

DELIVERY, SHIPMENT AND HANDLING

Version March 12th, 2024

1. Delivery Instructions:

- 1.1 The Equipment shall be delivered in accordance with Incoterms® 2020 rules (**ICC publication no. 723**) subject to the special terms specified in the Agreement/Purchase Order and the provisions stipulated below, in this Annexure "R".
In some special cases, the equipment shall be delivered in accordance with DAT (Delivered at Terminal) as per Incoterms® 2010 rules (**ICC publication no. 715**)

1.2 Special Requirements per Delivery Terms:

1.2.1 In the case of EXW (Ex Works) LOADED deliveries:

Purchaser shall normally replace the EXW term by FCA SUPPLIER'S PREMISES which obligates the Supplier to clear the goods for export at the country of origin and make the goods available at a set location, with the risk of loss or damage during that operation clearly remaining with the Supplier/ Contractor.

For purposes of payment, the delivery date shall be the date of the Freight Forwarder's Receipt.

1.2.2 In the case of FCA (Free Carrier) deliveries:

1.2.2.1 A. For air freight and non-containerized shipments:

The Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost.

B. For ocean freight "Less than Container Load" (LCL):

The Equipment (in partially filled containers) shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost. The stuffing and containerization of the **Groupage container shall be carried out** at Purchaser's cost and risk.

C. For ocean freight "Full Container Load" (FCL):

The stuffing of Equipment into (fully filled) containers shall be performed by the Contractor at the Contractor's premises at Contractor's risk and cost.

The Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost.

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1.2.2.2 For purposes of payment the delivery date shall be the date of the Purchaser's Freight Forwarder's Certificate of Receipt.

- 1.2.3 In the case of FAS (Free Along-side Ship) deliveries, the Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at Contractor's risk and cost on the dock alongside ship and within reach of its loading tackle.

For purposes of payment the delivery date shall be the date of the Purchaser's Freight Forwarder's Certificate of Receipt.

- 1.2.4 In case of FOB (Free On Board) deliveries, the Equipment shall be delivered on board the designated vessel in co-ordination with the Purchaser's Freight Forwarder at Contractor's risk and cost. Equipment will **not** be shipped on deck but will only be shipped "Stowed, Lashed, Secured and Dunnaged (SLSD) and Trimmed" under deck at the cost of the Purchaser.

For purposes of payment the delivery date shall be the date of the Bill of Lading.

- 1.2.5 Reserved.

- 1.2.6 In the case of DAT (Delivered at Terminal) Israeli (Mediterranean) port of Import:

1.2.6.1 The Equipment shall be unloaded by the Contractor at the Contractor's risk and cost at the terminal (Container Freight Station (CFS) designated by the Purchaser's Customs Agent.

1.2.6.2 Contractor will obtain at his costs and risk, at the port of arrival, the delivery order from the carrier and pay all necessary costs to enable customs clearance.

For purposes of payment the delivery date shall be the date of the CFS or Terminal Receipt.

- 1.2.7 In the case of DAP (Delivered at Place) deliveries:

1.2.7.1 All transportation as well as insurance costs to the Purchaser's Designated place of delivery shall be for the Contractor's account.

1.2.7.2 All customs dues, import taxes and Israeli VAT shall be for the Purchaser's account and will be paid promptly.

1.2.7.3 Clearance costs shall be for the Purchaser's account.

1.2.7.4 Israeli Port dues are to be paid by the Contractor.

1.2.7.5 The Equipment shall be unloaded by the Purchaser at Purchaser's risk and costs inside the Purchaser's warehouse, on site or elsewhere as

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designated by the Purchaser.

- 1.2.7.6 In case Contractor ships goods in container (FCL), un-stuffing of containers inside the Purchaser's warehouse, on site or elsewhere as designated by the Purchaser, will be at Contractor's costs and risk.
- 1.2.7.7 The Contractor should notify with "pre-arrival notice" the purchaser and his designated notify party and / or custom broker. The "pre-arrival notice" must specify the estimated time of arrival of goods and will be sent sufficient time in advance to enable smooth clearance. Contractor must provide all necessary documentation a few days before arrival.
- 1.2.7.8 For purposes of payment the delivery date shall be the date of the warehouse receipt or other written evidence of delivery to Purchaser's designated site.

1.2.8 In the case of DDP (Delivered Duty Paid) deliveries:

- 1.2.8.1 The Equipment shall be unloaded by the Purchaser at Purchaser's risk and cost inside Purchaser's warehouse, on site or elsewhere as designated by Purchaser.
- 1.2.8.2 For the removal of doubt, the Purchaser shall bear the costs of Israeli VAT incurred upon release of the Equipment/Materials from the designated port or airport in Israel. All other taxes, levies, fees, charges (regardless of country of origin), including import legalities (standards etc.) shall be for the Contractor's account and, if paid by the Purchaser shall be set off from sums due to be paid to the Contractor.
(see also clause 7 below)
- 1.2.8.3 For purposes of payment the delivery date shall be the date of the warehouse receipt or other written evidence of delivery to Purchaser's designated site.
- 1.2.8.4 In case Contractor ships goods in container (FCL), un-stuffing of containers inside the Purchaser's warehouse, on site or elsewhere as designated by the Purchaser, will be at Contractor's costs and risk.

1.3 General Delivery Terms:

- 1.3.1 The Contractor shall give the Purchaser and Purchaser's forwarder a sixty (60) day preliminary general written notification of intended delivery and at least a thirty (30) day detailed final written notification of the date on which Equipment is to be ready for delivery in order to enable the Purchaser or forwarder to advise the Contractor of the vessel or vessels upon which the said Equipment is to be shipped, and the approximate date upon which they are to be delivered to the dockside.

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- 1.3.2 Where the place of delivery is in Israel, notice of Readiness for Delivery shall be given to the Purchaser's Procurement Division at least seven (7) working days prior to such delivery.
- 1.3.3 Notices required under Sub-articles 1.3.1 and 1.3.2 above shall include an estimation of the number of packages, and weights, volumes and values of the packages. Such aforesaid notice shall also emphasize and give details of any shipment which contains Equipment which is perishable or hazardous or have a limited life span. The delivery of any and all such shipment(s) shall be especially coordinated with the Purchaser.
- 1.3.4 The Purchaser shall not be obliged to accept early deliveries, and unless otherwise specified in the Order or Summary of Prices and Delivery Schedule, Annexure "C1", each actual delivery should not be made earlier than one (1) month prior to the date specified therein as the latest date of delivery, unless otherwise agreed prior to shipment, in writing
- 1.3.5 Where the Contractor is responsible for the freight (e.g. in the case of delivery DAT, DAP, or DDP) transshipment is **not** permitted unless Purchaser's prior written approval has been given, which approval shall not be unreasonably withheld.

2. **Shipping Documents:**

Each delivery shall be accompanied by Shipping Documents as described hereinbelow:

2.1 Types of Shipping Documents and Related Instructions:

2.1.1 Invoices:

All invoices shall be issued in accordance with Annexure "A" and shall include (where applicable) the Contractor's Suppliers Authorization Number as detailed in Sub-article 2.1.3.5 below.

2.1.2 Packing Lists:

Packing lists shall bear the Contract number, Purchase Order number, Package number, and Order Item number and shall include a detailed description of all items, consistent with the appropriate Purchaser's catalogue number appearing in the relevant Purchase Order.

If full details of contents, weights and measures of each case or package are shown on the invoice and description is as required above, an independent packing list is not required provided copies of said invoice are eventually distributed to the recipients of the packing list.

2.1.3 Certificates of Origin / **Movement Certificates** / **invoice declarations:**

2.1.3.1 EUR.1 / EUR-MED / FTA / Non Manipulation Certificate or such other exporter's declaration (invoice declaration) or other necessary certificate of origin shall be provided in accordance with:

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- A. the preferential agreement concluded between Israel and the European Union or EFTA, United Kingdom, Turkey, Ukraine South Korea as applicable; and
 - B the requirements specified in Israeli customs regulations.
- 2.1.3.2 If the Equipment originates in countries, which have a free trade agreement (FTA) with Israel, the certificate of origin, Movement certificate, shall be accompanied by the proper documentation, allowing a reduction in the costs of customs in accordance with the FTA's terms.
- 2.1.3.3 Deliveries from the United States shall be accompanied by a declaration of origin on the original invoice, failing which, the Contractor shall pay the cost of customs duties. The person signing the declaration of origin (below) is required, under the Israeli customs rules, to manually sign the declaration in blue ink.

U.S. Declaration of Origin on Invoice

The exporter of the products covered by this document (customs authorization No...) declares that, except where otherwise clearly indicated, these products are of preferential origin.

(place and date)

(name and signature)

- 2.1.3.4 Deliveries from European countries, except the UK, shall be accompanied by either EUR1 Movement Certificate or EUR MED or Exporter's (Supplier's) Invoice Declaration (as referred to below), failing which the Supplier shall pay costs of customs.

Deliveries from the UK, shall be accompanied by either EUR1 or EUR MED Movement Certificate or Exporter's (Supplier's) Invoice Declaration (as referred to below), failing which the Supplier shall pay costs of customs.

The Supplier is under the obligation to verify with which countries the UK can accumulate origin.

- 2.1.3.5 Notwithstanding the provision detailed above, in the event the value of the Equipment from European countries including the UK does not exceed €6,000 (six thousand EUR) and to the extent Israeli customs regulations allow, the EUR1 or EUR MED certificate can be substituted by an Invoice Declaration in accordance with the provisions of the relevant preferential agreement Israel has concluded with the respective country of origin, including the Pan-Euro-Mediterranean cumulation of origin. Where the value of the Equipment exceeds € 6,000 (six thousand

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EUR), the Equipment shall either be accompanied by the required EUR 1 or EUR MED or by an invoice showing the Contractor's Authorized Exporter Number.

- 2.1.3.6 In the event that Equipment is dispatched from a country other than the place of manufacture having free trade agreements with Israel, a Non-Manipulation certificate, signed by local Customs authorities **must accompany the original Certificate of Origin / invoice declaration.**

2.1.4 Bills of Lading/Airway Bills:

- 2.1.4.1 Where payment is made by Letter of Credit:

For carriage by sea:

Three (3) original negotiable "Shipped on board" and "Clean on Board" marine Bills of Lading and three (3) non-original non-negotiable copies thereof shall be made out to the order of the issuing bank (the Purchaser's Israeli bank for purposes of payment) who shall be the consignee under the Bill of Lading until the Bill of Lading is endorsed to the Purchaser.

For carriage by air:

3 Airway Bills and three (3) non-original non-negotiable copies thereof shall be made out to the order of the issuing bank (the Purchaser's Israeli bank for purposes of payment) who shall be the consignee under the Bill of Lading until the Bill of Lading is endorsed to the Purchaser

- 2.1.4.2 Where payment is made by Direct Bank Transfer to Contractor's designated bank account:

Three (3) original negotiable "Shipped on board" and "Clean on Board" Bills of Lading or Airway Bills and three (3) non-original non-negotiable copies thereof shall be made out to the order of the Purchaser.

- 2.1.4.3 Bills of Lading or Airway Bills shall bear the following clause:

"In view of danger of confiscation this vessel/aircraft is not to call at ports/airports and not to enter the territorial waters/air space of Iran, Sudan, Syria, Lebanon, Iraq, Saudi-Arabia, Yemen, Libya or other Arab countries, except for Jordan or Egypt, the United Arab Emirates (UAE), & Bahrain prior to unloading in Israel, unless in distress or subject to Force Majeure"

2.1.5 Quality Control Certificates:

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Quality Control Certificates shall be issued in the format of Form 5 attached hereto, where required by IEC.

2.1.6 Forwarder Receipts:

Forwarder Certificate of Receipt, (FCR) where required, shall be issued by the Purchaser's freight forwarder to the Contractor at the Non-Israeli port/airport of export as follows:

2.1.6.1 against presentation of the Equipment in accordance with the packing list and the documentation.

2.1.6.2 against acknowledgment of receipt of shipping documents for onwards transmission to the Purchaser's Import Department.

2.1.7 Terminal (Container Freight Station (CFS)) Receipts for DAT Deliveries:

Destination Terminal (CFS) Receipts shall be issued by the Terminal Operator to the Contractor and the Purchaser or its agent, in the case of DAT deliveries at the Israeli Terminal of import. The Contractor shall mark in the Terminal Receipt its containers or Equipment designated for delivery to the Purchaser.

2.1.8 Delivery Notes:

Delivery Notes shall be issued Ex-Works Israeli manufacturing plant or DAP/DDP Purchaser's store either by the Israeli Contractor or the Israeli Subcontractor of a Non-Israeli Contractor (as the case may be) and shall be countersigned by an authorized representative of the Purchaser against receipt of the Equipment as detailed in the packing list.

2.2 Recipients of Shipping Documents:

2.2.1 Advising Bank:

The bank designated by Contractor for purposes of payment, in accordance with the provisions of the General Conditions (Annexure "A").

2.2.2 Financing Body:

Such bank or institution which has executed a Financing Agreement with the Purchaser (if applicable).

2.2.3 Purchaser's Freight Forwarder:

The representative designated by the Purchaser for purposes of receiving Equipment delivered to the Purchaser outside Israel and/or for arranging and coordinating shipments.

2.2.4 Import Department:

Purchaser's Import Department, Procurement Division.

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2.3 Distribution of Shipping Documents:

Shipping Documents shall be distributed and attached to the delivered packages under the various delivery terms specified in this Order or Contract.

2.4 Arrival of Shipping Documents:

- 2.4.1 In the case of sea freight the Contractor shall be obliged to ensure that all original shipping documents required for Israeli Customs clearance and release from the port in Israel are received by the Purchaser's Import Department at least five (5) working days prior to the arrival of the vessel ("due date").
- 2.4.2 In the case of air freight, any Shipping Documents not in possession of Contractor ten days before shipment, shall be scanned and emailed as soon as possible but not later than three days prior to the arrival in Israel of the aircraft.
- 2.4.3 The Shipping Documents addressed to Purchaser's Import Department shall be couriered on the Contractor's account.
- 2.4.4 In respect of deliveries of non-Israeli Equipment, where the original Shipping Documents fail to arrive in due time, due to the Contractor's fault, and thereby prevent the release of the Equipment promptly from the port or airport of import, the Contractor shall, on its account, take all such reasonable steps as the Purchaser may reasonably request so as to permit the Equipment to be released from the port or airport. In such event, the Contractor shall take such alternative steps to enable the Purchaser to release the Equipment/Materials from the port in Israel by obtaining a Delivery Order ("Pekudat Mesira") against equivalent release by the Purchaser of the related payment to the Contractor.
- 2.4.5 Notwithstanding the provisions above, any direct costs incurred by the Purchaser resulting from the Contractor's failure (or Contractor's designated bank) to provide the Shipping Documentation or other acceptable means to permit the release of the Equipment as aforesaid including costs of any bond, demurrage, storage, freight handling and clearance shall be for the Contractor's account.

Paperless customs clearance

Commercial invoices, packing lists and preferential documents (documents proving the originating status of the products concerned) can now be transmitted to Israel in PDF form. The new "Global Gate" Customs Paperless Clearance system allows importers to electronically transmit documents to customs – eliminating the need to print and manually attach them to shipments.

Note: Paperless Clearance allows you to electronically transmit documents via the importer's customs broker to customs – eliminating the need to print and manually attach them to shipments. This feature helps you avoid costly delays caused by handwritten, misread customs documentation. With Paperless Clearance, your documents will increase in accuracy and

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efficiency while accelerating the clearance process. Commercial Invoice must be an original document which has no indication on its face as being "copy" or "pro-forma". Within the framework of the new "Global Gate" System, Commercial Invoice will be regarded as admissible provided it is scanned and digitally signed by the importer or its customs broker using approved Digital Signature Certification entity. Preferential documents / certificates of origin / EUR-1, EUR-MED Movement Certificates certify that goods are subject to reduced tariffs or exemptions when they are exported to countries extending these privileges. Customs will accept scanned Preferential documents provided the scanned document is digitally signed by the importer or its customs broker by an approved Digital Signature Certification entity. The same applies to limited Invoice Declarations valued €6,000 or less or Authorized Exporter Declarations valued over €6,000.

3. Shipping and handling instructions:

In order to avoid dislocation, delay and damage to the Purchaser in taking delivery of Equipment, and its subsequent erection or installation, the Contractor shall comply with the following provisions:

3.1 Packaging:

- 3.1.1 Where Equipment is supplied from Non-Israeli sources, the Equipment and all components thereof shall, at the cost of Contractor, be preserved, packaged, crated, and braced in good and workmanlike manner, in accordance with Contractor's best commercial export practices.
- 3.1.2 In order to save time and avert damage to Equipment of a sensitive nature, such as electronic components, as well as components of high value and low volume, the Contractor, at Contractor's cost, shall:
 - 3.1.2.1 Advise the Purchaser and upon the Purchaser's instructions, such Equipment shall be packed for shipment by airfreight; and
 - 3.1.2.2 In consultation with the Purchaser, ensure that the packages/crates/containers are supplied with the necessary shock indicators, tilt indicators and/or humidity indicators.
- 3.1.3 Where Equipment is supplied from Israeli sources the Contractor shall insure safe inland transportation to the Purchaser's designated point of delivery.
- 3.1.4 Under all circumstances and unless otherwise agreed:
 - 3.1.4.1 Packaging shall also be suitable for open storage at the Purchaser's designated site taking into consideration high humidity and salty atmosphere for a period of up to twelve (12) months after delivery, provided that the protective packaging remains intact during such time

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period. Packing shall be such as to ensure safe arrival at destination, fully overcoming sea and other hazards including inclement weather conditions, exposure to salty atmosphere, open storage, high humidity conditions, and normal handling (as applicable).

- 3.1.4.2 For Equipment which is not suitable for open storage, special storage instructions shall be provided by the Contractor to the Purchaser's Procurement Division, Divisional Project Management, with a copy to the engineering Project Manager, at least ninety (90) days before its delivery.
- 3.1.5 All wood packaging materials (WPM), (e.g., pallets and crates) entering Israel, must be appropriately treated and marked in accordance with the International Standards For Phytosanitary Measures No. 15 (ISPM 15). Consequently, all WPM (other than plywood, MDF and certain particle boards) must be:
 - 3.1.5.1 treated and certified, by an authorized agency, to have gone through methyl-bromide (MB) fumigation or heat treatment (HT), conforming to ISPM 15; the International Plant Protection Convention's International Phytosanitary Measure 15 ("ISPM 15"). **The Contractor shall make sure that the wood packaging material is clearly marked with the currently approved ISPM 15 format in a visible location on each article, preferably on at least two opposite sides of the article, with a legible and permanent mark that indicates that the article meets the ISPM 15 requirements.**
 - 3.1.5.2 marked on at least two sides of the packing with a noticeable, non-red imprint, which includes the logo of the International Plant Protection Convention (IPPC), the code of the country of destination (IL), the certification number issued by the Australian Quarantine and Inspection Service (AQIS) to the treatment provider of wood, and the combination letters MB/HT/DB, indicating the type of treatment (DB represent debarking).
 - 3.1.5.3 If any wood packaging material is rejected by a government authority / agency for failure to comply with ISPM 15, or similar standards, the Contractor agrees to reimburse the Purchaser for any resultant costs, fees, losses, and penalties incurred by the Purchaser.
- 3.1.6 Specific Packaging Requirements.
 - 3.1.6.1 The Contractor shall pack the Equipment in order to ensure maximum stability considering its weight, volume and size. i.e. cargo must be adequately packed and protected for its voyage to protect it from damage during sea transport.
 - 3.1.6.2 The Contractor shall anchor the Equipment in order to prevent any movement. Cargoes shipped inside containers should be properly packed (stuffed), with appropriate shoring and internal securing.

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3.1.6.3 Packaging shall include means for handling and lifting of packages such as lifting-lugs, hoisting points, a raised basis as a pallet, in order to allow handling and lifting by crane or fork-lift.

3.1.6.4 The Contractor's quality control department shall confirm the method of packaging, as well as the means of lifting and handling.

3.2 Weights and Sizes:

3.2.1 The Equipment shall be delivered so that no component will have an "as lifted" weight in excess of 35 metric tons. If this limitation cannot be met, the Contractor shall provide a list of Equipment exceeding 35 metric tons, and special arrangements for shipment and unloading shall be agreed upon between the Contractor and the Purchaser.

3.2.2 To the greatest extent possible whenever Equipment is delivered on pallets, the same should be the size of 1.0 x 1.2 meters and weight not exceeding 1500 kg.

3.3 Marks:

In addition to the provisions of Sub-article 3.1.5 above, each case/package shall be clearly marked and labeled for easy identification on the outside as follows:

3.3.1 Specification No. (i.e. ABC1234 and Contract number);

3.3.2 Equipment Assembly and consecutive package nos. (e.g. 1/3 for Unit Number 1, package number 3);

3.3.3 IEC;

3.3.4 Designated port or airport of import (if applicable) (e.g. Haifa port/Ashdod port/Eilat/Ben Gurion); (Haifa Bay port / Ashdod Hadarom/South Container Terminal);

3.3.5 Designated site (e.g. Hagit/Gezer/Eshkol);

3.3.6 Weights and measurements.

4. Compliance with Israeli Standards and Requirements of Israeli Governmental Authorities:

4.1 The Contractor shall be responsible to check that the Equipment being supplied under the Contract/Order complies with the applicable Israeli standards and the requirements of the appropriate Israeli Governmental Authorities (if any) specified by the Purchaser in the Contract documents, and that the Equipment is approved by such bodies.

4.2 In the event that the Purchaser (having informed the Contractor in the Contract documents as mentioned above) is required to pay any fines or penalties to the Israeli customs authorities because the Equipment fails to comply with such standards or requirements or because the necessary approval has been refused or the approval has caused delay in releasing the Equipment from customs, the Contractor shall hold the Purchaser harmless from the payment of such fines or penalties.

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5. **Reserved.**

6. **Delivery of Short Shipped Items:**

Equipment or any parts thereof which the Contractor has failed to include in the main shipment, or in the event that any items are included in the packing list and/or the Bill of Lading/Airway Bill but are not actually included in the package, shall, unless otherwise agreed upon by the Purchaser, be shipped airmail, airfreight or courier on the Contractor's account, freight prepaid, taking into consideration the urgency with which the short shipped items are required for installation and erection. The delivery hereunder shall be DDP to site indicated by Purchaser, excluding VAT and import declaration fees (reshimon), if any, upon such shipments, which shall be borne by the Purchaser. Upon the Contractor's request, the Purchaser shall render the Contractor reasonable assistance, at the Contractor's cost, for customs release.

7. **VAT Payment Upon Release from Customs in Israel:**

In the event of deliveries to the Purchaser's site of non-Israeli Equipment DAT, DAP, or DDP, the procedure for Purchaser's payment of VAT upon release of said non-Israeli Equipment from the port/airport of import in Israel is as follows:

7.1 In the case of DAP, the Contractor undertakes to utilize the services of the Purchaser's designated Customs Agent for purposes of release of the Equipment from customs.

7.2 Without derogating from the DAT/DAP/DDP terms of delivery, the Bill of Lading/Airway Bill:

Shall be made out to the order of the Purchaser as consignee **through/care of/notify*** (Israeli Company, agent or persons designated by the Contractor for purposes of release from customs)

* to be determined by the Purchaser's Customs Agent, if the customs clearance is to be made by or under the responsibility of Purchaser.

7.3 Reserved.

7.4 All consignments shipped shall be accompanied by a packing list which shall detail the content of each package or crate.

7.5 The Import Entry (Import Declaration) shall be in the name of the Purchaser **through/care of/notify*** (Israeli company, agent or persons designated by the Purchaser for purposes of release from customs)

* to be determined by the Purchaser's Customs Agent, if the customs clearance is to be made by or under the responsibility of the Purchaser.

7.6 The Contractor shall supply the Purchaser, Import Department, Procurement Division with copies of the documents detailed in this article.

8. **Reserved.**

9. **Annexure "C1", (including Purchaser's Catalogue Numbers, Purchase Orders and special instructions for partial deliveries) and Bills of Materials:**

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9.1 Annexure "C1" - Summary of Prices and Delivery Schedule:

Annexure "C1" is a summary in tabular form of the prices, mode of delivery, delivery schedule and payment terms applicable for all deliverables under this Contract. Annexure "C1" is also used to form a common basis for the reports to be provided by the Contractor (Contractor's Project Schedule, Equipment Shipment Report, Progress Report.

9.2 Reserved

9.3 Bill of Materials for Projects

9.3.1 The Contractor shall issue a Bill of Materials. The Bill of Materials shall allocate all the components, assemblies and sub-assemblies to be delivered to the relevant Deliverable Item and to the appropriate shipment. The Bill of Materials shall contain such cross-reference data as shall allow the Purchaser to verify compliance with the scope of Work and to locate and identify items during erection.

The Bill of Materials shall be issued on an agreed upon magnetic media (preferably as an Excel file), containing at least the following details: name of site, Contract Number, Assembly/Unit Number, Purchase Order number, related product tree number, related Purchaser's catalogue number, item description, reference drawing number and revision, quantity ordered, dimensions, weight and type of storage.

9.3.2 The Contractor shall verify that all the items included in a packing list are properly listed in the Bill of Materials and if necessary shall issue special updates not later than three (3) working days prior to actual shipment.

9.3.3 The Bill of Materials and each update thereof is considered to be a Critical Document and the provisions of Annexure "A" shall apply thereto.

10. The Contractor acknowledges that failure to adhere fully to any of the provisions of this Annexure "R" may cause the Purchaser inconvenience or severe damage and serious difficulties with the customs, port, VAT or other relevant Israeli Governmental authorities.

- Final -

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