**Products and Services**

**Contract of Adherence**

This Products and Services 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 replace its Cisco Application Policy Infrastructure Controller (APIC) Solution (Hardware and Software) in addition to the purchase of related services being: Installation, Integration, Configuration, Training, Maintenance and Support (Hereinafter altogether referred to as the **“Products and Services”**), having such solution being a management solution for Cisco Application Centric Infrastructure (ACI) and controls the network for all servers and switches at MIC2’s Data Center;

To this effect MIC2 has announced for a Request for Proposal (Hereinafter referred to as the **“RFP”**) to select the best supplier to supply and provide the Products and Services, whereas at the outcome of the abovementioned RFP, Supplier (……………………….)was selected to supply and provide MIC2 by the Products and Services, as detailed in specifications and prices within the submitted Proposal(s) annexed hereto as Schedule (1); and according to the terms and conditions of this Contract of Adherence including its Service Level Agreement annexed hereto as Schedule (2) and to the terms and conditions of the RFP General Document and its Appendices issued by MIC2 at the time of the RFP;

MIC2 and Supplier wish by the present Contract of Adherence to set out the terms and conditions upon which Supplier shall supply and provide the Products and Services 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(s) 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 supply and provide MIC2 by the Products and Services as detailed in specifications and prices within the submitted Proposal(s) annexed hereto as Schedule (1); and according to the terms and conditions of this Contract of Adherence including its Service Level Agreement annexed hereto as Schedule (2) and to the terms and conditions of the RFP General Document and its Appendices issued by MIC2 at the time of the RFP.

**3. Order of the Products** **and Services**

**3.1.** MIC2 shall issue a written Purchase Order(s) to the Supplier to order the Products and Services (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: …………………………………..

**4. Supply and Provision of the** **Products and Services**

**4.1.** Supplier undertakes to supply and provide the Products and Services as ordered by MIC2 in the relevant Purchase Order(s) issued under this Contract of Adherence.

The term “supply and provide” shall mean the timely supply of the Products and the satisfactory and timely provision of the Services.

The term **“Preliminary Acceptance Certificate (PAC)”** shall mean a preliminary certificate issued by MIC2 evidencing that the Products and Services have been supplied and provided to MIC2 without being accepted yet by MIC2.

The term **“Final Acceptance Certificate (FAC)”** shall mean a certificate issued by MIC2 evidencing that the Products and Services have been totally supplied and provided to and accepted by MIC2.

**4.2.** Supplier undertakes and warrants that the Products and Services supplied and provided under this Contract of Adherence are:

* Conforming to all MIC2’s required specifications, prices and time frame as defined in the submitted Proposal(s) annexed hereto as Schedule (1) and/or in each of the relevant Purchase Order(s) issued under this Contract of Adherence including its Service Level Agreement annexed hereto as Schedule (2) and to the terms and conditions of the RFP General Document and its Appendices issued by MIC2 at the time of the RFP.
* 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 Order(s) shall be applied on Supplier to the benefit of MIC2 for each five (5) calendar days of delay in the supply and provision of the Products and Services.

Such penalty amount shall be cumulative and shall be automatically deducted by MIC2 from the amount due to Supplier without the need for any legal claim or action, however it shall not exceed in no event an amount of 10% of the relevant delayed Purchase Order(s), whereas in such case (exceeding 10 %) the provisions of Article (8.2) and Article (8.3) herein shall apply.

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

**5.1.** Supplier warrants at its own cost and liability that the Products and Services are timely supplied and provided under this Contract of Adherence and conforming 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 timely executed under the terms and conditions of this Contract of Adherence including its Service Level Agreement annexed hereto as Schedule (2) and to the terms and conditions of the RFP General Document and its Appendices issued by MIC2 at the time of the RFP.

**5.2.** Supplier, its assigned personnel, and any of its employees involved directly or indirectly in the supply and provision of the Products and Services shall be individually and jointly responsible for the terms and conditions of this Contract of Adherence.

**5.3.** 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. Supplier must carry an insurance policy covering all his staff working on site during and in the occasion of the supply and provision of the Products and Services as well as damages caused by the Supplier’s work on site.

* 1. Supplier shall, at its sole expense, defend any suit based upon a claim or cause of action and satisfy any judgment that may be rendered against MIC2 resulting from the works done under this Contract of Adherence.
  2. 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 supply and provision of the Products and Services.
* Against any claim, demand, proceeding, damage, cost, charge or expense whatsoever in respect thereof or in relation thereto.
  1. Supplier shall defend MIC2 against any claim that the Products and Services may infringe on a patent or copyright, granted or registered in the Lebanese Territories, provided that MIC2 promptly notifies Supplier of the said claim. Supplier shall has the sole control of the defense and all the related settlement negotiations, and MIC2 shall provide the Supplier by the information and needed assistance for the defense of such claims, all on the Supplier’s full expense and responsibility.

Supplier must indemnify and hold MIC2 harmless from any payment 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.

1. **Fees and Prices, Invoicing, Payment****, Performance Bond**

**6.1. Fees and Prices**

The fees and prices for the Products and Services to be supplied and provided under this Contract of Adherence shall be determined by MIC2 in each of the relevant Purchase Order(s) issued under this Contract of Adherence and must comply with the fees and prices as listed in the submitted Proposal(s) annexed hereto as Schedule (1).

* + 1. Supplier undertakes to adhere to the fees and prices for the Products and Services as listed in 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 fees and prices for the Products and Services as defined in Clause (6.1.) herein above shall constitute all the financial entitlements of Supplier from MIC2 for the Products and Services to be supplied and provided under this Contract of Adherence, and shall include all expenses that may be incurred by Supplier in this regards.
  1. **Invoicing** 
     1. **Invoicing for the Products (Solution - Hardware - Software)**

Any ordered Product(s) by MIC2 under this Contract must be invoiced under the following scheme:

* 20 % of the amount of the issued Purchase Order(s) upon its notification to Supplier as per Clause (3.2) herein above,provided that Supplier submits a Down Payment Guarantee as per the terms of Clause (6.4) hereunder.
* 40 % of the amount of the issued Purchase Order(s) upon the total delivery of the Product(s).
* 40 % of the amount of the issued Purchase Order(s) upon Final Acceptance Certificate (FAC) of the Product(s).
  + 1. **Invoicing for the Services (Installation - Integration - Configuration - Training - Maintenance and Support)**

Any ordered Service by MIC2 under this Contract must be invoiced on an annual equal quarterly basis installments to be issued by the Supplier at the end of each quarter.

* 1. **Payment**

MIC2 shall settle any invoice issued under this Contract of Adherence within sixty (60) days from the date of its receipt and acceptance by MIC2, through wire bank transfer to the Supplier’s bank account.

* 1. **The Down Payment Guarantee**

Upon the issuance of any Purchase Order(s) to the Supplier under this Contract of Adherence, the Supplier must submit a Down Payment Bank Guaranty in fresh currency to the order and for the benefit of MIC2, the said Down Payment Guaranty must represent 100 % (plus VAT in case applicable) of the amount of the down-payment under the relevant Purchase Order(s), and must 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), to guarantee the down-payment made by MIC2 as per the relevant Purchase Order(s).

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

The said Down Payment Guarantee shall remain valid until the full delivery of the Products ordered under the relevant Purchase Order(s).

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

* 1. **The Performance Bond**

Within fifteen (15) days from issuing any Purchase Order(s) to the Supplier under this Contract of Adherence, the Supplier shall provide MIC2 with an “on first demand” irrevocable Performance Bond in an amount equals to 10 % of the amount of the relevant Purchase Order(s) it guarantees, 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 Performance Bond shall provide that the issuing Performance Bond guarantees (jointly and severally with the Supplier) the payment of the amount of the Performance Bond to MIC2 upon MIC2’s first request, without any objection or reservation or delay.

The Guarantor shall guarantee the **timely, faithful and satisfactory supply and provision** 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 Performance Bond.

The said Performance Bond shall remain valid and effective from the date of issuance of the relevant Purchase Order(s) up to the date MIC2 issues the respective Final Acceptance Certificate (FAC).

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

1. **Taxes, 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.

**8. Term and Termination**

**8.1.** This Contract of Adherence shall be effective as of the date of its signature herein below **(the “Effective Date”)** and shall remain valid for three (3) years thereafter.

**8.2.** This Contract of Adherence and/or any Purchase Order(s) issued under it shall be terminated without any liability whatsoever on MIC2 under the provisions of Article (33) of the Public Procurement Law Number 244/2021 dated 19/07/2021, having Article (40) of the said Law to apply herein as well.

The damages in such case and for any case of termination shall be determined to the favor of MIC2 under the terms of the last section of Article (33) of the said Public Procurement Law.

Supplier hereby announces and declares its total awareness of the terms and conditions of the said Articles.

**8.3.** If at the time of expiry or early termination of this Contract of Adherence, the Products and Services ordered by MIC2 as per a given Purchase Order(s) have not been totally supplied and provided, then this Contract of Adherence shall be deemed extended until the full supply and provision of the Products and Services, and MIC2 shall nonetheless retain its right to request Supplier to pay compensation for such delayed supply and provision if the delay is due to Supplier’s default.

**9. Relationship of the Parties**

**9.1.** 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.

**9.2.** 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.

**10. 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.

**11. Confidentiality**

**11.1.** 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.

**11.2.** The confidentiality provisions contained in this Article (11) shall survive the termination or expiration of this Contract of Adherence.

**12. 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.

**13. Applicable Law and Dispute Resolution**

**13.1** 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.

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

**14. Force Majeure**

**14.1** 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(s) which have been fully supply, provided and accepted by MIC2.

**14.2** 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.

**15. Waiver**

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

**16. 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.

|  |  |  |
| --- | --- | --- |
| |  |  | | --- | --- | | **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)**

**SERVICE LEVEL AGREEMENT (SLA)**

|  |  |  |
| --- | --- | --- |
| Crucial Priority (Severity A) - Impact on MIC2’s operation | Immediate response  by phone or email as of escalation | Maximum 2 hours resolution time  as of the response /  24 hours - 7 days a week |
| Average Priority (System Urgent or Severity B) | Response by phone or email within maximum 3 hours as of escalation | Maximum 6 hours resolution time as of the response / 24 hours - 7 days a week |
| Not Critical (System is running with no threat) | Response by phone or email  within maximum 5 hours as of escalation | Maximum 5 working days for resolution as of the response including site visit upon MIC2’s request |
| Query | Response by phone or email  within maximum 1 day as of escalation | Maximum 2 weeks  for resolution as of the response including site visit upon MIC2’s request |
| Hardware Repair and Return | Response by phone or email within maximum 1 day as of escalation | Maximum 6 weeks for resolution as of the response |

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