or exceeds Five percent within any relevant time period or is equal to or exceeds Five percent of a single production batch and/or single delivery.

"Execution Date" means the date of signature of the Contract by both Parties and consequently the date of issuance of the PO.



"Final Acceptance Certificate" means a certificate evidencing that the Products and Services, including any modifications or additions to the same performed in accordance with the Contract and/or Purchase Order have (i) been issued with an Acceptance Certificate confirming compliance with the agreed Acceptance Criteria, (ii) resolved all Punch list items in accordance with Annex (6), and (iii) been handed over to and accepted by MIC2. The Final Acceptance Certificate will be provided to the Contractor in accordance with Article (12) of the Contract;

"Grade of Service (GOS)", with respect to the delivery of the Maintenance and Support Services (MSS) requested by MIC2 in any given period, GoS means the standard of performance requested by MIC2 and actually achieved by Contractor in providing the MSS in that period (calculated and expressed as a ratio and set out in the Scope of Work relevant to the MSS);

"Hardware" means any equipment (including embedded Software or firmware) included in the Products;

"Hardware Warranty Period" has the meaning ascribed to it in Clause (24.1);

"Implementation Plan" means the time frame provided by the Contractor during the Tender Process and agreed by MIC2 as of the Final Selection Date, setting out key milestone dates for the Implementation, including the Date of Completion;

"Implementation Services" mean the Services in relation to Implementation, as further detailed in the attached Scope of Work;

"Implementation" means installation, commissioning and integration of the Products into the MIC2's Network;

"Intellectual Property Rights or IPR" means trademarks, copyright, topography rights, patents, design and design rights, database rights, petty patents, design patents, utility models, registered designs, service marks, copyright works, moral rights, know how, trade secrets, trade or business names, brands and logos, and any other similar industrial and proprietary rights of any nature whatsoever in the Territory (whether registered or unregistered) and any right to apply and any application for such rights in the Territory;

"Item Price" means the price for each Product and Service specified in (Annex 4). Contractor undertakes that the item prices specified in Annex 4 are the maximum item prices Contractor may charge. However in the case of reduction of prices, the lower item price will be applied.

"Material Breach" means Contractor's failure to perform its obligation as laid out within the scope of this contract.

"Major Software Release" means the issue of Software and any superseding issue thereof which adds new Features or substantially enhances the existing Software, without any additional charge to MIC2; a Major Software Release may also correct defects in earlier releases;

"Network" means the second mobile network, MIC2's mobile telecommunications infrastructure in the Territory;

"Order Procedure" means the order procedure set forth in the Contract (Article 5) and in the specific Purchase Order(s);

"Parties" means MIC2 and Contractor when referred to collectively;

"Party" means MIC2 or Contractor, when referred to in the singular, as the context may indicate;

"Price" means prices of the Products and Services ordered by MIC2 in accordance with the related Annex attached to this contract or in a relevant quotation agreed by both Parties, whichever is applicable;

"Products" means the Hardware and/or Software to be provided by the Contractor to MIC2 as specified in the Annex (4) (the Contractor's Offer) and/or in the relevant Purchase Order;

"Protocol" means all the documentation required for the Acceptance, as agreed in Annex (6);

"Punch List" A list related to non major technical issues or technical reservations, which is escalated by MIC2 technical team that remain to be resolved or ensured on a Product before the Product is considered to be completely finished.

"Purchase Order Value" means the total value of a Purchase Order;

"Purchase Order" means the order of Products and/or Services issued to Contractor by MIC2, and for the avoidance of doubt, shall not include any alterations or amendments of the Contract;

"Relevant Personnel" means any employee, agent, subcontractor or representative of the Contractor who is engaged in any way in the supply and implementation of the Products and/or Services;



"Resolution Time" means the time it will take Customer Service Desk to resolve a customer issue as described in the Offer (Annex 4);

"Response Time" means the time it will take Customer Service Desk to acknowledge receipt of a customer request for assistance during MIC2's working hours, as described in the Scope of Work for Maintenance and Support Services as described in Annex (4);

"Response to Modification" has the meaning ascribed to it in Clause (6.2);

"Responsibility Matrix" means the table stating the various responsibilities and the duties of MIC2 and Contractor in relation to the Project and which is incorporated to the Contractor's Offer (Annex (5));

"RFP Response" or "Offer" means the Contractor's Offer submitted to MIC2 in response to the RFP, and to which are attached the Responsibility Matrix, Items of the Scope of Work, Delivery and Implementation Annexes, Maintenance and Support Services, Prices, etc.

"RFP" or "Tender document" means the Request for Proposal provided by MIC2 to the vendors registered in the Tender for the purpose of obtaining proposals for IPBB and IGW upgrade Turnkey Solution in addition to full network support.

"Services" means the services to be provided by Contractor to MIC2 as described in a relevant Purchase Order; the Services include Implementation and Engineering Services as well as Maintenance and Support Services.

"Site" means the location where the Products are to be implemented as defined by MIC2 in writing;

"Software License" is the license for the Software;

"Software Updates" means corrections and/or improvements and/or updates of the Software;

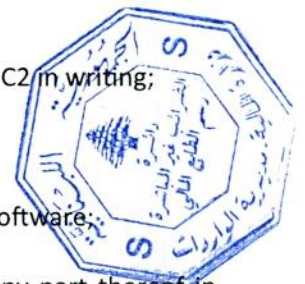
"Software" means any such computer program, software module or package or any part thereof in object code form included in the Hardware licensed or sub-licensed by the Contractor to MIC2 under the Contract;

"Spare Part" means a replacement item of a Product meeting or exceeding the Specification of the Product it replaces;

"Specification" means the Contractor's technical description and MIC2's functional requirements of the Products and/or Services, as the case may be, as specified in any Contractor Documentation relating to such Products (in relation to the Contractor's technical description), and the Purchase Order (in relation to MIC2's functional requirements);

"Support Services or SS" shall have the meaning given to it in the Maintenance & Support Services submitted by Contractor and attached to the Contract as Annex (4);

"System" means the sum of the Products comprising Software and Hardware to form a functional unit of a Network;



"Tax" / "taxes", as used in the Contract, include fees and charges for doing business that are directly or indirectly levied by the Government of the Territory;

"Term" means the term of the Contract, comprising the Initial Term and the Extended Term(s) as defined in below Article (19);

"Territory" means the country in which MIC2 carries out its business, i.e. Lebanon;

"Turnkey" means that Contractor is fully responsible for providing agreed aspects to commercially launch the upgrade of the existing IPBB and IGW solution which includes, without limitation: network design, delivery, installation, testing, commissioning, inter-working, integration, performance optimization, operation, support, maintenance, software updates, preparation including, includes network design, training and supporting documents and all other services (such as programs and project management services) and equipment necessary to implement, integrate and deliver the required networks for commercial launch.;

"Working Day" means any day excluding the weekends and public holidays as defined in the Territory;

"Written" / "in writing" means any communication in written form which shall include but in no way be limited to communications by facsimile and electronic mail.

3.2. Article headings are for convenience only and shall not be used in interpretation.

3.3. Unless the Contract clearly indicates the contrary an expression that denotes:

- Gender, includes the other genders;
- A natural person, includes a legal person and *vice versa*;
- Singular, includes plural and *vice versa*;

3.4. Any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time by MIC2.

3.5. If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in a definition, effect shall be given to it as if it were a substantive provision in the body of the Contract.

3.6. Where any amount is payable or any obligation is to be performed on a day which is not a Working Day, then such amount shall be payable or such obligation shall be performed on the immediately preceding Working Day.

3.7. The expiry or termination of the Contract shall not affect such of the provisions of the Contract which expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

3.8. For the avoidance of doubt the terms of the Contract apply to any Purchase Order(s). The Contract, whether in its current form or as amended by the Parties, shall take precedence over any contradictory terms of a Purchase Order.



--- End of Section One ---

SECTION TWO

4. Scope of Work

4.1. MIC2 appoints the Contractor as non-exclusive vendor of Products and Services required for the execution of the Project within the duration set out for each of the phases stipulated in below Clause (4.4).

4.2. Contractor undertakes to adhere to the general Scope of Work detailed in Annex (4);

4.3. It is clearly agreed that the Scope of Work (Annex (4)) and related annexes to which Contractor undertakes to adhere shall not be modified unless such modification is decided by MIC2 or approved in advance by MIC2. By deciding to make the modification, or by approving or refusing to approve it, MIC2 shall not be deemed to be in a situation of arbitrary performance of its rights.

4.4. Contractor undertakes to execute the Project in (3) phases, as per the following scheme:

- . Phase (1): the supplying of the products, their shipment and their delivery to MIC2.
- . Phase (2): Project implementation of the said products (upgrade the existing IPBB and IGW), integration, testing and acceptance.
- . Phase (3): Support services.

--- End of Section Two ---



SECTION THREE

5. Order Procedure (Payment Orders):

- 5.1.** From the execution date of the Contract, MIC2 shall issue (4) POs, covering the following:
- . two POs For the purchase of new products (IPBB and IGW) (Upgrade).
 - . One PO for the Support Services of the existing equipment ;
 - . One PO for the training.

Contractor undertakes to accept the POs as issued by MIC2 without any reservation or objection and without any right to request any modification thereof, as long as these POs are issued in line with the terms and conditions of the Contract.

5.2. Neither the entry into the Contract including the issuance of a PO implies the establishment of an exclusive relationship between MIC2 and the Contractor. MIC2 may purchase any products and services from any third party, whether or not similar or identical to those in Scope of work and/or Annex (4). In this respect, Contractor undertakes to see to it that the products purchased by MIC2 from any third party shall be compatible with MIC2's system and with the products supplied by Contractor, unless Contractor has highlighted compatibility issues in technical clarifications phase.

5.3. Any PO issued under the Contract cannot be in contradiction with the terms and conditions of the Contract, unless MIC2, depending on the circumstances, finds that such circumstances require the issuance of a new PO that contains terms and conditions contrary to some of the terms and conditions of the Contract.

5.4. Contractor undertakes to provide to MIC2 the Products and Services that MIC2 will order from the Contractor pursuant to the provisions of above Clause (5.1).

6. Order Modifications.

6.1. MIC2 may at any time, by written notice to the Contractor, require a variation ("**Modification**") to a Purchase Order, provided written notice of the modification is delivered to Contractor.

6.2. 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 Modification**") to MIC2 specifying the effect that such a modification may have upon the Purchase Order including the price, the date of delivery of the Products and Services, impact (if any) on the Delivery Plan and/or Implementation Plan and the impact (if any) on the System functionality and Specifications.

6.3. Within five (5) days of receipt of the Response to modification, MIC2 shall by written notice to the Contractor inform the Contractor as to whether MIC2 wishes the modification and Response to modification to be incorporated in the Purchase Order and if MIC2 so advises, then a formal Modification Order setting out in detail the nature of the modification shall be given to the Contractor.

6.4 In the event of technical limitations from MIC2 network side, MIC2 shall have the right to request from the contractor NOT to deliver a certain part of the scope prior to the equipment manufacturing. Accordingly, the purchase order shall be updated reflecting the scope reduction.



The Contractor agrees:

. That any modification in the Purchase Order in respect to a modification of the Price of products and services as mentioned hereinabove or modification of the Delivery Plan and/or Implementation Plan shall be deemed accepted by Contractor ; and

. Not to cause a delay in Delivery or Implementation longer than the maximum number of Working Days needed to implement the modification(s); the Contractor undertakes to use all endeavors reasonable from MIC2's point of view to keep delay in Delivery or Implementation to a minimum.

--- End of Section Three ---

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SECTION FOUR

7. The Products

7.1. Delivery of Products.

Contractor undertakes to start the delivery of the products mentioned in the PO upon the PO issuance

7.2. New and/or Enhanced Products.

Contractor undertakes, periodically, to present to MIC2 its roadmap and to update MIC2 of any new products or enhancements to existing Products as to when they are made commercially generally available. It is hereby understood and agreed that such products shall be considered Products under the Contract, and if ordered by MIC2 shall be purchased and sold under the terms and conditions of the Contract, provided that a written Addendum between the Contractor and MIC2 is made as to the minimum pricing, taking into account the market prices at the time, in the best interest of MIC2. At the point of which the products described in a roadmap are considered Products hereunder, they shall no longer be considered as part of such roadmap for any purpose. It is acknowledged that any roadmap is simply a description of intended functions and features and that the Contractor reserves the right to withdraw any Hardware and/or Software (standard or optional) from its roadmap or to remove such items from its list of generally available Hardware and/or Software, provided, however, that the Contractor shall be bound to fulfill any orders placed by MIC2 and accepted by the Contractor in respect of any such Hardware and/or Software prior to the withdrawal or removal of any such Hardware and/or Software from any roadmap.

7.3. Quality of Products

7.3.1. Contractor confirms and guarantees that any Product sold to MIC2 hereunder is:

- New and is the Contractor's up to date model and/or version available on general release to Contractor's customer base on the date of acceptance by the Contractor of any Purchase Order;
- Compatible with the international standards that regulate the function of the ordered Products; and
- Subject to the Specifications, interfaces and interoperability with MIC2's other existing end systems at its full ordered capacity, subject, however, to receipt by the Contractor of any and all information reasonably requested by the Contractor from MIC2, including, without limitation, the interface information, which the Contractor requires in order to achieve interfacing/interoperability.

7.3.2. All purchased products and services must, at the time of Delivery, be compliant with RFP technical specifications, and all relevant applicable international standards. All Products supplied by the Contractor must also:

- Be in accordance with the Specification during the respective Warranty periods;
- Be in accordance with all applicable mandatory legislative and regulatory requirements;
- Meet the specifications for type approval;



- Be free of defects in design and functionality during the respective Warranty periods;
- Be free of defects in materials and production;
- Be the latest version agreed under Purchase Order;
- Have been manufactured from new and sound material, unless otherwise agreed in writing;
- Be in accordance with Environment Requirements and Corporate Social Responsibilities;
- Be unused at the time of delivery and as agreed under Purchase Order (save as required for testing), unless otherwise agreed between the Parties in writing.

7.4. Production and Quality Assurance

7.4.1. if the Products manufactured by the Contractor then whenever it is requested to do so, the Contractor undertakes to ensure that MIC2 to inspect the Products during the production process (whether or not completed). On request, the Contractor shall for this purpose supply testing and measuring Products free of charge and provide staff to assist. MIC2 shall be entitled to have the Products (whether or not completed) tested by an independent third party.

7.4.2. It is accepted that Products manufactured by Contractor (if any) are produced on a production line and not on a specific customer order basis. In the event that MIC2 wishes to visit any of Contractor's sites or plants, MIC2 shall give Contractor reasonable notice of such inspection. At all times during such inspection, MIC2 shall observe any reasonable instructions (particularly as to security, safety and confidentiality), which may be given by the Contractor.

7.4.3. In the interest of safety and to avoid any interference with the manufacturing process, not more than three (3) MIC2 representatives may attend such inspection at any time (unless otherwise agreed in writing by Contractor).

7.4.4. For the avoidance of doubt, MIC2 shall meet its own expenses for travel, accommodation and subsistence allowances related to the activities undertaken according to this clause, unless the independent third party rejects the Products on the grounds that they do not meet the agreed Specifications, in which event the costs of the testing and transport, if any, shall be borne by the Contractor.



8. Delivery of Products.

8.1. For the supply of Products, the Contractor undertakes to abide by the Project Implementation Plan attached hereto as Annex (7).

8.2. All Deliveries must be made according to the project implementation plan, attached hereto as Annex (7). The Delivery shall take place at the latest on the Committed Delivery Date(s), which shall not exceed 16 to 30 weeks from the latest as of the date of issuance of the PO of Phase (1) to MIC2's determined locations. , **the PO of Phase (1) shall be issued within seven (7) Working Days from the Signature Date of the Contract.**

8.3. Contractor undertakes to deliver the Products to locations determined by MIC2 in accordance with Incoterms 2010, DDP(Delivered Duty Paid) to MIC2's sites as per below conditions:
The Bidder(s) shall carry all deliveries to MIC2's sites.

8.4. Each Delivery shall be accompanied by a packing list and be packed and marked in accordance with (i) the Contractor's standard packing and shipping specifications, (ii) the requirements of the carrier and/or (iii) MIC2's instructions whenever applied. The consignment notes shall be complete and shall include MIC2's Purchase Order number.

8.5. In case of Purchase Orders consisting of the supply of Products only (without Implementation), if the Contractor at any time has reasons (accepted by MIC2 in writing) to believe that any Committed Delivery Date or other Annex date for Delivery will not be achieved then the Contractor shall, as soon as possible but not later than (2) Working Days of having such reasons, notify MIC2 in writing specifying a new date for Delivery, which shall be subject to the approval of MIC2. Such date of delivery shall not exceed (5) Working Days, otherwise the provisions of below Clause (8.6) shall apply.

8.6. Should Delivery of any related batch of the Products not take place on or before the Committed Delivery Date as per the Delivery Plan (Annex 7) due to reasons within the control of the Contractor (as assessed by MIC2 upon its discretionary authority), MIC2 shall have the right to claim liquidated damages which shall run as of the agreed Delivery Date. The liquidated damages for delay shall be payable at the rate of **1 percent of the Purchase Order value related to each batch for each five working days of delay and shall be up to a maximum of ten (10) percent of such Purchase Order value.** Once the maximum liquidated damages have been reached, MIC2 in addition to claiming for the liquidated damages, has the right either to:

- (i) Terminate the Contract in accordance with the provisions set out in Clause (29) and execute the Performance Bond and the Down Payment LGs, all on contractors responsibility, or
- (ii) Keep the contract in force and execute the Performance Bond and the Down Payment LG, or
- (iii) Execute the Performance Bond and the Down Payment LG and purchase the products in question from another source, without any objection from Contractor and Contractor who shall be bound to implement these products, provided that MIC2 guarantees that these products are compatible with Contractor's technical specifications. Moreover, the Contractor will not be liable for any delay in the start date of phase (2) (implementation plan) as long as this delay is due to the delay in delivering the new products by MIC2.

In the event of execution of the Performance Bond and the Down payment LG, Contractor undertakes to resubmit to MIC2 a performance bond in replacement of the one that has been executed, within ten (10) Working Days from the date of said execution.

The execution of the Down-Payment LG will be in full in any case and MIC2 shall retain any remaining balance as indemnity.

8.7. In the event the delivery plan is delayed due to a non-Contractor's reason, the delivery plan shall extend accordingly. In the event that there is a delay then the Parties may mutually agree upon an extension of time. Any such extension of time shall be in writing and shall not be longer than the delay comprised between the initial Committed Delivery Date and the day such agreement on an extension has been reached.

8.8. if applicable and at the request of Contractor, MIC2 shall issue to Contractor or to any party designated by Contractor at its own responsibility, a specific power of attorney (POA) for the purpose of

carrying out the formalities to clear the Products at the Beirut Airport/ Harbor, provided that the execution of the POA shall be at the expenses and on the entire responsibility of Contractor.

9. Inspection upon Delivery

9.1. MIC2 shall inspect the Products within five (5) Working Days from the Delivery Date to verify that (i) the Products are in sound condition by means of visual inspection only, (ii) Delivery consists of the agreed quantity, and shall without undue delay and in any event no later than ten (10) Working Days after inspection inform the Contractor of any dissatisfaction.

9.2. Within the timelines set out in Clause (8.1) and Clause (8.2), MIC2 may refuse a Delivery in whole or in part, on the Contractor responsibility, if:

- (i) The Delivery does not consist of the quantity stated on the consignment note unless agreed in advance; or
- (ii) The contents of the Delivery or the packaging are damaged or do not comply with the Purchase Order in any material respect.

9.3. The Contractor shall retain possession of any Delivery that has not been validly accepted by MIC2 at its own cost. Such rejection is subject to above Clauses (8.6).

9.4. MIC2 shall ensure that a duly authorized person representing it is available during Delivery to sign for receipt, acceptance or rejection.

9.5. The inspection by MIC2 shall not be construed as confirmation that the Products meet the agreed Specifications or functionality.

9.6. A Product may be rejected within thirty (30) Working Days of Delivery if MIC2 finds that it does not meet the agreed upon specifications or that it is defective.

9.7. If a Product is rejected, the Contractor shall, within two (2) Working Days of being notified of the rejection and in accordance with the request of MIC2:

- Collect the rejected Products, repair them and return them after repair, at its own cost; or
- Collect the rejected Products and deliver replacement Products, at its own cost.

In such 2 cases, the Contractor shall also be liable for the payment of the liquidated damages provided for in Clause (8.6).

9.8. If the rejected Products are not collected by the Contractor they may be returned by MIC2 at the risk and expenses of the Contractor.

9.9. The ownership and risk of rejected Products shall pass back to the Contractor at the moment of collection by the Contractor or rejection by MIC2, as the case may be.

9.10. After repair or replacement, the Products may be inspected or re-inspected as the case may be, following the same procedure as described in Clause (9).

10. Progress Reports



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10.1. During the performance of a Purchase Order, comprising multiple Deliveries, a progress report shall be submitted by the Contractor to MIC2 showing the relevant information pertaining to the status of the Purchase Order, and a statement either confirming that the agreed Committed Delivery Date will be met or giving a detailed explanation should there be any possibility of a delay and specify a revised date for Delivery. However, any revised date shall be subject to MIC2's discretion of acceptance; such acceptance shall not be considered as a waiver by MIC2 of the exercise of its right to liquidated damages and/or the execution of the two LGs (performance bonds). This only applies if it is within the Control of Contractor .

10.2. The submission of the reports shall be every day and shall start two (2) weeks from the date of issuing the Purchase Order and end on the Delivery Date of the last Delivery, unless otherwise agreed.

11. Acceptance of Products where the Contractor does not have Implementation obligation under Purchase Order

11.1. In cases where the Contractor does not have Implementation obligation under Purchase Order, the Acceptance of the Products which are supplied by the Contractor shall be deemed on Delivery of the Products, or thirty (30) days after proof of Delivery by the Contractor, whichever occurs first. Delivery of such Products will be documented by the Contractor and signed by MIC2. The signed receipt document will serve as the Acceptance Certificate for the Products. Such acceptance by MIC2 is subject to the Products being free of any hidden defects.

11.2. In cases where Contractor provides a solution to attend to certain Key Performance Indicators, based on the Bill of Quantity (Annex 4), Contractor is liable to reach such KPIs. If the solution fails to reach the agreed KPIs, Contractor is requested to solve the problem at its own cost, until the Key Performance indicators are met provided that Contractor meets said KPIs within three (3) calendar days

11.3. In the existence of a Punch List, MIC2 shall provide the Contractor with a Final Acceptance Certificate after an operational stability period of two (2) months from the Provisional Acceptance Certificate (PAC) date and, clearing the Punch List within one (1) month from Provisional Acceptance Certificate (PAC) date. In the absence of a Punch List, MIC2 shall provide the Contractor with a Final Acceptance Certificate after an operational stability period of two (2) months from the Provisional Acceptance Certificate (PAC) date.



12. Title and Risk

12.1. Until the delivery of the Products at the locations determined by MIC2, the risk of loss of or damage to Products shall be with the Contractor. After delivery and issuance of the Provisional Acceptance Certificate (PAC), the risks of loss or damage to the Products shall be on MIC2. With respect to delivery and implementation of Products, the risk shall remain with the Contractor until the Provisional Acceptance Certificate (PAC) of implementation by MIC2.

12.2. Title to the Products shall pass to MIC2 on delivery.

13. Dangerous Substances and/or Preparations

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13.1. The Contractor declares that the Products shall comply with the requirements laid down by or pursuant to any applicable law and shall not contain any substances prohibited for the Products by or pursuant to any applicable law, nor shall the Products contain any substances that cannot be disposed of by means of a normal waste processing method.

13.2. On request, the Contractor shall allow MIC2 to examine the extent to which environmental care has been taken into account in the design of its Products. The Contractor undertakes to provide MIC2 with a list of substances present in the Products that are harmful to people, property or the environment, and guarantees that the information it supplies to MIC2 shall be complete and correct. The Contractor shall state which components of the Products are suitable for reuse or recycling other than by incineration at the end of the Products' useful life. Where the relevant legislation in force in the Territory requires collecting, waste processing and recycling the Products, MIC2 shall retrieve the Products and either: **(i)** the Contractor will pay MIC2's fees for any costs incurred in collecting, waste processing and recycling the same; or **(ii)** will take care of waste processing and recycling at its own cost, to be decided at MIC2's discretion.

13.3. Contractor undertakes, on its entire responsibility and costs, to ensure the availability of adequate stores/warehouses needed, in its name, for the storage and packing of the Products. Moreover, the Contractor undertakes to bear all costs and expenses associated with these stores/warehouses, such as rent, maintenance, and insurance for the Products stored. This obligation of Contractor shall remain for two (2) months from the date of delivery of Products at the Airport/Port. At the expiration of these two (2) months, the obligation shall transfer to MIC2.

In the event where the products have been stored at MIC2's warehouses for three (3) months and not installed at the relevant sites, then MIC2 will agree to issue to the Contractor a PAC related to the above mentioned products.

--- End of Section Four ---

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SECTION FIVE

Implementation

14. Delivery on Site and Implementation of the Products:

14.1. Contractor undertakes to deliver at its own cost the Products from Lebanon port to its warehouses and/or to the Site Locations determined by MIC2 upon MIC2 sole discretion.

14.2. Contractor undertakes to provide Implementation Services in relation to the Products, which shall be compliant with MIC2's requirements.

14.3. Contractor undertakes and warrant:

- To complete the integration in the Project within a period not exceeding the time frame defined in the annexed PIP (Annex 7).
- That the implementation of products and related services shall:
 - (i) Not affect under any circumstances MIC2's existing network, including the network availability, continuity and performance;
 - (ii) Meet all SLAs attached hereto as Annex (4) and KPIs stated in the RFP attached hereto as Annex (1) as such may be subsequently amended between the parties;
 - (iii) Be deemed satisfactorily completed only if and where implementation covered all the items of the Scope of Work defined in above Article (2) and its related annexes.

14.4. Implementation Services shall be provided by the Contractor as required by MIC2 and in accordance with the following:

- The detailed description of the Implementation Services as described by the Contractor in the Detailed Scope of Work and in Annex (4), which includes as well all information and documentation required for the Contractor to be able to respond to the Scope of Work;
 - The Responsibility Matrix included in Annex (5); and
 - The implementation plan with milestones & key milestones;
- All of which shall be considered as incorporated by reference in the relevant Purchase Order.

14.5. In respect to Implementation Services, the Contractor undertakes to submit to MIC2 a Delivery Plan and an Implementation Plan together with the POs and reflecting the terms and conditions of the POs. All implementations must be carried out by the Contractor strictly according to the agreed plans and Annex (8).

14.6 Contractor commits to carry out the Implementation on or before the Date of Completion as agreed in writing between the Contractor and MIC2 and as stipulated in the Implementation Delivery Plan Annex (7).



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15. Consequences of Delays in Implementation of the Products

15.1. If the Contractor at any time has reason (accepted by MIC2) to believe that any Date of Completion will not be achieved then the Contractor shall, as soon as possible but not later than three (3) Working Days of having such reasons, notify MIC2 in writing specifying a new date for completion of the Implementation, which shall be subject to the approval of MIC2. Such delay shall not exceed one (1) week, beyond which the provisions of below paragraph (15.2) shall automatically apply.

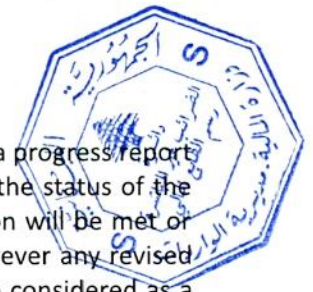
15.2. Should Implementation of any related batch of the Products and/or Services not take place on or before the Date of Completion (agreed between MIC2 and the Contractor) as per Annex (7) due to reasons within the control of the Contractor and or due to the delay in the Delivery of the products owing to Contractor reasons, MIC2 shall have the right to claim liquidated damages which shall run as of the agreed Date of Completion. The liquidated damages for delay shall be payable at the rate of **(1%) of the value of the PO for any related batch for each five working days of delay and shall be up to a maximum of 10% of such PO value.** Once the maximum liquidated damages have been reached, MIC2 in addition to claiming for the liquidated damages, has the right either to:

- (i) Terminate the Contract in accordance with the provisions set out in Article (30) and execute the performance bond, all on contractor's responsibility, or
 - (ii) Keep the contract in force and execute the performance bond, or
 - (iii) Execute the performance bond and purchase the Products in question from another source, without any objection from Contractor who shall be bound to implement these products, provided that MIC2 guarantees that these products are compatible with Contractor's Technical specifications. Moreover, the Contractor will not be liable for any delay in the start date of phase (2) (implementation plan) as long as this delay is due to the delay in delivering the new products by MIC2.
- In the event of application of points (ii) or (iii) in this Clause, then the Parties may mutually agree upon an extension of time. Any such extension of time shall not be longer than the delay between the initial Date of Completion and the day such agreement on an extension has been reached. The application of the aforesaid liquidated damages shall not relieve the Contractor from the obligation to implement the Products and/or Services as per the Contract.

15.3. Progress Reports

15.3.1. During the execution of a Purchase Order related to Implementation Services, a progress report shall be submitted by the Contractor showing the relevant information pertaining to the status of the Purchase Order, and a statement either confirming that the agreed Date of Completion will be met or giving a detailed explanation should there be any possibility of a material delay. However any revised date shall be subject to MIC2's discretion of acceptance; such acceptance shall not be considered as a waiver to exercise the provisions of Clause (15.2) by MIC2. Moreover, non-acceptance by MIC2 shall not be deemed an arbitrary exercise by MIC2 of its rights.

15.3.2. The submission of the reports shall be every day and shall start two weeks from the kickoff meeting and end on the Acceptance Date, unless otherwise agreed.



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16. Acceptance of Implementation

16.1. Acceptance Tests shall be carried out with respect to the Products or each Part of the Products and/or Services during the Implementation of the Products.

16.2. The Acceptance Tests, specified in this Contract and related annex, are designed to verify that the Products will operate and perform in accordance with the agreed Specifications and MIC2's requirements set out in this Contract and related annex.

16.3. The sequence and interrelation of the Acceptance Tests are shown in Annex (6), Acceptance Test Procedures and the Annex for the Acceptance Tests is shown in the Implementation Plan (Annex 7).

16.4. Contractor shall notify MIC2 in writing of the date that the applicable Products will be ready for respective Acceptance Tests, within seven (7) days.

16.5. Within five (5) days of the planned Acceptance Test date, MIC2 and Contractor shall jointly carry out and complete the Acceptance Tests, the result of which shall be accounted for in a jointly signed Protocol designed to clearly verify whether the Acceptance Criteria are met or not. In the event that the Products meet the Acceptance Criteria, a relevant Acceptance Certificate shall be issued by MIC2 within thirty (30) days as of the Protocol signature.

16.6. In case MIC2 does not attend the Acceptance Tests, Contractor shall schedule a new date for Acceptance Tests within three (3) Working Days of the original Acceptance Test date, which date shall not be later than seven (7) days from the date on which they were rescheduled. Within (30) thirty Working Days from the receipt by MIC2 of the Protocol, MIC2 shall give Contractor a written notice stating whether or not the Products are accepted, irrespective of Contractor's opinion.

16.7. If any of the Products is not accepted by MIC2 due to the fact that the Acceptance Tests result verifies that any of the Products do not fulfill the Acceptance Criteria, the above mentioned written Protocol shall specify the particulars of the alleged deviation from the Acceptance Criteria listed in a Punch List. Contractor shall, at his own expense, remedy any defects and the Acceptance Tests Procedure for the relevant or affected part shall, if the Product fail to meet the agreed Acceptance Criteria, be repeated maximum two times in accordance with the provisions of this Clause until the agreed Acceptance Criteria have been met. If the Acceptance Criteria is still not met after two Acceptance Tests, MIC2 has the right to terminate the part of a Purchase Order related to the failed Acceptance Tests in accordance with the Contract and related annex.

16.8. Acceptance of the Products shall not be refused because of Minor Defects as determined or agreed by MIC2 unless the number of the Minor Defects exceeds fifteen (15) defects, and which would not prevent the Products from being put into Commercial Service. However, this will not relieve Contractor from his obligation to promptly remedy said defects, and MIC2 retains its right to claim for liquidated damages.

16.9. When according to the above, the Products and/or Services are accepted or deemed accepted such acceptance shall be confirmed by the issuance of an Acceptance Certificate. The Acceptance Certificate shall be issued within (30) thirty days after Contractor's written request provided that any such minor defect detected and reported by MIC2 has been repaired.

16.10. MIC2 shall not put the Products and/or Services into Commercial Service, (i) unless Products and/or Services have received Acceptance or (ii) unless the Contractor gives, on MIC2's prior written request, its written approval to MIC2; such approval not being unreasonably withheld and to be given without delay. In the event MIC2 puts the Product and/or Services into Commercial Service, prior to the scheduled date for Provisional Acceptance set out in the Implementation Plan, the Product and/or Services shall be deemed Accepted and the Acceptance Certificate shall be issued for the Product and/or Services within ten (10) Working Days after putting the Product and/or Services into Commercial Service, unless Contractor has given the written approval to MIC2 or MIC2 states in written that it has clear technical reservations on the Product and/or Service in question however it had to put it into Commercial Service for critical reasons.

16.11. If The Provisional Acceptance date scheduled in the Implementation Plan is delayed for reasons attributable to Contractor, and MIC2 decides to place the Products and / or Services into commercial service before issuance of the Provisional Acceptance Certificate (PAC), MIC2 will not be liable to issue PAC, until the Products and/or Services actually pass Acceptance Tests and achieve Provisional Acceptance in accordance with the acceptance procedure. Once the Contractor has notified MIC2 it is ready to perform Acceptance Tests such tests shall be performed as soon as possible. It is understood that such tests may require that the Products and/or Services may have to be taken out of service, in accordance with MIC2's operating procedures as a temporary measure to enable the Acceptance Tests.

For the avoidance of doubt, if MIC2 places the Products and/or Services into commercial service in the circumstances described in this Clause 16.11, the achievement of Provisional Acceptance will still be regarded as a critical milestone and liquidated damages according to Clause (15) will apply to Contractor's delay in achieving Provisional Acceptance in such circumstances. Liquidated damages shall however not apply from the date of Contractor notice of its readiness to perform Acceptance Test until the date of rescheduled Acceptance Tests.

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SECTION SIX

17. Support services:

17.1. Contractor undertakes to provide support services consisting of:

- Technical Support Service
 - Helpdesk
 - Emergency Recovery Service
 - Technical Assistance Service
 - Equipment Health Check
 - Information Sharing
 - Remote dial-up Support Service
 - 24x7 Support and maintenance services on Hardware and Software
- Software Update Service
 - Correction Patch
 - Basic Performance Enhancement Patch
 - Configuration update and tuning
- Hardware Support Service
 - Repair and Return
 - Replacement Service for unrepairable HW
 - Availability of all needed spares Hardware in Lebanon

17.2. All Services supplied must:

- Be in accordance with the Specification described in the relevant Purchase Order;
- Be provided diligently, with best skill and care and using suitably skilled and appropriately experienced personnel;
- Be provided in accordance with Best Industry Practice;
- Be in accordance with all legislative and regulatory requirements;
- Comply with business Environmental Social Management Plan (also called ESMP);
- Not infringe the rights of any third party or cause MIC2 to infringe any such rights.

17.3. Any person authorized by MIC2 shall be entitled, subject to reasonable notice, to inspect the work being undertaken in relation to the Services at all reasonable times on Site, at the Contractor's



premises, but in no case shall such inspection relieve the Contractor of any liability under the Contract or any of the Purchase Orders.

17.4. In the event that MIC2 wishes to exercise the rights of inspection, MIC2 shall give Contractor reasonable notice of such inspection. At all times during such inspection, MIC2 shall observe any reasonable instructions (particularly as to security, safety and confidentiality), which may be given by the Contractor.

17.5. The Contractor shall provide the Support Services with the utmost diligence.

17.6. MIC2 reserves the right to reject or require re-performance of any Service which is defective or which is otherwise not in accordance with the requirements of the Contract and/or any relevant Purchase Order, without being deemed in an arbitrary exercise of its rights in any way.

18. Resources and Access

18.1. Except where specified to the contrary in a Purchase Order, the Contractor will provide all labor, plant, equipment, materials, IT and telecommunications infrastructure and premises required for the supply of the Services.

18.2. If the Contractor or any Relevant Personnel shall require access to any:

- Premises or Sites of MIC2, access shall be made available only at such times as shall be agreed by MIC2 and subject to the Relevant Personnel acting in conformity with MIC2's health and safety, dress, smoking, security and other regulations and policies applicable at those premises at the time of the access. Relevant Personnel who fail to comply with such regulations and policies or whose conduct or appearance is otherwise unacceptable to MIC2 may be excluded from the premises without liability. No Relevant Personnel shall be entitled to have access to any part of the premises or Sites which is not strictly necessary in connection with the provision of the Services or shall take action which may impede or disrupt others working at the premises save as authorized in writing by MIC2;

- IT systems or infrastructure of MIC2 (including the Network), access shall be made available to the Contractor only in such manner and subject to such safeguards as MIC2 shall designate in writing. The Contractor shall ensure that no viruses are introduced or, save as authorized in writing by MIC2, modifications made to such systems or infrastructure, and shall immediately notify MIC2 in the event that the Contractor becomes aware that any non-compliance with this condition may have occurred.

18.3. All personnel shall be Contractor Certified including third party product and service suppliers and MIC2 has the right, upon reasonable grounds, to reject and remove unqualified personnel and request their replacement.

--- End of Section Six ---

SECTION SEVEN

General terms

19. Term

The deadline for the completion of Phase (1) and Phase (2) has been determined not to exceed seven (7) months after PO issuance date of Phase (1) where Contractor has undertaken to complete Phase (1) and Phase (2) within the aforementioned deadline and in accordance with the agreed PIP ref. Annex (7)

For the new equipment, Contractor undertakes to provide support services for three (3) Years starting on the date of MIC2's Provisional acceptance of the implementation As for the existing and remaining equipment, contractor undertakes to provide support services for three (3) years starting on the date when the current ongoing support expires.

In Case some obligations have not been fulfilled during the above mentioned term, this Contract shall be deemed extended until the fulfillment of the said obligations.

20. Project Cost and Payment Terms

20.1. The cost of the Project, in all its (3) phases as defined in above Clause (3.1), has been set out to USD / 6,442,644 / (Six Million Four Hundred Forty Two Thousand Six Hundred Forty Four United states Dollars only), VAT exclusive as detailed in the attached Offer (Annex (4))
The cost of the Project shall not be subject to any modification whatsoever unless by reduction where possible.

20.2. Contractor has confirmed that the amount provided for in above Clause (20.1) constitutes the total cost of the Project in respect to the cost of the products, the cost of implementation and the cost of support services, and it includes all relating direct or indirect costs and expenses.

Such costs and expenses include, without limitation:

- . The cost of shipment, packing, delivery, and all taxes and duties relating thereto;
- . if applicable, The cost of renting the warehouses in Lebanon and/or abroad to store the products that will be transported to the various locations determined by MIC2 on the Lebanese territory for installation;
- . All insurance and reinsurance fees relating directly or indirectly to the Project;
- . The fees for issuing and/or executing the bank guaranty that is provided for in the Contract of Adherence;
- . The fees and salaries of Contractor ' employees and contractors, their travel and staying expenses, their medical insurance and workman's compensation, and any tax or other fees Contractor has to bear on their account;
- . All tax, duties and levies that may be imposed on Contractor by the Lebanese Law



21. Invoicing and Payment Terms

The amount provided for in above Clause (20.1) shall be paid to Contractor as per the provisions of the PO that MIC2 shall issue for the (3) phases of the Project.

21.1. Products (Hardware/Software) payment terms are as follows:

In case of Purchase Orders consisting of the supply of new Products along with its implementation and relevant support services, the following invoicing terms shall apply for the supply of Products, unless the Parties otherwise agree in writing in the relevant Purchase Order:

- (i) One Hundred **per cent (100%)** of the Purchase Order Value shall be invoiced by the Contractor upon Purchase Order issuance provided that the Contractor simultaneously issues in favor of MIC2 an irrevocable and unconditional "down payment bank guarantee from Foreign Bank"

Payments shall be made within **sixty (60)** days after technical acceptance and signature of related invoice by MIC2.

21.2. Payment terms of Training are as follows:

One Hundred per cent (100%) of the part of the Purchase Order Value pertaining to Training shall be invoiced by the Contractor at the date of completion of the Training.

Payments shall be made **within sixty (60)** days after technical acceptance and signature of related invoice by MIC2.

21.3. Maintenance and Support services payment terms (for existing equipment) are as follows:

Maintenance and Support Services invoice(s) for existing equipment before the signature of this Contract shall be submitted at the end of each quarter to MIC2.

Payments shall be made within sixty (60) days after technical acceptance and signature of related invoice by MIC2.

22. Contractor has confirmed that the terms of the settlement of its dues from MIC2 shall not be modified for any reason whatsoever unless by reduction where applicable.



23. The Guaranties.

23.1. Performance Bond.

Within fifteen (15) days of the signature of the Contract, the Contractor undertakes to provide MIC2 with one Performance Bond issued by foreign bank, **that have received a credit rating of at least a "prime" investment grade (BBB or above)**, the Performance bond is for an amount equal to five percent (5%) of the value of the total project amount stated in Article 20.1.

The performance bond shall explicitly provide that the issuing bank guarantees, jointly and severally with the Contractor, the payment of the amount of the guarantee to MIC2 upon MIC2's first request, without any objection or reservation or delay. The performance bond shall remain valid and effective three years from the date of issuance of the FAC date

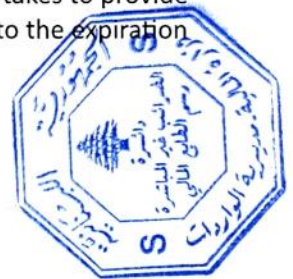
In case of delay for causes other than Contractor fault or for causes beyond their control, the guarantee shall be renewed to cover the implementation works that remain to be accomplished.

Contractor undertakes that the Performance Bonds shall be issued as per the template attached hereto (Annex 3-A).

23.2. Upon the issuance of the PO, the Contractors undertakes to submit two Down Payments Bank Guarantee to the order and for the benefit of MIC2, the first down payment guaranty represent 100% of the down-payment on the PO related to IPBB products and the second down payment guaranty represent 100% of the down payment on the PO related to IGW products, issued by a foreign Bank foreign bank, **that have received a credit rating of at least a "prime" investment grade (BBB or above)**, to guarantee the down-payment made by MIC2 as per the said PO.

The LG shall explicitly provide that the issuing bank guarantees, jointly and severally with the Contractor, the payment of the amount of the guarantee to MIC2 upon MIC2's first request, without any objection or reservation or delay.

The LGs related to IPBB and IGW shall be valid for the needed period for delivery and implementation. Contractor undertakes to extend the LG with the same terms and conditions for a similar 15 days prior to the expiration of the LG, based upon MIC2's prior request. Accordingly, Contractor undertakes to provide MIC2 with the bank-issued letter of extension of the LG as per the above, 3 days prior to the expiration date of the LG, failing which MIC2 shall execute the LG and collect and retain its value.



24. Warranties

24.1. Warranty for Hardware

The Contractor shall repair or replace at its own cost and responsibility any Hardware that has become defective as result of any defect or fault in the Hardware, which becomes apparent within three (3) years as of the date of the PAC of Provisional Acceptance Certificate.

24.2. Warranty for Software

24.2.1. The Contractor shall at its own cost and responsibility correct any Software bugs or anomalies that have arisen as result of any defect or fault in the Software, which becomes apparent within three (3) years as of the date of Provisional Acceptance Certificate.

24.2.2. The Contractor confirms that the Products are all free of any such equipment prohibited by prevalent laws of the Republic of Lebanon, especially about privacy of communications and national security.

25. Spare Parts

25.1. For a period of five (5) years from the date that Contractor (or authorized Contractor's third-party manufacturers) ceases manufacturing of any specific items of Hardware, Contractor undertakes to continue to make available till the end of the lifetime, the repair services for such Hardware. To the extent, MIC2 requires support beyond such period of time, extended end of life support may be purchased from the Contractor within a period of six (6) months following Contractor's notification of cessation of manufacturing, Contractor to provide a quote for such support irrespective of the scope of this contract.

25.2. Except for Hardware no longer manufactured by the Contractor, the Contractor undertakes to make Spare Parts or compatible substitutes thereof required for the maintenance of the Products available for a period of five (5) years from the last Delivery Date of the relevant Product.

25.3. Notwithstanding the foregoing, in case the Contractor elects to discontinue the supply of any Spare Part, then the Contractor shall provide MIC2 with twelve (12) months prior written notice thereof, and allow MIC2 to place an end-of-life order. In case the manufacturing of any Spare Part is discontinued earlier than the period mentioned in Clause (25.1) those Spare Parts will be supplied to MIC2 free of charge in order to enable to MIC2 to maintain its Products at least for a period of five (5) years after the last Delivery Date.

25.4. If the Spare Parts stock proves to be insufficient due to rates of failure greater than that expected for the Product (as may be established in the Specification), the Contractor will increase the Spare Parts stock promptly and at no charge to MIC2.

26. Epidemic Failures

26.1. Where in the event of a suspected Epidemic Failure, MIC2 decides that remedial action should be taken, MIC2 shall give notice of such suspected Epidemic Failure to Contractor, with details thereof, and Contractor shall provide MIC2 with a written response to the suspected Epidemic Failure within fifteen (15) days.

26.2. The Parties shall jointly investigate the suspected Epidemic Failure and agree on an appropriate plan of action. If an Epidemic Failure is confirmed, the Contractor shall promptly and at its own expense and risk take such steps as are necessary to remedy the Epidemic Failure. MIC2 may give notice to Contractor at any time after the joint investigation that it considers that Contractor has had a reasonable period to carry out remedial work, but the Epidemic Failure has not been remedied to the requirements of such written solution. In such case, MIC2 may by notice to Contractor terminate with immediate effect a Purchase Order, which are or may be affected by the Epidemic Failure and shall be entitled to damages.

26.3. This Article shall apply in relation to each Product for a period of five (5) years, conditional to the completion of the complete project as per the set deadline in the Contract

26.4. Furthermore, in the event that the Contractor becomes aware of an epidemic failure within any of its products whatever and wherever they may be then Contractor shall immediately assist in accordance with the provisions of this clause to ensure that MIC2 remains in the same position as it would have been should such an epidemic failure have not occurred.

26.5. This Article shall survive until completion of the provision of support services.

27. Upward / Downward Compatibility

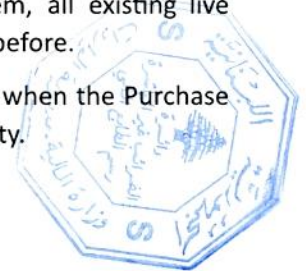
After being put into commercial service, all Products shall be upward and downward compatible for at least five (5) years where the Products shall support any new software release or hardware release without replacement. If replacement would be required, the Contractor undertakes to replace all Products at its own costs including the supply of Services without cost in order to allow MIC2 continue benefiting from the Products.

Moreover the HW/SW should be able to rollback to the previous version without the need of Software or Hardware change, conditional that this version is not End of Life.

“downwards compatible”, “support new software version” means current hardware platform can work normally after upgrade to new software version without any compatible problem, all existing live features from previous software version should be inherited and be able to work as before.

“support new hardware version” means if new hardware is purchased and introduced in future, the new hardware can work on current software version without any compatible problem, all existing live features from previous hardware version should be inherited and be able to work as before.

“Upwards compatible”, means If there is some specific agreement by both Parties when the Purchase Order is issued, both Parties should follow this agreement about upwards compatibility.



28. Documentation

28.1. The Contractor shall free of charge provide MIC2 with relevant and complete Documentation (relating to the use, functionality and maintenance of the Products). Such Documentation shall include but not limited to, where applicable:

- Full technical details;
- Electrical and communication protocols;
- Interfaces;
- Drawings and ‘as built’ drawings;
- Descriptions;
- Manuals;
- Information concerning the Contractor’s interpretation of the interfaces;
- Standard recommendations supporting operation and maintenance;

- Compliance table to relevant international standards (including, but not limited to –ITU and 3GPP-);
- Any other relevant information as agreed (excluding proprietary information of a third party unless otherwise authorized to disclose) with respect to the Products and their Implementation.

28.2. The Documentation shall be supplied in English and shall be supplied in electronic format.

28.3. Where it is found that any part of the Documentation supplied is incomplete and/or incorrect, the Party discovering such deficiency shall notify the other Party and the Contractor shall promptly complete and/or correct such part of the Documentation.

29. Software License

Subject to the terms and conditions of the Contract, the Contractor, under its intellectual property rights, hereby grants to MIC2 a non-exclusive license to use within the Territory the Software in connection with the equipment or Network for the purpose of its own operation and maintenance of the Network. MIC2 may transfer the license to the Republic of Lebanon/Ministry of Telecommunications or any of its designee by giving the Contractor a prior written notice.

30. Termination

30.1. Termination and responsibility for termination.

30.1.1. In the event where Contractor commit a material breach and fails to cure such breach no later than thirty (30) days from the occurrence of the breach, MIC2 shall have the absolute right to terminate the Contract on that Contractor's full responsibility, under reserve of the provisions relating to the claim for liquidated damages.

30.1.2. In addition to MIC2's right to the amount of the Performance Bonds and/or the Down Payment guarantees, an indemnity that may not be reduced shall be due to MIC2, amounting **thirty percent (30 %)** of the **project cost** as stipulated in clause 20.1 herein, in addition to monthly interest for each month of delay in the payment of the indemnity with interest rate per year as per the Lebanese Law. For the purpose of this clause, any fraction of a month shall be accounted for as an entire month.

30.1.3. The above indemnity shall be due to MIC2 lawfully and automatically without any need for warning or judicial formality. Contractor undertakes to pay to MIC2 the entire value of the indemnity in one payment no later than five (5) days from the elapse of the thirty (30) days deadline to cure the breach and the failure of Contractor or Contractor to cure the breach within such deadline.

30.2. Termination of the Contract when its execution is impossible.

30.2.1. In case of any fortuitous matter or Force Majeure preventing MIC2 from continuing to execute the Contract for good, or in case of persistency of the fortuitous matter or Force Majeure for a period of six (6) months from the date of its occurrence, MIC2 shall have the right to terminate or to cancel the Contract without any need of judicial or other formality.



30.2.2. In the event of such termination, no indemnity whatsoever shall be due to the Contractor. But the Contractor undertakes to refund any amount for the undelivered products which was paid by MIC2.

30.2.3. Force Majeure / fortuitous matters include any administrative decision by a governmental entity that leads to the total or the partial suspension of the execution of the Contract. In case of Force Majeure leading to termination of contract, any unpaid payments for services rendered and products delivered by the Contractor are considered due and the latter may claim payment without any need of judicial or other formality.

31. Liability

31.1. In the event of total or partial violation of its obligations as provided for in the Contract and/or its attachments, Contractor shall be lawfully liable vis-à-vis MIC2 without any need of warning or judicial recourse.

31.2. The amount of indemnity shall be paid by Contractor to MIC2, automatically and lawfully without need of any judicial or other formality. It shall be due to be paid as soon as MIC2 claims for it from the Contractor. In the event that the Contractor fails to pay the amount claimed by MIC2, MIC2 shall be entitled to collect it from the bank guarantee attached to the Contract.

In the event that the amount of the guarantee is not sufficient to cover the amount of the indemnity, Contractor undertakes to pay the remaining balance to MIC2 immediately upon MIC2's first request in this respect.

31.3. As provided hereinabove, Indemnity shall be due for:

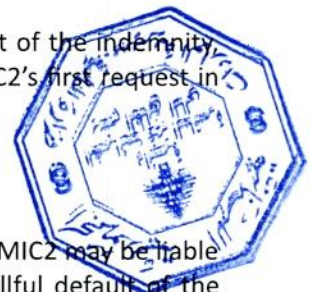
. Any direct loss or damage to tangible property caused to MIC2 or for which MIC2 may be liable to any other party to the extent it arises solely out of any omission, neglect or willful default of the Contractor or its suppliers or its officers, employees, agents or representatives;

. Any claim in respect of death or personal injury however caused to any personnel that may be imposed on or incurred by Contractor arising directly out of the negligent acts or omissions of Contractor, its agents, subcontractors, or employees.

. Any direct damages and/or loss of revenues and/or loss of traffic and/or any other damage (excluding indirect damage and/or loss) caused to MIC2 or MIC2's existing network, and/or for which MIC2 may be liable to the Republic of Lebanon or to any other person, whether such damage and/or loss and/or risk arises out of Contractor's negligence and/or misconduct during or in connection with the execution of the Project. In the event where Contractor fail to pay that indemnity, MIC2 shall have the right to deduct the amount from any dues to Contractor, automatically and without any notice or any judicial formality, without prejudice to the right of MIC2 to terminate the Contract on Contractor's responsibility, or the right of MIC2 to claim for liquidated damages, as per the terms of this Contract.

31.4. Contractor undertakes and warrants that the execution of the Project shall not affect, under any circumstances, MIC2's existing network, including the network availability, continuity and performance.

31.5. Contractor shall, at their sole expense, defend any suit based upon a claim or cause of action and satisfy any judgment that may be rendered against MIC2 resulting therefrom, provided that Contractor shall be given prompt notice of any such claim or suit.



31.6. MIC2's maximum liability under any Purchase Order in a claim by either Contractor for breach of Contract is an amount equal to the unpaid portion of the Purchase Order Price. MIC2's maximum liability under any Purchase Order for any other cause of action claimed by that Contractor shall be limited to one hundred percent (100) of the value of the Purchase Order.

31.7. A Party suffering loss or damages shall take reasonable measures to limit such loss or damage.

32. Infringement

32.1. The Contractor shall defend MIC2 against any claim that the Products and/or Services or the latest unmodified release of Software infringes on a patent or copyright granted or registered in the Territory, provided that MIC2 promptly notifies Contractor of the claim, Contractor has sole control of the defense and all related settlement negotiations and MIC2 gives Contractor information and assistance for the defense of such claims, all at Contractor's expense and responsibility. Contractor shall indemnify and hold MIC2 harmless from all payments which by final judgments in such suits may be assessed against MIC2 on account of such infringement and shall pay resulting settlements, costs and damages finally awarded against MIC2 by a court of law. Contractor has no liability for any claim of patent or copyright infringement based upon the combination, operation or use of any Contractor-provided products or Software supplied hereunder with products, software or data not supplied nor approved by Contractor-provided (unless such use is contemplated by the Contract and the third party infringement claim is based upon such contemplated use), nor for any claim based upon (i) alterations of the Products or modification of any Software which have not been approved nor authorized by the Contractor, or (ii) software supplied by entities other than Contractor-provided (provided such software is not required to enable proper functioning of any Product supplied by the Contractor-provided).

32.2. MIC2 agrees that if Contractor-provided products or Software become, or in Contractor's opinion are likely to become, the subject of such a claim, MIC2 will permit Contractor at own expense and responsibility, either:

- . Procure for MIC2 the rights for continued use of the Product;
- . Modify the Product so that it no longer infringes on any such Intellectual Property Rights; or
- . Replace the Product with an equivalent Product that does not infringe on any such Intellectual Property Rights, or

If neither of the foregoing alternatives is available on terms which are reasonable in Contractor's judgment, MIC2 can return Contractor-provided products and/or Software for full credit on the Product that is the subject of the infringement claim.

33. Incidents at work

Contractor undertakes that it shall bear alone all incidents occurring at work and affecting any of its staff or labor or contractual during and/or on the occasion of the execution of this Contract.

For that purpose, Contractor undertakes to subscribe adequate Workmen's Compensation insurance from a reputed insurance and reinsurance company.

34. Confidentiality

34.1. Each Party (hereinafter the "Receiving Party") agrees to keep all Confidential Information received from the other party (hereinafter the "Disclosing Party") in whatever form as strictly confidential and must not disclose it to third parties without the prior written consent of the Disclosing Party. Information must not be used by the Receiving Party for any purpose other than in connection with the purposes of the Contract and/or Purchase Orders. The foregoing obligations do not apply to any Information which: **(a)** is in the public domain at the time of disclosure or later becomes part of the public domain through no fault of the Receiving Party; **(b)** was known to the Receiving Party prior to disclosure by the Disclosing Party as proven by the contemporaneous written records of the Receiving Party; **(c)** is disclosed to the Receiving Party by a third party who did not obtain such Information, directly or indirectly, from the Disclosing Party subject to any confidentiality obligation; **(d)** is at any time independently developed by the Receiving Party as proven by its contemporaneous written records; **(e)** is expressly authorized in writing by the Disclosing Party; or **(f)** is required by law, court order or a governmental agency to be disclosed (in which case the Receiving Party will give the Disclosing Party as much notice thereof as reasonably practicable and which will be done subject to confidentiality protection to the extent reasonably available).

The foregoing obligations do not apply to the Republic of Lebanon, represented by the Lebanese Ministry of Telecommunications, which is not considered as Third Parties to the Contract and is so entitled to access any Confidential Information hereunder.

34.2. Affiliates: The Parties recognize that each of them might be a part of an organization of multiple legal entities in several jurisdictions and that it may be necessary or appropriate for each Party to provide Information under the Contract to its Affiliates. For this purpose, each Party agrees (both as the Disclosing Party and as the Receiving Party hereunder) that: **(a)** the Receiving Party may disclose Information to an Affiliate but only to the extent that such Affiliate has a need to know such Information in order to carry out the purpose described herein; **(b)** disclosure by or to an Affiliate of a Party hereto is deemed to be a disclosure by or to that Party, as applicable; and **(c)** each Party guarantees the observance and proper performance by all of its Affiliates of the terms and conditions of the Contract.

34.3. Disclose only on need to know basis: Each Party agrees to limit access to Information to those of its employees, representatives, contractors or advisors to whom such access is reasonably necessary or appropriate for the proper performance of obligations under the Contract. The Parties shall use their best efforts to procure that any of their employees designated by the other Party enters into a direct confidentiality undertaking with the requesting Party in a form consistent with this clause which is designated by the requesting Party and shall notify the requesting Party promptly if an employee refuses to do so. If either Party has reasonable grounds to suspect that an employee has placed the other Party in breach of these conditions or refused to enter into a direct confidentiality undertaking as provided above, such person shall, if the other Party so reasonably requests, be removed promptly from any further involvement in the provision of the Products and/or Services.

35. Force Majeure

35.1. Neither Party is liable for delay or failure to perform any of its obligations under the Contract and/or any relevant Purchase Order insofar as the performance of such obligation is prevented by a force majeure event.

35.2. For the purposes of the 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 acts of God, riots, acts of war, acts of terrorism, epidemics, major fire, or natural disasters. For avoidance of doubt, force majeure does not include strikes or other employment disputes of either Party's personnel or such Party's subcontractors' personnel.

35.3. 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. However, if any such force majeure event prevents a Party from performing all of its obligations hereunder for more than three (3) months, the other Party may terminate the Contract of Adherence by notice to the other Party in writing.

36. Notices

36.1. Any notice or other communication of whatsoever nature under the Contract (including but not limited to the exercise of any option) shall be delivered to the address of the intended recipient as set out below:

For MIC2: Mobile Interim Company No.2 S.A.L.
Headquarters
Touch building, Fouad Chehab Avenue, Bashoura, Beirut, Lebanon
P.O. Box 175051, Beirut, Lebanon

For Contractor: Data Consult SAL,
Mkalles 2001 Center Bloc A 2nd floor
Mkalles , Beirut
Lebanon



36.2. Any notice or other communication under the Contract shall only be valid and effective if in writing. Nothing in this Article shall affect the right of either Party to serve the process in any manner permitted or required by law.

36.3. Either Party may inform the other Party in writing of any modification and its details set out in above Clause (36.1). The modification shall become effective **on the 4th (fourth) Working Day** from the deemed receipt of the written notice by the other Party.

36.4. Any notice or other communication under the Contract shall be deemed to have been received:

- If delivered by hand to an authorized person and acknowledged during Working Days to the designated physical address, on the date of delivery; or
- If sent by prepaid registered post in a correctly addressed envelope to the designated postal address and duly acknowledged by the receiver; or
- If sent by electronic means, including but not limited to facsimile transmissions, and duly acknowledged by the receiver.

37. Nature of Relationship

Nothing in the Contract shall be construed as constituting a partnership between the Parties or as constituting either Party as the agent of the other for any purpose.

38. Publicity

Neither Party will advertise or publish any information related to the Contract without the prior approval of the other Party, except that Contractor may publish their appointment as Contractor, subject to agreement by MIC2 of the date of such publication and agreement of the wording to be used.

For the purpose of clarification, the Contractor must not advertise or publish any information unless agreed by MIC2.

39. Governing Law

The Contract and any Purchase Order issued hereunder shall be governed by and construed in accordance with the Lebanese laws and regulations.

40. Dispute resolution & Escalation procedure

40.1. In case of a dispute arising out of the Contract (both while in force and after its termination), the Parties will use all reasonable endeavors, acting in good faith, to settle the dispute amicably within fifteen (15) days from the date of the first request made by either party to hold a meeting with the other party in view of such amicable settlement. Such meeting shall be held at the principal place of business of MIC2 as defined in above Clause (39.1).

40.2. If the Parties fail to resolve their dispute through the escalation procedure, after the elapse of fifteen (15) days from the meeting referred to in above Clause (39.1), then all disputes arising in connection with the Contract shall be finally settled through the competent tribunals in Beirut, noting that MIC2 may at any time during the aforementioned fifteen (15) days claim for liquidated damages or execute the Bank Guarantee submitted by Contractor.

40.3. The Parties reserve the right to seek immediate redress to the competent tribunals in Beirut in the event the dispute relates to Intellectual Property Rights or protection of Confidential Information, without the need to resort to the Dispute Resolution or Escalation provisions of this Article.

41. Assignment

Contractor shall not assign the Contract, totally or partially, or any right or obligation hereunder without the prior written consent of MIC2.

However MIC2 shall have the right to assign, transfer or purport all of its rights and obligations under the Contract to the Republic of Lebanon or any of its designee, having given the Contractor prior written notice of such assignment without any delay when the assignment was decided, but without having to obtain its consent prior to such assignment. For the avoidance of doubt, the Contractor irrevocably agrees to grant MIC2 the right to assign and/or transfer and further undertakes not to challenge or oppose any such transfer or assignment provided that the assignee shall continue to be responsible to the Contractor for any of its obligations, liabilities, debts or charges of any kind relating to the Contract

and in existence as at the date of any such assignment. The assignee of the Contract shall also have the right of assignment provided for under this Article.

42. Waiver and Cumulative Remedies

42.1. No failure of either of the Parties to exercise, and no delay by it in exercising, any right in connection with the Contract and/or any relevant Purchase Order (each a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right. Any express waiver of any breach of the Contract and/or any relevant Purchase Order shall not be deemed to be a waiver of any subsequent breach.

42.2. The Rights provided in the Contract and/or any relevant Purchase Order are cumulative and not exclusive of any other Rights (whether provided by law or otherwise) except as expressly set out in the Contract and/or any relevant Purchase Order.

43. Third Parties

43.1. At any time after the date of the Contract, each Party shall guarantee to procure, that any necessary third party shall execute such documents and do such acts and things as the other may reasonably require for the purpose of giving to the other the full benefit of all the provisions of the Contract.

44. Whole Agreement

44.1. The Contract, the attached Annexes and any PO represent the entire understanding between the Parties in relation to its subject matter and supersede all agreements and representations made by either Party, whether oral or written.

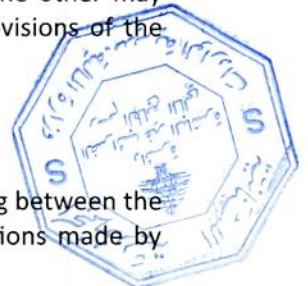
44.2. The Parties agree that, save as expressly set out in the Contract or in any PO, neither Party will have any liability for any statement or representation made by it (whether innocently or negligently) upon which the other Party relied in entering into the Contract, unless such statement or representation was made fraudulently.

44.3. No variation of the Contract shall be valid, unless it is in writing and signed by Contractor and MIC2 authorized personnel.

45. Invalidity

If any provision in the Contract or in any relevant Purchase Order shall be held to be illegal, invalid or unenforceable, in whole or in part, the legality, validity and enforceability of the remainder of the Contract and the remainder of the relevant Purchase Order shall not be affected.

46. Language



The English language in which the Contract is written shall be the language to be used in all documents and correspondence related to the execution of the Contract or any Purchase Order.

47. Costs.

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into the Contract.

48. Failure to Reach Further Agreement

Where it is specified in the Contract or in a Purchase Order that certain matters are to be agreed between the Parties, failure to reach agreement in respect of such matter will not affect the validity and enforceability of the whole or any other part of the Contract or of any Purchase Order.



49. Authority to Bind.

49.1. Each Party hereto warrants and represents to the other that it has taken or caused to be taken all steps, actions and corporate proceedings necessary to cause the Contract to be binding on it.

49.2. Any Party shall, if requested by any other Party, furnish to the latter sufficient evidence of the authority of the person or persons who will, on behalf of the Party so requested, take any action or execute any documents required or permitted to be taken or executed by such person under the Contract.

--- End of Section Seven ---

Signatures:

Mobile Interim Company Number.2 S.A.L. Salem Itani Chairman General Manager 	Data Consult SAL Mr. Elias Houayek Chief Executive Officer 
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**DATA CONSULT
S.A.L.**

Annex 3-A