



רשות האוכלוסין וההגירה
Population & Immigration Authority
سلطة السكان والهجرة

מדינת ישראל
State of Israel



Ministry of Interior
Population and Immigration Authority

Public Tender with Two-Stage Process No. 1/2025 for the Supply of Security Laminates for Biometric Travel Documents

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Instruction to Bidders

1. Introduction

The Population and Immigration Authority of the Israeli Ministry of Interior (hereinafter: the "**Authority**") hereby invites Bidders who fully comply with the requirements of this Tender to submit their Bids for the supply of security Laminates suitable for use in biometric travel documents issued by the State of Israel, as stipulated in the Tender Documents.

2. Background

2.1. The Authority is a unit in the Israeli Ministry of Interior and its areas of responsibility includes Population Administration, Service Administration for Employers and Foreign Workers, Enforcement and Foreigners Administration, and Border Crossing Administration. The Authority operates in accordance with the Israeli legislation, Israeli government policies and in accordance with the directives of the Israeli Minister of Interior. Within the scope of its authorities the Authority is responsible for all issues concerning registration and Travel Documents, citizenship, status, visas etc.

2.2. Israel's Biometric Identification Law, 5769 – 2009 regulates the integration of biometric data in Travel Documents (including passports and identity cards) to ensure the authenticity of these documents and prevent the use of forged documents or false identities.

2.3. Israeli Travel Documents are valid for a period of ten (10) years from issuance.

2.4. The Israeli Travel Documents contain a data page made from paper, with background offset printing and inkjet personalization. The data page is laminated after the printing process.

2.5. Future Travel Documents may apply Polycarbonate as the data page substrate, with embedded DOVIDs.

2.6. The Authority may purchase different laminators and different paper during the Contract Period, hence the Laminates orientation may be varied.

3. Definitions

The following terms in this Tender shall bear the meanings ascribed thereto below:

3.1. **AQL** - (Acceptable Quality Level – measure of reliability of the product) – the percentage of Laminate foils containing a Major Defect in each production batch, based on standard sample sizes, the deviation from which will lead to the rejection of the entire production batch.

3.2. **Bidder** – Any single legal entity who submitted a Bid according to the terms and conditions of this Tender.

- 3.3. **Contract or Agreement** – The document of the Contract attached hereto as Appendix I and all annexes thereto that will be signed between the Authority and the Supplier.
- 3.4. **Control** – The ability to direct the activity of a corporation – whether alone or with others or through others, directly or indirectly – arising from holding the Means of Control in that corporation or in any other corporation; including capability that derives from the corporation's articles of association, from a written, oral or any other kind of agreement; or which derives from any other source, other than during the routine fulfillment of an employee's duties in the corporation;
 - 3.4.1. Without derogating from the generality of the above, one will be perceived as having substantial influence in a corporation if one holds fifty percent or more of any Means of Control in the corporation; or if one has the ability to prevent or impose the adoption of business decisions in the corporation, other than resolutions relating to the Means of Control in the corporation or decisions regarding the sale or liquidation of the majority of the corporation's business or the institution of material changes therein; The presumption is that one has control in a corporation if one holds the majority of Means of Control of any kind;
- 3.5. **Deviation** - Any unauthorized change, omission, reservation, condition and/or addition made by a Bidder to the Tender Documents, in any way, manner and/or scope.
- 3.6. **ICAO** – International Civil Aviation Organization.
- 3.7. **Security Laminate or Laminate or Product** - Ultra thin hot sealed laminate foil, matt or semi-matt (nonreflective) with a thickness (before lamination) of less than 10 µm which includes security elements embedded in it.
- 3.8. **Laws** - All laws, ordinances, regulations, orders, including by-laws, procedures and permits, directives, specifications, safety requirements, and decisions of any Ministry of the Government of Israel or other competent authority of the State of Israel and all rules, applicable standards, and administrative orders in effect in the State of Israel, all as may be amended and updated from time to time.
- 3.9. **Major Defect** – any of the following:
 - 3.9.1. A defect that is visually evident.
 - 3.9.2. A defect that is likely to raise suspicion at the border control.
 - 3.9.3. A defect deemed by a professional state entity appointed by the Purchaser as a material defect.
- 3.10. **Means of Control** – in a corporation, any of the following:

- 3.10.1. The right to vote at the general assembly of a company or at an equivalent meeting of another entity.
 - 3.10.2. The right to appoint a director or General Manager in an entity.
 - 3.10.3. The right to participate in the distribution of profits of the corporation.
 - 3.10.4. The right to participate in the surplus assets of an entity at liquidation after its liabilities are discharged.
 - 3.11. **Production Batch** – A quantity of the Product units manufactured in a single production run.
 - 3.12. **Purchaser or Authority** – The Population and Immigration Authority of the Israeli Ministry of Interior.
 - 3.13. **Supplier** – the Bidder that shall be awarded by the Tender Committee the supply of the Laminate foils and/or the Polycarbonate Films in accordance with this Tender.
 - 3.14. **Tender** – This tender process.
 - 3.15. **Tender Committee** – Tender committee of the Authority.
 - 3.16. **Travel Documents** – Passports or Travel Documents as defined by the (Israeli) Passport Law 5712 –1952.
 - 3.17. **Tender Documents** – The documents in accordance with which the Bidder is required to submit its Bid, including this document and all the appendixes attached hereto.
 - 3.18. In the Tender Documents, unless the context requires otherwise:
 - 3.18.1. Headings are for convenience only and do not affect interpretation.
 - 3.18.2. Words in the singular include the plural and vice versa.
 - 3.18.3. A reference to “includes” or “including” means “includes, without limitation” or “including, without limitation”, respectively.
 - 3.18.4. A reference to a right or determination, to be made or act, decided or not, by the Authority means the sole and absolute discretion of the Authority.
4. **General Description of the Contract**
- 4.1. The Contract shall serve as the contractual framework for any future Purchase Orders issued by the Authority to the Supplier for the supply of rolls of Security Laminates (not individual foils or sheets) during the Contract Period subject to any amendments and/or additional instructions that shall be determined by the parties for the purpose of any such future Purchase Orders.
 - 4.2. The warranty period for all Laminates shall be of at least ten years as stipulated in the Contract.

- 4.3. The Supplier will also provide the Purchaser with training and support as stipulated in the Contract.
- 4.4. The Contract shall commence on its execution by the Authority and shall continue in full force and effect for four (4) years (hereinafter – "**Original Contract Term**"). The Authority shall have the option to extend the Original Contract Term by up to 2 additional periods, up to three years at a time (the "**Option**"), by issuing written notice to the Supplier, at least 30 days before the termination of the Original Contract Term or the Option term, as applicable. The Original Contract Term and any Option implemented by the Authority shall be referred to as the "**Contract Period**". The Contract Period is the period in which the Authority may issue Purchase Orders to the Supplier. However, the Parties mutual rights and obligations under the Contract which by their nature are not limited to the Contract Period shall continue in full force and effect until their actual completion, even if the actual date of completion of any such rights and obligations deviates from the Contract Period, as stipulated in the Contract.
- 4.5. Authority shall purchase at least three million (3,000,000) Laminate foils, supplied in rolls, during the Original Contractual Term.
- 4.6. The above does not derogate from the full scope of works and services according to the Contract.

5. **The Qualification Process of this Tender**

The evaluation process in this Tender consisting of three main phases, as follows:

- 5.1. **First phase:** Bidders and their respective proposed Products will be evaluated for compliance with all the Threshold Requirements stipulated in the Tender. Proposals that fall short of meeting any of the Threshold Requirements shall not progress to the next stage of the Tender.
- 5.2. **Second phase:** Bidders that comply with the Threshold Requirements shall be further evaluated in accordance with the Quality Evaluation Criteria set forth in Clause 17 below.
- 5.3. **Third phase:** the Commercial Proposals of the Bidders that complies with the Threshold Requirements and Quality Evaluation Criteria shall be opened and graded in accordance with Clause 18 below.
- 5.4. Subject to all Authority's powers and discretion as provided for herein and under the Laws, the Bidder that will receive the highest Final Score shall be awarded the Tender.

6. **Time Schedule for the Tender Process**

- 6.1. Without limiting Authority's discretion to extend all dates, the schedule of this Tender shall be as follows:

	Description	Deadline
a	Last date for registering to the Tender	April 24th, 2025
b	Last date for submission of queries and requests for clarifications regarding the Tender	May 22nd, 2025
c	Last date for submission of Bids (" Last Submission Date ")	No later than June 22nd, 2025, at 13:00 (Israel time)
d	Bid valid until	December 31st, 2025

6.2. The Tender Committee may modify or adjust the dates stipulated in the Tender or derived from it and may also extend the Last Submission Date insofar as the submission date specified has not yet passed. Notice of such extensions shall be sent to all Bidders who have formally registered to the Tender by filling in and submitting the registration form as specified in section 7.2 below.

7. **Reviewing Tender Documents**

7.1. Tender Documents may be viewed on the Israeli Government Procurement Administration's website <https://mr.gov.il/ilgstorefront/en> under the "Tenders" tab (hereinafter: **the Website**). Until the Last Submission Date Bidders are required and recommended to enter the Website regularly and check for updates with respect to the Tender.

7.2. Bidders should register to the Tender by completing and sending the registration form, **Appendix K** of the Tender, by electronic mail, to the Tender coordinator Mr. Yakov Yanuka, at michrazim@piba.gov.il, **until the date provided in Clause 6 above.**

7.3. Bidder will be requested to submit its information on the registration form and will be asked to provide names of two contact persons, each of whom is authorized to represent Bidder during the Tender and to provide an official address for delivery of notices by mail, telephone numbers, fax, and an electronic mail address.

7.4. Only duly registered compatible entities shall be provided with the following:

7.4.1. Information with respect to the Authority's personalization machines for the purpose of Clause 5 to **Appendix A** shall be sent by electronic mail.

7.4.2. Personalized sample data pages for the purpose of Clause 14.3 below shall be sent by mail/currier.

7.5. Please note that the registration process does not impose any obligation on the Bidder, including a commitment to participate in the Tender.

8. **Clarifications**

- 8.1. Bidders are entitled to contact the Authority in writing and submit a request for clarifications regarding the Tender. Such requests for clarifications shall be directed by electronic mail, to the Tender coordinator Mr. Yakov Yanuka, at michrazim@piba.gov.il, **until the date provided in Clause 6 above.**
- 8.2. The request for clarifications shall be made in English only using a Word file submitted in a table in the following manner:

Document Name	Clause No.	Clarification Requested

- 8.3. The Bidder should specify his name, address and telephone contact number, an electronic mail address and an address for the response.
- 8.4. The Authority shall be entitled, at its sole discretion, to reply or not to reply to requests for clarification. The Authority's responses to the requests shall be furnished without disclosing the identity of the Bidder who submitted the request. No Authority response shall be binding unless it is issued by written addenda as part of the Tender process and published on the Website. The responsibility to be informed of responses to the requests for clarification lies with the Bidders themselves.
- 8.5. All Bidders shall confirm in writing the acceptance of all addenda. All such addenda and all other amendments and clarifications issued in writing by the Authority regarding the Tender shall be signed and submitted by the Bidders as part of their Bids shall be an integral part of the Tender Documents (even if were not signed by the Bidders).
- 8.6. The responses to the requests for clarification will serve as an integral part of the Tender documents.
- 8.7. The Authority may modify the terms and conditions of the Tender prior to the Last Submission Date. Notification of such a change will be published on the Website.

9. **Preparation of Bids**

- 9.1. Bidders are required to prepare their Bids in full conformity with this Tender ("**Compliant Bid**").
- 9.2. Bidders shall complete their Compliant Bids in an accurate and detailed manner, disclosing all the information requested, as well as any additional information required to clarify, substantiate, and support the Bid.

- 9.3. Bidders may not deviate in their Bids from the instructions of the Tender unless prior permission has been specifically granted in writing by the Authority. The Authority may, at its sole discretion, disqualify any Bid containing any such Deviation/s or demand that the Bidder amend its Bid, as set out below.

10. **Language of the Bid**

- 10.1. The Bid must be submitted in English.
- 10.2. Documents that are not in English or Hebrew must be translated into these languages, and the original documents must be appended to the translations; in the event of a contradiction between an original document to its translation, the latter shall prevail.

11. **Date & Place for Submission of Bids**

- 11.1. Bids should be submitted in a sealed envelope **no later than the Last Submission Date as provided in Clause 6 above**, at the tender box located at the **Population and Immigration Authority Office, at 6 Mesilat Yesharim Street, Jerusalem.**

Please verify that prior to the placement of the envelope in the tender box that the envelope is stamped at the guard station with the date and time accepted.

- 11.2. The envelope should state **“Public Tender with Two-Stage Process No. 1/2025 for the Supply of Security Laminates for Biometric Travel Documents”**.
- 11.3. The submission of the proposal by the date indicated in section 6 above is in the sole responsibility of the Bidder. **A late submitted proposal will not be examined.**
- 11.4. Under no circumstances should the proposal be submitted by electronic mail or facsimile.
- 11.5. The submission of a signed proposal constitutes conclusive evidence that the Bidder has read all the provisions of the Tender Documents, understood them and has given its unconditional consent to them.

12. **Threshold Requirements**

In order to participate in the Tender Bidder must meet at the Last Submission Date all the following requirements (the **"Threshold Requirements"**):

12.1. **Form and Place of Incorporation of Bidder**

- 12.1.1. The Bidder must be an entity duly incorporated and validly existing under the laws of a country that maintains diplomatic relations with the State of Israel. Entities residing or incorporated in a country which has no diplomatic relations with the State of Israel, or the Control of which is held by a resident or corporation of such a country, are not entitled to participate in the Tender.

Note: The Israeli National Cyber Directorate shall be the sole determining authority in this regard and its decision in this regard shall be final.

- 12.1.2. The Bidder shall be one legal entity and shall not be either a Joint Venture or Consortium or an unregistered partnership. Joint proposals by several corporations together shall not be accepted, however the use of subcontractors is allowed, provided that they are in compliance with the terms stipulated in section 12.6 of the Tender.

Note: A Bidder may not attribute data from another entity to itself, except in cases where it has expressly been permitted in the Tender. A corporation with (100%) absolute and unrestricted Control over another corporation shall be deemed the same corporation, subject to submission by the Bidder, of documentation indicating the above, from the relevant registry.

- 12.1.3. The Bidder is not listed as an entity whose activity in Israel and the economic activity of Israeli entities with it are limited or prohibited by the Act for Fighting Iran's Nuclear Plan, 2011 or the Act for the Prevention of the Distribution and Financing of Weapons of Mass Destruction, 2018.

12.2. **Bidder's Experience in the production of Laminate Foils**

Bidder have manufactured and supplied Security Laminate for at least (2) two e-Passport or visa projects between the year 2017 until the Last Submission Date, each consisting of the supply of at least five million (5,000,000) Security Laminates, at least one of which with Security Laminates delivered in rolls.

Note: Manufacturing Security Laminate foils for both passports and visa projects for the same country will be deemed as two (2) reference projects only if the Bidder had manufactured different designed laminates for each project.

12.3. **The Proposed Products by the Bidder**

- 12.3.1. The Bidder proposed in its Bid a Security Laminate which its various components, as well as the product in its entirety, comply with all the technical requirements detailed in Appendix A of the Tender ("**Technical requirements**"), except those titled specifically as "optional".

- 12.3.2. The Bidder has title to, or has rights to use and distribute, all the rights (including intellectual property rights) to the tools, methods, and components to be used in the execution of its proposal, so that the here within shall be always in effect:

- 12.3.2.1. No impediment or restriction of any kind whatsoever exists on Bidder, in respect to the use

of the Product and the accompanying components, in accordance with the terms of the Tender.

12.3.2.2. Bidder is able to meet all of Bidder's commitments pursuant to the Contract and the proposal in their entirety, and in a timely manner.

12.3.2.3. Entering into a contract with Bidder (if awarded the Tender) according to the terms of the Contract (Appendix I) does not and will not harm or in any manner infringe on third party rights whatsoever including intellectual property of any kind (copyrights, patents, commercial secrets, models, trademarks or others).

12.3.2.4. No impediment or restriction exists on the transfer of title of the product, its components or companion components, to the Purchaser or its representatives or from the Purchaser to third parties.

12.4. **Maximum AQL of the Proposed Product**

The proposed Product meets an AQL of no more than 0.5%.

12.5. **Industrial cooperation undertaking**

Bidder which is not incorporated in Israel or in a state which is a party to the Agreement on Government Procurement (GPA 2012) (as published by the World Trade Organization under https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm) must commit for Industrial cooperation.

12.6. **Subcontractors**

Bidder's subcontractors (if any) must be in compliance with the requirements stipulated in sections 12.1 above.

Only Bidders who comply with all the aforesaid Threshold Requirements shall be entitled to participate in the Tender process.

13. **Structure of the Bid – Two Parts**

13.1. Each Bid envelope must contain two duly sealed envelopes, one envelope containing the technical specifications and marked "**Professional Proposal & Technical Specifications**" with the name of the Bidder (Envelope 1) and containing all the documents and submittals required in Section 14 below and an additional envelope containing the "**Price Quote**" (Envelope 2) with the name of the Bidder containing all the documents required in Section 15 below.

13.2. The documents in Envelope 1 must be submitted in five (5) identical copies (including the various attendant documents and appendices). The original copy will be marked "**Original Copy**". Every page in the original

copy of the Bid forms must be stamped and signed by the Bidder. The first page of every copy must be stamped with an original stamp (not a photocopy) of the Bidder with an original signature (not a photocopy). In the event of a contradiction between the original copy to other copies submitted by Bidder, the original copy shall prevail.

- 13.3. The Bidder will attach all the documents required by the proposal forms and by the provisions of this Tender to the Bid and will mark the sections of the Bid form to which it pertains.

14. **Professional Proposal & Technical Specifications – Envelope 1**

In Envelope 1 the Bidder shall include the following, all of which are required to determine its confirmation with the requirements of this Tender.

- 14.1. Table of contents. A cover letter addressed to the Authority, signed by the Bidder, listing in an orderly numbered table of content of the documents comprising the Bid being submitted.
- 14.2. A duly signed copy of the Tender documents. A duly signed copy of all Tender documents, including an initially duly signed copy of the Contract in the form attached hereto **Appendix I**.
- 14.3. Technical Requirements. Of the Tender in the form attached hereto as **Appendix A** duly signed by the Bidder.
- 14.4. Public Entities Transactions Law. If the Bidder is an Israeli Bidder or an Israeli resident (as defined in the Income Tax Ordinance), it shall hold and submit all the approvals required pursuant to the Public Entities Transactions Law, 1976 and a duly executed affidavit in the form attached as **Appendix B** to the Tender regarding such law.
- 14.5. Proposal Form. The Bidder shall fill out and duly sign the form attached hereto as **Appendix C**:
- 14.5.1. Legal Structure. The Bidder shall attach to the Bid the required documents as provided in Section 3.5 of **Appendix C**.
- 14.5.2. Manufacture chain. The Bidder shall attach a tree diagram describing the manufacture chain of the proposed Laminate to the level of security elements manufacturers and carrier / film / roll manufacturer.
- 14.5.2.1. Please note that all manufacturers of security elements, carrier / film / roll manufacturer are considered as main subcontractors.
- 14.5.3. Documentation regarding the Bidder's experience in Laminate Foils Production as follows:
- 14.5.3.1. A duly signed declaration by the Bidder's auditor attesting to the quantities of Laminate foils that have been produced and supplied by the Bidder during the period specified in section 6 of

Appendix C, divided down by years and by countries, shall be appended to the proposal form.

14.5.3.2. If the Bidder or its subcontractors are unable to name some of the countries where the products were supplied or the annual quantities, due to non-disclosure agreements:

14.5.3.2.1. The proposal form shall include a statement that the aforementioned non-disclosure agreements prevent disclosure of the name of the country or the annual quantities.

14.5.3.2.2. If the annual quantities cannot be disclosed, the Bidder shall specify the accumulative quantities listed in the relevant threshold requirement regarding that country.

14.5.3.2.3. The proposal form shall be accompanied by a certified copy of the said non-disclosure clause with any identifying data removed.

14.5.3.2.4. The form shall be accompanied by a certificate from an accountant in one of the top ten accounting firms (as rated by ACT Top 100 Firms) regarding the accuracy of the enclosed data and the fact that the Bidder is bound by a non-disclosure agreement.

14.6. Technical specifications. The Bidder shall fill out and duly sign the form attached hereto as **Appendix D**, as well as the required documentation in the appendix, such as:

14.6.1. Technical Data regarding tamper resistance features and Device driver version.

14.6.2. Tests conducted by the Bidder prove the tamper resistance features.

14.6.3. Tests conducted by third party, proving the tamper resistance features.

14.6.4. Relevant certifications from Environmental Agencies.

14.6.5. Bidder's environment and sustainability policies as they apply to the proposed laminates and adhesives.

- 14.7. Affidavit of warranty and undertaking. The Bidder shall attach to the proposal form an affidavit certified by an attorney, in the format set forth in **Appendix E** of the Tender.
- 14.8. Affidavit regarding compliance with technical requirements, as detailed in **Appendix A**. Bidder shall attach to the proposal form authorizations by the holders of the copyrights regarding the use of their rights in the framework of the proposal, attached to the filled out and duly signed **Appendix F** of the Tender.
- 14.9. Affidavit regarding No Conflict of interest. Bidder or his signatories shall attach to the proposal form an affidavit, in the format set forth in **Appendix G** of the Tender, regarding the lack of matters or issues that could place them in a position which might pose a conflict of interest in the delivery of the product discussed in the Tender.
- 14.10. Industrial Cooperation undertaking. A Bidder that isn't incorporated in the state of Israel or in a state which is a party to the Agreement on Government Procurement (GPA 2012) (as published by the World Trade Organization under https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm) must attach to the Bid a commitment, in the format set forth in **Appendix H** of the Tender.
- 14.11. List of Consultants. The Bidder shall attach a duly signed copy of the list of consultants in the form attached hereto **Appendix J**.
- 14.12. Registration. The Bidder shall complete and submit the registration form, appended as **Appendix K** of the Tender, solely by electronic mail, as stipulated by section 7.2, by the date provided in clause 6 of the Tender.
- 14.13. Submission of samples and proposed design. Bidder shall submit at least forty (40) personalized sample pages (which have previously been provided to the Bidder by the Authority), 20 in landscape orientation and 20 portrait orientation, laminated with same type (e.g. thickness, materials) of Security Laminate, using the proposed adhesive, and containing samples of the proposed security elements.
 - 14.13.1. Laminates shall include the designs provided in **Appendix A** demonstrating all the proposed security features.
 - 14.13.2. Each proposed security feature must be laminated on at least four (4) personalized sample pages (Note: it is not required to submit samples containing all the proposed security elements on a single laminate foil).
 - 14.13.3. Bidder shall list on the proposal form, **Appendix C** of the Tender, the duration, temperature and pressure used in the lamination process for these specific samples.
 - 14.13.4. Bidder shall submit at least one (1) roll containing at least twenty (20) specimens of each proposed security element

(Note: It is not required to submit all security elements on the same laminate specimen).

- 14.14. Clarifications & Amendments. All clarifications & amendments, issued by the Authority during the Tender, duly signed by the Bidder.
- 14.15. Disk on Key containing a PDF scanned version of all the documents comprising Envelope 1. The Bidder must verify that the contents of the disc are identical to the printed Bid.

Envelope 1 shall not contain any information or documents regarding the Price Quote.

15. **Price Quote – Envelope 2**

- 15.1. In Envelope 2 The Bidder will include the price offered by it for a single Laminate foil on the price offer form, **Appendix C1** of the Tender, duly signed by the Bidder. The Bidder should quote its commercial proposal to all items in the designated places in the price offer form attached as **Appendix C1**. The quotation for an item shall not refer to any other item and shall not include any other Deviation.
- 15.2. The price of a single Laminate foil shall contain, in addition to the Product itself, all of the services and components detailed below (at no additional cost):
 - 15.2.1. Product orientation (landscape/portrait) as determined by the Authority in each Purchase Order.
 - 15.2.2. All the elements and features included in **Appendix A** and all additional/optional features proposed by the Supplier in its Bid.
 - 15.2.3. Professional support by electronic mail or by telephone (per the Purchaser's request) throughout the duration of the Agreement, as stipulated by the Agreement, **Appendix I** of the Tender.
 - 15.2.4. Warranty for the laminates for at least ten years commencing as stipulated by the Agreement.
 - 15.2.5. The proposed price will include all necessary costs (direct and indirect) to deliver the product contemplated by this Tender from Bidder's facilities to the issuing or storage centers in Israel (per the Purchaser's instructions), including all of the taxes and levies (import taxes, duty and purchase tax etc.), transport costs, storage (until Purchaser's facilities), release from the port, transport and storage in Israel (not at Purchaser's facilities), as well as related bonds and insurances.
- 15.3. Notwithstanding the above, the price quote will not include VAT.

16. **Validity of the Bid**

- 16.1. The Bid will remain valid until the date stipulated in Clause 6 above.

- 16.2. Without derogating from the foregoing, the Authority may request the Bidders (or any of them) to extend the validity of their Bid for one or more additional periods, at the Authority's discretion.
- 16.3. Notwithstanding the above, Bids that are not chosen will remain valid for at least 120 days after the conclusion of the Tender process if the winner of the Tender withdraws its proposal or breaches the Contract. In this circumstance the Authority may (but is not obligated to) award the Tender to the next Bidder in line.

17. **Examination of Bids**

- 17.1. In the first stage the Authority shall examine the contents of Envelope 1 to determine if the Bid complies with the Threshold Requirements and general requirements.
- 17.2. In the second stage the Authority shall examine the contents of Envelope 1 of the Bidders which passed the first stage to evaluate the quality of the Bids and the offered Products. The Authority may commence the second stage of the examination of the Bids prior to the completion of the first stage. The Quality Score of the Bids (up to 20 points) shall be awarded by the Authority in accordance with the following criteria and scores:

The Quality Score shall be awarded in accordance with the following criteria and scores:			
Main Category Criteria	Subcategory	Score	Maximum score
1. Additional Reference Projects	Reference Projects for the proposed Laminate	Cumulative volume of Bidder's manufacture and supply of the proposed Laminates as of 2017 until the Last Submission Date to passport or visa projects: For every 5,000,000 Laminate foils (above those provided for Clause 12.2 above) - 1 point or a proportional part thereof shall be graded up to a maximum of 6 points.	6
2. Additional Security Features	The additional/optional Security Features as provided in Clauses 10.8, 10.9, 11.2, 12.2, 12.3 of the Technical Requirements for the Laminate, Appendix A of the Tender.	Proposed Laminate which exhibits any of the additional security features complying with Appendix A of the Tender the requirements – 0.5 point for each assessed additional security feature. The visibility of such additional security features will be assessed separately by the Authority according to the level of visibility in the different types of indoor and outdoor light conditions or the magnification as relevant. Each security feature visibility will be evaluated comparatively to other Bidder's proposed security feature. The best offered additional security feature shall receive 0.5 point and the others ranked below it will receive a proportional grade.	5

3.Visibility of the Security Features	The Security Features as provided in Clauses 10.1-10.7, 11.1, 12.1 of the Technical Requirements for the Laminate, Appendix A of the Tender.	The visibility of the security features complying with Appendix A of the Tender requirements will be assessed by the Authority according to the level of visibility under the different types of indoor and outdoor light conditions. Each security feature visibility will be evaluated comparatively to other Bidder's proposed security feature. The best offered security feature shall receive 1 point and the others ranked below it will receive a proportional grade.	9
Total			20

17.3. The information and the samples units provided by the Bidders will undergo compatibility tests by the Authority or its consultants to ensure compliance with the Technical Specifications and to evaluate their quality in accordance with the above criteria. The Authority reserves the right to employ professionals for the inspection and evaluation team as it deems necessary, and the Bidder is obligated to assist and cooperate fully with the Authority and/or its representatives.

17.4. The Authority reserves the right to establish at any stage and as it deems necessary secondary criteria to assist the evaluation team in grading the offered Products.

17.5. After the second stage, a Bidder that shall be awarded a Quality Score of less than 16 points in total (the "**Minimum Score**") shall not pass to the next stage and the Bidders whose Bids received Minimum Score or more shall pass to stage 3. Notwithstanding the foregoing, if less than 3 Bids received the Minimum Score required, the Authority may, but is not obligated to, decrease the Minimum Score and the provisions of this clause shall apply *mutatis mutandis*.

18. Rating the Price Proposal – Stage 3

18.1. The Authority shall examine the contents of Envelope 2 of the Bidders that successfully passed Stage 2 to determine their Price Score.

18.2. Subject to the prerogatives of the Authority under this Tender and under the Laws, the lowest commercial proposal shall be awarded 80 points for Price Score. The Price Score for the other eligible Bidders shall be determined as follows:

$$\left(80 * \frac{\text{the lowest commercial proposal}}{\text{the evaluated commercial proposal}} \right) = \text{Price Score}$$

18.3. The sum of the Quality Score and the Price Score for each eligible Bid shall be the Final Score of the Bid.

18.4. The Bidder which Bid had been granted the highest Final Score shall be selected as the winning Bid in the Tender, provided that the Authority is convinced that such Bidder can fulfill all obligations required in the Tender Documents, and that the Bid benefit the Authority. For this

purpose, the Authority may require the Bidder to provide any relevant document or other as deemed necessary by the Authority for the provision of the services under this Tender, at the Authority's sole discretion.

- 18.5. In the event that two or more Bids received the same Final Score, the winner of the Tender shall determine from among these Bids in the following order: (A) In the event that one of the above Bids is a business controlled by a woman and the circumstances and conditions stated in section 2B of the Tender Obligation Law, 5752-1992 were met— the winner of the Tender will be the same Bidder controlled by a woman; (B) In the event that the above paragraph A is not met, the Authority may make its decision as to which Bid is preferable based on its discretion while preferring the Bidder which achieved the better Quality Score.
- 18.6. At any stage of the Tender, the Authority is entitled, at its sole and absolute discretion, to consider any information related to the Bidder and/or the content of its Bid, whether originating from the Bidder or coming to the knowledge of the Authority in any other way. Such information may impact, at the sole discretion of the Authority, the Bidder's participation in the Tender, selection as the successful Bidder, or its ability to provide the services/works in any way, including concerning the following: (a) any pending or imminent legal proceedings; (b) any significant changes that have occurred to the Bidder or its related entities since the submission of the Bid; (c) feedback and satisfaction of clients, as well as any previous contracts or services with the Authority; (d) any other relevant information that may affect the performance of this Tender. The Bidder shall provide, upon the Authority's request, any information required for the aforementioned purposes at any time. If the Bidder fails to provide such information, the Authority may, at its sole discretion, reject the Bid or choose not to select it, even if it turns out to be the best ranked Bid.

19. **Execution of the Contract**

- 19.1. As a condition for executing the Contract by the Authority the Supplier must submit to the Authority with all the documentation, commitments and permits detailed in the Contract within 14 days from notification of the award.
- 19.2. Notwithstanding the generality of the above, the Supplier must present the following documents to the Authority:
 - 19.2.1. A Performance Guarantee as stipulated in the Contract in the format stipulated in Schedule (1) of the Contract.
 - 19.2.2. Non-disclosure declarations, in the forms specified in Appendixes (4) and (5) of the Contract.
 - 19.2.3. Documentation that includes instructions and guidelines for the optimum operation of the Product.

19.2.3.1. Notwithstanding the generality of the above, the winner of the Tender will supply the Authority with the following documentation:

19.2.3.1.1. Detailed instructions for the processing and storage of the product, its operation and maintenance.

19.2.4. ICA's approval for industrial cooperation, if required.

20. **Industrial Cooperation Undertaking**

20.1. The Bidder is aware that the Tender and any order to be issued pursuant to the Tender is being undertaken under the regulation and supervision of the Industrial Cooperation Authority (the "ICA"), in accordance with the Mandatory Tender Regulations (Preference for Israeli Products and Mandatory Business Cooperation) 5755-1995 (the "ICA Regulations") and it undertakes to comply with all the relevant conditions and ICA Regulations.

20.2. Without derogating of the authority and rights vested with the ICA under the ICA Regulations, the Authority and/or the ICA always has the right during the Contract Period, to request any information and explanations from the Supplier in order to verify that the Supplier is in compliance with the ICA Regulations. The Supplier will comply with any such requests from the ICA.

20.3. The Authority has all the rights and prerogatives in accordance with this Tender regarding a Bidder that does not comply with the requirements of the ICA and/or the ICA Regulations.

20.4. A Bidder will not be entitled to request the disqualification of another Bidder due to any matters regarding the ICA or the ICA Regulations.

21. **Cost for Participation in the Tender**

Bidders alone shall bear the expenses of their participation in the Tender process and shall not be entitled to any compensation from the Authority for these expenses.

22. **Independent Research and Inquiries**

Bidders shall carry out their own independent research and inquiries about all aspects of the Project, including (but not limited to) legal requirements under any applicable law of the State of Israel and all other relevant information relating to any aspect of the Project that may be necessary or useful for the preparation of the Bid. Other than with respect to written documents received from the Authority, any information which the Bidder acquires or receives in connection with the Project shall be the Bidder's sole responsibility.

23. **Interpretation**

23.1. Words and expressions that are not defined in section 3, shall be ascribed their meanings as found in the law, in the Interpretation

Ordinance or the Interpretation Law, 5741 – 1981, unless another interpretation is mandated from the context or text.

- 23.2. A revocation or a determination regarding the revocation of terms of the Tender shall not invalidate the tender or any other term therein.
- 23.3. The Contract attached to the Tender, with all its appendices constitutes an integral part of the tender documents. The tender and the contract attached to it (with all of its appendices) are deemed one document with complementing parts.
 - 23.3.1. In the event of a contradiction between the language of the Tender and the language in the Contract, an effort shall be made to resolve the contradiction.
 - 23.3.2. In circumstances where it is not possible to resolve the difference between the language of the Tender and the language of the Contract the language of the Contract shall prevail.
 - 23.3.3. All references made in the plural – shall include the singular and vice versa.
 - 23.3.4. The headings of the sections in the tender and the appendices are provided for convenience's sake only and shall not be used in the interpretation thereof.

24. **Index and Currency**

- 24.1. A sum of money or value of an asset quoted by Bidder, shall be quoted in Euros, and written both in its numerical and written form.
 - 24.1.1. In the event of a contradiction between the sum stated in numerical form and the sum as written the latter shall prevail.
 - 24.1.2. If the type of currency is not specified, the presumption will be that the currency is proposed in Euro.

25. **Website**

- 25.1. All information and components relating to the Tender and all notifications regarding the tender will be published on the Website.
- 25.2. It is the responsibility of the Bidders to continuously update themselves regarding the progress of the tender from this site.
- 25.3. Inasmuch as possible and without taking responsibility for doing so, the Tender Committee will send notifications of new information on the site by electronic mail. **Bidders should take the proper actions to include the mail address michrazim@piba.gov.il in their "safe senders" list.**

26. **Proprietary rights to Documents**

The Tender Documents belong to the Authority and may not be used for any other purpose other than for the submission of proposals to the Tender.

27. **Authority's Consultants**

- 27.1. Parties that serve as consultants to the Authority or the Tender Committee for the State of Israel travel documents project, including the parties detailed in Appendix K of the tender, are disqualified from participating in or consulting in the preparation of a proposal for the tender, or advising a Bidder on any other issue, whether individually or through an affiliated body, unless prior written permission to do so is obtained from the Tender Committee.
- 27.2. The Tender Committee has the discretion to disqualify a proposal prepared in violation of this section.

28. **General Prerogatives of the Authority**

- 28.1. Notwithstanding any other provision herein, the Authority may at its sole discretion: (i) Unconditionally reject any or all of the bids at any time and any stage, including (without limitation) any time after the Last Submission Date, for any reason, without thereby incurring any liability to the affected Bidders; (ii) Accept bids that are not fully compliant due to a default or lack of information, in which case the Authority may, but is not required to, ask a Bidder to amend such default in its bid and/or resubmit the Bid including (without limitation) in the framework of negotiations held with the Bidders and even after the Last Submission Date; (iii) Request additional information, including (without limitation) documents and/or clarifications from any of the Bidders, whether orally or in writing.
- 28.2. The Authority may, but in no way is it obligated to, request an interview and/or a general presentation from the Bidders regarding their bids or any part thereof. The Authority may invite Bidders to undergo such an interview or give such a presentation at the time determined by the Authority after the bids were submitted. A presentation, if required, shall be made in the English language and may be followed by questions in the English language from the Authority and/or the Evaluation team and/or anyone on their behalf. The Authority at its sole discretion may use information divulged in the presentation or interview or any part of thereof. The Authority at its sole discretion, in consequence of an interview or a presentation may (i) demand that the Bidder amend any defaults in its Bid; and/or (ii) disqualify the bid; and/or (iii) apply any other measures it sees fit.
- 28.3. As an integral part of the evaluation of the Bid, including but not limited to the Threshold Requirements and to the evaluation criterion, the Authority may at its sole discretion at any time after the submission of Bids, conduct a site visit to the facilities of the Bidder and/or any of its subcontractors (if relevant). In the event the Authority chooses to do so, it shall provide such Bidder with advance notice. The Authority may, at its sole discretion, consider such a site visit when grading the information submitted by the Bidders in their Bid. The Authority at its sole discretion may use information revealed in the site visit or any part of it. The Authority at its sole discretion, in consequence to the site visit may (i)

demand that the Bidder amend any defaults in its facilities and/or Bid; and/or (ii) disqualify the Bid; and/or (iii) apply any other measures it sees fit.

- 28.4. The Authority may also allow and/or require the submission of documents and information after the Last Submission Date in order to verify the compliance of any Bidder with the Threshold Requirements and/or to better evaluate its Bid. For the avoidance of doubt, it is hereby clarified that the Authority's Tender Committee reserves the right to amend or waive, even after the Last Submission Date, any technical provision or formality of the Tender Documents, provided, however, that such waiver or amendment does not in any way contradict or derogate from the principles of applicable Law governing the Tender.
- 28.5. The Authority may, at its sole discretion, provisionally pass any Bidder with respect to the requirements set forth above or grant a provisional passing score to any Bidder for any of the evaluation criteria set forth above, subject to the receipt of all required documentation from such Bidder prior to award of the Contract to such Bidder.
- 28.6. The Authority may, at its sole discretion, add additional stages to the Bid evaluation process, including, without limitation, to request additional information and data, add a stage in which Bidders may amend any part of their Bid, submit added information and data or resubmit Technical Specification envelop, or part thereof as a result of any amendment to the Tender Documents by the Authority or for any reason.
- 28.7. The Authority may, at its sole discretion, cancel the invitation to submit Bids pursuant to these Instructions to Bidders, at any time, including without limitation, any time after the Last Submission Date, for any reason, including any case that the Authority at its sole discretion may initiate such cancellation.
- 28.8. As part of the evaluation process and without derogating from any other prerogative of the Authority pursuant to these Tender Documents, the Authority may, at its sole discretion, conduct an independent inquiry or investigation regarding any matter connected with the Tender Process, the Threshold Requirements and evaluation criteria thereof and the Bids, including, without limitation, regarding the financial strength, technical expertise and experience of any Bidder. As part of such inquiry, the Authority may request further information and clarifications from any Bidder or any person or entity the Authority may see fit, whether orally or in writing.
- 28.9. Provided that the Authority first affords the affected Bidder an opportunity to present arguments in support of its Bid, the Authority may reject any Bid with respect to which the Authority concludes, at its sole discretion, that (i) the information supplied in the Bid, including, without limitation, information regarding the financial strength and/or technical capabilities of the Bidder, does not accurately reflect the actual ability of the Bidder to execute the Contract for any reason whatsoever,

irrespective of whether the information supplied in the Bid prima facie supports a different conclusion; or (ii) a unit rate quoted by the Bidder is not realistic in the business judgment of the Authority and, in the business judgment of the Authority, the Bidder will not be able to execute the Contract at such rate.

28.10. The Bidders shall not have the right to claim any damages, expenses, or other relief in connection with the exercise by the Authority of any of its above-mentioned rights.

29. **Prerogatives of the Authority regarding Deviations**

Without derogating from the provisions above where a Bidder submits or presents any Deviation, in any stage of the Tender Process, the Authority may act as it deems appropriate, including without limitation, in any one or more of the following ways:

- 29.1. The Authority may disqualify the Bid.
- 29.2. The Authority may provisionally ignore all or part of a Deviation and, notwithstanding anything stated to the contrary in the Bid, evaluate such Bid without considering such Deviation, and as a condition to the awarding of the Contract require the Bidder to conform to all the requirements of the Tender Documents as amended.
- 29.3. The Authority may view all or part of a Deviation as technical errors which do not conflict with the principle of equality.
- 29.4. The Authority may require the Bidder to correct all or part of the Deviations.
- 29.5. The Authority may conduct negotiations with a Bidder and amend the Tender Documents, in which case the amendment will apply equally to all the Bidders, and they will all be given the opportunity to resubmit their Bids or any part thereof, all in accordance with the written instructions of the Authority.

The Authority may decide, at its sole discretion, whether to act or refrain from acting in any one or more of the alternatives listed above. The Authority shall have the sole discretion to apply the abovementioned alternatives in whole or in part, or in stages, and to treat differently different Deviations in the same Bid or in different Bids. A Bidder shall not have the right to claim that there is any binding preferential order which applies to the alternatives, or which restricts the Authority from exercising its full discretion. If the Authority chooses to proceed in any of the alternatives above, and the Bidder refrains from implementing the Authority's decision, the Authority may, without derogating from any of its other rights (including the right to conduct negotiations), disqualify the Bid, regardless of whether the Bidder's was chosen as an Approved Contractor.

The provisions of this Section shall not derogate from any other right granted to the Authority pursuant to the Tender Documents or pursuant to any applicable law, including, without limitation, with respect to its right to conduct

negotiations, accept Deviations, amend the Tender Documents, and allow the resubmission of Bids.

30. **Disqualification of Bid**

Without derogating from the Authority's rights and authorities under the Tender and under law, the following conditions and events may lead to disqualification of a Bidder, at the Authority's sole discretion, at any stage during the Tender or after, during the Contract Period. The disqualifying conditions and events apply both to the Bidders, their shareholders and to parent entities (hereinafter in this Clause jointly referred to as "**Bidder**").

- 30.1. The commencement of bankruptcy, receivership, liquidation or reorganization, reconstruction or composition of creditors proceedings against the Bidder or a similar situation, unless such proceedings are discharged within a reasonable period of time, as determined by the Authority, at its sole discretion, or if an interim or permanent receiver, liquidator, administrator or examiner or similar officer is appointed over the Bidder and/or the assets thereof, or if the Bidder has become insolvent.
- 30.2. The commencement of any voluntary action for the liquidation of the Bidder except for the purposes of merger or reconstruction on terms approved by the Authority in writing.
- 30.3. Commencement of any legal proceedings which allegedly relate to an offence, which in the Authority's opinion, affects the integrity of the Bidder.
- 30.4. Commitment of a grave error by any Bidder in the performance of its profession.
- 30.5. Employment of or engagement with a consultant or an expert, who was/is employed by the Authority and/or any other relevant authority in relation to the Authority without the prior written approval of the Authority.
- 30.6. Participation of a Bidder or an interested party therein, that is suspected of being involved in criminal activity or of being hostile to the State of Israel and/or that is a resident of a country which does not have diplomatic relations with the State of Israel.
- 30.7. The existence of a material conflict of interest in a Bidder or any interested party therein.
- 30.8. Any event or change in circumstances in the Bidder may adversely affect the Bidder's capacity to be approved as a Bidder.
- 30.9. Any material breach of the provisions of the Tender, including the submission of any false or incomplete information.
- 30.10. Any other event or circumstances which the Authority shall consider, at its sole discretion, as justifying disqualification of any Bidder.

If any of the above conditions or events occurs, the Authority reserves the right to impose upon a Bidder any instructions as a condition for its participation in the Tender.

31. Request for Additional Information and Clarifications

31.1. The Tender Committee may (but is not obligated to) request written or oral clarifications of any Bidder regarding its proposal, in whole or in part. Such a request shall not be construed as permission for a Bidder to change its proposal or to grant such Bidder an unfair advantage over the other Bidders. The clarifications will serve as an integral part of the proposal.

31.2. The Tender Committee has the discretion to request that a Bidder provide missing information and/or recommendations and/or certifications that relate to the requirements stipulated in the tender, in order to evaluate the Bidder's compliance with the preconditions of the tender. The Committee may, for reasons to be listed, invite a Bidder to appear before it in order to verify details of the proposal or for other details that it requires in order to make a decision.

31.3. The Tender Committee may perform any act that is necessary to evaluate the proposal, including visiting the Bidder's facilities or the facilities of a proposed subcontractor.

32. Nonresponsive Proposal

32.1. The Tender Committee may, for reasons that must be listed, instruct that a defect in a proposal on the tender be rectified, if it finds that this will not harm the equality of the Bidders or if it finds that this decision benefits the public welfare and the goal of the tender.

32.2. The Tender Committee may, inter alia, disqualify a proposal that is partial, lacking, conditional, defective, incorrect, or based on an incorrect understanding of the order, unless the Tender Committee decides otherwise.

33. A Tactical or Loss Based Proposal

A Tactical proposal or a proposal submitted with a lack of good faith or a proposal that under analysis proves to be a proposal at a loss or a proposal that is not based on a clear and solid economic foundation will be disqualified.

34. A Conditional or Limited Proposal

34.1. A Bidder may not limit his proposal or condition it in a manner that is not consistent with the requirements of the tender.

34.2. A Bidder who believes that the requirements of the Tender should be conditioned or modified may raise such comments or reservations as part of the clarification process only; the Authority will consider the request and respond in accordance with the provisions of the Tender.

35. Viewing the Tender Documents and the Winning Proposal

- 35.1. If requested the Authority shall enable a Bidder who has not been awarded the Tender to review the minutes of the Tender Committee and the documents comprising the proposal of the successful Bidders subject to the Laws.
 - 35.2. A Bidder who believes that sections of its proposal contain trade or business secrets (hereinafter – “**Classified Sections**”), and should not be open for viewing by the other Bidders following the completion of the Tender, should explicitly make note of the Classified Sections by submitting with its proposal one copy of the proposal which includes marked sections that, in Bidder opinion, should not be open for perusal, and mark this as a “copy for competitor review”.
 - 35.3. A Bidder failing to mark sections on the proposal form as classified or failing to submit a copy for competitor review, will be deemed as having consented to delivery of the entire proposal to be read by other Bidders should said Bidder be awarded the tender.
 - 35.4. The designation of certain sections of the Bid as classified or their deletion from the copy for Bidder review will be considered an admission that these classified sections in the Bid are also classified in the proposals of other Bidders, and therefore Bidder waives in advance all rights to view these sections in the Bidders proposals as well.
 - 35.5. Please note that the Authority is not obliged to accept Bidder's position with respect to the Classified Section and the sole discretion regarding the right of review of the Bidders lies with the Tender Committee alone, who will act in this matter in accordance with its discretion under the Laws.
 - 35.6. Without derogating from the above, be advised that the Bidder's name and address, experience, customers, and the proposed price does not constitute trade or business secrets. A Bidder who chooses to participate in this Tender thus consents to the terms of this section.
36. **Governing Law and Jurisdiction**
- 36.1. This Tender process is subject to the Laws of the State of Israel solely, as they shall be formulated from time to time.
 - 36.2. Any matter related to this Tender, the Contract and any Purchase Order shall be adjudicated only in the authorized courts of the city of Jerusalem, Israel.

In Witness Whereof we have signed this Tender:

Name of Bidder	Bidder's authorized representative	Signature & Stamp
	By:	

	Title: Date:	
	By: Title: Date:	

Appendix A: Technical Requirements

Specifications for thin security laminate

1. General

The heat-sealed thin laminate shall cover the paper datapage and carry multiple optical security elements, for all the 3 levels. The current Israeli passports apply paper datapages. Future passports may apply Polycarbonate as the datapage substrate, with embedded DOVIDs¹. The specifications detailed in this section may refer to both types of substrates or only to one of them, if stated explicitly.

2. Design elements

The laminate shall carry optical elements that are based on one or more of the following mandatory items. The listed cultural and historical symbols are unique to the State of Israel or to the Jewish heritage and shall be used for the artwork. No additional symbols shall be used unless approved or provided by the Authority.

Note that the Hebrew text in some elements must include the Hebrew diacritics², and the resolution of the graphical element shall support the visibility of the diacritic symbols. Hebrew text shall apply a unique font that shall be provided by PIBA to the winning respondent. Latin letters shall use the "ARIAL" font.

2.1. Star of David

Any version of the Star of David³ (known also as "Magen David" or "Shield of David", "✡" – Unicode character U+2721, can be found in the Wingdings font):



This symbol shall be repeated six times if used as a cluster in the artwork. See the metalized element from the current passport as an example:

DOVID = **D**iffractive **O**ptically **V**ariable **I**mage **D**evelopers¹

See <https://en.wikipedia.org/wiki/Niqqud>²

See https://en.wikipedia.org/wiki/Star_of_David³



2.2. The national emblem

The national emblem of the State of Israel⁴:



2.3. The Menorah

Any version of the seven-branch candelabrum ("Menorah"⁵) from the Temple, also present on the national emblem of the State of Israel:

See https://en.wikipedia.org/wiki/Emblem_of_Israel⁴

See https://en.wikipedia.org/wiki/Temple_menorah⁵



2.4. A branch of an olive tree

A branch of an olive tree, also present on the national emblem of the State of Israel (sample public domain image shown here, a real branch from an olive tree was selected and scanned for the artwork in the current passport):



2.5. The national anthem

The words from the Israeli national anthem (the "Tikvah"⁶, diacritics should be applied):

כָּל עוֹד בְּלֵבב פְּנִימָה
נִפְּשׁ יְהוּדֵי הוֹמְיָה,
וּלְפָאֲתֵי מְזָרַח קְדִימָה,
עֵין לְצִיּוֹן צוֹפִיָּה;
עוֹד לֹא אָבְדָה תִּקְוַתֵּנוּ,
הַתִּקְוָה בֵּית שָׁנוֹת אֲלֵפִים,

See <https://en.wikipedia.org/wiki/Hatikvah>⁶

להיות עם חפשי בארצנו, ארץ ציון וירושלים.

2.6. A verse from the Bible

A verse from the bible about the Seven Species⁷ symbolizing the land of Israel, (from Deuteronomy 8:8):

אַרְצַךְ חֹטָה וּשְׂעֵרָה וְגֶפֶן וּתְאֵנָה וְרִמּוֹן אֶרֶץ זֵית שָׁמֶן וַיְדַבֵּשׁ

The text must include the Hebrew diacritics, and the resolution of the graphical element shall support the visibility of the diacritic symbols.

2.7. Text

The phrase “**State of Israel**” in English or “**מדינת ישראל**” in Hebrew.

3. Laminate type

The proposed laminate must be made of an ultra-thin hot sealed matt or semi-matt (nonreflective) foil with a thickness (before lamination) of less than 10 µm.

4. Laminate size

The size of the proposed laminate must be 122 X 82mm ± 0.1mm.

5. Compatibility

The proposed laminate must be compatible with the inkjet inks used for personalization of the Israeli passports, the personalization machines which shall be used by the Authority (Information in this regard shall be provided by Authority to duly registered compatible entities only) and the common flatbed (platen) passport laminators that are available in the market.

6. Form

The proposed laminate must be supplied in continuous rolls.

The Supplier shall be able to supply multiple types of rolls for up to four different laminator models, from different vendors, as determined by PIBA without additional charges. Variations may include the following:

- 6.1. Orientation (landscape/portrait).
- 6.2. Roll dimensions (width, outside diameter).
- 6.3. Core dimensions (inside/outside diameters).
- 6.4. Pitch between laminate patches.
- 6.5. Marking (between patches and at end of roll).

Supplier shall support PIBA when a different laminator is integrated into the issuing process, and shall provide such support without additional charges. PIBA will notify Supplier at least three months before such support is required.

The exact format for DOVIDs embedded in future Polycarbonate data pages depends on the type of machinery that will be used for manufacturing and is not defined yet.

See https://en.wikipedia.org/wiki/Seven_Species⁷

7. **Durability and life span**

The proposed laminate must provide a life span of at least ten (10) years. The life span shall be counted from lamination of the laminate into the passport or following one (1) year from receipt of the product by PIBA, whichever is earlier.

During this entire period the laminate must remain solidly adhered to its substrate (the passport datapage) and protect it. It must be highly resistant to peeling, scratches and rubbing. Its optical effects must remain clearly visible and with negligible changes.

8. **Lamination quality**

The laminate must be applied to the passport datapage using a lamination process that will ensure a product free of air bubbles, folds, creases, tears or any irregularities. The adhesive proposed as a component of the laminate should be optimized to achieve these results on the Israeli passport substrate.

9. **Edges**

The edges of the sealed laminate must be free of burrs or flakes after the lamination process, without requiring any post-lamination process.

10. **1st-level security features**

The laminate shall contain the 1st-level security features listed in this section, which are mandatory unless explicitly stated otherwise. **1st-level features, with high visibility, are the highest priority for PIBA.** Visibility and robustness of each security feature shall be assessed by a group of experts from PIBA. Multiple optical effects in a single element are allowed (for example, 3D effect and color changes in a single element).

10.1. **High-visibility element**

At least one high-visibility/high-brightness element that provides a distinct kinetic effect, color changes or a “drop of mercury” effect (seemingly 3D raised or tactile), with an area of 1cm² (10mm X 10mm) or more. The optical effects should be clearly visible under office diffuse lighting. This element shall be based on the Star of David or the Menorah and shall be placed on the right side of the datapage, over the Hebrew text, without covering the printed text itself.

10.2. **Face image protection**

At least one high-visibility/high-brightness element that shall partially cover the printed face image and protect it against manipulations. It shall cover at least 40% of the face and shall not obscure the face image when viewed directly from the perpendicular axis. It should exhibit a rainbow, a kinetic or a morphing effect when tilted.

10.3. **Rainbow effect**

A large-area element that provides a rainbow effect when tilted. It must be possible to apply this element over a large surface of the laminate. The design must not interfere with visualizing the text on the data page (i.e., thin lines across the data page that allow unobstructed reading of the printed data and visual inspection of the face image or any other design that conforms to this requirement).

10.4. **Metalized element**

A small metalized element with an overall area of exactly 0.75±0.15 cm². This element must be highly visible under diffused lighting. It shall be based on six

repetitions of the Star of David. It may be placed over the face image if it does not obscure the face region itself (see the current design of the Israeli passports).

10.5. Color/contrast changes

An element that shall change its contrast or color distinctively when rotated either 90° or 180°. The contrast change must be from bright to dark (positive-negative effect). The color shift must be between two distinctive colors with blue as the most preferred and dominant color. The combination of red and green colors should be avoided. This element may be repeated several times to ensure that the contrast or color change is highly visible.

10.6. Image switch

This element must switch between two distinct images from the item list in Section 2 or between Hebrew and English texts distinctively when tilted left/right or up/down. The Hebrew text, if used, should not apply diacritics.

10.7. 3D effect

An element that exhibits three-dimensional effect (apparent depth), visible under normal office lighting.

10.8. Tamper-evident feature (OPTIONAL⁸)

An element that exhibits visible damage or visible indication when the laminate is removed (using chemical or mechanical means). This is relevant only for paper datapages.

10.9. Serialization (OPTIONAL)

Each laminate should contain a different marking or a different graphical element, visible with the naked eye, using one of the following options (this is relevant only for paper datapages):

10.9.1.1. Numbering

A serial number, composed of an incrementing sequential counter concatenated with a single check digit. The check digit shall be computed using a proprietary algorithm shared with the winning supplier or delivered by PIBA as a list of consecutive numbers.

10.9.1.2. Set of objects

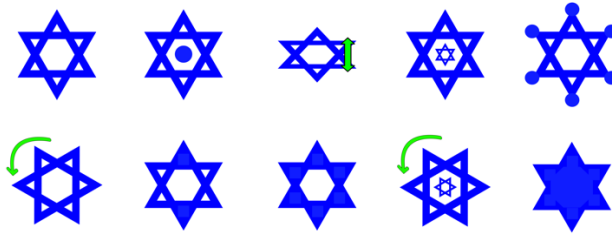
A closed set of 8...10 objects, with one of them selected at random or by sequential cycling through the set.

10.9.1.3. Variations of a single object

Multiple variations of the Star of David, with one of the variations selected at random or by sequential cycling through the variations.

Example:

⁸ Features which are marked "Optional" shall be graded in accordance with the provisions of the Tender. Should the Authority decide in accordance with its discretion to include them in the Laminates, the Supplier shall include such features in supplied Products without additional consideration whatsoever.



11. 2nd-level security features

The laminate shall contain the 2nd-level security features listed in this section, which are mandatory unless explicitly stated otherwise.

11.1. Microtext

Text that is less than 0.25mm high, visible under magnification of 6X..10X or more.

11.2. UV features (OPTIONAL)

Features that can be observed with a common off-the-shelf 365nm UV light source.

12. 3rd-level security features

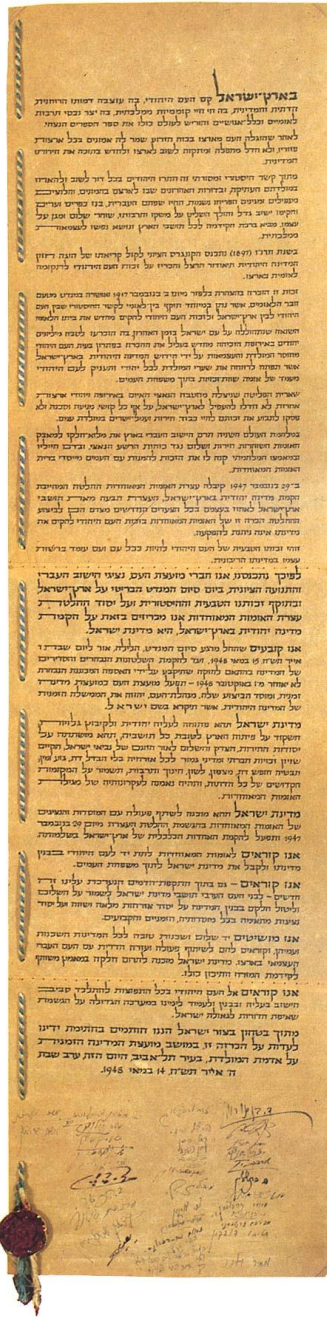
The laminate shall contain the 3rd-level security features listed in this section, which are mandatory unless explicitly stated otherwise.

12.1. Nanotext

Text that is less than 0.075mm high, visible under a microscope. Additional points shall be granted for nanotext with a size of less than 0.025mm.

12.2. Small-sized high-resolution images (OPTIONAL)

High-resolution images (“micro images”) of the Israeli Declaration of Independence, with a size of less than 3mm.



12.3. Hidden images (OPTIONAL)

Images or animations that can be observed using dedicated/proprietary devices (special lenses, special light sources etc.).

Bidder / Corporation:

Authorized Signatories:

Signature and stamp:

Appendix B: Public Entities Transactions Law, 1976 Affidavit

Should be filled and submitted If Bidder is an Israeli Bidder or an Israeli resident

תצהיר לפי חוק עסקאות גופים ציבוריים, תשל"ו - 1976

אני הח"מ, _____, ת.ז. _____, לאחר שהוזהרתי כי עלי להצהיר את האמת וכי אהיה צפוי/ה לעונשים הקבועים בחוק באם לא אעשה כן, מצהיר/ה בזאת כדלקמן: הנני משמש בתפקיד _____ ב- _____ (להלן: "המשתתף") הנני מוסמך ליתן תצהיר זה מטעם המשתתף.

יש לסמן את הסעיף הרלוונטי מבין האמורים להלן:

- המשתתף או בעל זיקה אליו* לא הורשעו** ביותר משתי עבירות***;
- המשתתף או בעל זיקה אליו הורשעו ביותר משתי עבירות, אך במועד האחרון להגשת הצעות במכרז חלפה שנה אחת לפחות ממועד ההרשעה האחרונה.
- * "בעל זיקה" – כהגדרתו בסעיף 2(א) לחוק עסקאות גופים ציבוריים, תשל"ו – 1976.
- ** "הורשע" – הורשע בפסק דין חלוט בעבירה שנעברה לאחר יום 31.10.02.
- *** "עבירה" – עבירה לפי חוק שכר מינימום, התשמ"ז - 1987 או עבירה לפי חוק עובדים זרים (איסור העסקה שלא כדין והבטחת תנאים הוגנים), התשנ"א – 1991 ולעניין עסקאות לקבלת שירות כהגדרתו בסעיף 2 לחוק להגברת האכיפה של דיני העבודה, התשע"ב – 2011, גם עבירה על הוראות החיקוקים המנויות בתוספת השלישית לאותו חוק.

יש לסמן את הסעיף הרלוונטי מבין האמורים להלן:

- חלופה א' – הוראות סעיף 9 לחוק שוויון זכויות לאנשים עם מוגבלות, התשנ"ח – 1998 (להלן: "חוק שוויון זכויות") אינן חלות על המשתתף.
 - חלופה ב' – הוראות סעיף 9 לחוק שוויון זכויות חלות על המשתתף והוא מקיים אותן.
- למשתתף שסימן את חלופה ב' בסעיף ב' לעיל – יש להמשיך ולסמן בחלופות המשנה הרלוונטיות להלן:
- חלופה (1) – המשתתף מעסיק פחות מ- 100 עובדים.
 - חלופה (2) – המשתתף מעסיק 100 עובדים לפחות, והוא מתחייב לפנות למנכ"ל משרד העבודה הרווחה, והשירותים החברתיים לשם בחינת יישום חובותיו לפי סעיף 9 לחוק שוויון זכויות, ובמידת הצורך – לשם קבלת הנחיות בקשר ליישומן.
- במקרה שהמשתתף התחייב בעבר לפנות למנכ"ל משרד העבודה הרווחה, והשירותים החברתיים לפי הוראות חלופה (2) לעיל, ונעשתה עמו התקשרות שלגביה הוא תחייב כאמור באותה חלופה (2) – הוא מצהיר כי פנה כנדרש ממנו, ואם קיבל הנחיות ליישום חובותיו לפי סעיף 9 לחוק שוויון זכויות, הוא גם פעל ליישומן.
- למשתתף שסימן את חלופה ב' לעיל- המשתתף מתחייב להעביר העתק מתצהיר זה למנכ"ל משרד העבודה והרווחה והשירותים החברתיים בתוך 30 ימים ממועד התקשרותו עם המועצה (ככל שתהיה התקשרות כאמור)
- הנני מצהיר/ה כי זהו שמי, זו חתימתי ותוכן תצהירי אמת.

_____ חתימת המצהיר

אימות חתימה

אני הח"מ _____, עו"ד (מ.ר. _____), מאשר בזאת כי ביום _____ הופיעה בפני מר/גב' _____, ת.ז. _____, ולאחר שהוזהרתי/ה כי עליו/ה להצהיר את האמת וכי יהא/תהא צפוי/ה לעונשים הקבועים בחוק אם לא יעשה/תעשה כן, אישר/ה בפני את תוכן תצהירו/ה לעיל בחתמו/ה עליו בפני.

_____ תאריך
_____ עו"ד

Appendix C: Proposal Form

1. General

- 1.1. The form must be filled out completely and legibly and be submitted as part of the proposal to the tender.
- 1.2. Every section containing a blank space for insertion of the proposal indicates the extent of the detail expected from Bidder.
- 1.3. Bidders may add additional tables or rows.
- 1.4. Affidavits will be approved by notaries or by attorneys that are authorized to approve such documents according to the laws of the state in which the Bidder is incorporated.
- 1.5. Reference made to a signature requirement on the Proposal Form refers to the signature of the authorized signatory of Bidder.
- 1.6. All references on the Proposal Form to information about a contact person must contain such person's name, title and personal contact information (address, telephone, fax and email).
- 1.7. The requirements for appending documents which appear in this appendix are provided for the convenience of Bidders only, the list of mandatory requirements are as set forth in the request for proposals of the Tender.

2. Bidder information

Name of Bidder	Address of Bidder	
Telephone	Fax	Email
Details of Contact Person for Bidder		
Name of Contact	Title	Email
Telephone	Fax	Mobile

3. Incorporation (section 12.1 of the Tender)

- 3.1. Incorporation details of Bidder (corporation / association / partnership / other)

- 3.2. Identifying number (in the relevant register) _____
- 3.3. Country of incorporation of Bidder _____

3.4. Authorized signatories of Bidder and offices held with Bidder:

No.	Name	I.D number	Position in company	Sample Signature
3.4.1.				
3.4.2.				
3.4.3.				
3.4.4.				

3.5. Attach requisite documents (mark in the designated space if attached)

Requisite Document	Attached (mark <input checked="" type="checkbox"/>)
3.5.1. Certificate of registration of the company.	<input type="checkbox"/>
3.5.2. Notarized / attorney certified affidavit regarding Bidder's authorized signatories	<input type="checkbox"/>
3.5.3. Affidavit regarding Bidder's controlling shareholders	<input type="checkbox"/>

4. **Registration to the Tender (section 7.2 of the Tender)**

4.1. Bidder registered for the Tender on the date of _____.

4.2. Bidder's identification number is _____.

4.3. Attach required documents (mark in the designated space if attached)

Requisite Document	Attached (mark <input checked="" type="checkbox"/>)
4.3.1. Registration form, Appendix K to the Tender.	<input type="checkbox"/>

5. **Attachment of Affidavits and Commitment for Industrial Cooperation (sections 14.7 - 14.10)**

5.1. The following documents must be appended to the Proposal Form (mark in the appropriate space if attached)

Requisite Document	Attached (mark <input checked="" type="checkbox"/>)
5.1.1. Affidavit according to section 14.7 (Appendix E of the tender)	<input type="checkbox"/>
5.1.2. Affidavit according to section 14.8 (Appendix F of the tender)	<input type="checkbox"/>
5.1.3. Affidavit according to section 14.9 (Appendix G of the tender)	<input type="checkbox"/>
5.1.4. Industrial cooperation undertaking according to section 14.10 (Appendix H of the tender)	<input type="checkbox"/>

6. **Bidder Experience in Laminate Production (Section 12.2 of the Tender)**

6.1. Bidder's role in the manufacture of Laminates in the projects enumerated below in section 6.2 of this appendix: _____.

6.2. Please complete the table below:

Section	Name of Purchasing Country	Purchaser Contact	Quantity of Laminate foils Supplied to the Country by Bidder			
			Year	Number of Laminates Supplied	Laminate supplied in rolls?	Bidder Comments (if any)
6.2.1			2017		Yes/No	
			2018		Yes/No	
			2019		Yes/No	
			2020		Yes/No	
			2021		Yes/No	
			2022		Yes/No	
			2023		Yes/No	
6.2.2			2017		Yes/No	
			2018		Yes/No	
			2019		Yes/No	
			2020		Yes/No	

			2021		Yes/No	
			2022		Yes/No	
			2023		Yes/No	
			2024		Yes/No	
6.2.3			2017		Yes/No	
			2018		Yes/No	
			2019		Yes/No	
			2020		Yes/No	
			2021		Yes/No	
			2022		Yes/No	
			2023		Yes/No	
			2024		Yes/No	

6.3. Clarifications:

6.3.1. All the laminates above shall refer to ultra-thin hot sealed laminate foil, matt or semi-matt (nonreflective) with a thickness (before lamination) of less than 10 µm which includes security elements embedded in it.

6.3.2. Information about Laminates that are not designed for use in e-Passports or visa should not be specified in this section.

6.4. Attach requisite documents (mark in the designated space if attached)

Requisite Document		Attached (mark <input checked="" type="checkbox"/>)
6.4.1.	Detailed certification by Bidder's Auditor as required by section 14.5.3.1.	<input type="checkbox"/>
6.4.2.	Bidder, who cannot reveal details of the country due to confidentiality issues, may attach the relevant documents as required in section 14.5.3.2.	<input type="checkbox"/>

7. **Commitment to AQL (sections 12.4 of the Tender)**

7.1. Bidder commits the proposed Laminate AQL shall not be more than 0.5%.

8. **Subcontractors (section 12.6 of the Tender)**

(Please fill out this section for each subcontractor)

8.1. Name of subcontractor: _____

8.2. Method of incorporation of subcontractor (corporation / association / partnership / other)_____

8.3. Identifying number (in the relevant register) _____

8.4. Country of incorporation of the subcontractor _____

8.5. Authorized signatories of the subcontractor and offices held with subcontractor:

	Name	I.D. number	Position in company	Sample signature
8.5.1.				
8.5.2.				
8.5.3.				
8.5.4.				

8.6. Attach required documents (mark in the designated spot if attached)

Required Document	Attached (mark <input checked="" type="checkbox"/>)
8.6.1. Certificate of registration of the company.	<input type="checkbox"/>
8.6.2. Notarized / attorney certified affidavit regarding Bidder's authorized signatories.	<input type="checkbox"/>
8.6.3. Affidavit according to section 14.7 (Appendix E of the tender).	<input type="checkbox"/>
8.6.4. Affidavit according to section 14.8 (Appendix F to the tender).	<input type="checkbox"/>

8.6.5. Affidavit according to section 14.9 of the tender (Appendix G of the tender).	<input type="checkbox"/>
8.6.6. Manufacture chain diagram.	<input type="checkbox"/>

9. **Product Technical Specifications**

9.1. The proposed Product – as provided in Appendix D.

10. **List of Documents to Accompany Bid**

10.1. List of documents to be attached to Envelope 1 of the Bid is as provided in Clause 14 to the Tender.

10.2. Price Proposal Form (to be attached only in Envelope 2).

Bidder / Corporation: _____

Authorized Signatories: _____

Signature and stamp: _____

Date: _____

Appendix C -1 – Price Proposal Form

The Price Proposal Form must be submitted in a separate sealed envelope, marked “Price Quote” (section 15 of the Tender).

1. All capitalized terms not defined herein shall have the meaning attributed to them in the Tender.

2. **Price quote**

The price for an individual unit of Security Laminate is as provided below:

	Number of Units per Calendar Year	Quantity (For Tender Evaluation Purposes Only) (Q)	Unit Price (€) (P)	Total Price (Q X P) (€)
1	≤ 800,000	800,000		
2	Between 800,001 and 1,100,000	300,000		
3	Between 1,100,001 and 1,400,000	300,000		
4	Between 1,400,001 and 1,700,000	300,000		
5	Between 1,700,001 and 2,000,000	300,000		
6	≥ 2,000,001	500,000		
Total Price:				

- Please fill all the required quotes and summarize accordingly.
- **The price proposed for each of the quotes above shall not exceed the price quoted for the preceding one. For example, if the price quoted for line 1 (≤ 800,000) is 1€ then the price quoted in line 2 shall not exceed 1€.**
- The quantities stated above are for the purpose of evaluating the Bids only and the Authority does not oblige you to any minimum/maximum quantities, except as provided in the Contract. The provision of the Product or any of them is subject to a written order issued by the Authority.

3. The price of an individual Laminate foil includes, in addition to the product itself, all of the services and components set forth in section 15.2 of the Tender.

We, the undersigned, undertake that if we shall be selected as the winning Bidder in the Tender, we shall perform all of our obligations pursuant to the Contract for the prices as set in this Appendix C-1.

Bidder / Corporation: _____

Authorized Signatories: _____

Signature and stamp: _____

Date: _____

Appendix D: Technical Specifications

Name of Bidder: _____

Bidder registration number: _____

1. General

- 1.1. The form must be filled in completely and legibly and submitted as part of the proposal to the tender.
- 1.2. Every section containing a blank space for insertion of the proposal indicates the extent of the detail expected from Bidder. However, one can exceed the space allocated in order to provide the Authority with a more complete picture inasmuch as deemed necessary by Bidder, of the product offered.
- 1.3. The sections listed below refer to the technical data appendix, Appendix A of the tender, unless stated otherwise.
- 1.4. Bidders may add additional tables or rows.
- 1.5. The requirements for the attachment of documents that appear in this appendix are provided solely for the convenience of the Bidders; the list of mandatory requirements is set forth in the tender itself.

2. The Laminate

- 2.1. The proposed laminate is made of hot sealed foil (yes / no): _____
- 2.2. The thickness of the proposed laminate is: _____
- 2.3. The proposed laminate is supplied in continuous rolls (yes / no): _____.
- 2.4. The Supplier undertake to supply multiple types of rolls for up to four different laminator models, from different vendors, as determined by PIBA without additional charges. Variations may include any of the following:
 - 12.3.1. Orientation (landscape/portrait).
 - 12.3.2. Roll dimensions (width, outside diameter).
 - 12.3.3. Core dimensions (inside/outside diameters).
 - 12.3.4. Pitch between laminate patches.
 - 12.3.5. Marking (between patches and at end of roll).

The Bidder undertake to support PIBA when a different laminator is integrated into the issuing process and shall provide such support without additional charges. The Bidder acknowledges that the exact format for DOVIDs embedded in future Polycarbonate data pages depends on the type of machinery that will be used for manufacturing and is not defined yet.

(yes/no): _____
- 2.5. The proposed laminate is made of an ultra-thin hot sealed matt or semi-matt (nonreflective) foil (yes/no): _____
- 2.6. The lamination process ensures an end product free of air bubbles, folds, creases, tears or any irregularities (yes / no): _____
- 2.7. The adhesive in the proposed laminate is optimized to achieve the results detailed in the specifications and above (yes / no): _____

- 2.8. The edges of the sealed proposed laminate are free of burrs or flakes after the lamination process (yes / no): _____
- 2.9. Post-lamination processes that are required to achieve the requirements stipulated in section 9 (Please note specifically if there is no post-lamination process):

- 2.10. The size of the proposed laminate is 122 X 82mm ± 0.1mm (yes / no): _____.
- 2.11. The orientation of the proposed laminate can be landscape and portrait (yes / no): _____.
- 2.12. The proposed laminate is compatible with: 1) the inkjet inks used for personalization of the Israeli passports, and 2) the personalization machines which shall be used by the Authority (Such information had been provided to us by the Authority during the Tender), and 3) the common flatbed (platen) passport laminators that are available in the market: (yes / no) _____.
- 2.13. The proposed laminate life span is at least ten (10) years. The life span shall be counted from lamination of the laminate into the passport or following one (1) year from receipt of the product by the Authority, whichever is earlier. The Bidder acknowledges that during this entire period the laminate must remain solidly adhered to its substrate (the passport data page) and protect it. It must be highly resistant to peeling, scratches and rubbing. Its optical effects must remain clearly visible and with negligible changes (yes/no _____).
- 2.14. The laminate must be applied to the passport data page using a lamination process that will ensure a product is free of air bubbles, folds, creases, tears or any irregularities. The adhesive proposed as a component of the laminate should be optimized to achieve these results on the Israeli passport substrate (yes/no _____).

3. Security Features

3.1. Mandatory Security Features

The proposed laminate includes all the following security features, and are included in the unit price quote:

No.	Security Feature	Yes/No	Notes (if any)
1st level security features			
	<u>High-visibility element</u> At least one high-visibility/high-brightness element that provides a distinct kinetic effect, color changes or a “drop of mercury” effect (seemingly 3D raised or tactile), with an area of 1cm ² (10mm X 10mm) or more.	Yes/No	
	The optical effects are clearly visible under office diffuse lighting.	Yes/No	
	This element shall be based on the Star of David or the Menorah and shall be placed on the right side of the datapage, over the Hebrew text, without covering the printed text itself.	Yes/No	

	<p><u>Face image protection</u></p> <p>At least one high-visibility/high-brightness element that partially covers the printed face image and protects it against manipulations.</p>	Yes/No	
	The above-mentioned element covers at least 40% of the face and does not obscure the face image when viewed directly from the perpendicular axis.	Yes/No	
	The above-mentioned element exhibits a rainbow, a kinetic or a morphing effect when tilted.	Yes/No	
	<p><u>Rainbow effect</u></p> <p>A large-area element that provides a rainbow effect when tilted.</p>	Yes/No	
	It is possible to apply this element over a large surface of the laminate.	Yes/No	
	The design does not interfere with visualizing the text on the data page (i.e., thin lines across the data page that allow unobstructed reading of the printed data and visual inspection of the face image or any other design that conforms to this requirement).	Yes/No	
	<p><u>Metalized element</u></p> <p>A small, metalized element with an overall area of exactly 0.75 ± 0.15 cm².</p>	Yes/No	
	This element is highly visible under diffused lighting.	Yes/No	
	The element is based on six repetitions of the Star of David. It may be placed over the face image if it does not obscure the face region itself (see the current design of the Israeli passports).	Yes/No	
	<p><u>Color/contrast changes</u></p> <p>An element that changes its contrast or color distinctively when rotated either 90° or 180°.</p>	Yes/No	
	The contrast change is from bright to dark (positive-negative effect).	Yes/No	
	The color shift is between two distinctive colors with blue as the most preferred and dominant color.	Yes/No	
	The combination of red and green colors is avoided.	Yes/No	

	This element is repeated several times to ensure that the contrast or color change is highly visible.	Yes/No	
	<u>Image switch</u> This element switches between two distinct images from the item list in Section 2 (Design elements) of the specifications for thin security laminates, or between Hebrew and English texts distinctively when tilted left/right or up/down. The Hebrew text, if used, should not apply diacritics.	Yes/No	
	<u>3D effect</u> An element that exhibits three-dimensional effect (apparent depth), visible under normal office lighting.	Yes/No	
2nd level security features			
	<u>Microtext</u> Text that is less than 0.25mm high, visible under magnification of 6X..10X or more.	Yes/No	
3rd level security features			
	<u>Nanotext</u> Text that is less than 0.075mm high, visible under a microscope.	Yes/No	

3.2. Additional Security Features

The following security features may be offered and are additional to the mandatory security features mentioned above (if offered by Bidder they are included in the unit price quote):

No.	Security Feature	Yes/No	Notes (if any)
1st level security features			
	<u>Tamper-evident feature</u> An element that exhibits visible damage or visible indication when the laminate is removed (using chemical or mechanical means). This is relevant only for paper datapages.	Yes/No	
	<u>Serialization</u> Each laminate contains a different marking or a different graphical element, visible with the naked	Yes/No	

	eye, using one of the following options (this is relevant only for paper datapages):		
	<u>Numbering</u> A serial number, composed of an incrementing sequential counter concatenated with a single check digit. The check digit shall be computed using a proprietary algorithm shared with the winning supplier or delivered by PIBA as a list of consecutive numbers.	Yes/No	
	<u>Set of objects</u> A closed set of 8...10 objects, with one of them selected at random or by sequential cycling through the set.	Yes/No	
	<u>Variations of a single object</u> Multiple variations of the Star of David, with one of the variations selected at random or by sequential cycling through the variations.	Yes/No	
2nd level security features			
	<u>UV features</u> Features that can be observed with a common off-the-shelf 365nm UV light source.	Yes/No	
3rd level security features			
	<u>Nanotext</u> Text that is less than 0.025mm.	Yes/No	
	<u>Small-sized high-resolution images</u> High-resolution images (“micro images”) of the Israeli Declaration of Independence, with a size of less than 3mm.	Yes/No	
	<u>Hidden images</u> Images or animations that can be observed using dedicated/proprietary devices (special lenses, special light sources etc.).	Yes/No	

- 3.3. Bidder states that the information set forth above and acceptable and does not inhibit the use of the proposed Product.

Bidder / Corporation: _____

Authorized Signatories:

Signature and stamp:

Date:

Appendix E: Bidder Warranty and Undertaking

(Affidavit pursuant to Section 14.7 of the Tender)

I _____ the undersigned, bearer of identity number _____, am making this affidavit in respect to the Tender for the supply of inlays for biometric travel documents (the **Tender**).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

1. I am submitting this affidavit on behalf of _____ corporation, whose identifying number is _____ (hereinafter – the **Bidder**). The Bidder was incorporated in _____.
2. I am an employee of Bidder in the position of _____.
3. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
4. Additional authorized signatories in the Bidder are (name, identity number):
 - 4.1. _____.
 - 4.2. _____.
 - 4.3. _____.
5. I have read the Tender Documents, understood them and unconditionally accept the terms of the Tender.
6. As of the submission of this proposal I am not aware of any impediment, such as a conflict of interest, which would prevent Bidder from being awarded the Tender or satisfying any of its undertakings pursuant to the proposal or the Tender or the appended contract or by law.
7. I declare that the Bidder only uses original licensed software.
8. I declare that all of the data set forth in the proposal was checked by me and is true and accurate.

This is my name, my signature, and the content of this affidavit is true.

Signature

Certification

I hereby certify that on the date of _____, Mr./Ms. _____ bearer of identity number _____, appeared before me _____, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

_____, Advocate

Appendix F: Declaration with Respect to Bidder Rights in the Product

(Affidavit pursuant to Section 14.8 of the Tender)

I _____ the undersigned, bearer of identity number _____, am making this affidavit in respect to the Tender for the supply of the inlay component for biometric travel documents (the **Tender**).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

1. I am submitting this affidavit on behalf of _____ corporation, whose identifying number is _____ (hereinafter – the **Bidder**). The Bidder was incorporated in _____.
2. I am an employee of the Bidder in the position of _____.
3. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
4. The Bidder has title to, or has rights to use and distribute, all the rights (including intellectual property rights) to the tools, methods, features and components to be used in the execution of its proposal, so that the here within shall be always in effect:
 - 4.1. No impediment or restriction of any kind whatsoever exists on Bidder, in respect to the use of the Product and the accompanying components, in accordance with the terms of the Tender.
 - 4.2. Bidder is able to meet all of Bidder's commitments pursuant to the Contract and the proposal in their entirety, and in a timely manner.
 - 4.3. Entering into a contract with Bidder (if awarded the Tender) according to the terms of the Contract (Appendix I) does not and will not harm or in any manner infringe on third party rights whatsoever including intellectual property of any kind (copyrights, patents, commercial secrets, models, trademarks or others).
 - 4.4. No impediment or restriction exists on the transfer of title of the product, its components or companion components, to the Purchaser or its representatives or from the Purchaser to third parties.
5. Below are the components of the Bidder's proposed Product for the Tender (including all of the components and features required under the terms of the Tender) the rights of which belong to a third party:

Component/Feature	Name of the rights Owner

4. Attached to this declaration are certifications from the owners of the rights to the aforementioned components, permitting Bidder to offer said components as part of its Bid.

This is my name, my signature and the content of my affidavit is true.

Signature

Certification

I hereby certify that on the date of _____ Mr./Ms. _____ bearer of identity number _____, appeared before me _____, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

_____, Advocate

Appendix G: Conflict of Interest

(Affidavit pursuant Section 14.9 of the Tender)

I _____ the undersigned, bearer of identity number _____, am making this affidavit in respect to the tender for the supply of the inlays for biometric travel documents (the Tender).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

6. I am submitting this affidavit on behalf of _____ corporation, whose identifying number is _____ (hereinafter – the **Bidder**). The corporation was incorporated in _____.
7. I am an employee of the Bidder in the position of _____.
8. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
9. Additional authorized signatories in the Bidder are (name, identity number):
 - 9.1. _____ .
 - 9.2. _____ .
 - 9.3. _____ .
10. I hereby declare that I am not aware of any held positions or matters (such as providing counsel to certain entities, membership on boards, ownership of assets and businesses etc.), of the Bidder or its authorized signatories, that might place them in a situation of a possible conflict of interest while providing the Product, its accompanying components or the services contemplated by this Tender.

This is my name, my signature and the content of my declaration is true.

Signature

Certification

I hereby certify that on the date of _____ Mr./Ms. _____ bearer of identity number _____, appeared before me _____, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

_____, Advocate

Appendix H: Industrial Cooperation Undertaking

Note: In this Appendix the Bidder shall be referred to as the "Supplier".

BINDING UNDERTAKINGS BY FOREIGN SUPPLIER

This Binding Undertakings Instrument ("**Undertaking**") is made as of [_____] [Date], by [_____] [Name] a corporation duly incorporated and existing under the laws of [_____] [Place of incorporation], company number [_____] with address at _____ ("**Supplier**").

Whereas, according to the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation) of 2007 a Foreign Supplier who participates in a procurement process conducted by Buyer (as such term is defined below), or otherwise engages Buyer, for the purpose of acquisition by Buyer of goods, equipment, services or work, at a value as defined under the Regulations, is required to engage in industrial cooperation activity in Israel; and -

Whereas, the Supplier, is a Foreign Supplier (as such term is defined below) and participates in a procurement process number **1/2025** issued by **The Population and Immigration Authority of the Israeli Ministry of Interior** (the "**Buyer**") for **the supply of laminates to be incorporated into biometric travel documents** (the "**Tender**") or otherwise wishes to engage with Buyer for the supply of goods, equipment, services or work; and -

Whereas, Supplier hereby undertakes that, should it be awarded in the framework of the Tender (or otherwise contract with Buyer), Supplier shall conduct such industrial cooperation in such nature and scope as set forth in this binding Undertaking, including appendices thereof.

THEREFORE, in consideration of these premises, I, the undersigned Supplier, hereby declare, warrant and undertake towards the State of Israel (represented for the purposes hereof by the ICA (as such term is defined below)), as follows:

1. PREAMBLE, INTERPRETATION AND DEFINITIONS

- 1.1 The preamble and Schedules to this Undertaking and the Appendices attached hereto constitute integral parts hereof.
- 1.2 Section headings have been included in this Undertaking for convenience of reference only and shall not be used for the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Supplier hereunder.
- 1.3 This binding Undertaking is provided in accordance with Israeli Statute and Regulations (as such terms are defined below) and the ICA Guidelines as presented in the official website of the ICA.
- 1.4 Terms used herein and not otherwise defined shall have the same meaning as ascribed thereto in Statute or Regulations.

Without derogating from the above, in this Undertaking, the following terms shall have the meaning ascribed thereto below:

"**Buyer**" as defined in the preamble to this Undertaking above.

"**Contract**" shall mean the procurement contract between the Buyer and the Supplier which shall be entered into between Buyer and Supplier should the Supplier be awarded in the framework of the Tender, or otherwise, for the purpose of acquisition by Buyer from Supplier of goods, equipment, services or work.

"**Contract Value**" – the total considerations to be paid to Supplier in the framework of the Contract or in relation thereto, including taxes, levies, fees, insurance and transportation costs, and - in respect of

imported goods - their CIF price in an Israeli port, including taxes, levies, fees, insurance and transportation costs, all - without giving effect to any deductions, set-offs or fines. Contract Value includes, without limitation – (1) any payment which, under the Contract, the Buyer is required to pay to Supplier and Supplier is required to transfer to another; (2) any payments which any third party is required to pay to Supplier, by virtue of the Contract; (3) any payments, including payments as stated in paragraphs (1) or (2) above included in any option of Buyer under the Contract; (4) any continuation contract in excess of USD 500,000 that is made within a period of 5 years from the date of the Contract; and (5) any acquisition of spare parts, training activities, maintenance, technical assistance, guarantees etc. procured in the framework of the Contract or in relation thereto.

"Foreign supplier" – a manufacturer, supplier or importer of imported goods or a supplier of work that is not performed in Israel, whether himself or by means of others. For the purpose of this undertaking and subject to its terms and conditions, importer of imported goods and their manufacturer are considered jointly and severally a Foreign Supplier.

For the removal of doubt, the Foreign Supplier's Subsidiaries or affiliates shall be considered as Foreign Supplier, For the purpose of this undertaking.

"Subsidiary" - a company in which the Foreign Supplier holds fifty percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint fifty percent or more of its directors.

"Affiliate" – a company in which another company - which is not a parent company thereof - holds twenty-five percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint twenty-five percent or more of its directors;

"Israeli made Goods" - goods made in Israel or in the Area (as such term is defined under the Statute) by a producer who is an Israeli citizen, or a permanent resident of Israel, or a body corporate registered in Israel, on condition that the price of their Israel content constitutes at least 35% of the proposed price, all – as defined under the Regulations. Goods manufactured outside of the State of Israel may only be recognized as Israeli-Made Goods at the prior written approval of ICA and under the terms and conditions as defined under the Regulations.

"ICA" shall mean The Foreign Investments and Industrial Cooperation Authority operating in the Ministry of Economy and Industry.

"Industrial Cooperation" shall mean the business activities in Israel as set forth in section 4 of the Regulation.

"Local Subcontracting" shall mean the execution of contract/s to purchase Israeli Made Goods (as such term is defined under the Regulations), or to procure Works or services in Israel (as such term is defined under the Regulations), all - for the purpose of performing the Supplier's undertakings under the Contract.

"Regulations" shall mean the Mandatory Bidding Regulations (Mandatory Industrial Cooperation) of 2007, a curtesy translation to English thereof are presented in the official website of the ICA.

For the removal of doubt, in any case of contradiction between the provisions of the Regulations and the English translation thereof, the provisions of the Regulations shall govern.

"Statute" shall mean the Mandatory Bidding Law of 1992.

"Work or Services in Israel" - work or services executed in Israel or in the Area by an Israel citizen or by a permanent resident in Israel, or by a body corporate registered in Israel.

2. GENERAL

- 2.1 The Supplier hereby declares, warrants and undertakes towards the State of Israel (represented for the purposes hereof by the ICA), that subject to the signing of the Contract, it shall perform and put

into practice Industrial Cooperation in Israel at a scope, nature and timetables as set forth in this Undertaking and the Implementation Plan (as such term is defined below) and shall fully comply with all of its undertakings hereunder.

- 2.2 This Binding Undertaking may further include special terms and conditions as set forth in **Appendix "A"** hereof.

3. EXTENT OF THE INDUSTRIAL COOPERATION

The scope of Industrial Cooperation that shall be carried out by the Supplier shall be at an amount of at least ____% of the Contract Value, _____ US\$ [Contract Value]. i.e. a total amount of US\$ _____ [The scope of Industrial Cooperation].

The Contract Value for the purposes of calculating the scope of Industrial Cooperation hereunder shall be adjusted, as required, in any case of a change in the Contract Value.

4. NATURE OF INDUSTRIAL COOPERATION

- 4.1 Industrial Cooperation may be conducted by means of Local Subcontracting, investments, research and development, transfer of know-how or purchase of Israeli-Made Goods (as such term is defined above), or Works or services in Israel (as such term is defined above).

Supplier undertakes to perform Local Subcontracting at a value of no less than 20% of the Contract Value.

- 4.2 Industrial Cooperation shall not include:

4.2.1 Expenses, including agent's commission, incurred to promote the sales of the Supplier in Israel;

4.2.2 The purchase of shares of companies that are subject to the Israeli Securities Law, 5728 - 1968 ("**Securities Law**"), at a rate at which the purchaser does not become an interested party as defined in the Securities Law; and -

4.2.3 Investments, acquisition and funding of research and development work that shall be deemed Industrial Cooperation, shall not include grants given by the Government of Israel as part of an investment program or funding.

5. PERIOD AND TIMETABLE

- 5.1 The Supplier's Industrial Cooperation undertakings hereunder shall be fully executed within the period of the Contract ("**Industrial Cooperation Period**"). Without derogating from the above, or from any right or remedy of the ICA hereunder or at law, in any case this Undertaking shall not be terminated until full Industrial Cooperation obligations hereunder are fully complied with by Supplier.

- 5.2 The Supplier's undertakings for Industrial Cooperation hereunder shall be fulfilled at a fixed amount every year on a linear basis, unless otherwise approved by the ICA and included in the Implementation Plan.

6. IMPLEMENTATION PLAN

- 6.1 A comprehensive detailed implementation plan for the fulfilment of Supplier's Industrial Cooperation obligations hereunder is Attached as **Appendix "B"** ("**Implementation Plan**"). Any change or adjustment of the Implementation Plan may only be done by the prior written approval of the ICA.

The Implementation Plan shall apply to the whole period of the Contract.

- 6.2 Supplier hereby warrants and represents that the Implementation Plan reflects its good faith estimation of the business opportunities for performance of its Industrial Cooperation undertakings hereunder in scope and in timetable as defined hereunder. Such Implementation Plan was established by Supplier after thorough review and examination and in-depth survey for potential real investments or other Industrial Cooperation activities in Israel.

- 6.3 Supplier hereby undertakes that it will continue to invest efforts, using customary reasonable measures, for exploring and establishing Industrial Cooperation in Israel in accordance with its undertakings hereunder, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel, participating in Israeli industry conferences, etc., and shall pursue full implementation of the Industrial Cooperation as described in the Implementation Plan.
- 6.4 ICA may, at any time, require Supplier to submit clarifications, additions or modifications to the Implementation Plan, inter alia in order to reflect actual changes in Supplier's Industrial Cooperation, or in the case of a default or a potential default by Supplier (and without prejudicing from any right or remedy of ICA) – in order for Supplier to cure any such default and fully comply with its undertakings hereunder. Supplier hereby undertakes to comply with all such requirements by ICA.
- 6.5 Any industrial cooperation activity to be carried out by the Supplier which is not part of an approved Implementation Plan will be subject to ICA's prior written approval in order for it to be credited as Industrial Cooperation.

7. REPORTS

- 7.1 The Supplier shall submit to the ICA an annual report regarding the fulfilment of the undertakings for Industrial Cooperation stated in this Undertaking (the "**Progress Report**").
- 7.2 The Progress Report for each calendar year shall be submitted no later than March 31st of the following calendar year. ICA may, at any time, require the submission of additional Progress Reports, including in case of a default or a potential default of the Implementation Plan.
- 7.3 The Progress Report shall include the following details:
 - 7.3.1 Performance against anticipated Industrial Cooperation under the Implementation Plan.
 - 7.3.2 A summary of all the claims for Industrial Cooperation credits in a form attached as **Appendix "C"** hereof approved by the Supplier's independent auditor. For each one of the credit claims the Supplier shall submit a confirmation of the Israeli supplier signed by an authorized signatory, at the form included in **Appendix "C1"**.
 - 7.3.3 Any additional information, which may be required by the ICA, regarding the activities carried out toward the fulfilment of the Supplier's undertakings.
- 7.4 A final report regarding the scope of the Industrial Cooperation and Local Subcontracting as actually implemented and the nature thereof shall be submitted by the Supplier, along with the approval of Supplier's auditor to such report, no later than 30 days after the end of the Industrial Cooperation Period.

8. BREACH BY SUPPLIER

- 8.1 Breach by Supplier of the provisions of Sections 2.1, 3, 4.2, 5.1, 6.2, 6.3, 7.1 or 7.4 of this Undertaking shall be considered as fundamental breach of this Undertaking.
- 8.2 Any other breach by Supplier of this Undertaking, which is not cured within 30 days of ICA's written demand (or an extended cure term as defined by the ICA, at its sole discretion) shall become a fundamental breach.

9. LIQUIDATED DAMAGES

- 9.1 During the Industrial Cooperation Period, the ICA will determine the following parameters, as at the end of each calendar year ("**Evaluation Date**"):
 - 9.1.1 The Supplier's accumulated obligations for Industrial Cooperation under this Undertaking from the commencement of the Industrial Cooperation Period until the Evaluation Date.
 - 9.1.2 The Supplier's accumulated volume of Industrial Cooperation performed by Supplier and approved by ICA, from commencement of the Industrial Cooperation Period and until the Evaluation Date.

9.2 In any case that the balance between section 9.1.1 minus section 9.1.2 above is positive (“**Unfulfilled Obligation**”), i.e., at the relevant Evaluation Date, the Supplier has not fully complied with its Industrial Cooperation undertakings hereunder, Supplier agrees and undertakes to pay the State of Israel liquidated damages, at an amount equal to 2% of the Unfulfilled Obligation.

Supplier hereby warrants and confirms that the above liquidated damages constitutes reasonably estimated damages which will be caused to the State of Israel in any case of breach of its undertakings hereunder.

9.3 The provisions of this Section 9 above shall not prejudice or derogate from any right or remedy of ICA hereunder or at law.

10. INDUSTRIAL COOPERATION COORDINATOR

10.1 Supplier shall appoint one person in Israel which will serve as Supplier's liaison person vis-à-vis ICA. As at the date of signing the Contract, the Industrial Cooperation Coordinator is:

_____ [Name] _____
_____ [Address] _____
_____ [Telephone] _____
_____ [Fax] _____
_____ [Email] _____

10.2 The Industrial Cooperation Coordinator will represent the Supplier for all purposes hereunder and will serve as the Supplier liaison person also vis-à-vis Israeli industry and other business entities.

10.3 In case the Industrial Cooperation Coordinator is replaced at any time in the future, the Supplier is committed to notify the ICA of the identity of the new Industrial Cooperation Coordinator within 7 days from the time the replacement took place.

11. LAW AND JURISDICTION

11.1 This Undertaking shall be exclusively governed by and construed in accordance with the substantive laws of the State of Israel without giving effect to any choice of law or conflict of law provision or rule.

11.2 The competent courts of the State of Israel shall have exclusive jurisdiction over any and all disputed arising from or related to this Undertaking, to exclude the jurisdiction of any other competent court of any other jurisdiction.

12. MISCELLANEOUS

12.1 The records of ICA pertaining to the execution of the Supplier undertakings hereunder shall serve as prima facie evidence to the contents thereof.

12.2 Any activity of the Supplier with the Israeli industry carried out prior to being awarded with the Contract shall not be eligible for crediting purposes.

12.3 This binding Undertaking shall constitute an integral and inseparable part of the Contract and is hereby signed for the benefit of the State of Israel.

12.4 This Undertaking and Appendices thereof constitute the entire understandings and undertakings by the Supplier towards the State of Israel and replaces and supersedes any and all previous, agreements or understandings, all of which shall be null and void.

12.5 Any amendment and/or supplement to this Undertaking shall be in writing, signed by Supplier and approved by ICA.

IN WITNESS WHEREOF, this Undertaking has been executed by the Supplier, as of the day and year first hereinabove written.

Signature of an authorized officer on behalf of the foreign supplier (Not the Importer):

Foreign Supplier [Company name]:

Name: _____

Title: _____

Signature: _____ Date: _____

If the Tender proposal is submitted (and/or the Contract is signed) by an importer, this undertaking should also be signed by an authorized officer on behalf of the importer:

Importer [Company name]:

Name: _____

Title: _____

Signature: _____ Date: _____

Appendix B

Implementation Plan

Related to Tender/RFP No.

Issued by Dated

Pursuant to clause 6 of the a.m. document, we [full company name], hereby submit our detailed Fulfilment Program, aimed at the satisfaction of our a.m. undertaking, as follows:

1. Our fulfilment activities will be in the fields of one or more of the following Industrial Cooperation Categories: (*)

- Local Subcontracting
- Acquisition of Israeli Products, Work or Services
- R&D Orders
- Investments
- Know-How transfer
- Other

2. Anticipated / Approximate dates of the following mile stones implementation:

- a. Conducting an Israeli industry survey
- b. Projects and partners selection
- c. Starting date of IC activities implementation
- d. Full program accomplishment

Signature of an authorized officer on behalf of the foreign supplier (Not the Importer):

Name (Supplier): Title:

Signature (Supplier): Date:

Name (Importer): * Title:*

Signature (Importer): * Date:*

* If the Tender proposal is submitted (and/or the Contract is signed) by an importer, this undertaking should also be signed by an authorized officer on behalf of the importer.

ICA Appendix (Mandatory Industrial Cooperation)

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 20 or 35 or 50 percent⁹ of the contract value (as applicable) 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 cooperation (hereinafter: "**Undertaking**") including an implementation plan complying with its undertaking to carry out industrial corporation (hereinafter: "**Implementation Plan**") via form C of the ICA Guidelines for Israeli Buyers, both having been duly completed, signed and certified as required in these Forms.

Attached is the Undertaking that should be submitted together with the bid price.

⁹The 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.

In the case of a Foreign Supplier who is an importer, signature will be required from both the manufacturer of the goods and the importer.

In so far as it concerns a Foreign Supplier who is under Umbrella Agreement for Industrial Cooperation with the Industrial Cooperation Authority (hereinafter: The "ICA") the Foreign Supplier shall submit, together with his bid price a "**Supplier's Binding Undertaking under UICA**" including "**Updated Implementation Plan**" via Form H of the ICA's Guidelines for Israeli Buyers.

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.

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 potential Foreign Suppliers are invited to arrange meetings with the 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.
6. Guidelines, forms and contact details of the ICA can be obtained on the internet website: www.ica.gov.il

Appendix I: Agreement

Entered into in Jerusalem, Israel, on the ____ of _____, 2024

- Between -

Government of Israel, by the Population and Immigration Authority, through its authorized signatories, Director General of Population and Immigration Authority and Accountant of the Ministry of Interior;

(Hereinafter: "Government")

Of the first part;

-And-

Whose address is _____

Registered in the _____ Register

Corporate no. _____

By the authorized signatories _____

(Hereinafter: "Supplier")

Of the other part;

Whereas: The State of Israel has decided to issue biometric travel documents, through the Population and Immigration Authority (the "**Authority**"); and

Whereas: The Authority issued a Tender for the Supply of Security Laminates for Biometric Travel Documents, specifying the criteria to be satisfied by the Supplier and by the Laminates proposed by Supplier; and

Whereas: Supplier was awarded the Tender to supply said Laminates; and

Whereas: Supplier agrees to supply the Laminates to the State of Israel and is qualified to enter into this Agreement by all relevant law or contract.

Therefore, it is declared stipulated and agreed between the parties as follows:

1. **Preamble**

- 1.1. The preamble and schedules to this Agreement constitute an integral part thereof.
- 1.2. This Agreement and the Schedules appended hereto constitute the complete and exclusive agreement between the Parties, contains the complete understanding and agreement of the Parties, and supersedes all prior or contemporaneous agreements or understandings, oral or written, relating to the subject matter herein.

- 1.3. The schedules to this Agreement are as follows:
 - 1.3.1. Schedule (1) – Performance Guarantee;
 - 1.3.2. Schedule (2) - Order form;
 - 1.3.3. Schedule (3) - Supplier's confidentiality undertakings;
 - 1.3.4. Schedule (4) - Supplier's Representative's confidentiality undertakings;
 - 1.3.5. Schedule (5): Supplier's Representative's confidentiality undertakings;
 - 1.3.6. Schedule (6) – Supplier's price proposal to the Tender (Appendix C-1 to the Tender).
 - 1.3.7. Schedule (7) – Appendixes A, B, D-G to the Tender filled by Supplier.
- 1.4. In the event of any conflict, discrepancy or inconsistency between or amongst the provisions of the body of this Agreement and any Schedule hereto, then the provisions of body of this Agreement shall govern and control. Unless otherwise provided, all documents forming the Agreement are to be taken as complementary and mutually explanatory of one another and shall be deemed to form one Agreement. Should there be any conflict, discrepancy or inconsistency between or amongst the Agreement documents, then the order of precedence among the provisions shall be in declining order of importance (each provision in the prior document on the list below takes precedence over the provision in the document following it on the list below):
 - 1.4.1. This Agreement.
 - 1.4.2. The Tender and it's annexes.
 - 1.4.3. The Supplier Bid to the Tender.

2. **Definitions**

In this Agreement the following terms are ascribed the meanings assigned to them:

- 2.1. **Agreement or Contract** - means the instrument of Agreement duly executed by the Supplier and the Authority on the date set forth therein.
- 2.2. **AQL** - (Acceptable Quality Level – measure of reliability of the product) – the percentage of Laminate foils containing a Major Defect in each production batch, based on standard sample sizes, the deviation from which will lead to the rejection of the entire production batch.
- 2.3. **Approved Financial Entity** means any of the following:
 - 2.3.1. An Israeli bank or Israeli insurance company, certified to issue guarantees under the Laws; or
 - 2.3.2. A foreign bank or foreign Insurance company, located in a country having diplomatic relations with the State of Israel, rated with at least a -A (A minus) rating, with a positive or stable outlook, according to an international rating by the S&P or Fitch rating company, or with a minimum credit rating of A3 with a positive or stable outlook, according to an international rating by the MOODY'S rating company.
- 2.4. **Batch** – A quantity of Laminate rolls, designated for one shipment.

- 2.5. **Booklet Supplier** – The Government Printing House, or any other body, chosen by the Government of Israel, to supply the Passport booklet for the e-Passport.
- 2.6. **COC (Certificate of Compliance)** – A certificate signed by the highest-ranking officer of the organization responsible for quality assurance, attesting to the compliance of the Product with the required functionality and quality control standards.
- 2.7. **Control** – The ability to direct the activity of a corporation – whether alone or with others or through others, directly or indirectly – arising from holding the Means of Control in that corporation or in any other corporation; including capability that derives from the corporation's articles of association, from a written, oral or any other kind of agreement; or which derives from any other source, other than during the routine fulfillment of an employee's duties in the corporation;
 - 2.7.1. Without derogating from the generality of the above, one will be perceived as having substantial influence in a corporation if one holds fifty percent or more of any Means of Control in the corporation; or if one has the ability to prevent the adoption of business decisions in the corporation, other than resolutions relating to the Means of Control in the corporation or decisions regarding the sale or liquidation of the majority of the corporation's business or the institution of material changes therein; The presumption is that one has control in a corporation if one holds the majority of Means of Control of any kind;
- 2.8. **COT (Certificate of Test)** - A certificate signed by the highest-ranking officer of the organization responsible for quality assurance, attesting that the Product is in compliance with the tests stipulated for the Product.
- 2.9. **Days** – Calendar days, unless clearly stated otherwise.
- 2.10. **Defective Product** - any of the following:
 - 2.10.1. A product that fails to meet Purchaser compliance tests, if said tests were in fact conducted.
 - 2.10.2. A product found to be defective during the travel document issuing process or up to ten (10) years subsequent thereto, for reasons unrelated to the production, issuance, or use of the booklets.
- 2.11. **Delivery Facility** – The Israeli government compound in Jerusalem as specified in the order.
- 2.12. **ICAO** - International Civil Aviation Organization.
- 2.13. **Major Defect** – any of the following:
 - 2.13.1. A defect that is visually evident.
 - 2.13.2. A defect that is likely to raise suspicion at the border control.
 - 2.13.3. A defect deemed by a professional state entity appointed by the Purchaser as a material defect.
- 2.14. **Means of Control** – in a corporation, any of the following:
 - 2.14.1. The right to vote at the general assembly of a company or at an equivalent meeting of another entity.

- 2.14.2. The right to appoint a director or general manager in an entity.
 - 2.14.3. The right to participate in the distribution of profits of the corporation.
 - 2.14.4. The right to participate in the surplus assets of an entity at liquidation after its liabilities are discharged.
 - 2.15. **Purchaser or Authority** – The Population and Immigration Authority of the Israeli Ministry of Interior;
 - 2.16. **Party (ies)** means Authority and/or Supplier.
 - 2.17. **Purchaser's Representative** – Mr. _____, Projects Director in the Authority, or any individual appointed by the Director General of the Authority to oversee the performance of this Agreement.
 - 2.18. **Purchase Order** – As provided in section 8 of the Agreement means printed order issued by the Authority by SAP or any other method used by the Authority for the specific purchase of Laminates which shall be subject to the Agreement and will be accompanied by a detailed letter of quantities and emphases.
 - 2.19. **Proposal or Bid** - The proposal submitted by the Bidder who was awarded the Tender.
 - 2.20. **Production Batch** – A quantity of the Product units manufactured in a single production run.
 - 2.21. **Serial Defect**- Each of the following:
 - 2.21.1. The percentage of defective products in a single production batch (which has been delivered to Purchaser) exceeds one percent (1%) of the total number of products manufactured in the same production batch, irrespective of the discovery date of the defect;
 - 2.21.2. The percentage of defective products out of all the products supplied during the preceding twelve (12) months exceeds one percent (1%), irrespective of the discovery date of the defect;
 - 2.21.3. The percentage of defective products discovered over a period of twelve (12) consecutive months exceeds one percent (1%) of the annual mean number of travel documents issued in Israel during the preceding thirty six (36) months.
 - 2.22. **Security Laminate, Laminate or the Product** – A foil of the laminate (supplied in rolls), offered by the Supplier in its Bid with all the required security features and which was approved by the Purchaser according to section 7.3 below.
 - 2.23. **Supply or To Supply** – includes the manufacture, processing or acquisition, packaging, storage, transportation and delivery, or any other related action;
 - 2.24. **Tender** – Public Tender with Two-Stage Process No. 1/2025 for the Supply of Security Laminates for Biometric Travel Documents.
 - 2.25. **Travel Documents** – A Passport or Travel Document as defined by the Passports Law 5712 – 1952.
 - 2.26. **Working Days** – Sunday to Thursday, excluding Jewish holidays.
3. **Term of Agreement**

- 3.1. The Agreement term shall commence on its execution by the Authority and shall continue in full force and effect for four (4) years (hereinafter: the "**Original Contract Term**").
- 3.2. The Authority shall have the option to extend the Original Contract Term by up to 2 additional periods, up to three years at a time (the "**Option**"), by issuing a written notice to the Supplier, at least 30 days before the termination of the Original Contract Term or the Option term as applicable. The Original Contract Term and any Option implemented by the Authority shall be referred to as the "**Contract Period**".
- 3.3. The Contract Period is the period in which the Authority may issue Purchase Orders to the Supplier. However, the Parties mutual rights and obligations under the Contract which by their nature are not limited to the Contract Period shall continue in full force and effect until their actual completion, even if the actual date of completion of any such rights and obligations deviates from the Contract Period; without derogating from the generality of the above, it is agreed that the undertakings stipulated by sections 15, 16, 21, 22 and 25 below constitute such commitments.

4. **Representations of Supplier**

Supplier represents:

- 4.1. Supplier is a corporation duly organized, and validly existing. The Supplier is duly qualified to do business and is in good standing in all jurisdictions in which the ownership of its properties or the nature of its business makes such qualification necessary.

Supplier hereby warrants that it is authorized to enter this Contract and that there is no contractual, legal or other hindrance to perform or fulfill its commitments, obligations and undertakings hereunder, including the delivery of the Product stipulated by the Tender as well as all the necessary components and features as stipulated by this Agreement.

That Supplier possesses the professional knowledge, experience, expertise, and skills required to supply the Product; that Supplier has all the necessary tools at its disposal, and that it possesses the relevant ability and skill to fully and in a timely manner, fulfill its commitments under this Agreement.

- 4.2. Supplier represents and warrants that it understands the needs and requirements of the Authority regarding this Agreement, and that all of these needs and requirements can be achieved through the Bid submitted by Supplier to the Tender.
- 4.3. All Supplier Personnel engaged in performing this Agreement are, and shall always be, residents of a country that maintains diplomatic relations with the State of Israel. The Supplier shall monitor compliance with this requirement and promptly notify Authority in writing and replace any personnel who no longer meet this criterion. As provided in this Agreement or upon request, the Supplier shall provide evidence of such compliance.
- 4.4. Supplier has not taken and will not take any action - directly or indirectly - that may constitute a violation of the Israeli and EU anti-corruption laws, or relevant anti-corruption policies, including giving, offering, promising, or authorizing the provision of money or anything else of value to any government official or employee, employee of a government-owned or government-controlled entity,

political party, political official, or candidate for political office, officer or employee of a public international organization, or any close family members of these individuals, in order to obtain or retain business, direct business to another person or entity, or obtain an improper advantage.

- 4.5. Supplier represents and warrants that it has signed this Agreement after carefully reviewing the Tender provisions with all of its appendices and clarifications, that it has understood them, has received all of the explanations and instructions required in order to prepare its proposal and its undertakings pursuant to this Agreement, and that it has no claim against the Authority with regard to incomplete or insufficient disclosure, error or defect with regard to the data or the tasks required in supplying the Product.
- 4.6. Supplier represents and warrants that it is aware that Authority has contracted with it on the basis of its Bid and on the basis of the representations and undertakings made and asserted in the Bid and in this Agreement, above and herein.

5. **The Product**

- 5.1. Supplier undertakes to supply Laminates that were approved by Purchaser as set forth in section 7.3 below or as varied in accordance to Section 16 below.
- 5.2. Authority may, at its sole discretion, allow the Supplier to supply a different Laminate or Polycarbonate than offered in Supplier's proposal to the Tender, as long as:
 - 5.2.1. The technology that Laminate / Polycarbonate Supplier wishes to deliver is based on, is more advanced than the technology the Laminate offered in Supplier's proposal is based on;
 - 5.2.2. All Supplier's undertakings under this Agreement shall not be changed;
 - 5.2.3. The price per Laminate unit including all security features shall not be increased; Supplier will pay for any and all other costs incurred due to any such changes.
- 5.3. Supplier may not modify the configuration of the Laminates supplied by it in any way, without prior written permission from Purchaser.
- 5.4. Without derogating from the aforesaid, Supplier will provide Purchaser with revised documentation for any modification made to a component in the Product.

6. **Modus Operandi**

- 6.1. Supplier will submit to Authority's approval, within 14 days of the commencement of the Agreement, its detailed proposed plan for transporting and delivering the Products to the Authority, unless otherwise governed by the Agreement. Such plan shall include:
 - 6.1.1. Packing specifications for the Product, including the number of units in each package and the method for marking the package; the specifications approved in writing by the Authority will be referred to as the **Packing Specifications**.
 - 6.1.2. Reporting format that will be attached by Supplier to each delivered Batch (and will also be sent for each Batch via electronic means), as

stipulated in section 11.4; the reporting format approved in writing by the Authority will hereinafter be referred to as the **Reporting Format**.

6.1.3. Product's storage specifications: these specifications, once approved in writing by the Authority, shall hereinafter be referred to as the **Storage Specifications**.

6.2. Supplier undertakes to provide the Authority with professional guidance, training and support (including recommendations and advice) to the extent and at the times requested by Authority during the setup and trial phase as provided below.

7. **The Set-Up and Trial Phase**

7.1. The set-up and trial phase will commence upon the signing of this Agreement by the Parties and will terminate upon written confirmation by the Purchaser that the set-up and trial stage has been successfully completed.

7.2. During the set-up and trial phase the Parties will establish an efficient Lamination process, formulate an approved final design of the Laminate and the security features.

7.3. Purchaser will send Supplier its comments, if any, for the Supplier's proposed Product setup and design in the Tender within 21 Days or an extended period in accordance with its discretion; Purchaser may choose to implement all or any one of the proposed designs and of the security features or a combination thereof.

7.4. Supplier undertakes to amend the proposed Product setup and design or take any action necessary during this phase, so that the Product can be successfully integrated into the Travel Document. Amending the Product to fit the Authority's requirements and its compliance with the instructions given by Purchaser is a fundamental term of the Agreement. The product shall be deemed in compliance with Purchaser's requirements only upon written approval by the Purchaser.

7.5. Supplier will perform all necessary actions in order to formulate the final design of the Laminate in accordance with the designs provided in the Tender and Purchaser's comments and will present for approved final a design within 14 Days of receiving the aforesaid comments.

7.6. The Authority may approve such an initial design and set-up or may request additional amendments and the Supplier shall correct them in accordance with the above. A design will be deemed approved by the Purchaser only upon written confirmation by the Purchaser.

7.7. Within 14 days of receiving the Authority's approval of Laminate design and setup as provided above the Supplier shall deliver to the Authority 1,000 Laminate foils samples. These samples will allow the Purchaser to evaluate the Product and its integration into the booklet, and to perform all applicable tests.

7.8. The samples units will undergo compatibility tests by the Authority or its consultants to ensure compliance with the Tender Technical Specifications. Successfully passing

7.9. The Authority may approve the Product or may request the Supplier to apply additional amendments in accordance with the tests outcome and the Supplier

shall correct them within 14 days of receiving the Authority's request and the provisions of clause 7.7 above shall apply mutatis mutandis.

- 7.10. The Product will be considered to have passed this stage only if it has been approved by the Authority in accordance with its discretion. If the proposed Product fails to meet Authority's tests, the Authority may terminate the Agreement and engage the next in line Bidder in the Tender. The same process will be repeated accordingly. The Supplier shall not be entitled to any reimbursement for expenses related to their participation in the Tender and in this stage, and hereby relinquishes any claims, demands, or rights against the Authority in connection with such expenses.

8. Ongoing Delivery Phase – Ordering the Product

- 8.1. Orders placed during the Ongoing Delivery Phase for the Product will be placed at least 90 days prior to required delivery date, by way of the Purchase Order form, Schedule (2) of the Contract, or on any other duly signed form, on which Purchaser has sent prior written notice to Supplier.
- 8.2. Orders will be placed by Purchaser's authorized representative in writing, specifying the quantity requested in the Batch ordered, the location and date for delivery.
- 8.3. The Supplier shall comply with the time schedule for delivery of the relevant Purchase Order.
- 8.4. Supplier must notify Purchaser as early as possible of the production dates for its order, so that Purchaser can arrange a visit to the production facility as set forth in section 13.2 if required.
- 8.5. An order during the Ongoing Delivery Phase may not be made for less than five hundred thousand (500,000) Product units.
- 8.6. Authority shall purchase at least three million (3,000,000) Laminate foils, supplied in rolls, during the Original Contractual Term.

9. Delivery of the Product during the Ongoing Delivery Phase

- 9.1. Delivery of the Product during the Ongoing Delivery phase shall be made only after the Supplier receives an actual Purchase Order from the Purchaser.
- 9.2. Supplier undertakes to deliver the product in the ordered quantities, on the dates and to the location specified in the Purchase Order. Supplier may deliver the Products earlier than the date specified in the Purchase Order upon prior written approval from the Purchaser.
- 9.3. Supplier will deliver the Products to the Delivery Facility noted in the Purchase Order.
- 9.4. The title in the Laminates shall pass to the Authority free and clear of all security interests, liens, attachments, encumbrances, and any other rights or claims of any kind of any third party, when the Products or part thereof (to the delivered Products only) are delivered to the Authority or the Booklet Supplier on behalf of the Authority as instructed by Authority and in accordance with the Agreement. The Authority may accept or refuse at its sole opinion the ownership of any of the same which may not be in conformity with the requirements of the Agreement.

- 9.5. Confirmation of receipt of the Products by the Booklet Supplier on behalf of the Purchaser will be sent upon receiving the Products. This notification constitutes proof of acceptance of the Product only and shall not be deemed evidence of Supplier's compliance with the quality of the delivered Products.
 - 9.6. Without derogating from Supplier's undertakings under the Agreement, Supplier shall notify Purchaser of any delay in the delivery of the Products, as early as practically possible; In such instance, Purchaser may, at its sole discretion, allow Supplier to deliver the Products at a later date than the date specified in the Purchase Order, and the new date shall then be designated as the order date.
 - 9.7. Without derogating the above or any other relief available to Purchaser, it is agreed that in the event of a delay Supplier will compensate Purchaser, with no additional need to prove damages, as follows:
 - 9.7.1. Delay not exceeding 14 days from the date specified in the Purchase Order Supplier will pay Purchaser a monetary compensation equivalent to ten percent (10%) of the value of the Purchase Order, not including VAT;
 - 9.7.2. For a delay of 15 days and up to 30 days from the date specified in the Purchase Order, Supplier will pay Purchaser a monetary compensation equivalent to thirty percent (30%) of the value of the Purchase Order not including VAT;
 - 9.7.3. For a delay of more than thirty (30) days from the date specified in the order, Supplier will pay Purchaser a monetary compensation equivalent to fifty percent (50%) of the value of the Purchase Order not including VAT;
 - 9.8. The liquidated damages set forth in section 9.7 above may be set off in accordance with section 33.
 - 9.9. A delay exceeding forty-five days from the date specified in the order constitutes a fundamental breach of the Agreement.
10. **Tests conducted by Supplier**
- 10.1. Supplier undertakes to carry out tests on the Product during the production process and prior to delivery.
 - 10.2. Supplier will conduct the above tests on every product delivered.
 - 10.3. Each batch sent by Supplier will be accompanied by a COC certificate signed and certified by Supplier's quality control manager, with the final test results including COT, demonstrating that the shipped Products have successfully passed the tests specified in section 10.1.
 - 10.4. Supplier undertakes not to ship any production batch that failed the tests.
 - 10.5. Purchaser or its representative may supervise the tests conducted by Supplier, at Supplier's facility, or at any of its subcontractors, upon providing prior written notice to Supplier. Such supervision does not detract from the liability of Supplier or its undertakings pursuant to this Agreement.
11. **Product Packaging and Product Information**

- 11.1. Supplier undertakes to ship the Products in such a way that each roll will be sent in sealed, tamper evident packages, with each roll sealed using the tamper evident tape sent to Supplier by Purchaser. Supplier will notify Purchaser, at least 60 days in advance and in writing, when the tamper evident tape is predicted to be exhausted; Purchaser will send tamper evident tape to Supplier within 45 days from Supplier notification.
- 11.2. The production batch number will be printed on each package in standard barcode and human readable text.
- 11.3. Supplier undertakes to ship the Products consistent with the packaging specifications.
- 11.4. The Product details and production batch number will be sent by a digital file in CSV format, in accordance with the Reporting Format.

12. **Transportation and Storage**

- 12.1. Supplier shall pay for and be responsible for the shipment of the Products from Supplier's facility to the facilities of the Booklet Supplier or other delivery Facility determined by the Authority. The Supplier shall provide the Authority with all documentation required under this Contract and, without limitation, all documentation to enable custom clearance, payment, receiving and use of the Products by the Authority.
- 12.2. The Supplier shall deliver the Laminate rolls to the Authority using a secure Courier, the identity of which shall be subject to Authority's approval in advance.
- 12.3. Purchaser will store the Products according to the Storage Specifications. Improper storage that does not conform to the Storage Specifications shall not constitute a breach of contract, however the warranty provided by Supplier and the provisions of section 15 shall not apply to Products provided that the defect in the Product was caused by Purchaser's improper storage conditions.

13. **Inspections by Purchaser**

- 13.1. Purchaser is permitted to inspect the delivered Products by itself or by others on its behalf.
- 13.2. Purchaser is permitted, upon providing prior written notice, to visit Supplier's or the subcontractor's facility during production, to ascertain that Supplier follows the Agreement.
- 13.3. Any inspection or monitoring conducted by the Purchaser shall not derogate from Supplier's liability or its undertakings under this Agreement.

14. **AQL Acceptable Quality Level**

- 14.1. A production batch that deviates from an AQL of up to 0.5% will be rejected in its entirety (hereinafter: "**Disqualified Batch**") and shall not be shipped to Purchaser.
- 14.2. Purchaser is entitled to destroy a Disqualified Batch that was shipped to it, at Supplier's expense.
 - 14.2.1. Purchaser will send fifteen (15) days prior written notice to Supplier, of its intent to destroy a Disqualified Batch and will append to such notice the results of the test that led to the aforementioned decision

to reject the batch; Supplier is entitled to respond to said notice, nonetheless, Purchaser retains the right to make the final decision regarding the rejection of the Disqualified Batch.

- 14.2.2. Supplier may send a representative at its own expense to Israel, in coordination with Purchaser to witness the destruction of the Disqualified Batch. To dispel any doubt, the arrival of such representative shall not be considered as one of the visits included in the price of the Agreement, as set forth in section 19.
 - 14.2.3. Supplier will reimburse Purchaser for the consideration paid for the Disqualified Batch.
 - 14.2.4. Purchaser may demand that Supplier replace no more than fifty thousand (50,000) of the units which were destroyed as a Disqualified Batch within twenty one (21) days (at Purchaser's premises), whereby the rest of the Laminates of the Disqualified Batch will be replaced by Supplier within sixty five (65) days (at Purchaser's premises); the provisions of section 9.2 shall apply, mutatis mutandis.
 - 14.2.5. If a production batch is disqualified by Purchaser, Supplier will conduct a detailed investigation into the defect and its occurrence, and will send Purchaser the results within twenty one (21) days.
 - 14.2.6. The production of two Disqualified Batches or more in less than twelve (12) consecutive months shall constitute a fundamental breach of the Agreement.
 - 14.2.7. The cost of destroying the batch may be offset in accordance with section 33 of the Agreement.
- 14.3. The disqualification of any Batch shall not derogate from the responsibility of Supplier to deliver the Products at the same quality, quantity, and by the date stipulated in the terms of the Purchase Order or from the measures available to Purchaser for breach of the obligations of the Supplier.

15. **Defective Products**

- 15.1. A Defective Product or a travel document containing a Defective Product shall be rejected and sent back to Supplier at its expense (either individually (one-by-one) or collectively, at Purchaser's discretion).
- 15.2. Purchaser will be credited for Defective Products according to the terms of the warranty specified below.
- 15.3. Should more than five hundred (500) Defective Products be found within a six (6) month period, Supplier will conduct a detailed investigation into the defect and its occurrence and will send Purchaser the results within twenty one (21) days.
 - 15.3.1. The provisions of section 15.4 below shall apply in the event that the investigation reveals a high likelihood of a serial defect; Purchaser retains the right to make the final decision regarding the probability of occurrence of a serial defect.
- 15.4. The following provisions shall enter effect upon the discovery of a Serial Defect, at Purchaser's sole discretion:

- 15.4.1. Supplier will conduct a detailed investigation into the defect and its occurrence and will send Purchaser the results within twenty one (21) days.
- 15.4.2. A recall of all the Defective Products manufactured in the batch or in the production year (as warranted) will be instituted at Supplier's expense, and Supplier will pay Purchaser 150 New Israeli Shekels for each recalled travel document or product (as the case warrants).
- 15.4.3. To avoid any doubt, the compensation set in section 15.4.2 constitutes a reasonable estimate of the projected damage to Authority should a recall be conducted; this compensation will not derogate from any other measures available to Purchaser, including executing of the Performance Guarantee (as contemplated in section 29) in the event that said damages exceed the value of the compensation.

16. Changes and Change Orders

16.1. Laminate Design Change

- 16.1.1. The Authority may, by issuance of a written and duly signed order to the Supplier titled as "Change Order" (hereinafter: "**Change Order**") instruct the Supplier to alter, amend, omit, add to, or otherwise vary any part of the Laminate patch. Please note that the Laminate initial design and set up as provided in Clause 7 above is not a Change Order and shall not entitle the Supplier to any additional consideration.
- 16.1.2. The Supplier shall not vary or alter the Laminate design and set up which had been approved by Authority in accordance with Clause 7 above except in accordance with a Change Order. Should the Supplier be of the opinion that a Change is required, it shall propose the Change to the Authority, which shall consider the proposal at its sole discretion, and if such suggestion is acceptable to it, issue a Change Order.
- 16.1.3. The Supplier shall deliver the varied Laminate within 21 Days of receiving the Change Order and the provisions of Clause 7 shall apply, *mutatis mutandis*.
- 16.1.4. For a single Change Order with respect to the Laminate patch design (without reference to the number or the complexity of the design changes included therein) Authority shall pay Supplier 15,000 Euros as a lump sum if such design change entails significant modification of the current approved Laminate design; such payment includes the detailed design, artwork, the new template and all other services required for concluding the Change Order.

16.2. Change Order Adding an Additional Security Feature to the Laminate

- 16.2.1. The Authority shall notify Supplier of its intent to add a security feature of the Laminate by way of written notice setting forth the desired change. Please note that omitting or adding to the Laminate a security feature/s which had already been introduced in Supplier's Bid to the Tender is not a change and shall not entitle the Supplier to any additional consideration.

- 16.2.2. Within 14 Days of receiving such notification, the Supplier shall revert to Authority Representative whether Supplier is able to perform such change, and if so, submit also for review, comment and approval, a proposal for the execution of such change, which proposal shall contain, inter alia, the following information:
- 16.2.2.1. A description of the change to be made and a timetable for its execution.
 - 16.2.2.2. Duly signed Appendix F to the Tender with respect to the security feature.
 - 16.2.2.3. The impact on the rest of the Supplier's obligations pursuant to the Agreement, if any.
 - 16.2.2.4. The Supplier's cost proposal for carrying out such change, to be drafted in compliance with the provisions of this Agreement.
- 16.2.3. Following receipt of the Supplier's submission, the Authority shall, at its sole discretion, decide whether the change shall be carried out by the Supplier and under what terms.
- 16.2.4. Where the Authority decides that the change shall be carried out by Supplier, it shall issue a Change Order clearly setting forth the nature of the desired change, the timetables for the execution thereof, and the cost of said change. Upon receipt of a Change Order the Supplier shall forthwith proceed to carry out the change in accordance with Clause 16.1.3 above and shall be bound by all of the terms and provisions of this Agreement in so doing.
- 16.3. Laminate Change Due to Change of Authority's Equipment
- 16.3.1. Should the Authority change the paper type of the Travel Document and/or change the printers and/or laminators type used by it for the application of the Laminates, the Supplier will make the necessary adjustments and configuration to the Laminates including as provided in Schedule (7) at no additional cost, and this will not be considered a Change Order.

17. Warranty

- 17.1. The warranty period for the Products and any other item supplied to the Authority by the Supplier shall extend for 10 years commencing on the lamination of the Laminate to the Booklet or following 1 year from the date of actual delivery of the Products to the delivery destination specified in the Purchase Order, whichever occurs first (the "**Warranty Period**").
- 17.2. If any of the Products do not comply with the provisions of the Contract or are found defective or if any defect or fault originating in connection with the design, materials or workmanship, of any of the Products arise at any time within the Warranty Period, Supplier shall at his own cost promptly make such alterations, repairs and/or replacement, including packing, transportation, and retesting, as are necessary so that said Product conforms to the provisions of the Contract; Supplier shall in addition reimburse the Authority for the following costs and expenses incurred in completing the necessary remedial and repair: i) seeking and finding of Defective Products; ii) transportation of

Defective Products and replacement Products; iii) purchase and installation of replacement Products; iv) testing of replacement Products.

- 17.3. If the fault or failure to function properly cannot be corrected or is not promptly corrected as set forth above, the incompatible Products shall be removed at the expense of Supplier and Supplier shall without cost to the Authority promptly deliver a satisfactory Products which completely fulfils the provisions of the Contract. Where such faulty Products are no longer in the condition in which they were delivered due to use or acts by Authority prior to discovery of the incompatibility of the Products, and unless such use or acts are inconsistent with the nature of the Products, then Supplier shall accept the rejected Products in such condition and shall replace such Products in accordance with the terms hereof.
- 17.4. In the event of any alteration, repair, or replacement as aforesaid, Supplier Warranty Period shall extend to such altered, repaired or replaced Products for a new period of same duration as initially stipulated, from the date of acceptance of same by Authority.
- 17.5. The above warranty shall apply only in as much as the Products have been used and maintained in compliance with Supplier's instructions for use and with the standard conditions of use.
- 17.6. The warranty shall not apply to: i) consumable and extendible items; ii) defects arising from or connected with Authority's failure to use, operate or maintain the Products in accordance with standard practices of product operations; iii) defects arising from any combination of the Products with materials not approved by Supplier; iv) defects arising from any modification of the Products in a way prohibited by Supplier; v) defects arising from accident, vandalism or negligence causing damage to the Products; vi) normal wear and tear (v) defective installation, maintenance or storage (vi) defects arising from technical maintenance or interventions on the Products not authorized by Supplier.
- 17.7. To dispel any doubt, Supplier's undertakings pursuant to section 15 shall remain in effect even after the warranty period, unless explicitly stated otherwise in section 15.

18. Training and Professional Guidance

- 18.1. Supplier will provide Purchaser with professional guidance, support and professional training, as required. The Supplier will provide guidance and training by e-mail or telephone, as per Purchaser's request, for no additional cost.
- 18.2. If required by the Authority the Supplier shall provide on-site support or training in the issuing or storage facilities in Israel. Up to 2 visits to Israel of up to 4 working days each, per annum, will be provided on Supplier's sole expense without additional consideration.
- 18.3. Purchaser will send ten (10) days prior written notice to Supplier of the requested on-site visit dates; a visit by Supplier without a request from Purchaser or without prior and written approval from Purchaser will not be deemed a visit nor will entitle the Supplier of any payment.
- 18.4. Supplier undertakes to provide support and guidance at the Purchaser's facilities on the dates fixed by Purchaser.

- 18.5. Supplier is responsible for coordinating a visit pursuant to notice given by Purchaser in accordance with section 18.3 (including flights, accommodations, and security requirements specified in section 19).
- 18.6. Supplier will send the names of its staff scheduled to be sent to Purchaser's facilities and a photocopy of their passport data page; Purchaser may, for security reasons, reject any staff, without explanation or reason, and such decision shall be final.
- 18.7. To dispel any doubt, a visit by Supplier personnel for the purpose of sales, repairs covered by warranty, checking compliance with AQL etc., will not be counted in the number of visits or working days contemplated in Clause 18.2.

19. **Security Clearance**

- 19.1. Supplier represents that it is aware that some of the facilities involved in the issuance of Travel Documents, including the booklet production facility and the Issuing Site, are classified sites, and Supplier agrees that access for its staff and its subcontractor's staff (in this section: "**Service Staff**") must be authorized in advance by the Authority's security officer.
- 19.2. Supplier undertakes to submit the form appended as Schedule (4) of the Agreement, to Purchaser, for each of its staff, at least 10 working days prior to their arrival at Purchaser's facility.
- 19.3. Prior to each such visit to Purchaser's facilities, Supplier undertakes to check the security requirements at the site and to send details of the service staff visiting to the security officer for appropriate security clearance.
- 19.4. Authority may, for security reasons, reject any service staff, without explanation or reason, and such decision shall be final.
- 19.5. The Authority's security officer retains sole discretion with respect to security related guidelines, including dates for receiving the names and personal details, and duration and procedures of the visit/inspection.

20. **Supplier Representative**

- 20.1. Supplier undertakes to appoint an officer from among its employees, managers or proprietors as the individual responsible for all interaction with the Authority regarding all matters relating to and inherent in the execution of this Agreement (hereinafter: "**Representative**")
- 20.2. Upon the signing of the Agreement, Supplier will notify Authority of the name of the Representative and will inform Authority of his replacement or termination of his service immediately, upon any change in status.

21. **Confidentiality**

- 21.1. Supplier undertakes to keep confidential and not transmit, or bring to the attention of any individual or to any third party, any information or document that it obtains as a result of or in relation to the execution of this Agreement or during, prior or subsequent thereto, all in accordance with the confidentiality undertaking appended as **Schedule (4)** of this Agreement.
- 21.2. Supplier's signature, the Supplier Representative's signature (as set forth in section 20) or the subcontractor's signatures on the undertakings of confidentiality appended as **Schedules (4) and (5)** of this Agreement is a precondition to the validity of this Agreement.

22. Information and Copyrights

- 22.1. Any information collected, generated or collated by Supplier in relation to this Agreement in respect to the Israeli Travel Documents (hereinafter: the “**Information**”) belongs solely to Purchaser and is held in trust by Supplier for Purchaser; Purchaser can make use of the Information as it so desires, within the limitations of the law or a non-disclosure agreement between the Supplier and the Purchaser.
- 22.2. All rights in or to the materials created or developed by Supplier for the Authority under this Agreement, and all rights of any kind, including original work and copyrights, whatsoever in and to the results and proceeds of the services hereof, shall be the sole and exclusive property of the Authority.
- 22.3. Without derogating from the generality of the foregoing, the Supplier agrees that any and all products of the services, whether tangible or intangible (including but not limited to any report, design, logo, document and information, including any other potential outcome of the provision of the services by Supplier) prepared, produced and/or delivered to the Authority by the Supplier in relation to or in connection with the provision of the services under this Agreement, shall be the sole property of the Authority. The Authority shall have the right to use the said outcomes as it may deem necessary for its ongoing operations and engagements and to transfer the same to third parties without incurring any liability whatsoever towards the Supplier, his affiliates or anyone acting on their behalf. The Supplier will provide the Authority upon request all documents prepared by the Supplier for or related to the services being provided to the Authority.
- 22.4. Supplier shall not possess any proprietary right, copyright, commercial or economic development rights or any other rights to Information generated or collected by Supplier during the course of the execution of or resulting from the Agreement, and the Information may not be used for any purpose other than in the performance of its undertakings pursuant to the Agreement, except with prior written permission from Purchaser’s representative.
- 22.5. Upon expiration of the contractual relationship or pursuant to a direct written request of Purchaser, Supplier will transfer any Information in its possession to Purchaser, or to whom Purchaser explicitly instructs in writing to do so, and Supplier shall not retain a copy, backup or sections of the Information generated or collected during the contractual period, other than upon prior written authorization from Purchaser’s representative to do so.

Upon completing the aforementioned transfer of Information, Supplier will deliver a signed affidavit to Purchaser, by which it declares that all the Information in its possession or in the possession of its employees or subcontractors was delivered to Purchaser and that no Information, as defined in section 22.1, has been retained by Supplier, Supplier's employees or subcontractors.
- 22.6. Supplier must store the Information in a secure manner and must refrain from transmitting it to any party not involved in the execution of this contract, except upon prior, express written authorization from Purchaser.
- 22.7. Supplier shall notify Purchaser immediately and in writing, of any compromise of the security of the information.

23. Conflicts of Interest

Supplier undertakes to refrain from any conflict of interest while providing the services according to this Agreement and undertakes to immediately inform Authority of any matter that may place it, a Controlling shareholder or its authorized signatories, in a conflict-of-interest situation.

24. Renewing Certifications and Licenses and Regulations Compliance

24.1. Supplier must maintain and renew all certifications or licenses, upon which the awarding of the tender was contingent, or which constituted a basis for the evaluation of its proposal, so that they remain in effect for the entire term of the Agreement. Failure to maintain or renew a certification or license constitutes a fundamental breach of the Agreement.

24.2. Supplier undertakes to comply with all laws and regulations that were prerequisites for being awarded the tender or which constituted the basis for the evaluation of its proposal. Failure to comply with said regulations constitutes a fundamental breach of the Agreement.

Supplier will comply with any modifications made to said regulations or law and will notify Purchaser in writing, of any such change and its implications.

25. Proprietary Rights

25.1. Supplier represents that it is the owner, or licensed user and distributor, of all the rights (including intellectual property rights) to the tools, methods, features, and components included in the Products and that are used in the performance of this Contract.

25.2. Supplier undertakes not to infringe upon copyrights, patents, or trade secrets during the satisfaction of its obligations under this Agreement.

25.3. Under no circumstances shall the Purchaser bear any costs for a breach of the foregoing.

25.4. Supplier undertakes to agree to become a third party in any litigation initiated against Purchaser for infringement of copyright and commits to reimburse Purchaser for any sums it is charged for said breach.

25.5. The Supplier shall fully indemnify and hold the Authority and the State of Israel harmless against any action, claim, demand, costs, charges, damages, and expenses arising from or incurred by reason of any infringement or alleged infringement of any patent, registered design, trade mark, or trade name protected in the country of origin or elsewhere and resulting from the Products or their use.

25.6. In the event of any claim being made or action brought against the Authority and/or the State of Israel arising out of the matters referred to in this Clause, the Supplier shall be notified thereof and, subject to the following, may at his own cost and expense conduct all negotiations for the settlement of the same and any litigation that may arise therefrom. The Supplier will not, without the Authority's prior written consent, settle, admit liability or compromise any pending or threatened claim, proceeding or investigation in respect of which indemnification could be sought under this Clause (whether or not the Authority or any other Affiliates, employees or agents is an actual or potential party to such claim proceeding or investigation), unless such settlement, admission or compromise includes an unconditional acknowledgement that

none of the Authority, the State of Israel, their Affiliates, employees or agents had any responsibility for the matter giving rise to such claim, proceeding or investigation.

- 25.7. Either the Supplier or the Authority shall, at the request of the other, afford all reasonably available assistance for the purposes of this Clause and the Authority shall be repaid by the Supplier for any reasonable and properly incurred expenses incurred by the Authority in so doing.
- 25.8. If the Products or part thereof involved in such action, claim, etc. are prohibited from use, Supplier shall at his own expense, at the Authority's option, either replace or modify them, or purchase the necessary licences in order to remove the infringement to the satisfaction of Authority.

26. Liability

- 26.1. The Supplier shall be solely liable for, and shall fully indemnify and hold harmless the Authority or any of its officers, directors and employees against any liability, loss, damage, expense or proceeding whatsoever in connection with this Agreement, including, without limitation, in respect to:
 - 26.1.1. Personal injury to or the death of any person;
 - 26.1.2. Any loss or damage to property or otherwise;
- 26.2. The Supplier shall indemnify Authority for any damage or loss occasioned to it as provided above, as a result of any claim in respect of an act or omission as aforesaid, and in the event that Authority is obliged to pay compensation or any other payment in connection with such a claim, the Supplier undertakes to pay such sum to Authority itself, upon its first demand, including all the expenses incurred by Authority in connection with such civil or criminal claim, and because of the need to defend itself against the claim.

27. Assignment

- 27.1. Supplier may not endorse, encumber, or mortgage its rights or duties pursuant to this Agreement to a third party unless it receives prior written permission from Authority to do so.
- 27.2. An endorsement, encumbrance, or mortgage, if made without authorization, shall not be binding, and will constitute a fundamental breach of the Agreement, and the Authority will not honor said assignments nor make any payments for products provided in this manner.

28. Subcontractors

- 28.1. Supplier may, in order to meet its commitments pursuant to the terms of this Agreement, contract with the subcontractors listed in its proposal notwithstanding the provisions set forth in section 27; Nonetheless, Supplier may not contract with subcontractors who are not listed in its proposal without permission from Authority as stated in section 27.
- 28.2. Supplier gives its consent to Authority or any other body acting on its behalf, to contract directly with the subcontractor, in case of ongoing inability of the Supplier to fulfill any of the undertakings stipulated in this contract, after thirty (30) days written notice.
- 28.3. Supplier hereby represents that there are no provisions in the agreements between Supplier and the subcontractors, directly or indirectly, that would

prevent or hinder their undertaking to supply the goods and services directly to Authority or to another body acting on its behalf.

- 28.4. The use of subcontractors does not derogate from the obligations of Supplier or its exclusive responsibility to Authority; failure of a subcontractor to meet its obligations shall not absolve Supplier from its obligations under this Agreement.

29. **Performance Guarantee**

- 29.1. To secure all of its obligations pursuant to this Agreement, Supplier undertakes to deposit, prior to the signing of this Agreement by the Authority, an unconditional bank/insurance Guarantee, issued by an Approved Financial Entity, in favor of Authority in the amount of 5% multiplied in the price denominated in **Schedule (6)** for 1 million Laminates, which shall be valid from the day it is provided until two months after the termination of the Contract Period ("**Initial Performance Guarantee**").

- 29.2. Upon termination of the Contract period, Supplier undertakes to replace the Initial Performance Guarantee with an unconditional bank/insurance guarantee, issued by an Approved Financial Entity, in favor of Authority in the amount of 10% of the sum of Initial Performance Guarantee, valid from the day it is provided until five (5) years after the termination of the Contract ("**Second Performance Guarantee**"). The Initial Performance Guarantee will be returned to the Supplier upon delivery of the Second Performance Guarantee.

Failure by Supplier to provide the Second Performance Guarantee constitutes a fundamental breach of the Agreement, creating grounds for forfeiture of the Initial Performance Guarantee.

- 29.3. The text of both the Initial Performance Guarantee and the Second Performance Guarantee shall be as set forth in **Schedule (1)** of the Agreement.
- 29.4. The Agreement shall not enter into effect until delivery of the Initial Performance Guarantee to the Authority.
- 29.5. An extension of the contractual period, beyond the Original Contractual Period, shall be contingent upon the extension of the Initial Performance Guarantee so that it covers the additional period. Failure to extend the Initial Performance Guarantee for the additional term shall constitute a fundamental breach of the Agreement creating grounds for forfeiture of the Performance Guarantee.
- 29.6. Without derogating from any penalty, which may have accrued or remedy to which the Authority is entitled to under the respective provisions of the Contract or at Law, Authority will be entitled to forfeit the Initial or Second Performance Guarantee (as warranted), in whole or in part, as agreed compensation, if Supplier breaches any of the terms of the Agreement.
- 29.7. The amount of the Initial Performance Guarantee constitutes adequate and predetermined minimal compensation for reasonable, foreseeable damages the Authority may incur should it be required to terminate the Contract with Supplier as a result of said breach.
- 29.8. The forfeiture of the Performance Guarantee shall not prevent Authority from filing a lawsuit against Supplier for the full cost of its damages in the event that said damages exceed the value of the forfeited Performance Guarantee.

- 29.9. Upon partial or complete forfeiture of the Initial/Second Performance Guarantee, Supplier will deposit a new Performance Guarantee with Purchaser, in the form set forth in **Schedule (1)** of the Agreement, to supplement the amount of the bond so that it will equal the amount of the Initial or Second Performance Guarantee, as the case warrants.
- 29.10. To dispel any doubt, the forfeiture of the Initial or Second Performance Guarantee shall not release Supplier from full satisfaction of its commitments pursuant to the Agreement, and in accordance with its proposal.
30. **Undertakings of the Authority**
- 30.1. Authority will pay Supplier the consideration for the Products as contemplated by section 31.
- 30.2. A quality inspector on behalf of the Authority will supervise compliance of the lamination process with Lamination Procedure. Authority will deliver reports conducted by quality inspector to Supplier upon demand.
- 30.3. Subject to the full and accurate performance of Supplier's obligations under this Contract Authority will order at least three million (3,000,000) Product units during the Original Contract Term.
31. **Consideration**
- 31.1. Consideration to be paid by the Supplier for the performance of the Contract is as specified in Supplier's proposal to the Tender, Schedule (6) to this Agreement.
- Section 31.1 will constitute a fundamental section of this Agreement. To derogate any doubt, a reasonable delay in payments shall not constitute a fundamental breach.
- 31.2. Upon the signing of the Agreement Supplier will send written notice to Purchaser stating whether it chooses to receive the consideration in **Euros** or wishes to convert its proposal to **new Israelis shekels (NIS)** based on the exchange rates published by the Bank of Israel (or any other reputable Bank as determined by the Authority) on the Tender Last Submission Deadline, and in the lack thereof, the last known exchange rate prior to the Last Submission Deadline (hereinafter: "**Contract currency**"). The decision will bind Supplier throughout the duration of Contract Period.
- The Contract currency will serve for payments due to Supplier as well as payments owed by Supplier to Purchaser.
- 31.3. The foregoing prices are final and reflect all of the various factors set forth in the Agreement, in addition to the Products supplied, unless specifically stated otherwise in this Agreement. Notwithstanding the generality of the foregoing, the price of the Products includes:
- 31.3.1. Product warranty as set forth in section 16;
- 31.3.2. Professional guidance by e-mail or telephone (as per the request of the Purchaser) as well as professional guidance on site in Israel, as set forth in section 18.
- 31.3.3. All costs (direct and indirect) incurred in the shipping of the product from Supplier's facility to the place of delivery, including all taxes and levies (import taxes, duties, purchase tax etc.), shipping costs,

storage (until delivery at Purchaser's facility) and release from the port, shipping and storage in Israel (not by Purchaser) and bonds.

- 31.4. The price does not include VAT.
- 31.5. Supplier nor its representatives are not entitled, under any circumstances, to receive any compensation or benefit directly or indirectly from any third party with regard to the performance of the services contemplated by this Agreement. A benefit that is received as aforesaid shall constitute a fundamental breach of this Agreement.
- 31.6. To dispel any doubt, payments shall not be made for currency linkage differentials or for cost-of-living adjustments.
- 31.7. Consideration shall be remitted each month to Supplier in accordance with the number of Product units delivered by it in the previous month; payments will be made within 45 days of receipt of an invoice by the Ministry of Interior ("**Ministry**"), subject to approval by Purchaser's representative that the product was delivered according to the order details; was fully operational; and a detailed invoice was received.
- 31.8. A detailed statement of the Batches supplied by Supplier containing the dates of delivery must be attached to the invoice. The statement must be certified by the Authority representative.
- 31.9. The Authority may deduct from any invoice any amount that is due to the Authority from the Supplier up to the time of payment and/or that the Authority is entitled to set off.
- 31.10. Supplier will not increase the extent of the work nor institute any other modifications to the provisions written in the Agreement and its appendices, unless it obtains prior written authorization to do so from the authorized signatory of the Government, inclusive of the Accountant of the Ministry. A modification that has not been authorized as set forth above by the Ministry's signatories, is the sole responsibility of the Supplier and shall not entitle Supplier to any further additional payment.
 - 31.10.1. Supplier represents that it has verified the identities of the authorized signatories for purposes of the execution of the Agreement and that it is aware that Government will bear no responsibility for any deviation or addition or modification that did not receive their explicit prior written authorization.
- 31.11. Payments for work performed shall be remitted in the manner as is customary in the Israel government ministries, in accordance with the guidelines of the Accountant General in respect to the acquisition of goods and services in effect from time to time, and subject to the Budget Law and its regulations.
- 31.12. The Supplier shall bear and be solely responsible for the payment of all taxes, duties, customs and other charges (whether government or local) ("**Taxes**") which shall from time to time be imposed in connection with the performance of the Supplier's obligations under the Agreement and on the services performed under the Agreement.
- 31.13. The Agreement price shall be deemed to include all Taxes as may be applicable from time to time during the performance of the Agreement, as follows:

- 31.13.1. Any Taxes imposed outside the State of Israel on the production, manufacture, sale, and transport of the Supplier's materials and supplies to be used or furnished under the Agreement and on the services performed under the Agreement; and
 - 31.13.2. Any Taxes which may be imposed in accordance with the laws and regulations of the State of Israel on the production, manufacture, sale, and transport of the Supplier's equipment, materials, and supplies to be used or furnished under the Agreement and on the services (including labor and related social benefits, etc.) performed under the Agreement.
 - 31.14. Nothing in the Agreement shall relieve the Supplier from his responsibility to pay any tax that may be levied in the State of Israel on profits made by him in respect of the Agreement.
 - 31.15. The Authority shall deduct Israeli Income Tax at source from all sums stated on the Supplier's invoices, and transfer such sums to the Income Tax Authorities, unless the Supplier submits to the Company an official exemption certificate from the Israeli Income Tax Authorities.
 - 31.16. Supplier shall not be entitled to any other compensation other than the monetary compensation explicitly detailed in this Agreement.
32. **Absence of Employment Relationship**
- 32.1. The parties stipulate that the relationship between them is that of a purchaser and an independent contractor, and under no circumstance shall this Agreement be construed as creating an employer – employee relationship between Authority and Supplier, Supplier's employees, or any representative thereof. Supplier will compensate Authority for any monetary payment, charge or other liability held against Authority, if so held, due to the filing of an employment lawsuit against Authority by any of Supplier's employees or any representative thereof, immediately upon Authority's demand to do so and upon the presentation of the binding judgment.
 - 32.2. The supplier represents that it has sole responsibility for its employees, and that it alone bears all liability, duty, or obligation that an employer has towards its employees, including wages, employers' insurance or any type of social benefits.
 - 32.3. Any change in the employment agreement between Supplier and its employees does not concern the Authority and shall not serve as grounds to modify the Agreement unless express prior written approval for such modification is given by Authority.
33. **Offset and Lien**
- 33.1. The Authority shall be entitled to delay, encumber and/or offset from any monies owed by it to the Supplier under the Agreement, any sum, payment or debt owed by the Supplier to the Authority pursuant to the Agreement or for any other cause.
 - 33.2. The Authority shall be entitled to encumber any document and/or materials and/or equipment of the Supplier following the Supplier's failure to fulfill any of its obligations under this Contract or pursuant to the provisions of the Law.

- 33.3. The Supplier shall not be entitled to offset any sum, payment or debt owed by it to the Authority from any sum, payment or debt owed to it by the Authority under the Agreement or otherwise and shall not have the right to encumber any document and/or materials and/or equipment of the Authority.

34. **Lien**

- 34.1. Neither Supplier nor its agents shall have a right of lien in respect to Purchaser or its representatives, including the goods, documents or other assets associated with Supplier's services or which belong to Purchaser or a representative thereof.
- 34.2. The Supplier undertakes to insert a clause into every contract between it and a subcontractor, by which said subcontractor shall not have a right of lien.

35. **Breach of Contract by Supplier**

- 35.1. The sections enumerated below constitute fundamental sections of the Agreement, whereas a breach of any of them entitles Authority to revoke the Agreement, terminate the contractual relationship or suspend the Agreement, or demand reimbursement of monies unlawfully paid to Supplier, at Authority's sole discretion, or to sue Supplier for any right or remedy available to Authority for the breach in accordance with the Agreement and relevant law.
- 35.2. The following sections constitute fundamental sections of the contract: 5, 7.3, 7.4, 7.6, 9.2, 9.3, 9.9, 10.1 - 10.3, 14.2.6, 15, 18, 21, 22.4, 23, 24, 25.1, **Error! Reference source not found.**, 27, 29.1, 29.2, 29.5, 29.9 and 31.1.
- 35.3. Without derogating from the above, upon a breach of the Agreement by Supplier, Authority may exercise the Initial and/or Second Performance Guarantee, in whole or in part, in accordance with the provisions enumerated in this Agreement.
- 35.4. Authority may demand that Supplier rectify any breach within a reasonable time period.
- 35.5. Failure by Supplier to rectify the breach within the designated time period, and in the absence of any designated time period – 14 days from when Supplier is given notice of the breach – shall cause the breach of the Agreement to become a fundamental breach, thereby entitling Authority to all of the remedies detailed above.

36. **Termination of Contract**

- 36.1. Authority may terminate its agreement with Supplier prior to the expiration thereof, upon thirty day prior written notice to Supplier, in each of the following instances:
- 36.1.1. Supplier commits a fundamental breach of the Agreement;
- 36.1.2. Supplier commits a breach of the Agreement and fails to rectify said breach within a period of 14 days or within another time period designated by the Purchaser Representative;
- 36.1.3. Supplier is in a situation where it cannot continue to operate orderly;
- 36.1.4. A motion to appoint a trustee, interim liquidator, or receiver is filed against Supplier and it has not been repealed within 90 days of its submission;

- 36.1.5. A liquidation order or receivership order is issued against Supplier or an interim liquidator has been appointed for Supplier;
 - 36.1.6. A lien has been placed on Supplier's assets or its rights pursuant to this Agreement, in whole or in part, and the lien is not removed within 90 days of its imposition;
 - 36.1.7. Purchaser discovers that Supplier, its Controlling shareholder, its subcontractor or the subcontractor's Controlling shareholder is a resident of or is incorporated in a country that does not maintain diplomatic relations with the State of Israel or has become one of the above during the course of the Contract Period, due to a change in ownership, or due to a change in the definition of a country that does not maintain diplomatic relations with Israel or for any other reason.
- 36.2. The Supplier, upon completion of the Agreement, shall transfer all items constituting property of the Authority to Authority and will reimburse Authority for any goods or services not provided.

37. General

- 37.1. Without derogating from the provisions of this Agreement, any undertaking in Supplier's proposal shall be deemed part of this Agreement and shall bind Supplier as if written expressly in the Agreement.
- 37.2. Any deviation by Supplier from the provisions of its proposal shall be deemed a breach of the Agreement, except upon prior written approval by Authority.
- 37.3. A renouncement of a right conferred upon any party pursuant to this Agreement or by law shall not be effective unless made in writing and signed by the authorized signatory of said party.
- 37.4. The laws of the State of Israel shall govern this Agreement.
- 37.5. The terms of this Agreement constitute complete and full expression of the rights of the parties, and revoke any agreement, representation, promise or custom that preceded the signing thereof.

38. Interpretation

- 38.1. The division of the Agreement and its appendices into sections is done for convenience and orientation's sake only and shall not be ascribed any interpretative meaning whatsoever.
- 38.2. The headings of the sections in this Agreement are provided for convenience only and shall not be used in the interpretation thereof.
- 38.3. Reference made in the singular shall include the plural and vice versa; Reference made in the masculine gender, shall include the feminine gender as well and vice versa.
- 38.4. The hierarchy of the Tender and the Agreement –
 - 38.4.1. The Tender and the Agreement appended thereof constitute one document with complementary parts.
 - 38.4.2. An effort will be made to resolve any contradiction between the text of the tender and the text of the Agreement.

38.4.3. If the contradiction cannot be resolved, the text of the Agreement shall prevail.

38.5. The text of the Agreement shall prevail in any instance of a contradiction between the Agreement and its appendices.

39. Governing Law and Jurisdiction

39.1. The construction, validity and performance of the Contract and any related document shall be governed by and construed in accordance with the laws of the State of Israel without regard to conflict of laws principles.

39.2. All matters related to the Contract and any Purchase Order, including all future Purchase Orders, shall be adjudicated in the authorized courts of the city of Tel Jerusalem, Israel, and the competent Israeli courts shall have exclusive jurisdiction in all matters arising therefrom.

40. Foreign Supplier Industrial Cooperation Undertaking

The Supplier's obligations regarding Foreign Supplier Industrial Cooperation Undertaking per the Mandatory Tender Regulations, as detailed in the Tender shall apply and Supplier shall fulfil all of his obligations in accordance with the Tender and the Laws.

41. Notices

41.1. Notice sent by one party to the other pursuant to this Agreement or relevant law shall be sent by registered mail, or by fax with confirmation of receipt, or by electronic mail with confirmation of its acceptance, to the addresses of the parties appearing at the end of the Agreement. A registered letter shall be deemed as having arrived at its destination following 72 hours from its dispatch by post; a fax or electronic mail shall be deemed as received upon receipt of confirmation of delivery.

41.2. The addresses of the parties for the purposes of this Agreement:

41.2.1. Authority: Ministry of Interior - Population and Immigration Authority, 6 Mesilat Yesharim, Jerusalem, 94584.

41.2.2. Supplier: _____
Address for service of documents: _____
Tel. _____ Fax. _____
Email _____

41.3. The parties' representatives concerning the execution of this Agreement are:

41.3.1. On behalf of Authority: _____ Tel. _____;

41.3.2. On behalf of Supplier: _____ Tel. _____.

41.4. Parties may replace their representatives upon notice of such to the other party.

In witness thereof the Parties set their hands:

Director General of
Population and
Immigration Authority

Accountant, Ministry
of Interior

Representative of
Supplier

.

Schedule (1) – Performance Guarantee

Name of Bank/Insurance Company _____

Tel. no. _____

Fax no. _____

To: Government of the State of Israel

By the Population and Immigration Authority

Re: guarantee no. _____

We hereby guarantee to cover any sum up to the amount of _____

(as written _____) that you might demand from: _____ *[Insert Supplier's name]* (hereinafter the "Debtor") in all matters regarding the agreement for the supply of Security Laminates for Biometric Travel Documents.

We will remit the aforesaid payment within 15 days from the date of your first demand sent to us by registered mail or by courier, without the need to any explanations for your demand and without raising any claims against you available to the Debtor regarding the outstanding sum or first demanding defrayal of the aforesaid sum from the Debtor.

This guarantee shall remain valid and in full force and effect until _____ *[Insert Date]*.

This guarantee is non-transferable.

This guarantee shall be governed in accordance with the laws of the State of Israel and any proceedings for enforcement shall be brought before the competent courts of the Jerusalem district, Israel.

A demand pursuant to this guarantee must be referred to bank branch / insurance company whose _____ address _____ is

Name of bank/insurance company

Bank and branch number

Address of bank /insurance company

Date

Full name

Stamp and signature

Schedule (2): Product Order Form

Purchase order number

To: [Particulars of Supplier and Supplier representative]	Date of Order: _____ From: _____ Contact details:
Purchaser's supplier code:	Telephone: _____ Fax: _____ Email: _____

1. In accordance with the agreement executed on the date of _____ between the Government of Israel by the Population and Immigration Authority (the "**Purchaser**") and the Supplier (the "Agreement"), the Purchaser hereby orders the following goods from Supplier:

Serial No.	Catalogue No.	Item description	Quantity	Price per unit (Currency)	Total (Currency)
1.					
2.					
				Total Due:	

2. The goods listed in this order will be delivered to the Purchaser on the date of _____ / until the date of _____ / within _____ days of the signing of this order by the Purchaser.
3. The goods will be delivered by Supplier to the Purchaser's facility or to the specific locations listed below: _____, attn. _____.
4. The terms of payment are as specified in the Agreement.
5. Special instructions / provisions / points: _____.
6. To prevent any misunderstanding, it is understood that all of the terms stipulated in the Agreement and its schedules shall apply to this order and the delivery of goods ordered.

 Purchaser Signature

Schedule (3) : Request for Personal Security Clearance



**Directorate of Security of the
Defense Establishment**



**Ministry of Defense
State of Israel**

Request for Personal Security Clearance (PSC)

Please provide a PSC or Security Assurance for the person listed below:

First Name	Middle Name	Last Name	ID No.
Nationality	Passport No.	Place of Issue	Date of Issue
Place of Birth	Date of Birth	Home Address	
Father's Name	Job Title		

Employed by:

Company's Name	Company's Address
Country	city
	Telephone No.

This request is made from the following reasons:

Requesting Security Authority / NSA:

Name	Job Title
Date	Signature & Stamp

Schedule (4) : Supplier's confidentiality undertakings

1. Definitions

- 1.1. "Confidential Information" - any information relating to or associated with, directly or indirectly, the Population and Immigration Authority, its operations or contacts, including information or details related to the Agreement, the nature of the Israeli travel documents and the unique features of the product supplied by the Supplier.

2. Confidentiality undertakings

By its signature below, Supplier represents and undertakes:

- 2.1. Not to disclose, show, distribute, disseminate or transmit, during the contractual period or subsequent thereto, to any person or body, in any way or form, any Confidential Information.
- 2.2. To perform all reasonable actions and take all reasonable measures in order to prevent any leak of Confidential Information to non-authorized parties. The aforesaid actions and measures will be no less than the actions and measures the Supplier takes to avoid unauthorized disclosure of Supplier's own confidential information.
- 2.3. To use the aforementioned information for the sole purpose of the Agreement between Supplier and Purchaser.
- 2.4. At the request of Purchaser, to sign every employee, subcontractor or our representatives on a non-disclosure agreement to be provided to the Supplier by the Purchaser.

3. Exceptions

- 3.1. Notwithstanding the provisions set forth in section 2, the Supplier may disclose confidential Information to its employees, who have a reasonable need to know such Confidential Information and who are under binding obligation to keep such information confidential. Such binding obligation shall provide at least the same level of confidentiality as is required by this agreement.
- 3.2. Supplier's obligations as per section 2 shall not apply to any information which the Supplier can prove is:
 - 3.2.1. Publicly known at the time of disclosure. Confidential Information shall not be deemed to be public merely because any part of the Confidential Information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public.
 - 3.2.2. Subsequently becomes publicly known through no fault of the Supplier.
 - 3.2.3. Discovered or created by the Supplier before disclosure by Authority.
 - 3.2.4. Is independently developed by the Supplier without the benefit of any of the Confidential Information as evidenced by written documentation.

- 3.2.5. Learned by the Supplier through legitimate means other than from the Authority or its representatives.
 - 3.2.6. Disclosed by Supplier with Purchaser's prior written approval.
 - 3.2.7. Required to be disclosed in order to comply with legally mandatory regulations, a judicial or official order or decree, provided that written advance notice of such judicial action was timely given to the Authority.
4. The duty to hold Confidential Information in confidence shall remain in effect until the Authority will send the Supplier a written notice releasing Supplier from its undertaking set forth in section 2.

Date

Signature of Supplier

Schedule (5) : Supplier's Representative's confidentiality undertakings

1. Definitions

- 1.1. "Confidential Information" - any information relating to or associated with, directly or indirectly, the Population and Immigration Authority, its operations or contacts, including information or details related to the Agreement, the nature of the Israeli travel documents and the unique features of the product supplied by the Supplier.

2. Confidentiality undertakings

By its signature below, Supplier's representative represents and undertakes:

- 2.1. Not to disclose, show, distribute, disseminate or transmit, during the contractual period or subsequent thereto, to any person or body, in any way or form, any Confidential Information.
- 2.2. To perform all reasonable actions and take all reasonable measures in order to prevent any leak of Confidential Information to non-authorized parties. The aforesaid actions and measures will be no less than the actions and measures the Supplier takes to avoid unauthorized disclosure of Supplier's own confidential information.
- 2.3. To use the aforementioned information for the sole purpose of the agreement between Supplier and Purchaser.

3. Exceptions

- 3.1. Notwithstanding the provisions set forth in section 2, the Supplier's representative may disclose confidential Information to Supplier's employees, who have a reasonable need to know such Confidential Information and who are under binding obligation to keep such information confidential. Such binding obligation shall provide at least the same level of confidentiality as is required by this agreement.
- 3.2. Supplier's representative's obligations as per section 2 shall not apply to any information which the representative can prove is:
 - 3.2.1. Publicly known at the time of disclosure. Confidential Information shall not be deemed to be public merely because any part of the Confidential Information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public.
 - 3.2.2. Subsequently becomes publicly known through no fault of the Supplier or the Supplier's Representative.
 - 3.2.3. Discovered or created by the Supplier before disclosure by Authority.
 - 3.2.4. is independently developed by the Supplier without the benefit of any of the Confidential Information as evidenced by written documentation.
 - 3.2.5. learned by the Supplier through legitimate means other than from the Authority or its representatives.
 - 3.2.6. disclosed by Supplier with Purchaser's prior written approval.

- 3.2.7. required to be disclosed in order to comply with legally mandatory regulations, a judicial or official order or decree, provided that written advance notice of such judicial action was timely given to the Authority.
4. Supplier's representative represent that his undertaking pursuant to the provisions of section 2 above shall remain in effect without limitation, even after the termination of its work with the Supplier.

Date

Signature of Supplier Representative

Schedule (6): Supplier's Price Proposal to the Tender

To be attached

Appendix c-1 as proposed by the Supplier to the Tender

Schedule (7) – Appendixes A, B, D-G to the Tender filled by Supplier

To be attached

From the Supplier's proposal to the Tender

Appendix J: List of Consultants

1. S. Friedman, Abramson & Co. – Legal Advisors.
2. Yoram Oren – Yoram Oren Design & Consulting.



רשות האוכלוסין וההגירה
Population & Immigration Authority
سلطة السكان والهجرة

מדינת ישראל

State of Israel



Ministry of Interior
Population and Immigration Authority

Appendix K: Registration Form for the Tender

**Tender for the supply of Security Laminates for Biometric Travel Documents
("Tender")**

Name of company registering for the Tender ("Registrant")	
Registrant's Adress	
Country of incorporation of Registrant	
Contact person/s, authorized to represent the Registrant for the Tender	
Mailing address to the Registrant	
Telephone number of the Registrant	
E-mail	

1. We hereby confirm that the Registrant is an entity duly incorporated and validly existing under the laws of a country that maintains diplomatic relations with the State of Israel.
2. We acknowledge that giving my contact information does not exempt me from the responsibility to update myself regarding notices and clarifications by the Purchaser posted on the Tender's Website.
3. We undertake not to disclose, show, distribute, disseminate or transmit, to any person or body, in any way or form, any Confidential Information; to perform all reasonable actions and measures to prevent any leak of Confidential Information to non-authorized parties; to use the aforementioned information for the sole purpose of participating in the Tender. In this regard **Confidential Information** means any information, documents or samples provided to us during the Tender process by the Israeli Population and Immigration Authority, directly or indirectly, including with respect to its operations, contacts, type of machines and instruments, and information or details related the nature of the Israeli travel documents.

Signature of authorized signatory and corporate stamp
