



**Appendix_____ ICA Appendix (Mandatory Industrial Cooperation)
in respect to Tender/Contract No. _____**

1. A Foreign Supplier is required to fulfill industrial cooperation as defined in the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation), 5767-2007 (hereinafter: "**the Regulations**") to the extent of _____ percent¹ of the contract value where at least 20% of the contract value must be performed in a way of local subcontracting (for the purpose of performing the Supplier's undertakings under the Contract).

For the avoidance of doubt:

- 1.1 "**Foreign Supplier**" - for the purpose of mandatory industrial cooperation - manufacturer, supplier, importer of imported goods or a supplier of work that is not being performed in Israel, whether by himself or by means of others.

The location of incorporation, the official address or business center of the Foreign Supplier or its shareholders is immaterial in this regard

- 1.2 "**Israeli made goods**" - goods manufactured in Israel or in the Area or another place approved by the ICA and in which the price of the Israeli content therein constitutes at least 35 percent of the bid price (including taxes, levies, statutory fees, insurance and transportation expenses).
- 1.3 "**Israeli content Price**" - as such is defined in the Mandatory Tenders Regulations (Preference of Israeli Made Goods), 5755-1995.
- 1.4 "**Imported Goods**" - goods that are not manufactured in Israel.

2. A threshold condition for the participation of a Foreign Supplier in the tender is that he shall submit, together with his bid price, a Binding undertaking for industrial

¹ The extent of the Industrial Cooperation shall be an amount equal to at least **35%** of the value of the transaction or the value of the contract.

If the purpose of the transaction or the contract is to purchase security equipment of the Ministry of Defense, including a reference unit within its meaning in the Mandatory Tenders Regulations (Defense Establishment Contracts), 5753 - 1993, the extent of the Industrial Cooperation required shall be at least **50%** of the value of the transaction or the contract.

In respect of tenders relating to civil procurements to which the GPA Agreement applies, the extent of required industrial cooperation from Foreign Suppliers from the signatory countries shall only amount to **20%** of the value of the transaction or the contract.



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cooperation, as in the standard and binding form attached hereto as Form C - "**The Undertaking**" and an implementation plan complying with its undertaking to carry out industrial corporation, in the standard and binding form attached hereto as Appendix B of The Undertaking - "**Implementation Plan**" both having been duly completed, signed and certified as required in these Forms². In so far as it concerns a Foreign Supplier who is under Umbrella Agreement for Industrial Cooperation (hereinafter: "**UICA**") with the Industrial Cooperation Authority (hereinafter: The "**ICA**") the Foreign Supplier shall submit, together with his bid price, Form H - "**Supplier's Binding Undertaking under UICA**", and Form H1 - "**Updated Implementation Plan**".

The Foreign Supplier is aware that the mere fact of submission of the aforementioned duly completed documents (Form C and Appendix B or Forms H and H1) does not mean that these documents are approved by the ICA. The substance of these documents require examination and approval by the ICA, this being a condition for receiving the ICA's approval for Contract engagement between the Buyer and the successful Foreign Supplier. It may be that the Foreign Supplier will be required to amend these documents in accordance with the requirements of the ICA and as a condition for signing the contract between him and the Buyer, in the event of having him won the tender.

3. The Foreign Supplier is aware that signature of the contract between him and the Buyer is contingent upon the approval of the ICA, upon the provisions of the ICA Regulations and its Guidelines having been fully complied with, including approval of the Implementation Plan submitted by him.
4. The Foreign Supplier is aware that in the event of him being defined by the ICA as a Foreign Supplier under monitoring, the ICA may require, in addition to the Undertaking and the Implementation Plan, that he submit an Instrument of Guarantee for the implementation of his Binding Undertaking to fulfill industrial cooperation, as a condition for the ICA approval of signature of the contract between him and the Buyer, and this in the binding form D.

The amount of the Guarantee will be equivalent to the aggregate amount of the annual agreed liquidated damages under the Undertaking or the UICA.

² In the case of a Foreign Supplier who is an importer, signature will be required from the manufacturer of the goods (in addition to the importers signature).



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A Foreign Supplier under monitoring, who is required to submit a Letter of Guarantee as aforesaid, will be entitled to demand a change or update of the amount of the Guarantee depending upon the pace of his annual implementation, provided that he has met the targets of the Implementation Plan (if not otherwise stated in the Implementation Plan, the minimum annual pace is linear).

5. The Foreign Supplier is aware that in the context of approval of the Implementation Plan, the ICA may certify that activity in certain spheres of activity and in certain areas, detailed in the Multipliers Rules as will be published by the ICA, will be recognized for the purposes of determining the extent of the Industrial Cooperation, at rates in excess of 100 percent.
6. The potential Foreign Suppliers are invited to arrange meetings with representatives of the ICA in order to obtain assistance in the planning and structuring of an optimum Implementation Plan to be submitted together with the tender bids. A Foreign Supplier who wishes to do so may obtain preliminary confirmation from the ICA that the documents that he intends to submit in relation to Industrial Cooperation together with his bid, meet the threshold conditions in terms of submission of such forms and documents as are required under the Regulations.
7. Contact details for the ICA can be obtained on the internet website: www.ica.gov.il