

Contract No. _____

Made this _____ day of _____ 2019

**For the Acquisition and Supply of Truck Mounted Potable Water Service
Units**

By and Between

The Israel Airports Authority
(the "IAA")

AND

(the "Supplier")

Contract No. _____

This contract no. _____ (the “**Contract**”) is made and entered into as of _____ (the “**Effective Date**”) by and between:

THE ISRAEL AIRPORTS AUTHORITY, incorporated by and under the Airports Authority Act 1977, and having its registered office at POB 7, Ben Gurion Airport (the “**IAA**”), and

_____, a company registered and incorporated under the laws of the State of _____, registration number _____, having its registered office at _____ (the “**Supplier**”)

(The IAA and the Supplier are each referred to as a “**Party**”, and collectively as the “**Parties**”)

WHEREAS The IAA holds, operates, develops and administrates the Israeli airports, pursuant to the Israeli Airport IAA Act 5737 - 1977; and

WHEREAS The IAA wishes to purchase potable aircraft water service units and ancillary services, all in accordance with the terms and conditions of this Contract; and

WHEREAS For the aforementioned purpose, the IAA issued on June 20, 2019 a Request for Proposals for tender No. **2018/070/0362/00** for the Acquisition and Supply of Truck Mounted Potable Water Service Units (the “**RFP**” and the “**Tender**”); and

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WHEREAS The Supplier was declared as the Awarded Bidder of the Tender in accordance with the provisions of the Tender Documents; and

WHEREAS The Parties wish to set forth the terms and conditions for the supply of the Units (as defined below), all as provided herein;

NOW THEREFORE, the Parties hereto agree as follows:

1. **DEFINITIONS**

In this Contract, the following terms shall have the meanings ascribed below. Capitalized terms which are not defined herein, shall have the meaning ascribed thereto in the Invitation and the remainder of the Tender Documents.

"Contract" This Contract including the preamble thereto and all its Annexes, as amended from time to time, in accordance with the terms specified herein.

"CFR" Cost and Freight (CFR) as per Incoterms 2010

"DAP"	Delivered at Place (DAP) as per Incoterms 2010
"Ex-Works"	Ex-Works as per Incoterms 2010.
"FCA"	Free Carrier (FCA) as per Incoterms 2010.
"Initial Order"	The purchase order as detailed in Section 8.1 below.
"Optional Units"	As defined under Section 8.1.2 hereunder.
"PPI"	The official Production Price Index in the country where the Systems are manufactured, as indicated in the Supplier's Price Proposal.
"Index of Reference"	The PPI rate known as at the Proposal Submission Date which is _____.
"Units"	New potable water service units for aircrafts that includes both the commercial chassis (truck) and the potable water system and all other components that are specified in the SOW, that were proposed by the Supplier in its Proposal for the Tender, including the Optional Units (if any are purchased), and that comply with the specifications set in the SOW.
"Services"	Any services provided in connection with the supply, of the Units, the Training and any Warranty and Maintenance Services, including all work or task to be performed with respect therewith.
"Site"	Any of the IAA's sites designated for the performance of the Services as determined by the IAA.
"SOW"	The Statement of Work, attached hereto as <u>Annex A</u> , which includes all the performance and technical specifications, which shall exist in the Units.
"Spare Parts"	New and original spare parts of the Units as shall be necessary for the proper operation of the Units, in the quantities as may be ordered by the IAA from time to time, at its sole discretion, during the Spare Parts Period.
"Supplier's Proposal"	Supplier's Proposal to the Tender and the bill of quantities attached thereto, which is attached hereto as <u>Annex B</u> .
"Tender Documents"	As defined in Section 2 of the RFP and including any and all addenda.

2. ANNEXES

All the following documents, hereby incorporated into the Contract or incorporated by reference, including all annexes and attachments thereto, shall constitute an integral part of the Contract.

Annex A	Statement of Work (SOW)
Annex B	Supplier's Proposal
Annex C	Form of Guarantee
Annex D	Liability and Insurance
Annex E	Terms of LC

3. INTERPRETATIONS

- 3.1. The preamble to this Contract and its annexes constitute an integral part thereof.
- 3.2. Words that are in the singular include the plural, words that are in the plural include the singular, words that are in the masculine include the feminine and words that are in the feminine include the masculine.
- 3.3. The headings of the sections and annexes are intended for convenience only and should not be used for the interpretation of this Contract.

4. ORDER OF PRECEDENCE

- 4.1. In the event of conflict between the provisions of the documents comprising this Contract, and any of the other Tender Documents, and in the absence of any other stated priority, this Contract shall have precedence over all other Tender Documents.
- 4.2. The Supplier shall notify the IAA immediately of any discovered ambiguity or conflict within or between documents, error, omission, deficiencies, defects or lack of necessary detailed description in the Contract and/or the Annexes, and request the IAA's clarification and direction.

5. REPRESENTATIVES OF THE PARTIES

- 5.1. The IAA shall be represented for the purposes of this Contract by the Managing Director of Ben Gurion International Airport and/or anyone appointed on its behalf (the "**IAA's Representative**").
- 5.2. The IAA may from time to time replace the IAA's Representative, as it deems fit, and inform the Supplier in writing accordingly.
- 5.3. Supplier shall be represented for the purposes of this Contract by _____, who shall serve as a single point of contact of the Supplier ("**Supplier's Representative**"). Contact details with such representative shall be provided to the IAA upon signature of this Contract.

Supplier may replace Supplier's Representative subject to the prior written consent of the IAA.

- 5.4. In addition to the Supplier's Representative, the Supplier shall be required to appoint a local authorized agent in Israel who has the means, experience, ability and manpower to provide the required technical assistance with respect to the Units during the entire term of the Contract and until the end of the Spare Parts Period, as shall be required by the IAA (the "**Local Agent**").
- 5.5. The IAA may demand the replacement of the Local Agent, at its sole discretion, for any reason and at any time, and the Supplier will be obligated to replace the Local Agent. The identity of the replacing representative shall be approved in advance by the IAA and in writing.
- 5.6. The Supplier shall be fully responsible and liable for any act and/or omission of the Supplier's Representative and/or the Local Agent in connection with actions and/or omissions made on behalf of the Supplier and/or hereunder.

6. GENERAL UNDERTAKING

The Supplier hereby undertakes to design, manufacture, supply and deliver the Units to the IAA and to render the IAA with the Services, and to do all that is necessary in order to achieve the proper performance and operation of the Units according to the SOW, all pursuant to the terms and conditions stipulated herein and in accordance with the time schedule and delivery dates set by the IAA.

7. REPRESENTATIONS AND WARRANTIES

The Supplier hereby declares, represents, warrants and undertakes as follows:

- 7.1. That it has all requisite power to enter into this Contract and that it has taken all necessary corporate actions to authorize the signing of this Contract and performance of the Services contemplated hereunder.
- 7.2. That each of its obligations under this Contract constitutes a valid and binding obligation.
- 7.3. That it has the necessary and adequate skills, competence, commitment, expertise, experience and professional ability, required to manufacture and supply the Units and for the performance of its obligations in accordance with the provisions of this Contract.
- 7.4. That the execution, delivery and performance of this Contract and each obligation contemplated hereunder, does not and will not violate in any respect a provision of: (i) any law or treaty or a judgment, ruling, order or decree of a governmental agency which is binding on or applicable to it; (ii) the Supplier's incorporation documents and by-laws; or (iii) any other document, agreement or security interest that is binding on the Supplier or its assets.
- 7.5. The Supplier shall ensure, at all times, the employment of sufficient and adequate personnel, as required for the timely performance of its obligations under the Contract.

- 7.6. It has good, valid, and enforceable title, free and clear of all security interests, to the Units and shall not create or permit the creation of any lien, encumbrance, or security interest on any of the Units.
- 7.7. The Supplier warrants that the design, construction, shipment, packaging and quality of the Units and the Spare Parts (or any part thereof) to be supplied under this Contract comply in all respects with all relevant requirements of any statute, statutory rule or standard of order, which may apply to such Units and Spare Parts (or any part thereof) at the time when the same are supplied.
- 7.8. Without derogating from the aforementioned, the Supplier shall be required to provide the IAA with all the information required for, and provide reasonable assistance to the IAA for obtaining the import license issued by the Israeli Ministry of Transport with respect to the Units, at least 14 days prior to shipment thereof. For the avoidance of doubt, the responsibility for obtaining the import license is part of the IAA responsibilities.
- 7.9. The Supplier shall use all reasonable care and skill in manufacturing the Units and shall ensure that all Units supplied by it to the IAA hereunder are new and original, of satisfactory quality, fit for its purpose, free from defects in workmanship materials and design, accords in all respects with the SOW, safe for use as intended, conform to all requirements established by the IAA and do not infringe any proprietary rights of any third party.
- 7.10. The Supplier warrants that it has carefully read and understood the Tender Documents and the SOW, that it has examined, as an expert, all of the conditions, factors, circumstances and data relating to supply of the Units and the execution of the Services, and is fully aware of the obligations, risks and liabilities assumed by the Supplier thereunder.
- 7.11. Without derogating from the provisions of the Contract and/or any applicable law, when providing any of the Services at the IAA site, the Supplier and/or anyone on its behalf shall comply with the applicable IAA's site rules, safety requirements and regulations.
- 7.12. The Supplier further represents that based on such evaluation, finds the performance of its obligations in accordance with the provisions of this Contract feasible and practicable without any additional consideration other than the Consideration as specified in section 12 hereunder, and hereby waives any claim in this regard, especially in regard to the effect of such parameters on schedule and cost.
- 7.13. The Supplier shall notify the IAA, as soon as reasonably possible, of any errors, faults or defects (if any) found in the SOW and shall advise the IAA with respect to the feasibility of the procurement requirements and any other matters necessary to accomplish the supply of the Units in accordance with the SOW and on time.
- 7.14. At all times during the term of this Contract and notwithstanding the existence of any dispute of any kind, the Supplier shall perform its obligations under the Contract, in a diligent manner and without delay, and shall comply always with all the provisions of the Contract and the instructions of the IAA.

8. SUPPLY AND DELIVERY

8.1. Initial Order and Optional Units

8.1.1. Upon signing of the Contract, the IAA shall acquire two (2) Units (the “**Initial Order**”). The signing of the Contract shall constitute an order for the acquisition of the Initial Order.

8.1.2. In addition, during the Option Period (as defined below), the IAA shall be entitled to purchase from the Supplier, at the IAA’s sole discretion according to the IAA’s needs, up to three (3) additional Units (the “**Optional Units**”).

The Supplier shall be obliged to supply the Optional Units to the IAA in accordance with the Supplier’s Proposal and the purchase orders to be issued by the IAA.

For the purpose of this Contract, the “**Option Period**” shall be a period of 5 years as of the Effective Date, which may be extended, at the IAA’s sole discretion, by an additional period of up to 24 months.

8.1.3. In the event that the IAA shall exercise its right to purchase Optional Units, the provisions of this Contract with respect to the Initial Order shall apply, *mutatis mutandis*, with respect to the Optional Units.

8.1.4. It is clarified that the IAA does not undertake to purchase any of the Optional Units and that such Optional Units shall be purchased only according to the IAA’s specific needs from time to time and at its sole discretion during the Option Period. The IAA shall not be liable to the Supplier for any damage, loss, cost or expense resulting from or in connection with the exercise or the non-exercise of IAA’s right to purchase the Optional Units.

8.1.5. Notwithstanding any of the above, the IAA shall be entitled at any time and at its sole discretion, to amend the quantities specified above and/or in the bill of quantities or Spare Parts list, by submitting a written notice to the Supplier.

8.2. Spare Parts

8.2.1. The IAA shall be entitled to purchase from the Supplier, from time to time during the Spare Parts Period (as defined below), Spare Parts in quantities as may be determined by the IAA, at its sole discretion.

For the purpose of this Contract, the “**Spare Parts Period**” shall mean a period of 10 years as of the date of supply of the last Unit purchased as part of the Initial Order under this Contract, which may be extended, at the IAA’s sole discretion, by an additional period of up to 5 years.

8.2.2. Purchase orders for Spare Parts (if any), shall only be issued in writing by the IAA’s Representative.

- 8.2.3. It is hereby clarified that, without derogating from any of Supplier's obligations and/or warranties (including the obligation to supply the Spare Parts) and/or IAA's rights and remedies stipulated in the Contract, in the event that during the Contract Term, the Supplier shall propose for sale spare parts having functions similar to the Spare Parts, for a consideration lower than the relevant Spare Parts Prices, or having other advantages as a consequence of a technological improvement or a technological modification of the Equipment (hereinafter: the "**New Equipment**"), the Supplier shall provide the IAA with a written notice with respect, detailing the kind, type, prices and specifications of the New Equipment, and the IAA shall have the option, at its sole discretion, to purchase from the Supplier the New Equipment instead of the Equipment, and the Supplier shall have no claim or demand with respect.
- 8.2.4. The Supplier guarantees the availability of the Spare Parts at least for the entire Spare Parts Period.
- 8.3. Delivery of the Units and Spare Parts
- 8.3.1. The Supplier shall supply and deliver the Units in the Initial Order CFR Haifa/Ashdod ports, within no more than 6 months from signature of the Contract by the parties. *[Note – in the event the Supplier offered an alternative for delivery according to DDP and the IAA decided at its sole discretion to exercise such option, this section and the final Consideration will be adjusted accordingly]*
- 8.3.2. The Supplier shall inform the IAA at least twenty-one (21) days in advance of the expected date of delivery of the Units.
- 8.3.3. The Units and/or Spare Parts shall be properly packed and secured in such a manner that will ensure it will reach its destination in good condition, including without limitation, packing for air/sea shipment and protected against humidity and environmental hazards, and as such shall be delivered by the Supplier, all on Supplier's account. Notwithstanding the above, the Units and/or Spare Parts shall be packed and secured in such a manner that complies with any applicable law and/or regulation.
- 8.3.4. All expenses and arrangements with regard to the delivery and/or packaging of the Units and/or Spare Parts up to the delivery point shall be borne by the Supplier.
- 8.3.5. If the IAA, for any reason, is unable to accept the Units and/or Spare Parts at the time it is due and ready for delivery, the Supplier shall store the Units and/or Spare Parts, safeguard it and take all responsible steps to prevent its deterioration, and the IAA shall reimburse to the Supplier the reasonable costs (including insurance) incurred by Supplier in connection therewith.

- 8.3.6. The Supplier is responsible for acquiring, on its own account, all necessary export licenses required by its residence country government and to pay all taxes required by its residence country government in order to export the Units and/or Spare Parts to Israel.
- 8.3.7. Notwithstanding the above, any Spare Parts purchased by the IAA in accordance with section 8.2 above, shall be supplied and delivered by the Supplier to the IAA Ex-Works, according to the purchase order to be issued by the IAA and the relevant delivery times set in the SOW, as determined by the IAA, at its sole discretion. For the removal of doubt, the Spare Parts ordered by the IAA in accordance with this section (if any) shall not be used by the Supplier for performance of its Warranty obligations.
- 8.4. Liquidated Damages for Delay
- 8.4.1. The Supplier undertakes to perform all its obligations hereunder, to supply the Units and to provide all Services in accordance with the delivery dates and time schedule set by the IAA. Where no specific timetable is set out, the Supplier shall perform such work at a reasonable time under the circumstances.
- 8.4.2. Should the Supplier fail to comply with the delivery dates set under this Contract, the IAA shall be entitled to demand, at its sole discretion, agreed liquidated damages of 1% of the Consideration for the relevant Purchase Order per each week of delay up to a total of 10%. A delay of more than 10 weeks shall be considered a material breach (the "**Liquidated Damages for Delay**").
- 8.4.3. The Parties hereby agree that the above specified Liquidated Damages for Delay constitute an appropriate and reasonable compensation for the damages caused to the IAA in said circumstances, however the Liquidated Damages for Delay shall not derogate from any of Supplier's obligations under this Contract nor constitute an agreement of the IAA for any failure of the Supplier to comply with such obligations. Additionally, the collection of such Liquidated Damages for Delay, in whole or in part, shall be without prejudice and shall not be deemed as limiting any other rights of the IAA according to this Contract and/or any applicable law.
- 8.4.4. The Supplier shall pay the IAA, within 14 days from the date of issuance of written demand to such extent. The IAA may set off the Liquidated Damages for Delay, due to it under the Contract, from the consideration payable to the Supplier and/or collect them from the Guarantees, or collect them in any other manner.
- 8.5. Transfer of Title
- 8.5.1. The ownership and title to each of the Units and/or the Spare Parts shall pass to the IAA in accordance with the delivery terms set hereunder, without prejudice to the IAA's right of rejection, as defined in section 8.6.

8.5.2. The ownership and title to each of the Units and/or the Spare Parts and any part thereof will fully pass to the IAA free and clear of all security interests, liens, attachment, encumbrance and any other rights or claims of any kind of any third party.

8.6. IAA's Right of Rejection

8.6.1. The IAA reserves the right to reject any Units and/or Spare Part which (i) shall not meet, according to the IAA's opinion and sole discretion, the requirements stipulated in the SOW, or (ii) have been found by the IAA to be inferior to the Units and/or Spare Parts stipulated by the Supplier in its Proposal. In case of such rejection, it shall be the Supplier's responsibility to provide such Units and/or Spare Parts which shall meet the abovementioned requirements, at its expense. Any notice of rejection given by the IAA according to this section should be given within 14 days from the date of completion of the SAT (as defined below).

8.6.2. When giving notice of rejection, the IAA shall return the rejected Units and/or Spare Parts (or any part thereof). In such case, the Supplier shall replace such rejected Units and/or Spare Parts, within the schedule specified in the notice of the rejection, with delivery FCA, at Ashdod/Haifa seaport. The replacement Units and/or Spare Parts shall be in all respects in accordance with this Contract.

8.6.3. Any expense incurred by the IAA due to its exercise of its right of rejection under this section 8.6.3 shall be borne by the Supplier.

8.6.4. The exercise or non-exercise of the IAA's right of rejection as aforesaid, shall not derogate from Supplier's obligations under this Contract.

9. FACTORY ACCEPTANCE TESTS

9.1. Before dispatching and shipment of any of the Products to the IAA, the Supplier shall conduct an internal final inspection test to each Product, and shall carefully inspect and test if the Units are in full compliance with Supplier's Proposal and with the Technical Specifications included in the SOW.

9.2. If required by the IAA, Factory Acceptance Test ("**FAT**") will be conducted in accordance with Chapter 4 (*Acceptance Tests*) in the SOW. The Supplier shall provide the IAA with two (2) weeks advance notice prior to the expected date of the FAT. At least one week before the scheduled FAT the supplier will provide the IAA with the final inspections report conducted by it for each Unit.

9.3. If as a result of any inspection or test carried out under this section, the IAA's representative has reason to believe that the Units are not in full compliance with the Technical Specifications specified in the SOW, it shall inform the Supplier accordingly in writing and the Supplier will be required to take such steps as may be necessary to ensure such compliance within no more than 14 working days. Should such event occur, a new series of FAT shall be performed (if so required by the IAA) after all rejects have been rectified.

- 9.4. All FAT shall be completed to the IAA's satisfaction prior to shipment of the Units, and any failure by the Supplier to meet the requirements specified herein shall be regarded as a fundamental breach of this Contract.
- 9.5. All expenses relating to the performance of the FAT shall be fully borne by the Supplier.
- 9.6. The costs and expenses associated with the IAA's representatives presence at Supplier's facility during the FAT, including traveling and living expenses, shall be borne by the IAA. Notwithstanding the above, if the IAA's representatives shall be required to extend their trip or return to the Supplier's facility to conduct an additional FAT due to failure of the FAT, then all additional expenses with respect to the IAA's representatives presence at Supplier's facility, during the additional series of tests held, including traveling and accommodation expenses, shall be borne by the Supplier.
- 9.7. Without derogating from IAA's right under section 9, should the IAA decide not to conduct the FAT, the Supplier shall perform its internal final inspection to ensure compliance of the Unit with all the technical specification and submit to the IAA the test reports in writing, and unless the IAA has submitted any rejection with respect to such report, the Units shall be deemed accepted by the IAA for FAT purposes only.

10. SITE ACCEPTANCE TESTS (SAT)

- 10.1. Within 7 working days as of the date on which the Unit has arrived to the Site, the Supplier shall notify the IAA that the Units have been assembled, inspected and are ready to be tested, and the IAA, in the presence of the Supplier's representatives, shall conduct a series of acceptance tests in order to confirm that the Units are in full compliance with the Technical Specification set in the SOW, as further specified in Chapter 3 (*Acceptance Tests*) of the SOW (the "SAT"). The IAA shall issue to the Supplier its report within 14 working day period from the date the supplier has advised the IAA that the Unit is ready for conducting the SAT.
- 10.2. In the event that as a result of any inspection or test carried out under this section 10, the IAA has reason to believe that the Units do not fully comply with Supplier's Proposal and/or with the SOW, the IAA shall inform the Supplier immediately in writing and the Supplier shall be responsible to take all steps as may be necessary remedy any defects and/or replace any part, at its expense, in order to ensure such compliance within reasonable time table set by the IAA in accordance with the type of rejects. In such event, the IAA shall conduct repeated acceptance tests by not later than 7 working days from the date set by the IAA for remedying such rejects.
- 10.3. Should the Units successfully pass all SAT, the IAA will issue to Supplier a certificate of acceptance with respect to the Units (the "**Acceptance Certificate**"). The issuance of the Acceptance Certificate is conditional upon the Supplier's providing the IAA with the Warranty Guarantee as stipulated in Section 16.2 below.

- 10.4. All expenses incurred by the Supplier in the performance of the SAT shall be fully borne by the Supplier.
- 10.5. Failure by the Supplier to meet the SAT requirements as mentioned above will be regarded as a fundamental breach of the Contract.
- 10.6. For the avoidance of doubt, the issuance of any approval, confirmation and acceptance certificate issued by the IAA under this Section 10, shall not derogate from the full and complete responsibility of the Supplier, as stipulated in the Contract, including its responsibility for the supply of the Units in accordance with the SOW and their fitness for their intended purpose, and shall not be deemed as a waiver by the IAA of any of its rights under this Contract, including, *inter alia*, the right to demand from the Supplier to remedy any non-compliance, at its own expenses, even if such non-compliance is discovered after the issuance of the Acceptance Certificate.

11. TRAINING AND TECHNICAL LITERATURE

11.1. Training

- 11.1.1. As part of its obligations, the Supplier shall be required to provide training for the IAA's operators and technicians, as further specified in Chapter 2 (*Training and Technical Literature*) of the SOW, so that at the end of the training, the IAA's personnel shall be able to correctly operate and use the Units and to identify and diagnose any malfunctions (the "**Training**").
- 11.1.2. The Training shall take place at the IAA's facilities on Site at dates which will be coordinated between the Parties. The Training shall be conducted in Hebrew and shall include "hands-on" training, using the actual Products and applicable user manuals and all in accordance with the provisions of the SOW.
- 11.1.3. The Training shall be deemed to be included in the Supplier's Proposal and the Supplier shall not be entitled to any additional consideration for the performance of the Training. For the removal of doubt, the IAA shall bear the costs and/or expenses related to its personnel participation in the Training.
- 11.1.4. The IAA will be entitled to purchase additional training, in addition to the Training specified in Section 11.1.1 above (the "**Additional Training**"). The prices for such Additional Training shall be as stipulated in the Supplier's Proposal. Said prices shall be valid until the end of the Option Period and thereafter shall be linked to the PPI, as of the Submission Date.
- 11.1.5. The Supplier shall indemnify the IAA and hold it harmless against any damage, loss, cost or expense incurred as a result of an act or an omission of the IAA's personnel executed in accordance with the Supplier instructions conveyed during the Training, and which was not caused due to the IAA's personnel gross negligence or willful misconduct.

11.1.6. Without derogating from the above, any repairs to the Units performed by the IAA personnel, in accordance with the Supplier's Training instructions, shall not derogate from the Supplier's Warranty, as specified in section 14 below or any other Supplier's obligations pursuant to this Contract nor shall it derogate from the full compliance of such Units with the SOW.

11.2. Technical Literature and Documentation

As a condition for issuance of the Acceptance Certificate, the Supplier shall provide the IAA at the date of delivery, with all technical literature required for the operation and maintenance of the Units and any part thereof, all as further detailed in Chapter 2 (*Training and Technical Literature*) of the SOW (the "**Documentation**"). The Documentation delivered shall be the last edition thereof and shall completely reflect the Unit actually supplied to the IAA, and drafted in English or Hebrew in accordance with the requirements of Chapter 2 (*Training and Technical Literature*) of the SOW. The Supplier shall provide the IAA from time to time with any updates issued for the Documentation.

12. CONSIDERATION

In consideration for the Units supplied by the Supplier in accordance with the terms of this Contract and the execution of all its obligations hereunder, the Supplier shall be entitled to payment as follows (the "**Consideration**"):

12.1. Initial Order Price

12.1.1. In consideration for the supply of each of the Units included in the Initial Order, the provision of the Services and the execution of all its obligations hereunder, the Supplier shall be entitled to receive a payment in the amount of _____, as stipulated in the Supplier's Proposal with respect to such Units amounting to a total of _____ (the "**Initial Order Price**").

12.1.2. For the avoidance of doubt, it is clarified that the Initial Order Price is inclusive of any and all costs and charges ancillary to the execution by the Supplier of its obligations hereunder.

12.1.3. The Initial Order Price is firm and shall not be linked to any index.

12.2. Optional Units Price and Price of Additional Training

12.2.1. For each Optional Unit purchased by the IAA, if any, the Supplier shall be entitled to receive payment in the amount stipulated in the Supplier's Proposal with respect to such Unit, minus 3% discount (the "**Optional Units Price**").

12.2.2. The Optional Units Price (for Optional Units purchased after the Warranty Period for the Initial Order) shall be linked to the PPI, the indexation being made on the basis of the PPI Index of Reference (as defined above) and of the last PPI known as at the date of the relevant purchase order.

- 12.2.3. The prices for any Additional Training purchased by the IAA (if any) shall be as stipulated in the Supplier's Proposal. Said prices shall be valid until the end of the Warranty Period for the Initial Order and thereafter shall be linked to the PPI, calculated as of the Submission Date.
- 12.3. Spare Parts Price
- 12.3.1. For Spare Parts that may be ordered by the IAA as specified in section 8.2 above, the Supplier shall be entitled to receive payment according to prices which shall not exceed the prices of such parts according to the manufacturer's official price list attached to the Supplier Proposal as of the date of order, less 10%.
- 12.3.2. The Supplier shall inform the IAA of any change, modification or update of its official price list. In addition, the Supplier will include in its Proposal a full catalog of the Spare Parts, which mentions their prices and availability.
- 12.4. It is hereby clarified that the Consideration specified in this section shall be the sole consideration for the performance of Supplier's obligations as stipulated in this Contract, including any and all costs and expenses made to comply with obligations including working hours, packaging, customs, taxes, insurance, errands, per diem expenses and travel expenses and any other expense, all as applicable in accordance with the relevant Incoterms set in this Contract, and all subject to the terms and provisions of this Contract.

13. PAYMENT TERMS

- 13.1. The Initial Order Price shall be paid by the IAA to the Supplier as follows:
- 13.1.1. Eighty percent (80%) shall be paid by a letter of credit which shall be issued by the IAA in favor of the Supplier in accordance with and subject to the terms stipulated in **Annex E** attached hereto (the "LC"). The IAA shall issue the LC within 30 days from the signing of the Contract and submission of the Performance Guarantee by the Supplier.
- 13.1.2. Twenty percent (20%) shall be paid by a bank transfer 30 days after the issuance of the Acceptance Certificate and after receipt by the IAA of the Warranty Guarantee.
- 13.2. The payment for any Optional Units, shall be made in the manner specified in section 13.1 above, mutatis mutandis. Payment for any Spare Parts and Additional Training (if any are ordered) shall be made within thirty (30) days as of delivery thereof, by bank transfer and against receipt of due invoice.
- 13.3. Payment for all Units and/or Spare Parts shall be made in a foreign currency as stipulated in the Proposal. For the avoidance of doubt, unless specified otherwise, prices stipulated in the Proposal shall not be subject to any changes, including without limitation, devaluation, inflation or fluctuation of any sort.
- 13.4. All taxes, duties and charges due with respect to the supply of the Units and/or the Spare Parts, outside of Israel, shall be borne by the Supplier only.

- 13.5. To the extent required according to the law, Israeli V.A.T shall be added to any price stipulated in this Contract (as applicable), provided the Supplier has issued to the IAA a tax invoice.

14. **WARRANTY**

- 14.1. Supplier warrants and undertakes that during the warranty periods set forth in Chapter 3 (*Spare Parts, Maintenance and Warranty*) of the SOW, the Units and any part thereof shall conform in all material respects to the SOW and all requirements specified in this Contract (the "**Warranty**" and "**Warranty Period**", respectively).
- 14.2. In the event that any defect, fault, deficiency or malfunction ("**Defect**") is discovered in the Units or any part thereof during the Warranty Period, the Supplier shall repair and/or replace the Units or the defective part thereof (the "**Defective Product**"), without additional cost to the IAA, and the IAA shall be entitled to:
- 14.2.1. At the IAA's sole discretion, send the Defective Product to the Supplier's workshop (if located in Israel) or the Local Agent's workshop in Israel. In this event the Supplier shall repair the Defective Product or any part thereof, or replace it, all without additional cost to the IAA; or
- 14.2.2. Request the Supplier to send on its behalf a technician in order to repair the Defective Product. Any expenses with respect to Supplier's technician visit in Israel, including flight, internal transportation and accommodation expenses shall be solely borne by Supplier. The IAA shall be entitled to request that a technician will be sent on behalf of the manufacturer in case that the Supplier's technician failed to solve the deficiency and the Supplier shall bear all costs related thereto; or
- 14.2.3. Have such Defective Product repaired by the IAA's personnel. Expenses with respect to repair of such deficiency by the IAA's personnel including, payment for the IAA's personnel working hours, shall be solely borne by Supplier.
- 14.3. The Supplier shall be required to repair any such Defect in accordance with the SLA specified in Chapter 3 (*Spare Parts, Maintenance and Warranty*) of the SOW.
- 14.4. Unless specified otherwise, all actions required as part of Supplier's Warranty obligations under this section 14 shall be made at the Supplier's expense. The transport costs of the Units, the Spare Parts and any parts thereof in need of repair shall be borne by the Supplier. The shipment costs of sending any such Units and/or Spare Parts to the Supplier will be borne by the Supplier.
- 14.5. Should it be necessary to re-supply and/or replace any part of the Units and/or Spare Parts due to a Defect while under the Warranty of the Supplier, all expenses incurred by the supply and delivery of such parts shall be borne by the Supplier. Delivery of repaired or replaced parts of the Units and/or Spare Parts under this Section 14 shall be made DAP to Ben Gurion airport.

- 14.6. Notwithstanding the above, during the Warranty Period, any preventative and/or periodic maintenance services shall be carried out by the IAA personnel in accordance with the Training provided by the Supplier. Any Spare Parts and/or consumables required for such preventive and periodic maintenance services shall be purchased by the IAA.
- 14.7. If any such Defect is not remedied within the time stipulated above after receipt of IAA's notice thereof, the IAA, without prejudice to any other right or remedy under this Contract, and at the risk and reasonable cost and expense of the Supplier, may take any actions which the IAA reasonably considers necessary to remedy the Defective Product, including, retaining the services of any entity for the purpose of remedying the Defect and/or terminate the Contract and/or demand the payment of Liquidated Damages.
- 14.8. It is hereby clarified, that if a Defect occurs during the Warranty Period, and that in order to repair such Defect, the IAA's personnel is compelled to use one of the Spare Parts acquired by the IAA, then the Supplier shall replace such spare part and furnish to the IAA a new and original one, within 30 days of the IAA's written notification, all at the Supplier's expense.
- 14.9. Supplier's Warranty with respect to Units shall survive the termination of this Contract regardless of the reason of such termination.
- 14.10. Any action and/or activity done by the IAA's personnel, which have been certified by the Supplier as part of the Training, according to such certification, shall not derogate from any of Suppliers obligations stipulated in the Contract, including this section 14.
- 14.11. It is agreed that a fault which occurs more than three (3) times during the Warranty Period in the Units and/or any part thereof shall be defined as an epidemic failure and the Supplier shall comply with the provisions set forth in *Chapter 3 (Spare Parts, Maintenance and Warranty)* of the SOW for handling such Epidemic Failure. Significant safety default will be considered as an epidemic default.
- 14.12. Failure by the Supplier to meet the requirements mentioned above will be regarded as a fundamental breach of the Contract.

15. **LIABILITY AND INDEMNIFICATION**

The Supplier's insurance liabilities and indemnification shall be in accordance with the provisions of **Annex D** attached hereto.

16. **GUARANTEES**

The Supplier shall submit to the IAA all of the following guarantees (the "**Guarantees**"):

16.1. Performance Guarantee

16.1.1. Concurrently with the signature of this Contract, the Supplier shall provide the IAA with an irrevocable, autonomous, unconditional guarantee in an amount equal to ten percent (10%) of the amount of the Initial Order Price, in the form attached hereto as **Annex C** (the "Performance Guarantee").

16.1.2. The Performance Guarantee must be valid as of the Effective Date and until no less than 30 days following the issuance of the Acceptance Certificate by the IAA. The Performance Guarantee shall be return to the Supplier against submission of the Warranty Guarantee.

16.2. Warranty Guarantee

16.2.1. Within 30 days as of issuance of the Acceptance Certificate, the Supplier shall provide the IAA with an irrevocable, autonomous, unconditional guarantee in the form attached hereto as **Annex C** in an amount equal to 5% of the Initial Order Price (the "Warranty Guarantee").

16.2.2. The Warranty Guarantee shall be valid for the entire Warranty Period.

16.3. General Provisions

16.3.1. All Guarantees furnished by the Supplier shall be provided by a major Israeli commercial bank or an international bank licensed to operate in Israel that has a branch in Israel, or by an Israeli insurance company which is listed in the valid records of the Division of Capital Markets, Insurance and Savings of the Israeli Ministry of Finance on the Submission Date as an entity authorized to issue such guarantees, in accordance with the Insurance Business Control Notice (Branches of Insurance) 5745-1985 and the Control of Financial Services (Insurance) Law, 5741-1981. The identity of the Guarantee provider is to be approved by the IAA in advance. All costs associated with the Guarantees will be borne by the Supplier.

16.3.2. Should the IAA decide to exercise its option to purchase the Optional Units, the amount of any relevant Guarantee shall be updated accordingly and shall reflect any additional purchase order. Supplier shall either issue a new guarantee with respect to the updated guaranteed amount or update the existing guarantee.

16.3.3. Immediately following the exercise of any Guarantee, the Supplier shall furnish the IAA with a new Guarantee for the amount of the collected Guarantee. In the event of partial collection on a Guarantee, the Supplier shall furnish a supplementary guarantee for the amount collected.

- 16.3.4. In the event that the Supplier is required to extend the validity of a Guarantee or to submit a new or supplemental guarantee, it should do so at least sixty (60) days prior to the expiration of the then existing Guarantee. Should the Supplier fail to do so, the IAA shall be entitled to immediately collect on all existing Guarantees.
- 16.3.5. Without derogating from any other remedy available to the IAA under the Contract or under the Law, the IAA shall be entitled to exercise any of the Guarantees (in whole or in part) in any event of breach or default by the Supplier under the Contract.
- 16.3.6. The IAA may make a demand under any Guarantee in respect of any amount which it considers due or payable (but which has not been paid) by the Supplier to the IAA, or for which the Supplier may become liable towards the IAA under, or as a result of any breach of this Contract by the Supplier.
- 16.3.7. The IAA may make a demand under a Guarantee if the Guarantee's period is not extended pursuant to the IAA's demand, in accordance with the terms and conditions hereinabove. Any such exercise will not relieve the Supplier from providing the IAA with a replacement Guarantee for the extended period as required by the IAA.

17. FORCE MAJEURE

- 17.1. Neither Party is liable for any delay in the performance of the Contract, or any undertaking hereunder, if such delay is, directly or indirectly, caused by, or arises from, any of the following extraordinary impediments, occurring in Israel, beyond the control and without fault or negligence of the Party affected: fires, earthquakes, floods, civil unrest, acts of God, declared war, act of terror, governmental interference or embargoes, state-wide strikes or state-wide labor difficulties ("**Force Majeure Event**"). The above does not extend for any contingencies stated above happening to the Supplier's subcontractors or suppliers.
- 17.2. A Party affected by any Force Majeure Event must (i) promptly notify the other Party in writing of any such event, the expected duration thereof, and its anticipated effect on the Party affected in terms of the performance required hereunder; (ii) provide alternative methods to continue the performance of any requirement under this Contract affected by such Force Majeure Event; and (iii) make reasonable efforts to promptly remedy any such Force Majeure Event.
- 17.3. Any delivery delayed due to a Force Majeure Event will be extended for such time as the Force Majeure Event continues, all subject to the other Party's right to terminate this Contract, in accordance with the terms and conditions of this Contract.
- 17.4. Notwithstanding the aforementioned in this Contract, an affected Party is not entitled to any increase in consideration or extension of time if the affected Party could have reasonably foreseen, avoided or overcome the Force Majeure Event.

- 17.5. For the removal of doubt it is hereby clarified that any violent events in the Palestinian Territories (West Bank and Gaza) shall not, by itself, be deemed as an event of Force Majeure for purpose of the Contract.
- 17.6. Irrespective of any extension of time, if a Force Majeure event occurs and its effect continues for a continuous period of 180 days or an aggregate period of 250 days, the IAA may give to the Supplier a notice of termination, which shall take effect 14 days after the receipt of such notice.

18. **TERMINATION**

- 18.1. Without derogating from any other right or remedy available to the Supplier under the Contract, IAA shall be entitled to terminate this Contract by a notice which shall be effective immediately, upon the occurrence of any of the following events:
- 18.1.1. The Supplier is in breach of any of its obligations, representations or warranties under the Contract, and such breach was not rectified within 10 days of notice issued to the Supplier.
- 18.1.2. In the event that liquidation, receiverships or reorganization proceedings or any other proceedings with a similar effect, has been commenced by or against the Supplier, unless such proceedings are discharged within 30 days;
- 18.1.3. If a Force Majeure Event continues for a period exceeding the periods mentioned in section 17.6 above;
- 18.2. The IAA is entitled to terminate this Contract at its own convenience, at its sole and absolute discretion at any time, by giving the Supplier prior written notice of 30 days, without the Supplier having any claim or demand against the IAA in this respect.
- 18.3. Upon termination of the Contract for convenience, as stipulated in section 18.2 above, the Supplier will be entitled to payment only with respect to the applicable consideration for Units and/or Spare Parts in relation to which a purchase order was already issued, and so far as such consideration was not previously paid.
- 18.4. The Supplier shall compensate the IAA for any loss, damage, cost and expense incurred thereby as a result of the breach and/or the termination of the Contract; in addition, the Supplier will transfer all documents, documentation and knowledge created thereby until the IAA's notice of termination – to the IAA and shall cooperate with the IAA as the IAA shall deem appropriate under the circumstances.
- 18.5. The foregoing shall not derogate from any other right or remedy available to the IAA under the Contract or under any law including the IAA's right to exercise any of the Guarantees.
- 18.6. Notwithstanding any applicable law, under no circumstances will the Supplier be entitled to terminate the Contract or any part thereof. The Supplier shall solely be entitled to apply in court for a financial remedy in accordance with the provisions of the Contract.

19. **INTELLECTUAL PROPERTY**

- 19.1. The Supplier represents and warrants that the acquisition and use by the IAA and/or anyone on its behalf of the Units, in accordance with the terms of this Contract, does not and will not infringe any third party rights, including intellectual property rights.
- 19.2. Without derogating from the above, the Supplier shall fully indemnify the IAA and/or any of its respective officers and employees (the "**Indemnified**") and shall keep them harmless against any action, claim, demand, cost, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any intellectual property right with respect to the Units and the Spare Parts and against all costs and damages which the Indemnified may incur in connection with such infringement.
- 19.3. To the extent that such infringement claim has been made or is likely to be made, Supplier shall, at its expense either procure for the IAA and/or anyone on its behalf the right to continue to use the Units and any part thereof or replace or modify the Units so that it becomes non-infringing.

20. **CONFIDENTIALITY**

- 20.1. The Supplier shall keep in confidence all technical and commercial information received from the IAA prior to, during and after the date of execution of this Contract, and the disclosure and use of such information shall be only for the purpose of this Contract. The Supplier shall be responsible for its employees doing likewise and will further ensure that they sign a written undertaking to this effect.
- 20.2. This Contract shall not be disclosed by the Supplier to any third party without prior written approval of the IAA. The Supplier undertakes not to publicize or release any notice whatsoever on any matter relating to this Contract without prior approval of the IAA.

21. **INDEPENDENT CONTRACTOR**

- 21.1. The Supplier declares and confirms that it is engaging in this Contract and performing its obligations hereunder as an independent contractor. The Supplier, its employees or its shareholders will not be considered, under any circumstances, as IAA's employees. For the avoidance of doubt it is hereby explicitly clarified, that in this Contract, employer-employee relationships are not created between IAA and the Supplier, nor between IAA and any of the Supplier's employees, subcontractors, shareholders or any person acting in its name or on its behalf in connection with this Contract, as an agent, contractor or any other status. Any right of IAA to order, supervise, or instruct the Supplier, its employees or its subcontractors in the performance of this Contract, does not create employer-employee relations.
- 21.2. The Supplier alone will be responsible for any payment of any payment and/or benefit due by it under any law to the people it employs and any of its subcontractors.

- 21.3. With regard to Supplier's employees, the Supplier shall meet all of the obligations and responsibilities which are applicable under the applicable law and the Supplier's local law and, specifically, the obligations relating to health and safety in the workplace and wage and social security payments.
- 21.4. The Supplier shall indemnify the IAA and hold it harmless in case of any claim arising in connection with the provisions of this Section 21.

22. **MISCELLANEOUS**

- 22.1. No Exclusivity. None of the terms and conditions set forth in this Contract shall be construed as giving the Supplier any exclusivity, including without limitation, regarding the supply or delivery of the Units and the performance of the Services, and the IAA shall be entitled to hire the services of any other contractor to provide it with the Units and perform any part of the Services and/or other works of similar nature, at any time and at the IAA's sole discretion.
- 22.2. Assignment. The Supplier shall not be permitted to transfer, delegate, subcontract or assign any of its rights or obligations (or any part thereof) pursuant to the Contract to any third party without the prior written consent of the IAA. Any assignment, delegation, subcontracting or transfer, which the Supplier purports to effect without the approval of the IAA, shall be null and void.
- 22.3. Right to Set-off
- 22.3.1. The Supplier shall not be entitled to set-off any amount owed to the Supplier from amounts payable to the IAA, and it waives any right of set-off which the Supplier may have pursuant to the provisions of any applicable law.
- 22.3.2. The IAA shall be entitled to set-off any amount owed to the IAA by the Supplier against amounts payable to the Supplier pursuant to the provisions of this Contract.
- 22.4. Corruption and Fraud
- 22.4.1. The Supplier hereby represents, warrants and covenants that he has not received nor offered, paid or promised to pay either directly or indirectly, anything of value to any official or employee of the IAA in connection with any business opportunities which are the subject of this Contract.
- 22.4.2. The Supplier hereby represents that it has not collaborated with or solicited the IAA or any official or employee of the IAA, directly or indirectly, for the purpose of receiving or disclosing confidential information with regard to the Contract.
- 22.4.3. The Supplier hereby represents that it has not collaborated with or solicited the IAA or any official or employee of the IAA, directly or indirectly, for the purpose of determining prices or payments in an artificial or non-competitive way.

- 22.4.4. Furthermore, the Supplier shall notify the IAA immediately in writing with full particulars in the event that the Supplier receives a request from any official or employee of the IAA requesting illicit payments.
- 22.4.5. The Supplier agrees that in the event of a violation of this Section 22.4 by the Supplier, the IAA shall be entitled to terminate this Contract forthwith, without prior written notice. The Supplier hereby waives any right and claim with respect to the termination of this Contract by the IAA for breach of this provision 22.4.
- 22.5. No Waiver. The delay, omission or failure of any Party to insist upon the strict performance of any provisions of this Contract or to take steps to enforce its rights or to seek remedies to which it is entitled, or any extension or other indulgence allowed by one Party to the other regarding performance of its duties and obligations shall not be construed as a waiver for such matter or as a waiver of a subsequent breach. No provision of this Contract shall be deemed to have been waived unless such waiver is expressly made in writing and signed by the Party making the waiver.
- 22.6. Entire Contract. This Contract, including all Annexes and attachments hereto, sets forth the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all previous communications, representations or agreements, whether oral or written with respect to the subject matter.
- 22.7. Severability. In the event that any of the provisions of this Contract shall be declared or held invalid or unenforceable by a competent court, such provisions shall be deemed severed and deleted from this Contract and shall not affect the validity, legality and enforceability of the other provisions of or any other terms of this Contract which shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Contract so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.
- 22.8. Amendments. No change, amendment, modification, supplement or addition to the terms and conditions of the Contract shall be binding on the Parties unless in writing and signed by the Parties and unless expressly identified as a change amendment, modification, supplement or addition to the Contract.
- 22.9. Counterparts. This Contract may be executed in any number of counterparts, each of which is deemed an original, and all of which together shall constitute one and the same instrument.
- 22.10. Notices. Any notice required or permitted to be given to a Party pursuant to the provisions of this Contract will be in writing and will be effective and deemed given to such Party under this Contract on the earliest of the following: (i) the date of personal delivery, or in the event such notice is delivered or received after 5pm local time of the designated receiving Party - 1 Business Day after the date of delivery; (ii) 1 Business Day after transmission by facsimile, addressed to the other Party at its facsimile number, with confirmation of

transmission; (iii) 1 Business Day after deposit with a return receipt express courier for domestic deliveries, or 5 Business Days after such deposit for deliveries abroad; or (iv) 5 Business Days after deposit in local mail by registered or certified mail (return receipt requested) for local deliveries.

For the avoidance of doubt, the periods provided hereinabove refer to any notice received prior to 5pm local time of the designated receiving Party. Any notice received after 5pm local time is deemed as received the following Business Day.

All notices not delivered personally or by facsimile will be sent with postage and other applicable charges prepaid and properly addressed to the Party to be notified at the address set forth above with the recitals, or at such other address as such other Party may designate by 7 Business Days advance written notice to the other Party.

For the purpose of this Section, a "Business Day" is any day between Sunday to Thursday (except for Israeli national holidays).

- 22.11. Law and Jurisdiction. The Contract shall be governed by and construed in accordance with the laws of the State of Israel (without giving effect to the conflict of laws' provisions thereof). The competent courts of Tel Aviv-Jaffa shall have the exclusive jurisdiction with respect to any matter or dispute concerning this Contract.

IN WITNESS THEREOF, the Parties hereto have caused this Contract to be executed by their respective duly authorized representatives as of the Effective Date.

The Israel Airports Authority

The Supplier

Annex A
Statement of Work

Annex B
Supplier's Proposal

Annex C
Form of Guarantees

Date: _____

_____ (Name of guaranteeing bank to be completed)

_____ (Address of guaranteeing bank to be completed)

To:

Israel Airport Authority (the "IAA")

Dear Sirs,

Re: Guarantee No. _____

(the "Guarantee")

1. Pursuant to the request of [●] [Name of Supplier to be completed], whose registered address is at [●] [Address of Supplier to be completed] (the "Supplier"), we hereby guarantee to pay you any sum, at your demand, up to the overall amount of _____ (_____) (hereinafter: the "Guaranteed Amount"), in connection with Contract No. _____ for the Acquisition and Supply of Truck Mounted Potable Water Service Units, executed by and between the IAA and the Supplier (hereinafter: the "Contract").
2. We hereby give you our irrevocable guarantee to pay you, upon your first written demand, any sum specified in such demand up to a total of the Guaranteed Amount, immediately and no later than five (5) business days from the date of receipt of your demand. Any demand under this Guarantee must reach us in writing to the branch office, within the branch working hours, at its address at [●].
3. To avoid doubt, your demand for payment of the Guaranteed Amount may be effected in stages, and the payment will be executed in accordance with your demand provided that the overall total of the payments does not exceed the Guaranteed Amount (prior to any reduction thereto, if applicable).
4. You will not be required to substantiate or otherwise prove your demand and/or the amount demanded, or to first make a demand for payment from the Supplier. We hereby waive any right we might have of first requiring you to pursue your legal remedies against the Supplier and shall be prevented from raising any claim of defence against you, including any claim the Supplier may have regarding the demand. We hereby agree that our obligations under this Guarantee are direct, primary, unconditional, autonomic and irrevocable and that any modification and/or amendment of the terms and conditions of the Contract shall not release, effect or impair our liability under this Guarantee.
5. This Guarantee shall not be assigned or transferred by you without our consent.
6. This Guarantee shall become effective on _____ [to be completed] and shall be in full force and effect until _____ [to be completed].
7. This Guarantee shall be solely and exclusively governed by the laws of the State of Israel and the courts of Tel-Aviv-Jaffa, Israel shall have the sole and exclusive jurisdiction over all matters and disputes arising in connection with this Guarantee.

Yours Sincerely,

Annex D
Liability and Insurance

Annex E

Terms of LC

1. **Type of Credit:**
An irrevocable unconfirmed letter of credit in favor of the beneficiary.
2. **Customer Details:**
Israel Airports Authority, Ben-Gurion International
Airport P.O Box 7 Israel.
3. **L/C Amount & Currency:**
Currency as per contract/agreement.
The amount is fixed.
4. **Settlement By:**
Sight payment.
5. **Expiry Date:**
Two weeks from last shipment date, place of expiry - Israel.
6. **Incoterms:**
As per contract/agreement.
7. **Shipment:**
As per contract/agreement.
8. **Beneficiary's Requested Advising Bank's Name and Address:**
The beneficiary should provide the following information:
 - a) Advising bank's name & address.
 - b) Beneficiary's account no.
 - c) Beneficiary's name and address including telephone, fax and contact.
9. **Collection Documents:**
 - Commercial Invoice:**
Original commercial invoice hand signed by the beneficiary and 5 copies certifying that goods are of beneficiary's origin and stating that goods are as per beneficiary's proforma invoice.
 - Certificate of Origin:**
1 original and 2 copies.
 - Airway bill:**
(In case of air shipment) - 1 original and 3 copies.
 - Marine Bill of Lading:**
(In case of marine shipment) - Full original set and 3 copies.
 - Packing List:**
1 original, 2 copies.
10. **General Instructions:**
Letter of credit is not transferable. payment will be made 7 business days following the presentation of documents.
Transshipment is not permitted.

Partial shipment is not permitted unless otherwise indicated by Authority.

11. **Charges and Confirmation Instructions:**

All bank charges outside Israel will be paid by the beneficiary including charges for confirmation by beneficiary's bank.

12. **Documents:**

Documents from beneficiary's bank should be send to IAA's bank by courier.

13. **Description of Goods:**

As per beneficiary's proforma invoice.

14. **Special Conditions:**

Freight, from point of delivery, is to be taken care of by the IAA's forwarding agent according to IAA's instructions.