**Purchase of LTE SIM Cards**

**Contract of Adherence**

This Purchase of LTE SIM Cards Contract of Adherence(Hereinafter referred to as the **“Contract of Adherence”**)is made and entered into by and between:

**Mobile Interim Company No.2 S.A.L.,** a company incorporated at the Beirut Trade Register under number /1000382/, and registered at the Lebanese Ministry of Finance under the number /291711/, electing domicile at Beirut Central Building, Bloc B, Fouad Chehab Avenue, Bachoura Region, Beirut, Lebanon.

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

**AND**

**……………………………………………..**, a company incorporated at the ……………………… Trade Register under number /…………………………/, and registered at the Lebanese Ministry of Finance under the number /………………………../, electing domicile at………………………, …………… Floor, ………………. Road, ……………….. Region, Lebanon, represented in this Contract of Adherence by its ……………………………………...

(Hereinafter referred to as the “**Supplier**”)

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

**Preamble:**

Whereas, MIC2 is operating the second mobile network for the account and for the benefit of the Republic of Lebanon, and is in need to LTE SIM Cards for its business needs in its commercial activity (Hereinafter referred to as **“LTE SIM Cards”**);

To this effect MIC2 has announced for a Request for Proposal (Hereinafter referred to as the **“RFP”**) to select a winner to provide the LTE SIM Cards, whereas at the outcome of the abovementioned Request for Proposal, Supplier (……………………….)was selected to provide MIC2 by the LTE SIM Cards as detailed in specifications and prices within the submitted Proposal(s) annexed hereto as Schedule (1), according to the terms and conditions of this Contract of Adherence as well as to the terms and conditions of the RFP General Document and its Appendices annexed hereto as Schedule (2);

MIC2 and Supplier wish by the present Contract of Adherence to set out the terms and conditions upon which Supplier shall provide the LTE SIM Cards to MIC2;

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

**1. The Entire Contract of Adherence**

The Preamble above, any Schedule annexed hereto and any Purchase Order issued under this Contract of Adherence shall form an integral part of this Contract of Adherence.

**2. Scope of the Contract of Adherence**

Supplier undertakes to provide MIC2 with the LTE SIM Cards as per the specifications and prices listed in the submitted Proposal(s) annexed hereto as Schedule (1) and/or in the relevant Purchase Order(s) placed by MIC2, according to the terms and conditions of this Contract of Adherence as well as to the terms and conditions of the RFP General Document and its Appendices annexed hereto as Schedule (2).

**3. Order of the LTE SIM Cards**

**3.1.** MIC2 shall issue a written Purchase Order(s) to the Supplier for the quantity of the LTE SIM Cards required (Hereinafter referred to as the **“Purchase Order(s)”**).

**3.2.** The Purchase Order(s) shall be forwarded by MIC2 to Supplier through an email on the following email address: …………………………………..

**3.3.** There are no minimum or maximum limit on purchase volumes by MIC2 for the LTE SIM Cards under this Contract of Adherence, moreover MIC2 shall not be obliged to order any quantity of LTE SIM Cards throughout the term of this Contract of Adherence and accordingly MIC2 shall not be considered liable in any way whatsoever for such.

**3.4.** The Purchase Order(s) issued by MIC2 under this Contract of Adherence shall only be legally and financially effective in favor of Supplier in light of Supplier’s good intentions and full commitment to its contractual obligations and the proper fulfillment of such obligations.

**4. Delivery of the LTE SIM Cards**

**4.1.** Supplier undertakes to deliver any ordered quantity of the LTE SIM Cards by MIC2 through the relevant Purchase Order(s) issued under this Contract of Adherence.

The term **“delivery”** shall mean the complete physical transfer **and** acceptance of any ordered quantity of the LTE SIM Cards by MIC2.

The risk of loss, damage and title to any ordered quantity of LTE SIM Cards shall pass to MIC2 only upon “delivery”.

**4.2.** Supplier undertakes and warrants that the delivery of any ordered quantity of LTE SIM Cards by MIC2 under this Contract of Adherence are:

* Conforming to all of MIC2’s required specifications and prices as defined in the submitted Proposal(s) annexed hereto as Schedule (1) and/or in each of the relevant Purchase Orders issued under this Contract of Adherence, and according to the terms and conditions of this Contract of Adherence as well as to the terms and conditions of the RFP General Document and its Appendices annexed hereto as Schedule (2).
* Free of any defect whether apparent or hidden.

**4.3.** A penalty amounting to 0.5% of the total amount of each of the relevant Purchase Orders shall be applied on Supplier to the benefit of MIC2 for each five (5) calendar days of delay in the delivery of any ordered quantity of LTE SIM Cards by MIC2 through a specific Purchase Order.

The said penalty amount shall be automatically deducted by MIC2 from the amount due to Supplier without the need for any legal claim or action.

The said penalty clause may be excluded from application only in the sole case of mutual consent between the two Parties for its exclusion noting that such consent for exclusion must be expressed only through a written instrument to be signed by both Parties.

**4.4. Purchase Order Changes**

**4.4.1.** MIC2 may at any time by written notice to the Supplier require a variation (“Change”) to a Purchase Order, provided written notice of the Change is delivered to Supplier within two (2) weeks prior to delivery of the LTE SIM Cards that will be subject to the Change.

* + 1. Within five (5) days after receiving such written notice from MIC2, the Supplier shall advise MIC2 of its effect and send a written notice (“Response to Change”) to MIC2 specifying the effect that such a change may have upon the Purchase Order.
    2. Within three (3) days of receipt of the Response to Change, MIC2 shall by written notice to the Supplier inform the Supplier as to whether MIC2 wishes the Change and/or Response to Change to be incorporated in the Purchase Order and if MIC2 so advises, then a formal Change Order setting out in detail the nature of the change shall be given to the Supplier.
    3. Supplier undertakes and warrants that any change in any Purchase Order must not cause a delay in delivery longer than the maximum number of working days needed to implement the Change.

**5. Warranty, Liability, and Indemnity**

**5.1.** Supplier warrants at its own cost and liability that any delivered quantity of LTE SIM Cards under this Contract of Adherence must conform to the specifications and prices listed in the submitted Proposal(s) annexed hereto as Schedule (1) and/or in the relevant Purchase Order(s) placed by MIC2, and to the terms and conditions of this Contract of Adherence as well as to the terms and conditions of the RFP General Document and its Appendices annexed hereto as Schedule (2).

**5.2.** Supplier is solely and fully responsible for its assigned personnel, their remuneration, allowances, compensations, work hazards and emergencies, and any other rights and obligations that might arise during or in the occasion of their relationship with MIC2.

**5.3.** Supplier shall, at its sole expense, defend any suit and/or infringement based upon a claim or cause of action and satisfy any judgment that may be rendered against MIC2 resulting from the services done under this Contract of Adherence.

* 1. Supplier will be held liable and shall indemnify MIC2:
* For any death or personal injury resulting from the acts, misconduct, negligence and/or omission of Supplier Authorized Personnel, employees or agents or contracting parties. Supplier undertakes to settle all damages to any party whatsoever resulting therefrom without any restriction.
* For any physical damage to the tangible property of MIC2 to the extent it is caused by the acts, misconduct, negligence and/or omission of Supplier Authorized Personnel.
* For any damage and/or loss of revenue or traffic caused to MIC2 or MIC2’s existing network, for which MIC2 may be liable to the Republic of Lebanon or to any third party, whether such damage and/or loss arises out of any omission, neglect or default of Supplier during or in connection with the products delivered herein.
* Against any claim, infringement, demand, proceeding, damage, cost, charge or expense whatsoever in respect thereof or in relation thereto.

1. **Prices , Invoicing and Payment**

**6.1. Prices**

The prices for each ordered quantity of the LTE SIM Cards to be delivered under this Contract of Adherence shall be determined by MIC2 in the relevant Purchase Orders issued under this Contract of Adherence and must comply with the prices listed in the submitted Proposal(s) annexed hereto as Schedule (1).

* + 1. Supplier undertakes to adhere to the prices for the LTE SIM Cards as listed within the submitted Proposal(s) annexed hereto as Schedule (1) all through the term of this Contract of Adherence, and must not amend for any reason whatsoever all through the term of this Contract of Adherence unless by reduction where possible.
    2. The prices for the LTE SIM Cards as referred to in this Clause (6) shall constitute all the financial entitlements of Supplier from MIC2 for the LTE SIM Cards under this Contract of Adherence, and shall include all expenses that may be incurred by Supplier in this regards.

* 1. **Invoicing and Payment**

Invoicing and Payment terms for any ordered quantity of the LTE SIM Cards under this Contract of Adherence shall be made in conformity with the terms defined in each of the related issued Purchase Orders in this regards.

**6.3. The Guarantee**

Within fifteen (15) days from issuing any Purchase Order to the Supplier under this Contract of Adherence, the Supplier shall provide MIC2 with an “on first demand” irrevocable Bank Guarantee in an amount equal to ten (10%) percent excluding VAT if applicable of the value of the relevant Purchase Order, to be issued by an accredited Lebanese qualified Bank listed on the Lebanese Central Bank list of Banks, or by a foreign bank that have received a credit rating of at least a “prime” investment grade (BBB or above).

The said Bank Guarantee shall provide that the issuing bank guarantees (jointly and severally with the Supplier) the payment in fresh currency of the amount of the guarantee to MIC2 upon MIC2’s first request, without any objection or reservation or delay.

The Guarantor shall guarantee the timely, faithful and satisfactory delivery, supply, provision and performance of the Supplier to all of its obligations under this Contract of Adherence.

The Supplier shall bear all costs in relation to the issuance and provision of the said Bank Guarantee.

The said Bank Guarantee shall remain valid and effective from the date of issuance of the relevant Purchase Order up to the date of the “delivery” of all of the ordered quantity of the LTE SIM Cards under the said relevant Purchase Order to MIC2.

The form and content of the said Bank Guarantee to be pre-approved by MIC2 prior to its issuance.

1. **Tax, duties and levies**

Either party shall be liable for the taxes, duties, levies and other fiscal charges imposed on it by the Laws and regulations in Lebanon including the stamp duty.

In case the Supplier is a foreign company, it shall be liable for all applicable taxes and duties levied outside the Lebanese Territories in relation to this Contract of Adherence, as well as for the non-resident tax imposed by the Lebanese fiscal authorities on foreign companies doing business in Lebanon, therefore the amount corresponding to the Non-Resident Tax prescribed by the fiscal laws in Lebanon as well as the stamp duty will be deducted from the amount due to be paid by MIC2 to Supplier under this Contract of Adherence.

**9. Term and Termination**

**9.1.** This Contract of Adherence shall be effective as of the date of its signature herein below **(the “Effective Date”)** and shall remain valid for Four (4) years thereafter.

Upon the expiration of the abovementioned term, this Contract of Adherence may be renewed for an additional term(s) only upon the prior written consent of the Parties.

**9.2.** MIC2 shall have the right to terminate this Contract of Adherence and/or any Purchase Order issued under it at any time and without having to state the reason(s) for such termination, and without any liability on MIC2, provided that the decision to terminate this Contract of Adherence and/or any Purchase Order issued under it is notified to Supplier thirty (30) days prior to the effective date of termination.

**9.3.** This Contract of Adherence may be terminated by MIC2 upon a thirty (30) days’ written notice with the right to claim compensation if Supplier materially breaches this Contract of Adherence, and fails to cure such breach within fourteen (14) business days after receipt of a written demand for cure from MIC2.

**9.4.** If at the time of expiry or early termination of this Contract of Adherence any ordered quantity of LTE SIM Cards by MIC2 as per a given Purchase Order have not been delivered, then this Contract of Adherence shall be deemed extended until the full delivery of the said Purchase Order, and MIC2 shall nonetheless retain its right to request Supplier to pay compensation for such delayed delivery if the delay is due to Supplier’s default.

**10. Relationship of the Parties**

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

**10.2.** This Contract of Adherence shall not produce any legal or material obligations upon MIC2 towards third parties beyond the scope of MIC2’s relationship with Supplier. Any Party who has not signed this Contract of Adherence is not a party thereto.

**11. Non-exclusivity**

This Contract of Adherence is not exclusive towards any of its Parties, therefore either Party shall have the right to contract other third parties for same or similar services covered by this Contract of Adherence.

**12. Confidentiality**

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

Supplier is aware that MIC2 is entitled to disclose any information/documents/correspondence relating to this Contract of Adherence to the Republic of Lebanon represented by the Ministry of Telecommunications without obtaining Supplier’s approval.

**12.2.** The confidentiality provisions contained in this Article (12) shall survive the termination or expiration of this Contract of Adherence.

**13. Assignment**

Supplier shall not assign this Contract of Adherence, 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 this Contract of Adherence to the Republic of Lebanon or any of its designees, having given Supplier prior written notice of such assignment but without having to obtain its consent prior to such assignment.

For the avoidance of doubt, Supplier 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 be responsible to Supplier for any of the obligations, liabilities, debts or charges of any kind relating to this Contract of Adherence and in existence as at the date of any such assignment.

**14. Applicable Law and Dispute Resolution**

**14.1** Both Parties agree that the Lebanese Laws and regulations shall apply to any litigation arising out of the application or interpretation of this Contract of Adherence.

**14.2** Disputes arising in connection with this Contract of Adherence shall be settled by the competent courts of Law in Beirut.

**15. Force Majeure**

**15.1** Neither Party is liable for delay or failure to perform any of its obligations under this Contract of Adherence insofar as the performance of such obligation is prevented by a force majeure event. Each Party shall notify the other Party of the occurrence of such a force majeure event and shall use all reasonable endeavors to continue to perform its obligations hereunder for the duration of such force majeure event.

In case force majeure event exceeded one (1) month period, whether continuously or intermittently, either Party has the right to immediately terminate this Contract of Adherence by means of written notice without bearing any liability whatsoever. In such case, MIC2 shall pay to Supplier the part of the terminated Purchase Order which have been fully delivered and accepted by MIC2.

**15.2** For the purposes of this Contract of Adherence, 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, always as defined by the Lebanese Laws and Regulations.

**16. Waiver**

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

**16.2.** Any contradiction between any Purchase Order issued under this Contract of Adherence and the terms and conditions of the RFP General Document and its Appendices annexed hereto as Schedule (2), then the terms and conditions of the said Purchase Order shall prevail.

**17. Notices**

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

**IN WITNESS WHEREOF,** the Parties have caused this Contract of Adherence to be executed in Beirut with effect as of ………………………………………………………. **(“Effective Date”)** by their respective authorized representatives in two originals copies each Party keeping one original.

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| **For and on behalf of**  **Mobile Interim Company No. 2 S.A.L.**  **Salem Itani**  **Chairman General Manager**  **Nibal Matta Salameh**  **Chief Financial Officer** | **For and on behalf of**  **……………………………**  **…………………………….**  **……………………..** |

**SCHEDULE (1)**

**SCHEDULE (2)**