

DATED

20[•]

GEPB

and

[•]

**Port of Beirut Container Terminal
Management, Operation and
Maintenance**

CONTRACT

BETWEEN

- (1) **Gestion et Exploitation du Port de Beyrouth (GEPB)**; and
- (2) [●], hereinafter referred to as **the Manager** or its successor as per the contract form.

BACKGROUND

- (A) Whereas the Government of Lebanon has empowered GEPB, being a government owned entity, to manage the Port of Beirut ("**POB**") on a commercial basis, and to act as caretaker of the Port assets.
- (B) Whereas GEPB has decided that the Terminal is to be run independently as a common user terminal serving both domestic and transshipment markets and is to incorporate automation and digitisation and to meet best international standards and appointed a manager to operate and maintain the Terminal up to the Effective Date (the "**Previous Manager**").
- (C) Whereas GEPB anticipates the future expansion of the Terminal to improve efficiency and economies of scale and envisages improvements to gate and land-side infrastructure, site reconfiguration and the expansion of the container yard (the "**Additional Facilities**").
- (D) Whereas GEPB has now decided to subcontract the management, operation and maintenance of the Terminal to a world class manager through an international competitive bidding process, has invited bids for this purpose, and has selected by decision dated [●] the above named [consortium] to be the designated Manager vested with such powers, interests, rights and obligations mentioned in this Contract.
- (E) Whereas the Manager has satisfied itself as to the rights of GEPB to conduct the tender, to award the Contract, and generally to honour the commitments herein described.
- (F) Whereas the Manager has accepted to be appointed subcontractor, with a mandate to provide the Services according to the terms and conditions of the Tender Document and this Contract and in accordance with International Best Practice at best international productivity levels.
- (G) Whereas the Manager has represented that it has the capacity to market, manage, operate and maintain the Terminal so as to fully utilize the capacity of the Terminal, according to this Contract.
- (H) Whereas the Terminal's area has been precisely identified to the satisfaction of the Manager and is set out in Schedule 1.
- (I) Whereas the appointed Manager will provide a Performance Bond in the amount of USD5,000,000 (Five million US Dollars) in favour of GEPB, to secure against failure of the Manager to substantially discharge its obligations under this Contract. This Performance Bond will remain in force and effect, unless otherwise agreed between the two Parties, until such time that this Contract is terminated, and GEPB is satisfied that the Manager has discharged all current obligations and those that may survive and require execution subsequent to the Termination Date.
- (J) Whereas the Parties hereto have agreed to provide all necessary cooperation and assistance and take appropriate action for the execution and implementation of the terms of this Contract.
- (K) Whereas the execution of this Contract by both Parties will constitute the appointment of the Manager to start the Services at the Terminal on the Effective Date as defined herein, the Manager shall complete the Handover from the Previous Manager during the Handover Period in accordance with the Handover Plan set out in Schedule 5 and take such other actions as may be necessary to be fully operational at the end of the Handover Period.

- (L) Whereas nothing in this Contract is intended for or can be interpreted as granting the Manager title of ownership over Port assets including Terminal assets nor the right to encumber such assets in any way.

IT IS AGREED as follows:

1. **DEFINITIONS:**

- 1.1 For the interpretation of this Contract, the following terms shall have the meanings assigned to them by these definitions:

Additional Facilities shall have the meaning set forth in Recital C.

Anti-Competitive Practices shall have the meaning given to it in Clause 4.3.2.

Anti-Competitive Practices Occurrence shall have the meaning given to it in Clause 4.3.8.(a).

Anti-Corruption Laws means any Applicable Law relating to corruption, bribery, money laundry and other similar prohibited practices.

Applicable Law means any decree, resolution, law, statute, act, ordinance, rule, by-law, directive (to the extent having the force of law), order, treaty, code, regulation, international convention or treaty (including any of the foregoing relating to health, safety, international trade or security matters or any Environmental Law) or any interpretation of the foregoing or any changes or modification thereof, as enacted, issued or promulgated by any Authority.

Authority means any of the government of Lebanon or any ministry, department or political subdivision thereof, and any person under the direct or indirect control of any such government, ministry, department or political subdivision exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other governmental entity, instrumentality, agency, authority, corporation, committee or commission, or any independent regulatory authority, in each case within Lebanon, and any successor to or any assignee of any of the foregoing.

Change of Law shall have the meaning given to it in Clause 24.

Conditions Precedent shall have the meaning given to it in Clause 3.1.

Contract means this contract for the management, operation and maintenance of the Terminal, its Schedules including maps and any amendment thereto to which the Parties may mutually consent from time to time. The Contract also includes the Tender Document insofar as its terms are not explicitly contradicted, amended or superseded by the language of this Contract.

Council of Ministers means the Council of Ministers of the Republic of Lebanon.

Dispute means a dispute or difference of any kind between the Parties arising in connection with or out of this Contract including its validity, interpretation or termination.

Effective Date means the date of fulfilment by the Manager or waiver by GEBP of all Conditions Precedent listed under Clause 3.1 and entry into force of this Contract.

Environmental Law means any Applicable Law relating to the environment, health or safety.

Equipment means the equipment listed in Schedule 11 owned by POB and put at the disposal of the Manager during the duration of the Contract for the provision of the Services.

Fees shall have the meaning given to it in Clause 10.2.

Force Majeure Event shall have the meaning giving to it in Clause 14.1.

Gestion et Exploitation du Port de Beyrouth (GEPB) means the entity appointed by the Council of Ministers to manage the POB.

GEPB Claim shall have the meaning given to it in Clause 12.6.1.

GEPB Event of Default shall have the meaning given to it in Clause 16.4.

Handback means the taking over of the management, operation and maintenance of the Terminal and Equipment by either GEPB or any person designated by GEPB to replace the Manager at the Termination Date.

Handback Condition Survey means the survey to be conducted by an Independent Expert in accordance with Clause 19.

Handback Documentation shall have the meaning given to it in Schedule 12.

Handback Plan shall have the meaning given to it in Clause 19.13.1.

Handover means the handing over of the management, operation and maintenance services from the Previous Manager to the Manager in accordance with the Handover Plan set out in Schedule 5.

Handover Period means the period not exceeding thirty (30) days running from the Signature Date to the Effective Date during which the Manager shall complete the Handover from the Previous Manager in accordance with the Handover Plan.

Handover Plan means the plan developed by the Preferred Bidder and agreed with the Previous Manager for the Handover of the Terminal from the Previous Manager to the Manager, to be completed during the Handover Period, including but not limited to all existing Equipment, the TOS, all the employees [without the Previous Manager Management Team], the Maintenance Service and Operation Contracts (if any), and the Equipment spare parts listed in Schedule 10.

Independent Expert means a person having the necessary skill, knowledge and experience to decide the matter referred to him and nominated pursuant to the terms of Clause **Error! Reference source not found.**

Initial Contract Period shall have the meaning given to it in Clause 5.3.1.

International Best Practice means, as applicable, those internationally best recognised terminal operating and management policies, procedures, practices, methods, equipment, specifications and standards of safety and performance, as the same may change from time to time, as are commonly used by professional organisations performing operating, management, maintenance and repair services in connection with facilities of the type and size similar to the Terminal which in the exercise of reasonable judgement in light of the facts known at the time the decision was made, are considered good, safe and prudent practices in connection with the maintenance, operation and use of equipment and facilities substantially similar to those comprising the Terminal with commensurate standards of safety, performance, dependability, efficiency and economy. International Best Practices are not intended to be limited to the optimum practices or method to the exclusion of others, but rather to include reasonable and prudent practices and methods.

Investigating Committee means the committee appointed by GEPB to investigate any allegations of Anti-competitive Practices lodged against the Manager.

[Maintenance Service and Operation Contracts means the maintenance service and operation contracts entered into by the Previous Manager in connection with the operation and maintenance of the Terminal and listed in Schedule 13.]¹

Management Personnel shall have the meaning given to it in Clause 5.3.2.

Manager means [●] as the subcontractor of GEPB with a mandate to manage, operate and maintain the Terminal according to the terms and conditions of the Tender Document and this Contract.

Manager Claim shall have the meaning given to it in Clause 12.3.1.

Manager Event of Default shall have the meaning given to it in Clause 16.3.

Minimum Service Requirements shall have the meaning given to it in Schedule 8.

Non-Compliance Penalties shall have the meaning given to it in Schedule 8.

Notice of Default means a notice that shall set forth, in reasonable detail, the nature of either the Manager Event of Default or the GEPB Event of Default and, where known and applicable, the steps necessary (if any) to cure such Manager Event of Default or GEPB Event of Default.

Panel shall have the meaning given to it in Clause 4.3.6.

Parent Company Guarantee means the guarantee to be issued by the shareholders of the Manager in favour of GEPB guaranteeing to GEPB the fulfilment of the obligations of the Manager by virtue of this Contract in accordance with the form set out in Schedule 7.

Party or Parties means GEPB and/or the Manager, as the case may be.

Performance Bond shall have the meaning given to it in Clause 18.1.1.

Permits means any and all permissions, clearances, licenses, authorisations, consents, sanctions, no-objections, approvals of or from any Authority or GEPB required by either GEPB or the Manager in connection with the Terminal and for the purposes of undertaking, performing or discharging the obligations contemplated by this Contract.

POB shall have the meaning given to it in Recital A.

Previous Manager shall have the meaning given to it in Recital B.

Previous Manager Management Team means the Previous Manager's C-level corporate executives including chief executive officer, chief financial officer and chief operations officer.

Rectification Cost means the cost determined by the Independent Expert in accordance with Clause 19.11.2 and Clause 19.14 following Handback Condition Survey.

Services means the management, operation and maintenance services to be carried out by the Manager and more particularly described in Clause 5.2.

Signature Date means the date on which this Contract is signed.

Step-In Event shall have the meaning given to it in Clause 20.1.

Step-In Rights means the exercise by GEPB of the rights in Clause 200 following the occurrence of a Step-In Event.

¹ This definition (and all references thereto in the body of the Contract) should be removed if the Manager does not reach an agreement with the subcontractors of BCTC prior to the Contract signature date or within the Handover Period.

Subcontracts means any contract entered into by the Manager with third parties for the performance of any part of the Services in accordance with the terms and conditions of this Contract.

Successor Manager shall have the meaning given to it in Clause 19.2.

Tender Document means the tender document No. [insert reference] issued by GEPB in connection the management, operation and maintenance of the POB container Terminal issued in 2019.

Terminal means the container terminal at POB, including quay 16, consisting of 45 hectares of paved area on a two berth site with 1100m of berthing length and a depth of 15.5m and 16.5m (as showing in Schedule 1).

Termination Date means the date upon which this Contract is terminated in accordance with Clause 16.

Termination Notice means a written notice issued by the non-defaulting Party to the defaulting Party following the occurrence of either a GEPB Event of Default or a Manager Event of Default, as the case may be.

TOS shall have the meaning given to in in Clause 9.1.1.

Year means calendar year.

1.2 All other terms shall have the meanings assigned to them in Annex H – Definition and Interpretation of Terms in the Tender Document.

2. DURATION OF THIS CONTRACT

2.1 This Contract shall be in force for an initial period of fifteen (15) Years (the "**Initial Contract Period**") starting as of the Effective Date.

3. EFFECTIVENESS OF THIS CONTRACT

3.1 The Parties' obligations under this Contract are conditional in all respects upon the satisfaction by the Manager or their waiver in writing by GEPB of the following conditions precedent (the "**Conditions Precedent**"):

3.1.1 the provision of the original Performance Bond in the amount and for the period and as otherwise provided for in Clause 18 and in the form set out in Schedule 4 of this Contract;

3.1.2 the provision by the shareholders of the Manager of the Parent Company Guarantee in favour of GEPB in compliance with the form set out in Schedule 7;

3.1.3 certified true copies of the memorandum and articles of association of the Manager, its commercial registration certificate and commercial circular evidencing (i) control of the Manager and ownership of 51% of its capital by the Preferred Bidder or Consortium Leader, in case the Preferred Bidder was organised as a Consortium, who fulfils the Qualification Criteria set out in Sections 4.4 and 4.5 of the Tender Document, and (ii) [ownership of 1/3 of the capital of the Manager by the Lebanese citizen(s) and/or Lebanese company identified by the Preferred Bidder in its Proposal in compliance with the requirements of Section 5.5 of the Tender Document]²;

3.1.4 certified true copies of all Permits required for the Manager to provide the Services and fulfil its obligations in compliance with this Contract;

² Final wording to be adapted in accordance with the ownership structure of the company to be incorporated by the Preferred Bidder post award and pre-Contract signature.

- 3.1.5 certified true copies of insurance certificates and policies evidencing the satisfaction of the obligations of the Manager set out in Clause 13 of this Contract;
 - 3.1.6 certified true copies of documents and certificates evidencing that all licenses, permits, authorizations, rights, titles and interest in the Previous Manager TOS have been duly transferred to the Manager;
 - 3.1.7 National Social Security Fund certificates evidencing the transfer of employment of all of the Previous Manager's employees [and the employees of the Previous Manager's subcontractors]³ to the Manager on the same employment terms and conditions (excluding the Previous Manager Management Team and the Previous Manager's employees who decide not to transfer);
 - 3.1.8 [written evidence of the transfer to the Manager of the Maintenance Service and Operation Contracts entered into by the Previous Manager for the maintenance and operation of the Terminal]⁴;
 - 3.1.9 written evidence of the purchase by the Manager from the Previous Manager of the Equipment spare parts listed in Schedule 10 as well as written evidence of the purchase by the Manager from the Previous Manager of the additional equipment mentioned under Clause 9.2.1, namely 32 Trailer Trucks and 4 Reach Stackers at their respective book values; and
 - 3.1.10 Minutes duly executed by the Previous Manager, the Manager and GEPB evidencing that the Manager has taken over the Terminal and Equipment before the Effective Date in order to be ready to start providing the Services on the Effective Date.
- 3.2 GEPB may waive any or all of the Conditions Precedent set out in Clause 3.1 by written notice to the Manager.
4. **SCOPE OF THE CONTRACT AND COMPETITION/NON-DISCRIMINATION CLAUSES**
- 4.1 Scope of this Contract
- 4.1.1 In consideration of the payment of Fees, GEPB hereby grants to the Manager, in its capacity as subcontractor working for GEPB, the right to occupy, manage, operate, use and maintain the Terminal and the Equipment provided that:
 - (a) GEPB maintains the right to service (either directly or through subcontractors other than the Manager) or order the Manager to service containers shipped on multipurpose vessels (that is, carrying non-containerized cargo) being held elsewhere at its facilities for a remuneration, as well as payment terms and conditions to be agreed upon between the Parties in due course; and
 - (b) this right does not preclude GEPB's right to construct and/or develop the Additional Facilities prior to the Termination Date of this Contract and provided that the construction or development activities do not physically hamper or hinder the provision of the Manager's Services or the discharging of its obligations under this Contract.
 - 4.1.2 Subject to Clause 6, GEPB also grants the Manager the right, at the Manager's own cost and risk, to make such acquisition and purchases (including equipment, but excluding infrastructure) and install such equipment and systems including computer hardware and software at the Terminal, subject to GEPB's prior written approval, as is necessary for it to execute its obligations under this Contract, provided that such equipment, systems, computer hardware and software shall always be compatible and interface seamlessly with the existing and subsequently upgraded equipment,

³

⁴ Please see footnote No. 1.

systems, hardware and software installed and operated at POB, customs and other entities operating at the Terminal and the POB, and in particular to:

- (a) maximize the productivity of the container handling operations;
- (b) increase traffic at the Terminal; and
- (c) ensure the highest quality of service for users of the Terminal.

4.1.3 GEPB maintains the right to carry out (either directly or through subcontractors other than the Manager) or order the Manager to carry out certain ancillary services to the Services such as but not limited to the provision, operation and maintenance of an automated mooring system for a remuneration as well as payment terms and conditions to be agreed upon between the Parties in due course. The Manager shall refrain from servicing non-containerized ships without the prior written request of GEPB.

4.1.4 The Manager shall be required to uphold the transshipment contracts annexed under Schedule 14 and entered into between GEPB and [●] and provide the services set out therein in accordance with the terms and conditions provided therein.

4.2 Expansion Project

4.2.1 The Manager shall have the right of first refusal exercisable at any time after the Effective Date, to occupy, manage, operate, use and maintain the Additional Facilities which will thereafter form part of the Terminal.

4.2.2 Immediately upon GEPB deciding to develop any Additional Facilities, GEPB shall notify the Manager in writing of the details of the Additional Facilities to be developed and its proposal for the management, operation and maintenance thereof. Within thirty (30) days of receipt of such notice, the Manager shall notify GEPB in writing whether or not the Manager is interested in managing, operating and maintaining such Additional Facilities and thereafter the Parties shall negotiate, in good faith, with a view to extending this Contract upon such terms and conditions as the Parties may agree. In the event that the Parties fail to reach such agreement within three (3) months from the date of the original notice from GEPB, GEPB shall be free to submit an offer for the management, operation and maintenance of the Additional Facilities to third parties.

4.3 Non Discrimination

4.3.1 The Manager shall operate the Terminal as a Common User Terminal and shall provide equal and fair treatment to all POB users whether current or prospective, without prejudice with respect to access and/or provision of Services.

4.3.2 The Manager will refrain from engaging in discriminatory or anti-competitive behaviour, including but not limited to:

- (a) discriminating between POB users in the terms and conditions of service except under conditions that are objectively justified such as differences in volume and with prior written approval of GEPB;
- (b) passing on information acquired from one POB user to another involved in the same commercial activity, for the purpose of favouring the latter; and
- (c) behaviour that may be reasonably considered by GEPB to have significantly diminished competition between POB users engaged in the same commercial activity or any other discriminatory and anti-competitive practices in respect of POB users, current and prospective.

("Anti-Competitive Practices").

- 4.3.3 GEPB will constantly audit and monitor the Manager's compliance with this Clause 4. In particular, GEPB will:
- (a) monitor the Manager's behaviour to ensure non-discrimination and fair competition for the benefit of all POB users, whether current or prospective; and
 - (b) investigate complaints and disputes related to the discrimination and Anti-Competitive Practices lodged against the Manager.
- 4.3.4 The Manager shall provide the Investigating Committee appointed by GEPB with all the necessary support and assistance to enable it to determine the particulars of any claim lodged against the Manager relating to any alleged Anti-Competitive Practices, and in particular, provide rapid, easy and sufficient access to the necessary information whether in paper or electronic form as necessary for the GEPB to settle the claim.
- 4.3.5 The Manager will not refuse, hinder, hamper or delay any relevant and appropriate request made by GEPB to monitor, audit and investigate claims of discriminatory or Anti-Competitive Practices or activities.
- 4.3.6 Should it be determined as a result of the investigation that the Manager has engaged in what may be considered Anti-Competitive Practices, GEPB shall then install a panel of officials to review GEPB's initial findings. The panel will be constituted of the following persons:
- (a) the Chairman of GEPB, or a member thereof delegated by him, who shall chair the panel;
 - (b) a member delegated by the Minister of Public Works and Transport; and
 - (c) a member delegated by the International Chamber of Navigation of Beirut or by the Lebanese Shipping Agents Syndicate;
- (together, the "**Panel**").
- The Manager and the party lodging the complaint shall each appoint their representatives to present their respective cases to the Panel.
- 4.3.7 The Panel shall review the evidence leading to the investigative report and shall hear arguments from both the party lodging the complaint and the Manager. It will have the authority to order the Manager and the party lodging the complaint to produce all documents and data in support of their relative positions. After the Panel has heard all the evidence, it will issue its decision concerning the claim by a unanimity or majority of votes cast by the members of the Panel.
- 4.3.8 The vote will be according to one of the five (5) following formats:
- (a) determination of the existence of any Anti-Competitive Practices resulting in a warning ("**Anti-Competitive Practice Occurrence**");
 - (b) determination of the existence of any Anti-Competitive Practices resulting in a warning and a penalty to be paid by the Manager and set by the Chairman of GEPB which may not exceed USD250,000 (Two hundred and fifty thousand US Dollars);
 - (c) determination of the existence of any Anti-Competitive Practices resulting in a warning and a penalty to be paid by the Manager and set by the Chairman of GEPB which may not exceed USD250,000 (Two hundred and fifty thousand US Dollars) and a reduction of the Initial Contract Period by one (1) Year for each Anti-Competitive Practice Occurrence and provided that the reductions

undertaken throughout the Initial Contract Period do not exceed a maximum of five (5) Years; or

- (d) determination of the existence of any Anti-Competitive Practices resulting in a warning and a penalty to be paid by the Manager and set by the Chairman of GEPB which may not exceed USD250,000 (Two hundred and fifty thousand US Dollars) and termination of the Contract upon the determination of Anti-Competitive Practice Occurrences and subsequent successive reductions of the Initial Contract Period reaching the maximum five (5) Year reduction threshold provided for in Clause 4.3.8.(c); or
- (e) determination of the absence of any Anti-Competitive Practices.

4.3.9 In all cases, the Panel may recommend the adoption of rules or procedures of a nature to avoid the recurrence of the circumstances leading to the complaint. GEPB may then require the Manager to adopt such rules or procedures for the remaining duration of this Contract and the Manager shall abide by the adopted rules and procedures.

4.3.10 If, and as a result of the decision of the Panel, the Manager is found to be in repeated violation of the non-discrimination and anti-competitive requirements of this Contract or, if any violation, while repeated, is judged by GEPB to be of sufficient gravity, then GEPB may immediately terminate this Contract.

4.3.11 The remedies provided for in Clauses 4.3.8 and 4.3.10 are not mutually exclusive of each other and GEPB may choose any combination of one or more of the remedies provided as it may deem fit.

4.3.12 In all cases, where a penalty is levied, and should the Manager refuse or default on the payment of such penalty, GEPB shall then be able to collect the amount of the penalty from (i) any amount due or to become due to the Manager and/or (ii) the Performance Bond.

5. THE SERVICES:

5.1 Handover

Immediately following the Signature Date:

5.1.1 the Parties will work together in good faith to enable the Manager to carry out and complete the Handover of the Terminal from the Previous Manager during the Handover Period in accordance with the Handover Plan set out in Schedule 5 and to take such other action as may be necessary to be fully operational on or before the end of the Handover Period;

5.1.2 GEPB shall procure that the Previous Manager will provide such assistance and support to the Manager in connection with the performance of the obligations set out in the Handover Plan including but not limited to the transfer to the Manager of all existing Equipment, the Previous Manager's TOS, all of its current employees [excluding the Existing Manager's Management Team] [and the Maintenance Service and Operation Contracts]⁵.

5.1.3 In the event that the Manager fails to complete the Handover by the end of the Handover Period for any reason not attributable to the fault or negligence of GEPB or the Previous Manager, then the Manager shall pay to GEPB liquidated damages payable immediately on demand of USD2,000 (Two thousand US Dollars) for every day of delay in completing the Handover following the end of the Handover Period. If the Manager fails to pay such liquidated damages immediately on demand, GEPB

⁵ Please see footnote No. 1.

shall be entitled to deduct such amounts from either the Bid Bond or the Performance Bond, as the case may be.

5.2 General Rights and Obligations

The Manager, in its capacity as subcontractor for the provision of the Services, will be responsible for the following:

- 5.2.1 managing the operation of the Terminal and conducting transshipment related services on a twenty four (24) hour/day and three hundred and sixty five (365) days/year in accordance with the obligations under this Contract including, but not limited to:
 - (a) managing the Terminal; and
 - (b) the provision of the TOS, trailers and reach stackers as well as any spares associated with any Equipment and all other goods and services required for the operation of the Terminal;
- 5.2.2 managing and operating the Terminal with a view to optimising its capacity, profitability and throughput and in accordance with International Best Practice and under observation of all the Minimum Service Requirements;
- 5.2.3 establishing, managing and operating a marketing department to promote customer relations and source potential users for the Terminal;
- 5.2.4 in consultation with GEPB and/or whenever needed without consulting GEPB, evaluating the requirement for any and all trailers and reach stackers at the Terminal, the upgrading of the GEPB Equipment and the implementation of any operating system design refinements and submitting the same to GEPB, for GEPB's written approval, in the budgets or any other report prepared by the Manager;
- 5.2.5 supervising the installation of, and thereafter maintaining, any and all equipment approved as aforesaid and maintaining and, where necessary, upgrading all accounting, IT and operating systems used at the Terminal following GEPB's written approval;
- 5.2.6 ensuring that the Terminal is operated in accordance with the terms and conditions of the insurances for the Terminal;
- 5.2.7 processing all claims made in connection with the operation of the Terminal, including claims covered by liability policies in accordance with GEPB's claims policy;
- 5.2.8 handling all third party claims made against or by the Terminal in accordance with GEPB's claims policy (if necessary in conjunction with underwriters) including matters giving rise to litigation, provided that all claims which are made by any company in excess of [●] in aggregate over a six (6) month period shall be the subject of a written report to GEPB who shall, if necessary, instruct the Manager whether any special handling of the matter shall be required;
- 5.2.9 providing advice, assistance and recommendations to GEPB (or such sub-committee as GEPB may designate), upon request, on the setting of appropriate tariff rates and charges for services at the Terminal, taking into account the service rates and in accordance with [●] guidelines and the scale of rates, tariffs set by [●] from time to time;
- 5.2.10 the Terminal facility including buildings, partitions, fences and Equipment may only bear advertising legends, announcements, signs and the like relating to the business of the Manager, and also those which are prescribed by or on behalf of GEPB. The Manager is not entitled to grant third parties the right to advertise on Terminal facilities nor collect any advertising related fees in connection therewith;
- 5.2.11 if required by GEPB, rendering assistance for the collection of all moneys in accordance with the terms of this Contract which are due to GEPB in respect of the

Terminal and any interest thereon so that the same may be held in GEPB's own account in GEPB's name and administered by GEPB;

- 5.2.12 maintaining all books and records in accordance with international accounting standards relating to the operation of the Terminal and the performance by the Manager of its duties hereunder;
- 5.2.13 preparing a detailed report in a form to be agreed with GEPB containing, amongst other things, projected throughput expenditure productivity targets, organisation plan, marketing plan, scheduled maintenance programme, any special or extraordinary maintenance and repairs of the Terminal (including infrastructure), operating results, variances against the budgets and explanations for same, key operating statistics including volumes and productivity measures, handled cargo activity, Terminal productivity, updated forecasts for the balance of the year, and steps to be taken to remedy any deficiencies and shall grant GEPB online access to the relevant data for continuous supervision;
- 5.2.14 preparing monthly reports on current and projected berth usage and capacities at the Terminal suitable to enable GEPB to decide on the timing and commitment to future developments of quay berths and equipment procurement and installation;
- 5.2.15 establishing appropriate operating policies and procedures to ensure that GEPB observes Applicable Law, and to respond to spills or other events at the Terminal or on the adjacent waters which present a risk to the environment;
- 5.2.16 submitting and thereafter maintaining all applications and Permits necessary for the provision of the Services and the operation of the Terminal;
- 5.2.17 circulating all necessary information and instructions to vessels and vessel operators making use of the Terminal;
- 5.2.18 submitting to GEPB a marketing plan to be implemented by the Manager identifying opportunities to increase container volumes at the Terminal which needs to be approved by GEPB prior to the Effective Date and on each anniversary date of each Year throughout the duration of this Contract. GEPB shall monitor the implementation of such plan throughout the duration of this Contract and in the event that the Manager is not abiding by its obligations and commitments pursuant to such plan, GEPB may require the Manager to adopt the necessary remedies and failing which the Manager shall be entitled to terminate this Contract in accordance with Clause 16;
- 5.2.19 meet with GEPB during the first Year of the duration of this Contract on a fortnightly basis and on a monthly basis during the subsequent Years in order to discuss matters relating to the Services and this Contract;
- 5.2.20 controlling cargo and other vehicular and pedestrian activity at the gates of the Terminal as well as inside the Terminal in coordination with GEPB;
- 5.2.21 acting in accordance with Applicable Law and cooperating with GEPB and the Government of Lebanon to the extent required or deemed necessary for the execution of both Parties' obligations under this Contract;
- 5.2.22 coordinating with the Harbourmaster, who has the responsibility for the berthing of vessels, in determining the proper placement and timing for each berthing. The Manager shall abide by the the berthing procedures issued by GEPB and comprising *inter alia* ships distribution on quays and the provision of berthing window;
- 5.2.23 coordinating port operations and activities with POB users;
- 5.2.24 providing all services necessary for the management, operation and maintenance of the Terminal, covering all operative cycles: ship to shore and vice versa, stacking of

containers, receiving and delivering of containers including all horizontal moves as requested by customers, GEPB or relevant stakeholders such as the customs Authority or any other Authority, in accordance with the port regulations, including relevant by-laws;

- 5.2.25 handling Containers from vessel to yard, and vice versa, and providing all services ancillary thereto including terminal handling and container storage at the Terminal;
- 5.2.26 GEPB reserves the right to charge the Manager to operate and maintain the mooring system as from year 2023 onwards against an additional fee to be mutually agreed upon;
- 5.2.27 maintaining the Terminal and Equipment provided by POB in accordance with International Best Practice and in line with the OEM 's requirements, including, amongst others, corrective and preventative maintenance as well as overhauling whenever due (with overhauling covering structure, painting, mechanical components, electrical components, and the due replacement of accessories and spare parts). GEPB will establish an inspection system whereby GEPB and the Manager will jointly review maintenance procedures, preventive maintenance plans and maintenance work performed on a quarterly basis as well as overhauling requirements. The Manager shall document all management, operation and maintenance policies and procedures and keep them at all time updated;
- 5.2.28 carrying out, at its cost and risk, all recurring and incidental maintenance of Equipment and facilities used by the Manager excluding dredging and fenders; and
- 5.2.29 uphold and abide by the existing transshipment contacts appended to the Contract as Schedule 14.

5.3 Employees

- 5.3.1 As part of the Handover Plan, the Manager shall offer employment to all the existing employees of the Previous Manager (to the exception of the Previous Manager Management Team) [as well as the employees of the subcontractors of the Previous Manager]⁶, on the same contractual terms and conditions which were in force during their service with the Previous Manager and the Previous Manager's subcontractors, as the case may be, for a period of at least twelve (12) months from the Effective Date, save for breach of the employment contract by any of the said employees during the twelve (12) month period, failing which GEBP shall be entitled to terminate this Contract in accordance with Clause 16;
- 5.3.2 Without prejudice to the provisions of Clause 5.3.1, as part of the Services, the Manager shall manage and select, recruit and replace suitable management personnel for the Terminal together with any other staff involved in the operation of the Terminal (the "**Management Personnel**") on such terms and conditions as the Manager considers appropriate to coordinate the provision of the Services. The Management Personnel shall comprise a terminal manager, operations manager, maintenance manager, IT manager and such other appointments deemed appropriate by the Manager for the provision of the Services at the Terminal;
- 5.3.3 The Manager shall prepare an organisation chart and keep human resources information for all Management Personnel and update the same as and when necessary throughout the duration of the Contract;
- 5.3.4 The Parties will ensure that all Management Personnel are suitably qualified, experienced and capable of ensuring the effective management, operation and maintenance of the Terminal and its activities;

⁶ Please see footnote No. 1.

- 5.3.5 The Management Personnel shall at all times be employees of the Manager and the Manager shall ensure that they have the usual employees' responsibilities and duties commensurate with their respective roles. The Management Personnel will not act as representatives of GEPB;
- 5.3.6 Before recruitment of any of the Management Personnel, the Manager shall notify GEPB of their names, qualifications, experience, salary and any other information which the Manager considers relevant; such notification does not in any way hold GEPB liable for actions and/or omissions of such personnel;
- 5.3.7 The Manager shall deal with all other personnel matters including all training of all personnel at the Terminal in order to transfer the Manager's expertise to such personnel and ensure that the Terminal achieves the highest international standards for container terminals;
- 5.3.8 Whenever possible, and if not adversely affecting the efficiency of its operations, the Manager shall select its labour force from among Lebanese citizens or persons legally residing in Lebanon. These persons will be selected by the Manager based on their skills and suitability in the discharge of their duties;
- 5.3.9 The Manager commits to train its Lebanese personnel in terminal, management, operation and maintenance skills and techniques on an ongoing basis for the entire duration of this Contract in accordance with the Minimum Service Requirements set out in Schedule 8;
- 5.3.10 The Manager hereby commits to abide by and comply with all relevant labour, public, health and environmental legislation or regulation currently in force in the Republic of Lebanon or which may come to be enacted after this Contract enters into force and generally to abide by, comply with or enforce Applicable Law and more particularly those related to security and safety;
- 5.3.11 The Parties agree that, from time to time, the Manager may require special expertise beyond the capabilities of its permanent staff on specific operating or administrative matters for limited periods of time. In such cases in order to meet this requirement the Manager will source and present for approval by GEPB (such approval not be unreasonably withheld) suitable candidates together with details of their salaries, periods of employment and all other information which the Manager considers relevant;
- 5.3.12 The appointment of the Management Personnel and the support staff shall not in any manner relieve or reduce the obligations of the Manager to carry out and fulfil the Services, and elsewhere in this Contract and the Manager shall remain responsible to GEPB for the performance of the Services;
- 5.3.13 The appointment of any subcontractors for and on behalf of GEPB and/or any Subcontractors for and on behalf of the Manager at any time during the term of this Contract shall not in any way relieve or reduce the obligations of the Manager to GEPB to perform the Services;
- 5.3.14 The Manager commits, during the term of this Contract, to obtain GEPB's prior written approval before appointing any subcontractor in connection with the Services provided for under this Contract; such approval shall not in any way (i) relieve the Manager or reduce his obligation towards GEPB in connection with the performance of the Services, and (ii) does not in any way hold GEPB liable for the actions and/or omissions of appointed subcontractors.

5.4 **Performance Standards**

The Manager shall be held to performance standards consistent with International Best Practice for high productivity container terminals as set out in the Minimum Service

Requirements in Schedule 8. Performance targets may be reviewed by GEPB every five (5) Years as of the Effective Date and the Manager shall abide by the modified standards. The Manager shall provide International Ship and Port Facility Security Code certification and a quality management system certification ISO 9000:2015 or equivalent within a period of three (3) Years from the Effective Date.

6. KEY PERFORMANCE INDICATORS

- 6.1 If the Manager fails to meet the Minimum Service Requirements set out in Schedule 8, the Manager shall be liable to pay the Non-Compliance Penalties to GEPB in accordance with the provisions contained in Schedule 8 unless either such failure was caused by the act or omission of GEPB or as a result of a Force Majeure Event.
- 6.2 The payment of such Non-Compliance Penalties shall not relieve the Manager from its obligations to comply with the Minimum Service Requirements.
- 6.3 Subject to the Manager remedying the breach in accordance with the provisions contained in Schedule 8, GEPB shall be entitled to call upon the Manager to pay the Non-Compliance Penalties by serving, at any time, a written notice to the Manager specifying the Minimum Service Requirements which were not met by the Manager and providing the calculation of the amount of Non-Compliance Penalties payable. The Manager shall have ten (10) days from receipt of such written notice to Dispute the amount payable or otherwise pay the relevant amount. Should the Manager fail to Dispute the amount payable or make such payment to GEPB within such ten (10) day period, GEPB shall be entitled to:
- 6.3.1 deduct the Non-Compliance Penalties from any monies due, or to become due, to the Manager; and/or
 - 6.3.2 call upon or draw down from the Performance Bond the amount of Non-Compliance Penalties payable.
- 6.4 The Manager's repeated non-material failure to comply with the Minimum Service Requirements resulting in the call by GEPB of the entire amount of the Performance Bond at any time during the term of this Contract shall constitute a Manager Event of Default in accordance with Clause 16.3.

7. GENERAL RIGHTS AND OBLIGATIONS OF GEPB

- 7.1 GEPB and/or any successor entity are the custodian of POB and are vested with the power to manage, operate and maintain POB on a commercial basis and to contract with the Manager in relation to such management, operation and maintenance services.
- 7.2 GEPB shall permit the Manager to operate as an independent commercial entity with respect to the Services in accordance with this Contract. It shall allow the Manager to perform management, operation and maintenance of the Terminal, and Equipment, and to occupy office facilities within the area of the POB for the duration of the Contract, or so long as it remains in force.
- 7.3 GEPB shall ensure that the Terminal complies with Applicable Law.
- 7.4 GEPB shall require the Harbourmaster to direct all dedicated container vessels to the Terminal for handling.
- 7.5 The Parties agree and acknowledge that multi-purpose vessels with containers on deck shall have the option of calling at either the break-bulk facilities of POB or at the Terminal.
- 7.6 GEPB shall invoice and collect the tariffs from the users of the Terminal in relation to the Services provided by the Manager in accordance with the terms of this Contract and the Schedules. The Manager shall refrain from invoicing and/or generating any revenue from any party other than GEPB in accordance with the provision of Clause 10.

- 7.7 GEPB shall provide all reasonable support in marketing the Terminal internationally.
- 7.8 GEPB shall ensure that the Manager manages, operates and maintains the Terminal without discrimination among current or potential users, in accordance with the principles set forth in Clause 4.3 of this Contract.
- 7.9 GEPB shall only be responsible for the following services associated with infrastructure and superstructure at the Terminal:
- 7.9.1 conducting all capital and maintenance dredging;
 - 7.9.2 maintaining the quay wall (including marine furniture);
 - 7.9.3 Changing any crane rail beams and piling;
 - 7.9.4 connecting utilities to the Terminal connection points; and
 - 7.9.5 Constructing and maintaining all power substations.
- 7.10 GEPB shall be solely responsible for the acquisition of additional RTGs and STSs, including their procurement and commissioning, if and when required.
- 7.11 The Manager acknowledges and agrees following detailed inspection of the existing infrastructure including roads, sewers, electricity lines and water pipes at the Terminal to have found them suitable, adequate and appropriate for discharging its obligations under this Contract. GEPB shall be responsible for any material repairs to such infrastructure save where such repairs are required as a result of an act or omission of the Manager. If at any time during the duration of this Contract, the Manager determines that the condition of the infrastructure is hindering the discharge of the Manager's obligations, then the Manager may refer the matter in writing to GEPB and request necessary remedies. If GEPB, following a written reminder from the Manager, continues to fail to respond or remedy the situation fifteen (15) days after the date of the first notice, and provided that the situation is urgent and affects the Terminal operations, the Manager may conduct the necessary repairs up to USD20,000 (Twenty thousand United States Dollars) per incident, and invoice GEPB for the cost of such repairs.
- 7.12 GEPB shall be responsible for the maintenance of the berth and wharf. The Manager shall take such measures as are necessary to facilitate GEPB's conducting of dredging, placing and removing any mooring posts in the vicinity of the berth and wharf. GEPB shall coordinate the timing of maintenance activities with the Manager in such a way as to provide minimum operational disruption. If, during the course of such maintenance, damage is inflicted by agents of GEPB to the berths or wharfs, such damage shall be for the account of GEPB. The Manager is not prohibited from contracting with GEPB to provide maintenance of the berths and wharfs in exchange for a fee to be agreed between the Parties.

8. INSPECTION AND AUDIT

- 8.1 In addition to any inspection that may be carried out by any Authority under Applicable Law, GEPB shall be entitled, at its discretion and cost, and with seven (7) days prior written notice, to audit the accounts, contracts, and the business operations of the Manager that relate to the Services at any time during this Contract.
- 8.2 GEPB shall also be entitled at its discretion and cost, and with ten (10) days prior written notice, to audit and inspect any document or material relating to the statements or certificates described in Schedule 7, or to any information contained in such statements, at any time during this Contract.
- 8.3 The Manager shall provide full access to its accounts, contracts and all business related information to the extent necessary for the audits described in this Clause 8 and shall give reasonable assistance to GEPB to conduct its audits.

9. PURCHASE AND ACQUISITION

9.1 Information System

- 9.1.1 The Manager shall purchase, install, deploy and deliver at its own cost and risk a state-of-the-art terminal operating system ("**TOS**"), encompassing berth, yard, terminal, gate and vessel loading and unloading operations, in addition to all container handling activities in accordance with the specifications set out in Schedule 9 within twelve (12) months from the Effective Date.
- 9.1.2 The Manager commits to continuously develop, upgrade and adapt the TOS to cater for new management, market, legal or regulatory requirements, so long as this Contract remains in force. At the termination of this Contract, the TOS shall continue to favourably compare with such terminal operating systems as are then deployed and operational at best ranked ports in accordance with International Best Practice.
- 9.1.3 When first installed, the Manager shall ensure that the TOS communicates seamlessly with such systems as are currently deployed at the POB, including but not limited to the NAJM system, currently deployed by the customs Authority. The Manager further commits to ensure that the TOS will continue to communicate seamlessly with any modification or upgrade to such systems as may be deployed by the POB as well as any new system which may be introduced by POB at any time during the period this Contract is in force.
- 9.1.4 The Manager shall relinquish and transfer all property rights to the TOS to GEPB or any person appointed by GEPB at the termination of this Contract, including keys, source codes, design manuals, documentation pertaining to the TOS and generally any knowledge, information, key or password allowing GEPB to access the TOS, utilize it, and generally modify, amend or upgrade the system in the course of uninterrupted and continuous operation of the Terminal. Should the rights to the TOS not lie with the Manager, then the Manager shall include in all relevant agreements an assignment clause for the rights it holds in favour of GEPB.
- 9.1.5 If and when GEPB acquires and installs a port community system to be used by all POB users and service entities, the Manager shall fully coordinate with GEPB, provide all required assistance, information and data and carry out all actions required from their end for the purpose of the implementation of the port community system with the above-mentioned functionality.

9.2 Purchase of equipment

- 9.2.1 The Manager shall purchase at its own cost and risk any equipment and spare parts in order to discharge its obligations under this Contract, provided no such purchase shall be executed without the prior written approval of GEPB. The Manager shall also commit to purchase equipment and their spare parts, currently used in the operations, from the incumbent at their respective book values.
- 9.2.2 At the expiration or termination of this Contract, GEPB will take back the Equipment and structures put at the disposal of the Manager for the provision of the Services. If additional equipment and facilities purchased by the Manager during the duration of this Contract are fully depreciated, the GEPB shall have the option to either accept to take ownership thereof without payment to the Manager of any reimbursement, or require the Manager to remove its equipment and structures, if any, at its own cost and risk so that the Manager hands back the Terminal to GEPB in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted. If, on the other hand, additional equipment and facilities purchased by the Manager during the duration of this Contract are not fully depreciated, the GEPB shall have the option to purchase such equipment and facilities at their depreciated book values or require the Manager to remove such equipment and structures, if any, at its cost and

risk so that the Manager hands back the Terminal to GEPB in the same condition that it was handed over to the Manager from GEPB, normal wear and tear excepted.

9.3 **Purchase of spare parts**

9.3.1 The Manager shall purchase from the Previous Manager the Equipment spare parts listed in Schedule 10 at book value.

9.3.2 The Manager acknowledges that it has examined the aforementioned Equipment spare parts and found them in good condition, appropriate to and compatible with the Equipment dedicated to the Terminal.

9.3.3 The Manager shall take over ownership and custody of the Equipment spare parts on the Effective Date of this Contract, provided payment for the Equipment spare parts has been made to the Previous Manager in full.

10. **TARIFFS AND FEES**

10.1 **Tariffs**

GEPB will establish tariffs for domestic and transit cargo in United States Dollars.

The Manager shall refrain from invoicing and/or generating any revenue from any party in pursuance of this Contract other than from GEPB, in accordance with the terms and conditions of this Contract.

The Parties agree that tariffs shall be billed to users of the Terminal and collected by GEPB.

10.2 **Fees**

The Manager's remuneration (the "**Fees**") under this Contract shall be as set out in Schedule 3. The Fees shall be paid by GEPB to the Manager in accordance with the terms set out in Schedule 3.

11. **COMMENCEMENT OF OCCUPANCY**

11.1 GEPB shall invite the Manager to occupy and the Manager shall occupy the premises of the Terminal and assume custodianship of the Terminal and Equipment as of the Signature Date.

11.2 This Contract relates to the Terminal located at the POB, in addition to the associated buildings and stacking areas that shall form part thereof as more fully described in Schedule 1 to this Contract.

11.3 A list of the buildings, Equipment and other facilities subcontracted to the Manager, together with a detailed inventory of the contents thereof, is shown in Schedule 1 to this Contract.

11.4 A joint survey of the Terminal, its facilities, buildings and Equipment, shall be conducted before the date of commencement of the provision of the Services by the Manager, with the objective that the Terminal and Equipment should be delivered to the Manager in good working condition no later than the Effective Date.

11.5 The Manager shall become responsible for the Terminal facilities and for such stocks of incoming and outgoing merchandise as shall be present therein, and shall also become responsible for the performance of its obligations under this Contract as of the Effective Date.

12. **LIABILITY AND INDEMNITY**

12.1 GEPB shall indemnify and hold harmless, and keep indemnified and held harmless, the Manager and its agents, directors, officers and employees from and against any and all costs, claims, liabilities, damages, charges and expenses of whatsoever nature (including reasonable legal costs) arising out of any claim made by any third party or in respect of any

liability to any third party in connection with any act or omission of GEPB, its agents, directors, officers, or employees under or in relation to this Contract or the performance or exercise (or failure to perform or exercise) its rights and obligations under this Contract.

- 12.2 Notwithstanding the provisions above, GEPB shall not be liable under Clause 12.1 in respect of any matter which results from the wilful default, fraud or dishonesty of the Manager, its agents, directors, officers or employees or which is not covered by insurance held by or for the benefit of GEPB, provided that nothing shall be construed so as to limit the rights of GEPB against the Manager in respect of any material breach of this Contract (or in respect of any negligence on the part of the Manager).
- 12.3 In respect of any claim arising under any indemnity in favour of the Manager contained in this Contract, the Manager shall:
- 12.3.1 as soon as reasonably practical, notify GEPB in writing of the claim (the "**Manager Claim**") against which the Manager is seeking to be indemnified together with all details of the Manager Claim in the actual knowledge or possession of the Manager at the time and becoming known to it at any time thereafter;
- 12.3.2 where the Manager Claim relates to a claim by any third party against the Manager, not admit liability or make any offer, promise, compromise or settlement with the third party without the prior written consent of GEPB (which consent is not to be unreasonably withheld or delayed); and
- 12.3.3 where the Manager Claim relates to a claim by any third party against the Manager, at the request of GEPB and at GEPB's cost, cooperate with GEPB or its insurers, in the defence, settlement and/or counter claim of such Manager Claim.
- 12.4 Without prejudice to the generality of the above, the Manager shall indemnify and hold harmless, and keep indemnified and held harmless, GEPB and its agents, directors, officers and employees from and against any and all costs, claims, liabilities, damages, charges and expenses of whatsoever nature (including reasonable legal costs) arising out of any claim made by any third party or in respect of any liability to any third party in connection with any act or omission of the Manager its agents, directors, officers or employees under or in relation to this Contract or the performance or exercise (or failure to perform or exercise) its rights and obligations under this Contract.
- 12.5 Notwithstanding the indemnity provisions above, the Manager shall not be liable in respect of any matter which results from the wilful default, fraud or dishonesty of GEPB, its agents, directors, officers or employees or which is not covered by insurance held by or for the benefit of the Manager, provided that nothing shall be construed so as to limit the rights of the Manager against GEPB in respect of any material breach of this Contract (or in respect of any negligence on the part of GEPB).
- 12.6 In respect of any claim arising under any indemnity in favour of GEPB, GEPB shall:
- 12.6.1 as soon as reasonably practical, notify the Manager in writing of the claim (the "**GEPB Claim**") against which GEPB is seeking to be indemnified together with all details of the GEPB Claim in the actual knowledge or possession GEPB at the time and becoming known to it at any time thereafter;
- 12.6.2 where the GEPB Claim relates to a claim by any third party against GEPB, not admit liability or make any offer, promise, compromise or settlement with the third party without the prior written consent of the Manager (which consent is not to be unreasonably withheld or delayed); and
- 12.6.3 where the GEPB Claim relates to a claim by any third party against GEPB, at the request of the Manager and at the Manager's cost, cooperate with the Manager or its insurers, in the defence, settlement and/or counter claim of such GEPB Claim.

12.7 Notwithstanding the remaining provisions of this Contract, the maximum liability of the Manager to GEPB in any operating year regardless of the cause of such claim shall in no circumstances exceed [●] provided that all amounts payable under any relevant insurances held by the Manager against any GEPB Claims shall be paid in full to GEPB within fourteen (14) days of receipt of the same by the Manager from the relevant insurance company.

13. **INSURANCES**

13.1 The Manager shall purchase insurance policy(ies) with a reputable local insurance company, acceptable to GEPB, of the type and in the amounts listed in Schedule 6.

13.2 In the event where, for any reason, GEPB may be compelled, by force of law or judicial decision, to settle a claim of death, disability, injury to persons or damage to property, under the responsibility of the Manager, then GEPB will be entitled to recover such claim from the Manager by any legal means possible.

13.3 The Manager shall submit, upon request from GEPB, copies of the insurance policies and any amendments, endorsements thereto or riders thereon for approval of GEPB, and GEPB shall not unreasonably withhold its approval. GEPB may request changes if the insurance policy is not compliant with the specifications set forth in Schedule 6 and the Manager shall abide by and comply with such requested changes.

13.4 The Manager shall maintain insurance coverage of the type and in the amounts set out in Schedule 6 current during the entire duration of this Contract.

14. **FORCE MAJEURE**

14.1 The Parties shall be excused from performing part or all of their obligations under this Contract and shall not be liable for the imposition of any penalties or be liable for damages (except for any penalties or damages then due and owing) if, and to the extent that, they are unable to perform or are prevented from performing their respective obligations by reason of any act of God, act of public enemies, war, restraint of governments, princes or peoples of any nation, riots, insurrections, civil commotion, floods, fire, restrictions due to quarantines, epidemics, storms, any situation or event where access to the Terminal from the sea is blocked to vessels of a tonnage normally able to achieve such access, such as, for example, a vessel sinking at the entrance of the POB or any other causes beyond the reasonable control of the Party claiming an event of force majeure (each a "**Force Majeure Event**").

14.2 Nothing shall affect the liability of GEPB to pay to the Manager any amounts due to the Manager required under this Contract, nor shall either Party be deemed to be in breach of any obligations as a result of a Force Majeure Event.

14.3 Notwithstanding the foregoing provisions, the Parties shall:

14.3.1 make all reasonable efforts to prevent or minimise and thereafter mitigate any delays or costs occasioned by any Force Majeure Event, including recourse to alternative acceptable sources of services, equipment and materials; and

14.3.2 use their best efforts to ensure resumption of normal performance of this Contract and any related agreements after the occurrence of any Force Majeure Event and perform their obligations hereunder and thereunder to the maximum extent practicable. Notwithstanding the above provisions, no relief shall be granted to a Party to the extent that such failure or delay would have nevertheless been experienced by such Party had the relevant Force Majeure Event or its effects not occurred.

14.4 If the Manager cannot manage the Terminal or otherwise substantively perform its obligations under this Contract as a result of a Force Majeure Event, for a period exceeding one hundred and eighty (180) days, then either Party may terminate this Contract.

15. **ENTRANCE AND EXIT**

15.1 The Manager shall at its own cost and risk be responsible for:

15.1.1 compliance with Applicable Law;

15.1.2 monitoring all land and sea entrances to the Terminal and maintaining all perimeter fencing around the Terminal area;

15.1.3 monitoring the access of unauthorized personnel or parties that are not allowed access to the Terminal area and ensuring that the government's security bodies are advised of the access or attempted access of such personnel or parties in a way that would allow timely reaction of the security bodies to prevent such access or to provide a remedy therefore;

15.1.4 keeping the Terminal in good order and condition at all time;

15.1.5 ensuring all traffic operations, vehicular traffic and all transport activities related to the Terminal area shall be conducted in accordance with Applicable Law and/or internal regulations;

15.1.6 ensuring that vehicles are parked only in locations designated to that effect; and

15.1.7 ensuring a final check of cargo and/or containers at the gates of the Terminal including the organization of the entrance and exit of cargo whether incoming or outgoing.

15.2 The Manager shall promptly and fully respond to GEPB's request for the correction of any organizational or monitoring deficiencies which may affect the security of the Terminal and ensure that adequate means and measures, as may be reasonably available to the Manager, are taken to counter specific security threats as may emerge and be determined by GEPB and notified to the Manager from time to time.

15.3 It is understood that ultimate responsibility for the security of the Terminal rests with government security bodies, which are authorized to deliver entry passes to personnel or other parties. The Manager may notify its concerns in connection with the delivery of specific passes in writing to the responsible security body. In this case, the Manager will void its liability vis-à-vis any loss, damage or expense caused by such personnel or party or any act committed thereby.

16. **TERMINATION**

16.1 **Expiry**

This Contract shall terminate automatically at the end of the Initial Contract Period, or any reduced Initial Contract Period determined in accordance with Clause 4.3.8, provided that this Contract has not been terminated earlier in accordance with Clause 16.2 or Clause 4.3.8, or Clause 4.3.10, or Clause 14 or on any of the grounds described in this Clause 16.

16.2 **Early Termination**

(a) this Contract is awarded by GEPB to the Manager on the condition that the Manager shall perform each and every one of its obligations set forth in this Contract. In the event that the Manager is found to be in default or if this Contract is terminated for any other reason mentioned herein, then the Manager shall be notified of the termination of this Contract without the need for any court action and GEPB shall take possession of the Terminal as permitted under Applicable Law;

(b) in the event that an Authority issues a decision for the privatisation, expropriation, compulsory acquisition, nationalisation or any other act of

similar nature relating to POB or GEPB or the Terminal and such decision results in the termination of the Contract or materially affects the Manager, the Terminal and/or the ability of the Manager to perform its obligations under this Contract, then GEPB shall have the right to terminate the Contract subject to a twelve (12) month notice and the Manager shall be entitled to compensation in accordance with Schedule 2.

16.3 Events of Default

A "**Manager Event of Default**" shall mean any of the following:

- (a) the Manager's repeated non-material failure to comply with the Minimum Service Requirements resulting in the call by GEPB of the entire amount of the Performance Bond at any time during the term of this Contract;
- (b) the Manager's failure to provide, maintain, reinstate to initial value following partial draw down or renew, as may be required, the Performance Bond;
- (c) a material breach of this Contract by the Manager;
- (d) repeated non-material breaches of this Contract by the Manager that:
 - (i) have a result materially similar to the result of a material breach; or
 - (ii) have a material adverse impact on the use and enjoyment of the Services by POB users;
- (e) the Manager passing a resolution for voluntary winding up or the appointment of a liquidator, administrator, trustee or receiver for the whole or a substantial part of the undertaking of the Manager by any court of competent jurisdiction or the commencement of any other legal proceeding that have materially the same intention;
- (f) failure to maintain insurance coverage in accordance with Clause 13 for the entire duration of this Contract and/or secure prior written approval of GEPB or abide by requests for changes issued thereby;
- (g) failure by the Manager to complete the Handover within sixty (60) days of the Signature Date;
- (h) failure by the Manager to acquire and implement a TOS in accordance with Clause 9.1 and the TOS requirements set forth in Schedule 9 during the Transition Period;
- (i) failure by the Manager to pay any amounts due to GEPB in accordance with the terms of this Contract and where such payments are not made on time then within sixty (60) days of receipt of written notice of such default from GEPB;
- (j) If at any time, any payment, assessment, charge, lien, penalty or damage herein specified to be paid by the Manager or any portion thereof shall be in arrears and unpaid for a period of sixty (60) days, provided GEPB has issued at least two (2) written notices for payment of charges;
- (k) the declaration of the Manager as bankrupt or its entry into receivership or its becoming insolvent;
- (l) the assignment or subcontracting of the Services or any portion thereof by the Manager (other than the Services covered by the Maintenance Service and Operation Contracts) without the prior written consent of GEPB;

- (m) failure by the Manager to perform any of its repair and maintenance obligations in accordance with this Contract within thirty (30) days of a relevant written request from the Manager issued in accordance with this Contract;
- (n) the Manager charging users of the Terminal tariffs or rates or levying charges unless expressly approved by GEPB;
- (o) any modification of the ownership structure or change of control of the Manager without the prior written approval of GEPB;
- (p) the Manager, through any of its corporate officers and officials or employees, by taking advantage of their free access to POB premises and the vessels calling POB, becomes engaged in, or knowingly fails to, take action to prevent the commissioning of any activities prohibited by Applicable Law;
- (q) repeated failure of the Manager to provide the Services to users of the Terminal in accordance with this Contract;
- (r) any serious infringement to Applicable Law, such as a breach of confidentiality, or to the customary rules of maritime transportation;
- (s) failure by the Manager to perform any of its obligations under this Contract and failure to rectify the situation, thirty (30) days after receiving the decision of the existence of a violation by the Panel referred to in 4.3.8 hereunder;
- (t) failure by the Manager to complete or secure waiver by GEPB of any and all Conditions Precedent within thirty (30) days of the Signature Date; and
- (u) failure to provide International Ship and Port Facility Security Code certification and/or a quality management system certification ISO 9000:2015 or equivalent within a period of three (3) Years from the Effective Date.

16.4 A "**GEPB Event of Default**" shall mean any of the following:

16.4.1 breach by GEPB of its obligations under Clause 17;

16.4.2 a material breach of this Contract by GEPB;

16.4.3 privatisation, expropriation, compulsory acquisition, nationalisation or any other act of similar nature materially affecting the Manager, the Terminal and/or the ability of the Manager to perform its obligations under this Contract.

16.5 On the occurrence of a Manager Event of Default and if such Manager Event of default is remediable, GEPB may, without prejudice to the provisions of Clause 16.3 serve a Notice of Default on the Manager requiring the Manager to remedy the Manager Event of Default within sixty (60) days of such Notice of Default or such longer period as may be agreed by GEPB. If the relevant matter or circumstance is irreparable or has not been remedied or rectified within sixty (60) days of such Notice of Default or such longer period as may be agreed by GEPB, GEPB may serve a Termination Notice, and Clause 16.8 shall apply.

16.6 On the occurrence of a GEPB Event of Default, the Manager may serve to GEPB a Notice of Default requiring GEPB to remedy the GEPB Event of Default within sixty (60) days of such Notice of Default, or such longer period as may be agreed by the Manager. If the relevant matter or circumstance has not been remedied or rectified within sixty (60) days of such Notice of Default or such longer period as may be agreed by the Manager, the Manager may serve to GEPB a Termination Notice and Clause 16.8 shall apply.

- 16.7 Any Termination shall be without prejudice to any rights or liabilities of the Parties which have accrued on or before the Termination Date but no Party shall have any rights to require performance of or liabilities to perform this Contract after such date.
- 16.8 Upon termination:
- 16.8.1 GEPB shall be entitled to enter any premises of the Manager to recover any Equipment, documents or materials belonging to it or provided by it to the Manager;
- 16.8.2 all right, title and interest that the Manager may have had in the Terminal and the Equipment immediately prior to Termination shall vest absolutely in GEPB free from encumbrances and the Manager shall complete the Handback in accordance with the Handback Plan and in particular:
- (a) take all such action and execute all such documents as GEPB may reasonably require to perfect such vesting in GEPB free from encumbrances; and
 - (b) transfer or procure the transfer to GEPB or such other person as GEPB may direct of all of the Manager's rights under all contracts capable of assignment, novation or transfer entered into by the Manager in connection with the performance of its obligations under this Contract or relating to the management, operation or maintenance of the Terminal or the Equipment and pending such transfer hold its rights under those contracts for the account and to the order of GEPB or such other person as GEPB shall direct all fees and charges accrued (but unpaid) pursuant to this Contract shall forthwith become due and payable.
- 16.9 If Termination results from default of the Manager or any other cause of non-compliance, GEPB shall be entitled to collect penalties from the Performance Bond mentioned herein up to the total value of the Performance Bond. If GEPB determines that damages exceed the amount of the Performance Bond, then GEPB shall have the right to use all legal means to obtain compensation by way of damages for breach of this Contract.
- 16.10 The remedies herein given to GEPB are cumulative and concurrent. The recovery of the Terminal shall not deprive GEPB of any of its other remedies or rights of action against the Manager under this Contract or at law.

17. **BRIBERY AND CORRUPTION**

17.1.1 From the Signature Date, the Parties shall each ensure that at all times:

- (a) they have in place adequate policies, procedures and guidelines relating to compliance with Anti-Corruption Laws;
- (b) they comply with Anti-Corruption Laws;
- (c) all directors, officers, employees and representatives of the Parties are given adequate training in relation to Anti-Corruption Laws and business ethics and conduct, and that adequate procedures shall be put in place for reporting a violation or suspected violation by any member of either Party and for investigating such reports; and
- (d) they shall maintain adequate books and records in compliance with the Anti-Corruption Laws.

17.1.2 Either Party shall have the right (acting reasonably in all the facts and circumstances then subsisting) to request additional anti-corruption, anti-money laundering, or other compliance-related undertakings, documents, information, and assurances from the

other Party as is in the reasonable opinion of the requesting Party necessary to confirm or assure compliance with the undertakings set out in this Clause.

- 17.1.3 Each Party agrees, and agrees to procure that any person who performs services for it or on its behalf in connection with the Services (including any employee, officer or subsidiary) will do or fail to do any act or thing the doing or omission of which does or could contravene the provisions of any:
- (a) sanctions programme administered by the Office of Foreign Asset Control of the United States Treasury Department;
 - (b) sanction programmes effected in any other jurisdictions by reason of European Union regulation or United Nation regulations; or
 - (c) laws or regulations in any other jurisdiction applicable to the Parties and imposing a sanctions programme from time to time with which the Parties are required to comply.

18. **PERFORMANCE BOND**

- 18.1.1 Within thirty (30) days after the Signature Date, the Manager shall provide a Performance Bond in the amount of USD5,000,000 (Five million United States Dollars) in the form of Schedule 4 (the "**Performance Bond**").
- 18.1.2 The Performance Bond shall be in the form of an irrevocable bank guarantee without reservation issued by a Lebanese bank approved by GEPB (such approval not to be unreasonably withheld or delayed) and be a guarantee of the Manager's obligations to GEPB in respect of its obligations under this Contract.
- 18.1.3 The Performance Bond shall be valid throughout the duration of this Contract, and shall survive its termination until such a time as GEPB has determined that the Manager has fully completed all its obligations under this Contract, including any obligations that may survive such termination and until said obligations are discharged in full.
- 18.1.4 Without prejudice to any other right which GEPB may have under this Contract or according to Applicable Law, GEPB shall have the right to draw on the Performance Bond and claim the amount guaranteed on demand upon the Manager's failure to pay any undisputed amounts arising out of this Contract or in relation thereto when due and shall, at the time of the exercise of such right, send a notice to the Manager describing the reasons for drawing on part or all of the Performance Bond.
- 18.1.5 Upon and only if such drawing is not Disputed by the Manager, GEPB shall grant the Manager a period of fifteen (15) days to renew the Performance Bond or reinstate it to its initial value prior to the draw down. The provisions set out in this Clause 18 shall apply mutandis mutatis to such renewed or reinstated Performance Bond. If any such drawing is disputed by the Manager, the Manager shall not have any obligation to renew or reinstate the Performance Bond with regard to the disputed amount until the resolution of such Dispute in accordance with this Contract. If any such Dispute is resolved in favour of GEPB, GEPB shall grant the Manager a period of fifteen (15) days from the date of resolution to renew or reinstate the Performance Bond or if resolved in favour of the Manager, the Manager shall not have any obligation to renew or reinstate the Performance Bond with regard to the disputed amount until it has received all compensation payments from GEPB in accordance with the terms of the resolution of the Dispute.

18.1.6 If the Manager disputes any drawing by GEPB on the Performance Bond and the Parties agree or it is determined in accordance with the terms of this Contract that such drawing was in breach of this Clause 18, GEPB shall repay the total amount of any such drawing to the Manager together with legal interest from the date of such drawing until payment is received by the Manager subject to a maximum period of six (6) months in the event that the Dispute is not settled or an agreement is not reached within such period. Payment shall be due within thirty (30) days following resolution of such Dispute or agreement.

19. HANDBACK AND TRANSFER

19.1 The Parties agree that the Handback of the Terminal shall be conducted in accordance with the procedure set out in this Clause 19, except in the case of Termination other than upon expiry of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8, in which case the provisions of Clause 19.2.2 shall apply.

19.2 The Manager shall cooperate with, and provide all access and information commencing:

19.2.1 twenty-four (24) months prior to the expiry of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8; or

19.2.2 in the case of Termination other than due to expiry of the Initial Contract Period, as soon as practicable after the issuance of a Termination Notice, to GEPB (or any third party designated by GEPB) and the Independent Expert, as may be required for the Handback to be carried out pursuant to this Clause 19 and for GEPB (or any third party designated by GEPB) to conduct surveys and inspections in order to prepare for the taking over of the management, operation and maintenance of the Terminal by either GEPB or any person designated by GEPB to replace the Manager (the "**Successor Manager**"), including for the purposes of installation of any software or other information technology systems necessary for the continuation of the operation of the Terminal after the Termination Date.

19.3 GEPB or a Successor Manager shall, from the period starting twelve (12) months before the expiry of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8, or, in the case of Termination other than due to expiry of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8, as soon as practicable before the Termination Date, be entitled to interview with personnel and their representatives as GEPB or the Successor Manager, as applicable, in its discretion deems fit. In so doing, GEPB shall have, or shall procure that the Successor Manager has due regard to and observes Applicable Law.

19.4 The Manager shall terminate at its sole cost and risk:

19.4.1 all existing arrangements for the operation of the Terminal;

19.4.2 any other agreements relating to the personnel or employees' representatives concerned and all contracts of employment with employees in relation to the Terminal; and

19.4.3 the relevant contracts of employment of the personnel.

19.5 Subject to Applicable Law, the Manager shall transfer to GEPB or the Successor Manager, as applicable, the employment records of the current or former employees of the Manager whom GEPB or the Successor Manager, as applicable, may reasonably require.

19.6 Without prejudice to any other provision in this Contract, the Manager shall have properly managed, operated and maintained the Terminal and Equipment throughout the duration of this Contract so that on the Termination Date, all Equipment is in reasonable working condition and the Terminal shall be in a condition that:

- 19.6.1 allows the Terminal to operate as a commercial container terminal on competitive terms capable of handling vessels;
 - 19.6.2 allows that the levels of performance of the Terminal and the Equipment are able to meet the requirements of the Minimum Service Requirements; and
 - 19.6.3 in the case of the Port assets, for a period of thirty (30) years beyond the Termination Date, provided that the period applicable shall not be greater than the residual life of each Port asset, based on its time of commissioning and design working life in line with any approved design documents, technical specifications and International Best Practice, it being assumed that from the Termination Date the Terminal will be managed, operated and maintained in accordance with International Best Practice.
- 19.7 For the avoidance of doubt, the Manager:
- 19.7.1 makes no express or implied warranty and shall not be liable with respect to the Terminal and Equipment beyond the Termination Date; and
 - 19.7.2 shall not have any liability for the damage to or caused by the Terminal or Equipment beyond the Termination Date unless such damage results from an act or omission of the Manager prior to the Termination Date.
- 19.8 On the Termination Date, the Manager shall:
- 19.8.1 return to GEPB peaceful possession of the Terminal and the Equipment free of any encumbrance;
 - 19.8.2 transfer to GEPB all its rights, titles, warranties and interest in the assets comprised in or used in connection with the Terminal and the Equipment which are required to be transferred to GEPB in accordance with this Contract and execute such deeds and documents as may be necessary for such transfer and complete all legal or other formalities required;
 - 19.8.3 hand over to GEPB all documents including design documents, plans, drawings, as built drawings, manuals and records relating to management, operation and maintenance of the Terminal and the Equipment;
 - 19.8.4 have transferred the relevant transferable technology and up-to-date know-how relating to design, construction, operation and maintenance of the Terminal, the Equipment and the Services;
 - 19.8.5 assign or cause to be assigned to GEPB or any other person instructed by GEPB any Subcontracts which are (i) valid and subsisting; and (ii) which GEPB has chosen to take over. For this purpose, the Manager shall ensure that all Subcontracts are assignable in favour of GEPB without any further action on part of the respective counterparties. The Manager shall entirely at its cost, terminate all such Subcontracts which are not transferred/assigned and/or are not required to be transferred/assigned to GEPB;
 - 19.8.6 if requested by GEPB, transfer or cause to be transferred to GEPB or any other person instructed by GEPB all of the Manager's employees which GEPB or such other person chooses to take over;
 - 19.8.7 at its cost, transfer to GEPB all Permits which GEPB may require and which can be legally transferred; provided that if the termination is due to a GEPB Event of Default, the cost of such transfer shall be borne or reimbursed by GEPB; and
 - 19.8.8 at its cost, remove from the Terminal and within ninety (90) days from the Termination Date, any non-compliant assets and any moveable assets that are not taken over by or not to be transferred to, GEPB pursuant to the provisions of this Contract.

- 19.9 Subject to the provisions of the Handback Plan, the Manager shall, provide all Handback Documentation specified in Schedule 12.
- 19.10 The Manager and GEPB shall jointly appoint an Independent Expert to conduct two (2) Handback Condition Surveys, provided that:
- 19.10.1 the first Handback Condition Survey shall be made at least twelve (12) months prior to the expiry of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8; and
- 19.10.2 the second Handback Condition Survey shall be made on or about the Termination Date.
- 19.11 In carrying out:
- 19.11.1 the first Handback Condition Survey, the Independent Expert shall determine what is required to place the Terminal and the Equipment in compliance with the specifications and conditions applicable to them pursuant to this Contract; and
- 19.11.2 the second Handback Condition Survey, the Independent Expert shall determine the Rectification Cost, and, in doing so, the Independent Expert may receive information and submissions from either Party provided that any communication between a Party and the Independent Expert must be in writing with a copy sent to the other Party to ensure that the process for the issuance of the Handback Condition Survey is transparent and preserves the independence of the Independent Expert.
- 19.12 If, as a result of the first Handback Condition Survey undertaken in accordance with Clause 19.11.1, the Independent Expert considers that the Terminal or the Equipment or any part thereof have not been managed, operated and maintained in accordance with this Contract, the Independent Expert shall notify in writing the Manager of such situation (with a copy to GEPB) and the Manager shall, at its cost and expense, take all necessary steps to put the same in good working condition prior to the Termination Date.
- 19.13 **Handback Plan**
- 19.13.1 The Manager and GEPB shall meet no later than twelve (12) months before the end of the Initial Contract Period or reduced Initial Contract Period as determined in accordance with Clause 4.3.8 to discuss and seek to agree on a plan determining the practical modalities for the taking over of the operations of the Terminal by GEPB including the Successor Manager (or any third party designated by GEPB) (the "**Handback Plan**").
- 19.13.2 The Handback Plan shall include a training programme for GEPB's personnel and shall set a schedule for delivery of the documents listed in Schedule 12.
- 19.13.3 The discussions of the Manager and GEPB relating to the Handback Plan shall be duly documented by the Manager who shall submit to GEPB for approval (such approval not to be unreasonably withheld or delayed) minutes thereof as well as a draft Handback Plan no later than ten (10) days following the date on which such discussions occurred or on which the Handback Plan was agreed (as applicable).
- 19.14 **Handback upon Early Termination**
- 19.14.1 Within ten (10) days of the service of a Termination Notice, GEPB and the Manager shall appoint an Independent Expert pursuant to Clause 19.10 to conduct a Handback Condition Survey. Such Independent Expert shall prepare and communicate to the Parties such survey within twenty (20) days of its appointment.
- 19.14.2 In carrying out such Handback Condition Survey, the Independent Expert shall determine the Rectification Cost.

20. **STEP IN**

20.1 Without prejudice to any of its other rights under this Contract, GEPB shall be entitled (but not obliged), to step-in or instruct a third party to step in and undertake actions in accordance with Clause 20.3 upon giving seven (7) days prior written notice to the Manager if a Manager Event of Default occurs that:

20.1.1 is (individually or in aggregate) so substantial as to adversely and materially affect the present or future ability of the Terminal to operate in accordance with International Best Practice; and

20.1.2 has not been remedied within sixty (60) days from the date of a Notice of Default issued by GEPB,

(a "**Step-In Event**").

20.2 If a Force Majeure Event occurs which presents a material and immediate risk that the Terminal will not be operated safely and consistently in accordance with International Best Practice, the Parties shall work together to ensure that the Terminal is operated safely and consistently and on the understanding that if the Parties cannot agree on the action required and/or the allocation of costs associated with such action, they shall refer the matter to an Independent Expert who shall determine the most appropriate course of action in all the circumstances as well as the allocation of costs associated with such action.

20.3 Following the expiry of the notice period referred to in Clause 20.1 following the occurrence of a Step-In Event, GEPB shall have the right to step-in and may notify in writing the Manager of the following:

20.3.1 a description of the emergency remedial action it intends to take, which may include the taking over of the management, operation and maintenance of all or part of the Terminal and Equipment, including by limiting the access of the Manager to the Terminal, by operating the Equipment and by giving instructions to the personnel;

20.3.2 the reason for such action;

20.3.3 the date it wishes to commence such action;

20.3.4 the time period which it believes will be necessary for such action; and

20.3.5 to the extent practicable, the effect on the Manager and its obligations to provide the Services during the period such action is being taken.

20.4 GEPB shall exercise its Step-In Right directly or may instruct any third party of its choice to act on its behalf.

20.5 In any event, at all times during the exercise of its Step-In Right, GEPB shall comply with International Best Practice and the same standards as the Manager in the performance of its obligations under this Contract.

20.6 Whilst GEPB is exercising its Step-In Rights, GEPB shall be responsible for any damage (excluding any type of economic or consequential losses) resulting from any act or negligence of GEPB.

21. **CONFIDENTIALITY**

The Manager shall hold in confidence the terms of this Contract and all documents, materials and other information, whether technical or commercial, supplied by or on behalf of GEPB and/or POB in connection with this Contract and the Services provided for therein and shall not, except with GEPB's prior written authority, publish or otherwise disclose the same otherwise than as expressly provided for in this Contract unless or until the Manager can reasonably demonstrate that any such document, material or information is in the public

domain through no fault of the Manager and through no breach of this Contract, whereupon to the extent that it is in the public domain this obligation shall cease.

22. **LIABILITY CLAUSES**

If cargo is shipped without proper customs release and GEPB is held liable by the customs Authority, then GEPB can charge the Manager in the amount of indemnity to which penalties, damages and interest in the amount of settlement made by GEPB shall be added.

23. **TAXES**

The Manager shall be responsible for the payment of all national and local taxes in respect of its performance of the Services (including the stamp duty arising from the execution of this Contract) and its rights and obligations under or pursuant to this Contract.

24. **CHANGE OF LAW**

24.1 Change of Law shall mean occurrence of any of the following events after the Effective Date of this Contract:

24.1.1 the enactment of any Applicable Law; or

24.1.2 the modification, repeal or re-enactment (other than re-enactment that merely consolidates or codifies existing Applicable Law) of any existing Applicable Law to the extent that such Change in Law has a material adverse effect on the rights and obligations of the Manager under this Contract, and that such event has not been caused due to fault or negligence of the Manager.

24.2 Notwithstanding anything contained in the Clause above, Change in Law shall not include any changes in the tax laws or change in law of general applicability, but which only have an economic and financial impact on the Manager.

24.3 Upon the occurrence of a Change in Law, the Manager shall send a written notice to GEPB stating precise details of the Change in Law and the effects of such Change in Law.

24.4 Upon such written notice the Parties shall meet for a period of up to sixty (60) days, negotiate in good faith modifications to this Contract that are reasonable and will mitigate the effects of the Change of Law, so as to place the Manager in substantially the same financial position as it was prior to the Change in Law; upon reaching an agreement, the Parties shall execute such amendments to this Contract within thirty (30) days thereof.

24.5 If, after the sixty (60) days of the commencement referred to in Clause 24.4 the Parties are unable to reach an agreement on amendments to this Contract the matter shall be referred to an Independent Expert to determine the impact on the Manager.

24.6 In the event that a Change in Law renders impossible the exercise by the Manager of any of its material rights or obligations – unless such obligation is waived by a person having the power to do so under this Contract – the Manager may serve notice for the termination of this Contract, provide that prior to the service of the Termination Notice, the Parties shall consult in good faith during a period of one hundred and eighty (180) days, to mitigate the material adverse impact of the Change in Law. In the event that the Parties are unable to agree to changes in the Contract to mitigate the impact of the Change in Law during the one hundred and eighty (180) day period, either Party may refer the matter to Dispute resolution. In such case the Termination Notice shall take effect thirty (30) days after its service. The Parties shall bear the respective impact of any economic consequences of the Change in Law.

25. **DISPUTE RESOLUTION**

If any Dispute or difference shall arise between GEPB and the Manager touching on any matter or issue connected to this Contract, its construction, interpretation, validity, duration or termination, or to the rights and obligations of the Parties thereunder, then and in every such

case, the Dispute shall be referred to the other Party, for a period of ninety (90) days, in order to achieve amicable negotiation and resolution. If such amicable negotiation is not conducive to a settlement of the matter, then that Party shall refer the Dispute to the competent Lebanese court accordance with Clause 26.

26. GOVERNING LAW AND JURISDICTION

This Contract and any Dispute or claim (including non-contractual Disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the laws of the Republic of Lebanon. The Parties irrevocably agree that the competent Lebanese courts shall have exclusive jurisdiction to settle any Dispute or claim (including non-contractual Disputes or claims) arising out of or in connection with this Contract or its subject matter or formation.

27. WAIVERS

27.1 Any waiver at any time by either Party of any breach in, any of the terms, covenants, provisions and conditions of this Contract, shall not be construed as a waiver of any other terms, covenants, provisions and conditions hereof, or as a waiver of any breach or default other than specifically waived. Nor shall any such waiver, whether of short or long duration, and whether unique or repetitive, limit or abrogate in any way the rights of each Party to denounce such waiver and revert to such amendment thereto, or as was applicable prior to the events, actions or omissions construed or interpreted as implying such waiver.

27.2 In general, no waiver shall be deemed to have been made unless expressed in writing.

28. NOTICES

28.1 All notices or other communications under this Contract shall be deemed to be duly given or made when given in writing and:

- (a) when delivered, in the case of personal delivery or post; or
- (b) when despatched, in the case of e-mail (provided that no delivery failure message is received by the sender); or
- (c) when received in the case of facsimile,

in each case when addressed to the relevant Party at the address given below and for the attention of the person specified below or at such other address or for the attention of such other person as such Party may after the date of this Contract specify in writing for such purpose to the other Party by notice in writing.

GEPB:

[]

For the attention of: []

E-mail: []

The Manager:

[]

For the attention of: []

E-mail: []

28.2 All notices under this Contract must be given in writing.

28.3 A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

29. **SEVERABILITY OF THE CLAUSES/ILLEGALITY**

If any provision of this Contract is held to be illegal or invalid under present or future laws or regulations effective and applicable throughout the duration of this Contract, such provision shall be fully severable, and this Contract shall be constructed as if such illegal and invalid provision had never comprised a part of this Contract. The remaining provisions of this Contract shall remain in full force and effect and shall not be affected by the illegal or invalid provision or by its severability from this Contract.

30. **ENTIRE AGREEMENT**

This Contract supersedes any prior agreements, commitments, representation, writing and discussion between the Parties and may not be changed, modified or supplemented in any way except in writing by both the Manager and GEPB, or their successors, or assigns.

SCHEDULE 1
Plan of the Terminal

SCHEDULE 2
Early Termination Payment in case of Privatization or similar event

In the occurrence of a termination of the Contract in accordance with Clause 16.2.(b), the Manager will be entitled to an early termination compensation as follows:

- The Fixed Fee multiplied by a factor of (2.0x) in case at least eight (8) Years are remaining from the Initial Contract Period or reduced Initial Contract Period as may be determined in accordance with Clause 4.3.8 from the effective date of termination.
- The Fixed Fee multiplied by a factor of (1.5x) in case five (5) to eight (8) Years are remaining from Initial Contract Period or reduced Initial Contract Period as may be determined in accordance with Clause 4.3.8 from the effective date of termination.
- The Fixed Fee multiplied by a factor of (0.5x) in case less than five (5) Years are remaining from Initial Contract Period or reduced Initial Contract Period as may be determined in accordance with Clause 4.3.8 from the effective date of termination.

SCHEDULE 3 Fee and Payment

The Remuneration of the Manager will consist of (1) the Fixed Fee, and (2) the Container Handling Fee. The Fixed Fee will be USD12,000,000 (Twelve million United States Dollars), to be paid in twelve (12) equal Monthly instalments. The Container Handling Fee shall be [*insert figure*] per TEU for domestic container handling and [*insert figure lower by 35%*] for transshipment container handling services.

Both the Fixed Fee and the Container Handling Fee will be subject to an escalation of 5% every five (5) Years of the Initial Contract Duration or reduced Initial Contract Duration as may be determined in accordance with Clause 4.3.8, more specifically in Year 6 and Year 11.

The Manager will be remunerated on a monthly basis. The Manager shall invoice the GEPB on a Monthly basis, for both Fixed and Container Handling Fees. GEPB will settle invoices within a period of sixty (60) Days after receipt as follows:

- a. The monthly portion of the Fixed Fee;
- b. The monthly amount of Container Handling Fee for domestic trade;
- c. The monthly amount of Container Handling Fee for transshipment traffic for which a 35% discount shall apply on the fee applicable for domestic Container Handling Fee.

The payment of GEPB shall be made in US Dollars or the equivalent in Lebanese Pounds (LBP) at the official exchange rate of the Central Bank of Lebanon as at the date of payment. However, shall all payments received from the shipping liners and shipping agents be settled in US Dollars, the GEPB shall then commit to pay at least 50% of both the Fixed and Container Handling Fees in US Dollars.

SCHEDULE 4
Performance Bond

**SCHEDULE 5
Handover Plan**

[Append Handover Plan submitted by the Preferred Bidder]

SCHEDULE 6

Insurance

The Manager will maintain operator liability insurance and any other insurance that covers damages caused by accidents, acts of God, acts of third parties, and other risks that affect the Manager personnel or assets of the Terminal. More specifically:

- a) The Manager shall purchase insurance policy(ies) with a reputable local insurance company acceptable to GEPB in sufficient first loss limits by GEPB with no less than USD100,000,000 as equipment value and USD50,000,000 in respect of liability to cover property damage resulting from the Manager handling equipment and cargo and the various liabilities resulting thereof. The first loss limits of coverage shall be reviewed and agreed in line with the total sum insured and the updated annual value of equipment.
- b) The policy(ies) should cover (i) liability towards handled cargo, (ii) insurance of assets/equipment (except the Dock and the Wharf) including removal of wreck, (iii) third party liability, (iv) professional liability and (v) liability to government authorities. The policy should be submitted to GEPB ahead of binding got terms and conditions review and approval by GEPB.
- c) The indemnity under the policy(ies) required under (a)/(b) above must be based on New Replacement Value. The policy(ies) should be 100% reinsured with A and above rated reinsurers according to the rating of either STANDARD & POOR'S, or AM Best, or Moody's or Fitch. The policy(ies) required under (a) must include a Cut Through Clause.
- d) The policy(ies) required under (a)/(b) shall protect and indemnify the Manager and GEPB with respect to any damages that may be caused to the Manager's controlled assets by any accidental occurrence including fire, smoke, water damage, storm, flood, earthquake or other natural disasters or catastrophes including tidal waves, collision and impact of the vessels or aircraft, strikes, riots and civil commotion including malicious acts.
- e) The policy(ies) required under (a)/(b) shall extend to cover the Manager's operations affecting property, including vessels and cargo not owned or subcontracted by the Manager when they are, at all material times considered to be under the custody or operating control of the Manager the existence of a valid insurance policy in itself will not void the Manager's liability vis-à-vis GEPB with respect to the Manager's operational responsibility for the Terminal assets and equipment with the exception of the Dock and wharf, which will remain the liability of GEPB.
- f) The policy(ies) shall include liability resulting from the handling of cargo that is, liability for loss, damage or expense incurred during any operation involving the handling, manipulation or stacking of cargo whether incoming or outgoing.
- g) The Manager shall cover its professional liability vis-à-vis GEPB or any other POB user or any third person or any of the Manager's agents, contractors, Subcontractors or employees arising out of negligent or intentional act or omission of the Manager in connection with this Contract (including reasonable attorney fees) and costs on account of the claims, lawsuits, or losses arising therefrom.
- h) The Manager shall purchase a Workmen's Compensation insurance to cover all the employees on site against work related injuries and emergencies as per the Labor Law Decree 136 of 1983. This insurance shall cover medical expenses and indemnities in case of disability or death.
- i) In the event where, for any reason, GEPB may be compelled, by force of law or judicial decision to settle a claim of death, disability, injury to persons or damage to contract for POB Container Terminal Property under the responsibility of the Manager, then GEPB will be entitled to recover such claim from the Manager by any legal means possible.
- j) The Manager shall submit to GEPB, at each renewal, copies of the insurance policies and any amendments or endorsements to the policies during the period of the policies must be disclosed, approved and submitted to GEPB. The Manager shall provide a list of reinsurers (security list) along with the policies in addition to a confirmation of premium payment acceptable to GEPB.
- k) The Manager commits to maintain insurance coverage current during the entire duration of this Contract, failure to comply with this condition shall constitute a Manager Event of Default.

SCHEDULE 7 Parent Company Guarantee

This parent company guarantee (the “**Guarantee**”) is entered in to on --/--/---- by [●] (insert name of the Manager’s parent company) (the “**Guarantor**”) for the benefit of Gestion et Exploitation du Port de Beyrouth (“**GEPB**”).

Guarantor and GEPB are individually referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, [●] (insert name of Manager) (the “**Manager**”) has been awarded the contract for the management, operation and maintenance of Port of Beyrouth container terminal (the “**Contract**”);

WHEREAS, pursuant to Clause 3.1.2 of the Contract, the shareholders of the Manager shall provide GEPB with a parent company guarantee; and

WHEREAS, Guarantor being the parent company of the Manager, is willing to enter into this Guarantee in consideration of and to satisfy the terms of the Contract;

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Guarantor hereby irrevocably and unconditionally guarantees as its own obligation to and for the benefit of GEPB the full, proper and timely performance of the obligations of the Manager under the Contract, when and if such obligations become due according to the terms of the Contract. The Guarantee shall extend to include and cover any variation or addition to the Contract.
2. Guarantor shall not be required to cause such obligations to be performed unless and until it receives GEPB’s written request for performance hereunder following the occurrence of a Manager Event of Default as defined under Clause 16.3 of the Contract.
3. Guarantor shall have 10 days after notice of an Event of Default to commence its performance of such obligations.
4. Guarantor shall not be discharged or released from this Guarantee by the occurrence of (a) an alteration to the nature of extent of the Manager’s services and obligations or otherwise to the terms of the Contract; or (b) the liquidation, bankruptcy, administration, absence of legal personality, dissolution, incapacity or any change in the name, composition, ownership, constitution of the Manager and/or the Guarantor.
5. This Guarantee shall come into effect on --/--/---- and shall remain in force until all obligations, duties, undertakings, covenants, conditions and warranties now or hereafter to be carried out or performed by the Manager under the Contract shall have been satisfied, waived by GEPB or performed in full and is in addition to and not in substitution for any other security, lien or bond which GEPB may at any time hold for the performance of such obligations and may be enforced without first having recourse to any such security, lien or bond and without taking any other steps or proceedings against the Manager.
6. Notwithstanding anything to the contrary herein, Guarantor’s liability under this Guarantee shall not exceed the Manager’s liability under the Contract.

7. This Guarantee shall be governed by the law of jurisdiction governing the Contract, and any dispute under this Guarantee shall be finally settled under the dispute resolution provisions of the Contract.
8. Guarantor represents and warrants that it has all necessary and appropriate powers and authorities to execute this Guarantee and to perform its obligations hereunder.
9. This Guarantee represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties.
10. This Guarantee may not be modified, amended or waived, except in writing signed by both Parties.
11. Guarantor may not assign this Guarantee or its obligations hereunder without the prior written consent of GEPB.
12. If any provision of this Guarantee is held for any reason to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Guarantee, and this Guarantee shall be enforced as if such invalid and unenforceable provision had not been contained herein.
13. All notices, requests, demands, and other communications under this Guarantee shall be deemed to have been duly given to (i) Guarantor, if delivered in accordance with the requirements set forth in Clause 28 of the Contract to the address below, and to (ii) GEPB, to the address set forth in the Contract.

To Guarantor:

Name:

Address:

Phone:

Fax:

Attn:

This Guarantee has been duly executed by authorized representatives of each of the Parties as follows:

Guarantor

Name:

By:

Title:

GEPB

Name:

By:

Title:

SCHEDULE 8
Minimum Service Requirements

1. OVERVIEW

The Minimum Service Requirements reflect the minimum operational and managerial coefficients in order to maintain and gradually increase the Container Handling Services capacity of the Terminal with productivities preventing from waiting times of vessels and queuing of horizontal Container traffic.

Additionally, it is the aim to steadily improve the quality of the work environment by minimizing incidents affecting work force, Equipment or the environment. On this background, the table below shows the relevant performance standards, indicating the Minimum Service Requirements.

Considering the Container throughput capacity of the Terminal, it is important to grant smooth flows of Containers especially at the land and quayside interfaces. Any underperformance of the Manager in these interfaces will impact directly on the overall throughput capacity of the Terminal and consequently, represent a financial prejudice internally and a competitiveness prejudice in the regional port context.

The operational standards will be revised and adapted to the expected improvements of labour productivity and working quality, responding at the same time to the need of keeping the POB competitive in the region.

The table below reflects the Minimum Service Requirements with which the Manager should comply starting from the end of the first Year of the duration of the Contract (KPIs for the new management contract):

Table 1: Minimum Service Requirements

Ref	Category	Indicator	Value	Unit	Limitation
1					
Human Resource/Occupational Health and Safety					
		Total Annual Training of Workforce (portion of work force trained per year)	10%	Percentage	Minimum
		Cargo safety incidents per month (container damaged, cargo damaged)	3	No.	Maximum
		Labor safety incidents per 3 months	1	No.	Maximum
2					
Vessel Operation					
			Number of STS	Move / hour	Limitation
		Average no. of moves per gross berthing hour (up to 500 moves per vessel call)	2.5	60	Minimum
		Average no. of moves per gross berthing hour (up to 1,000 moves per vessel call)	3	75	Minimum
		Average no. of moves per gross berthing hour (up to 1,500 moves per vessel call)	3.5	90	Minimum
		Average no. of moves per gross berthing hour (up to 2,000 moves per vessel call)	4	100	Minimum
		Average no. of moves per gross berthing hour (up to 2,500 moves per vessel call)	4.5	115	Minimum
		Average no. of moves per gross berthing hour (2,500 moves and above per vessel call)	5-6	125	Minimum
3					
Yard Operation					
		Container position accuracy / IT data accuracy	99%	Percentage	Minimum
		Total available static yard slots (registered in the TOS for being available for current yard operation)	35,000	No.	Minimum
4					
M&R					
		Availability of main Container Handling Services Equipment (STS/RTG/EH/TTU)	90%	Percentage	Minimum
5					
External Trucks					
		Truck Turn-Around Time for a single truck (individually calculated)	90	Minutes	Maximum
		Average Truck Turnaround Time at Terminal – Single Mission (gate in/gate out)	30	Minutes	Maximum
		Average Truck Turnaround Time at Terminal – Double Mission (gate in/gate out)	50	Minutes	Maximum
6					
Other					
		Environmental Incidents per year	2	No.	Maximum

* Each 5 years of the contract GEPPB will review the KPIs system above and has the right to change it according to changes of the international standards / market requirements. This include the change of the above KPI system as well as the setting of new KPIs if seen adequate

Whereas Ref. 2, 3, 4 and 5 are directly inherent to Container Handling Services, the remaining 1 and 6 reflect on the management capacity and quality by means of training of workforce.

Environmental incidents are being handled in the frame of the national legislation and will be weighed accordingly, following the national standards.

All assessments are being summarized in conformity with the time periods indicated for every item (yearly, monthly respectively).

2. MONITORING OF KPI'S

2.1 Operational KPIs

The values for Ref. 2, 3, 4 and 5 will be elaborated in real time by the Management Information System of GEPB based on the raw data captured from the Manager through the TOS. The TOS has to be configured in a way allowing an automatic production of reports on the KPIs and make them automatically available as a remote function to GEPB.

2.2 Managerial KPIs

The values for Ref 1 and Ref 6 will be elaborated by GEPB on the basis of the reporting system of the Manager.

2.3 Evaluation of values

All values obtained by GEPB will be assessed upon and the Manager may be requested to provide explanations for any resulting deviation. For every value, a cause-effect situation will be determining on the way forward.

3. SANCTIONS

3.1 Managerial Performance

It is expected that plausible reasons for sporadic non compliances with the KPIs will be provided by the Manager. In case the reasons are to be attributed to the Manager, GEPB will request remedies to prevent from recidivism in all areas. In the event that the Manager does not implement the needed remedies, the foregoing would be considered as a Manager Event of Default and GEPB may take actions and remedies available to it in the Contract.

3.2 Sanction Schema

The sanctions schema set up by GEPB is individually defined for each of the KPI's set before but follows some general structure:

- The sanctions primarily have a monetary character but after a period of consecutive failures it may result in the Contract termination.
- The measurement of sanctions follows the time period defined for each KPI.
- For most of the KPI there is an escalation mechanism triggered by underperformance in consecutive time periods defined for each KPI.
- For some of the indicators the GEPB grants a temporary relieve in percentage of the KPI for the first years of the contract other KPIs are set in full force with the start of operation of the new manager.

Below table reflects the sanctions for the underperformance of the Manager in relation of the Services:

Table 2: Sanctions for underperformance

Ref	Indicator	Sanction Timing	Sanction System	Escalation	Note
1 Human Resource/Occupational Health and Safety					
	Total Annual Training of Workforce (portion of work force trained per year)	Annually	for each % point below this KPI 100,000 USD	not applicable	applied twelve (12) Months from Effective Date
	Cargo safety incidents per month (container damaged, cargo damaged)	Monthly	per each incident above this KPI 100,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months, the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date
	Labor safety incidents per 3 months	Quarterly	per each incident above this KPI 250,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Dated
2 Vessel Operation					
	Average no. of moves per gross berthing hour (up to 500 moves per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 57.0 moves / gross hour
	Average no. of moves per gross berthing hour (up to 1,000 moves per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 71.3 moves / gross hour
	Average no. of moves per gross berthing hour (up to 1,500 moves per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 85.5 moves / gross hour
	Average no. of moves per gross berthing hour (up to 2,000 moves per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 95 moves / gross hour
	Average no. of moves per gross berthing hour (up to 2,500 moves per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 109.3 moves / gross hour
	Average no. of moves per gross berthing hour (2,500 moves and above per vessel call)	Monthly	per each move/gross hour below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	For the first 5 years of operation starting from the Effective Date a 5% relief applies to this KPI so that monthly average can be minimum 118.8 moves / gross hour
3 Yard Operation					
	Container position accuracy / IT data accuracy	Monthly	per each % points below 100,000 USD	not applicable	applied twelve (12) Months from Effective Date
	Total available static yard slots (registered in the TOS for being available for current yard operation)	Monthly	per each 5% points below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date
4 M&R					
	Availability of main Container Handling Services Equipment (STS/RTG/EH/TTU)	Monthly	per each 2.5% points below this KPI 100,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date
5 External Trucks					
	Truck Turn-Around Time for a single truck (individually calculated)	Monthly	per each incident above this KPI 500 USD	not applicable	applied twelve (12) Months from Effective Date
	Average Truck Turnaround Time at Terminal – Single Mission (gate in/gate out)	Monthly	per each 5% points below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date
	Average Truck Turnaround Time at Terminal – Double Mission (gate in/gate out)	Monthly	per each 5% points below this KPI 50,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date
6 Other					
	Environmental Incidents per year	Annually	per each incident above this KPI 250,000 USD	In the second consecutive month double, in the third triple, in the case of more than three consecutive months the event would be considered as a Manager Event of Default and GEPB shall have the right to start the termination process	applied starting from the Effective Date

4. SETTLEMENT MECHANISM

Sanctions and penalties will be determined at the end of every period of time as per above table. For pecuniary penalties, the identified percentages will be applied to the volumes handled during the elapsed period of time and deducted from the payments due at the end of the following months.

SCHEDULE 9 TOS Requirements

Fully flagged Navis N4 3.7 system with all relevant modules and functionalities for container terminal operation and management or an equivalent latest generation TOS. The TOS shall be provided with an owned and independent license for the container terminal in Beirut Port as well as shall have a high level support / service agreement from the supplier of the system that includes all new version releases and updates (license and service agreement have to be presented and approved by GEPB during the Transition Period). With the TOS, the new port Manager has to provide all necessary IT hardware environment (redundant server farm, required handhelds and workstations, etc.) to run the TOS nearly without interruption (system availability 99.9%) with maximum data accuracy and data safety. Independent IT certificates on the hardware adequacy and IT security which is approved by the system supplier has to be presented and approved by GEPB during the Transition Period. The TOS shall be connected and support all IT-system currently installed in the Beirut Port IT-environment, namely the Port Community System and the Customs System (the TOS shall have tailored data exchange interfaces to these systems; in the case of the installation/updating of new or existing systems in the Beirut Port IT-environment, the TOS shall be augmented with additional or upgraded interface to/from those systems). As such the Manager shall not only acquire and implement the new TOS-system but also develop and implement the required full and comprehensive interfacing with POB's existing and new systems.

SCHEDULE 10
Equipment spare parts

SCHEDULE 11
Equipment

SCHEDULE 12
Handback Documentation

SCHEDULE 13
Maintenance Service and Operation Contracts

SCHEDULE 14
Transshipment Contracts