



Cooperation Agreement

Between

Water Services Corporation of the Republic of Malta

And

Société Nationale d'exploitation et de Distribution des Eaux from Tunisia

Between the:

Water Services Corporation, whose head office is at Qormi Road, Luqa, LQA 9043, Malta represented by Mr. Frederick Azzopardi, Chief Executive Officer and designated hereafter as WSC,

On one hand and

Société Nationale d'Exploitation et de Distribution des Eaux, whose head office is at Avenue Slimène Ben Slimène, El Manar 2, Tunis 2092, represented by Mr. Hedi BELHAJ, Chairman Managing Director and designated hereafter as SONEDE,

on the other hand.

Preamble

Considering that the WSC constituted by a law from the Republic of Malta and SONEDE, constituted by a law of the Republic of Tunisia, both operating in the field of drinking water production and distribution,

Considering that WSC and SONEDE are entrusted with water supply for many years,

Considering that WSC and SONEDE are aware of the benefits which may come out of an adequate framework of cooperation in the fields of their activities,

The two parties have decided to:

BS-

Article 1: Object of the Agreement

The present agreement is an approval aimed at materialising will of cooperation between WSC and SONEDE.

Its purpose is to define conditions of partnership between WSC and SONEDE in the drinking water sector.

Article 2: Fields of Cooperation

The fields of cooperation between the two utilities are related to drinking water production, exploitation and distribution sectors. They include:

- Project management,
- Water conservation,
- Remote management,
- Geographic information system,
- Engineering and mapping,
- Works control and monitoring,
- Planning and statistics,
- Water quality,
- Brackish water and sea water desalination,
- Computer sciences and data processing,
- Organisation and audit,
- Customer service,
- Human resources management and training,
- Accounting and financial management,
- Purchase and procurement management,
- Water tariffs,
- Communication.

WSC and SONEDE may include other fields of cooperation by confirming their approval through exchange of letters.

Article 3: Forms of Cooperation:

Cooperation may be achieved in the form of:

3.1. Missions of identification and information:

3.1.1. The two parties will send to each other, when possible and at the request of one party and the approval of the second one, all non confidential oral or written information which may be useful.

3.1.2. Each party will receive employees commissioned from the other party for visits, study trips and information missions according to conditions set by both parties.

B-S

3.1.3. Each party may organise at the request of the other party missions of identification on specific themes. These expert missions will aim at assisting the requesting party to assess corresponding actions or projects.

3.2. Training:

Each party may offer training courses to the personnel of the other party according to programmes which are designed specifically in response to particular needs or in the framework of the programmes it usually offers according to conditions fixed by both parties.

3.3. Technical Assistance:

Each party may provide for the other party and upon its request services related to its know-how, such as:

3.3.1. Give advice on technical, economic, administrative, commercial and financial problems,

3.3.2. Carry out studies, prepare reports and do all works related to the field of activities of the requesting party,

3.3.3. Delegate in the services of the other party employees in charge of assisting the staff or improving their skills,

3.3.4. Carry out scientific research and test material or equipment in laboratory,

3.3.5. Act as a representative for purchase of material or equipment which may be useful for the other party.

3.4. Partnership:

Actions of partnership may be carried out for the benefit of organisations and institutions other than the signatories of this agreement. These actions of partnership may take the following forms:

3.4.1. Achieving actions of training or organisation,

3.4.2. Achieving of missions of diagnosis, expertise or advice,

3.4.3. Achieving actions of assistance for the benefit of other utilities which feel and express the need for them for the choice, creation and management of water services (including studies, research, supervision of works and exploitation)

Article 4: General Conditions

4.1. Any action of cooperation required under the terms of the present agreement should be done at the request of the one of the two parties and requires the consent of the other party which is given provided that resources are available. The two parties should also agree beforehand, by specific agreement, on the contents of the

B.S.

action to carry out, the timing of achievement, the methodology to use, the resources to allocate and any other relevant conditions.

4.2. Any report, information, data, unpublished results, a party communicates to the other party or makes available for it under the terms of the present agreement should be considered as confidential, even after the expiry of this agreement.

If a party wishes to use in one of its publications such results or information communicated by the other party, it should first obtain the written authorisation of the latter. This prior authorisation is not applied vis-à-vis the relationships of each party with its authority of tutelage. The rule of confidentiality remains and is strictly observed for a 10 years period.

Article 5: Amendment

Any amendment of the present agreement should be indicated in a codicil.

Article 6: Financial Conditions

6.1. Pay, expenses of transport, subsistence and accommodation of any employee of one party delegated to the other party on a short or long duration visit or a mission, should be fully paid by the requesting party and no advance nor billing should be made for such actions. Prior to any action, the conditions of pay and stay will be agreed by both parties and a proforma invoice will be sent to the requesting party

6.2. Actions requiring billing will be first fixed in the framework of a bid whose conditions of billing and pay will be defined in specific agreements.

Article 7: Funding of Cooperation:

In addition to the funds of the two utilities, other sources of funding may be used in the future, such as donations and loans granted by different international institutions and payable by the requesting party as and when applicable.

WSC and SONEDE will unite their efforts to obtain funding from these institutions and will collaborate to make their interventions very efficient.

Article 8: Follow up Committee

8.1. In order to follow up the implementation of the present agreement, the two parties agree to meet once a year at the level of their Managing Director or their representatives with a view to assessing the results of actions carried out and preparing future actions.

8.2. In order to ensure good implementation of this agreement of cooperation, both parties shall appoint an agreement manager. WSC will be represented by the Chief Executive Officer. The Director of Communication and International Cooperation is appointed to represent SONEDE.

BS

The two managers of WSC and SONEDE and will have to do the following tasks:

- Prepare the annual meetings, the results of activities and future programmes,
- Obtain the prior approval of proposed actions by the two parties,
- Plan interventions and actions, insure technical and financial management of the different missions of the annual programme, including the follow up of billing,
- Elaborate the model of bills and follow up settlement.

In case one of the two parties decides to change its representative, the concerned party should inform the other party of that change by letter, in order to insure the continuity of actions initiated.

Article 9: Insurance

During missions, training courses or any other action, the personnel involved in such actions shall have health and accident insurance, etc. This obligation is the exclusive responsibility of the personnel's employer who is accountable for it in all cases.

Article 10: Language of Use

All written or oral exchanges related to the present agreement will be made in the French language.

Article 11: Non-Exclusivity

It is expressly specified that the present agreement is not under no circumstances an agreement of exclusivity; each utility retains the freedom to have relationships with other partners.

Article 12: Settlement of Disputes

In case of dispute related to the interpretation or the implementation of one or many provisions of the present agreement, the two parties agree to look for a conciliatory solution which preserves their respective interests.

For lack of friendly solution, any dispute resulting from the present agreement as well as any agreements concluded or to conclude in relation with the present one will be settled once for all by an arbitrator whose head office is in Tunis – Tunisia.

The procedure for the appointment of the referee and the examination of the arbitral issue will be the procedure of the rules of the United Nations Commission on international Trade Law (UNCITRAL).

The referee will apply the rules of equity as for the dispute.

The language of the arbitration procedure will be English.

BS

Article 13: Electing Domicile

For the implementation of the present agreement as well as the exchange of documents, both parties elect their respective domicile as follows:

For the Water Services Corporation: Qormi Road, Luqa, LQA 9043, Malta

For Société Nationale d'Exploitation et de Distribution des Eaux (SONEDE) : 2, Avenue Slimène Ben Slimène, El Manar 2, Tunis 2092, Tunisia.

Article 14: Registration

The expenses of stamps and the stamp duty of the present agreement will be paid by SONEDE.

Article 15: Duration

The present agreement is concluded for a renewable three-year period starting from the date it enters into force. It will be tacitly renewed for a three-year period unless one of the two parties requests termination by means of a registered letter with acknowledgment of receipt with three months' notice.

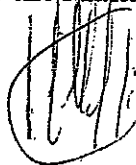
The cancellation of the agreement does not free the contracting parties from their respective obligations towards services already carried out or in progress.

Article 16: Validity – coming into force

The present agreement shall come into force on the date of its signature by the Minister for Energy and the Conservation of Water of the Republic of Malta and the Minister of Agriculture, Hydraulic Resources and Fisheries of the Republic of Tunisia.

Signed in Valetta, on 28/06/2013 in two (2) original copies.

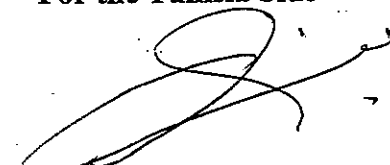
For the Malta Side



Dr. Konrad MIZZI,

**MINISTER FOR ENERGY AND THE
CONSERVATION OF WATER**

For the Tunisia Side



Mohamed BEN SALEM

**MINISTER FOR AGRICULTURE,
HYDRAULIC RESOURCES AND FISHERIES**