

**GENERAL CONDITIONS OF CONTRACT
FOR THE PROVISION OF GOODS ONLY**

1. **EFFECTIVE DATE:** This Contract shall be effective when signed by the Parties. The Contract constitutes a contract between the Parties, the rights and obligations of which shall be governed solely by the terms and conditions of the Contract, including these General Conditions.
2. **LEGAL STATUS OF THE PARTIES:** UNRWA and the Contractor shall also each be referred to as a "Party" hereunder, and:
 - 2.1 Pursuant, *inter alia*, to the Charter of the United Nations and the Convention on the Privileges and Immunities of the United Nations, the United Nations, including its subsidiary organs (including UNRWA) has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfillment of its purposes.
 - 2.2 The Contractor shall have the legal status of an independent contractor *vis-à-vis* UNRWA, and nothing contained in or relating to the Contract shall be construed as establishing or creating between the Parties the relationship of employer and employee or of principal and agent. The officials, representatives, employees, or subcontractors of each of the Parties shall not be considered in any respect as being the employees or agents of the other Party, and each Party shall be solely responsible for all claims arising out of or relating to its engagement of such persons or entities.
3. **SOURCE OF INSTRUCTIONS:** The Contractor shall neither seek nor accept instructions from any authority external to UNRWA in connection with the performance of its obligations under the Contract. Should any authority external to UNRWA seek to impose any instructions concerning or restrictions on the Contractor's performance under the Contract, the Contractor shall promptly notify UNRWA and provide all reasonable assistance required by UNRWA. The Contractor shall not take any action in respect of the performance of its obligations under the Contract that may adversely affect the interests of UNRWA, and the Contractor shall perform its obligations under the Contract with the fullest regard to the interests of UNRWA.
4. **ASSIGNMENT; SUBCONTRACTING:**
 - 4.1 Except as provided in Article 4.2, below, the Contractor may not assign, transfer, pledge, subcontract or make any other disposition of the Contract, of any part of the Contract, or of any of the rights, claims or obligations under the Contract except with the prior written authorization of UNRWA. Any such unauthorized assignment, transfer, pledge, subcontracting or other disposition, or any attempt to do so, shall not be binding on UNRWA. Except as permitted with respect to any approved subcontractors, the Contractor shall not delegate any of its obligations under the Contract, except with the prior written consent of UNRWA. Any such unauthorized delegation, or attempt to do so, shall not be binding on UNRWA.
 - 4.2 The Contractor may assign or otherwise transfer the Contract to the surviving entity resulting from a reorganization of the Contractor's operations, *provided that*:
 - 4.2.1 such reorganization is not the result of any bankruptcy, receivership or other similar proceedings; *and*,
 - 4.2.2 such reorganization arises from a sale, merger, or acquisition of all or substantially all of the Contractor's assets or ownership interests; *and*,
 - 4.2.3 the Contractor promptly notifies UNRWA about such assignment or transfer at the earliest opportunity; *and*,
 - 4.2.4 the assignee or transferee agrees in writing to be bound by all of the terms and conditions of the Contract, and such writing is promptly provided to UNRWA following the assignment or transfer.
5. **PURCHASE OF GOODS:** To the extent that the Contract involves any purchase of goods, whether in whole or in part, and unless specifically stated otherwise in the Contract, the following conditions shall apply to any purchases of goods under the Contract:
 - 5.1 **DELIVERY OF GOODS:** The Contractor shall hand over or make available the goods, and UNRWA shall receive the goods, at the place for the delivery of the goods and within the time for delivery of the goods specified in the Contract. The Contractor shall provide to UNRWA such shipment documentation (including, without limitation, bills of lading, airway bills, and commercial invoices) as are specified in the Contract or, otherwise, as are customarily utilized in the trade. All manuals, instructions, displays and any other information relevant to the goods shall be in the English language unless otherwise specified in the Contract. Unless otherwise stated in the Contract (including, but not limited to, in any "INCOTERM" or similar trade term), the entire risk of loss, damage to, or destruction of the goods shall be borne exclusively by the Contractor until physical delivery of the goods to UNRWA in accordance with the terms of the Contract. Delivery of the goods shall not be deemed in itself as constituting acceptance of the goods by UNRWA.
 - 5.2 **INSPECTION OF THE GOODS:** If the Contract provides that the goods may be inspected prior to delivery, the Contractor shall notify UNRWA when the goods are ready for pre-delivery inspection. Notwithstanding any pre-delivery inspection, UNRWA or its designated inspection agents may also inspect the goods upon delivery in order to confirm that the goods conform to applicable specifications or other requirements of the Contract. All reasonable facilities and assistance, including, but not limited to, access to drawings and production data, shall be furnished to UNRWA or its designated inspection agents at no

charge therefor. Neither the carrying out of any inspections of the goods nor any failure to undertake any such inspections shall relieve the Contractor of any of its warranties or the performance of any obligations under the Contract.

5.3 PACKAGING OF THE GOODS: The Contractor shall package the goods for delivery in accordance with the highest standards of export packaging for the type and quantities and modes of transport of the goods. The goods shall be packed and marked in a proper manner in accordance with the instructions stipulated in the Contract or, otherwise, as customarily done in the trade, and in accordance with any requirements imposed by applicable law or by the transporters and manufacturers of the goods. The packing, in particular, shall mark the Contract or Purchase Order number and any other identification information provided by UNRWA as well as such other information as is necessary for the correct handling and safe delivery of the goods. Unless otherwise specified in the Contract, the Contractor shall have no right to any return of the packing materials.

5.4 TRANSPORTATION & FREIGHT: Unless otherwise specified in the Contract (including, but not limited to, in any "INCOTERM" or similar trade term), the Contractor shall be solely liable for making all transport arrangements and for payment of freight and insurance costs for the shipment and delivery of the goods in accordance with the requirements of the Contract. The Contractor shall ensure that UNRWA receives all necessary transport documents in a timely manner so as to enable UNRWA to take delivery of the goods in accordance with the requirements of the Contract.

5.5 WARRANTIES: Unless otherwise specified in the Contract, in addition to and without limiting any other warranties, remedies or rights of UNRWA stated in or arising under the Contract, the Contractor warrants and represents that:

5.5.1 The goods, including all packaging and packing thereof, conform to the specifications of the Contract, are fit for the purposes for which such goods are ordinarily used and for any purposes expressly made known in writing in the Contract, and shall be of even quality, free from faults and defects in design, material, manufacturer and workmanship;

5.5.2 If the Contractor is not the original manufacturer of the goods, the Contractor shall provide UNRWA with the benefit of all manufacturers' warranties in addition to any other warranties required to be provided under the Contract;

5.5.3 The goods are of the quality, quantity and description required by the Contract, including when subjected to conditions prevailing in the place of final destination;

5.5.4 The goods are free from any right of claim by any third-party, including claims of infringement of any intellectual property rights, including, but

not limited to, patents, copyright and trade secrets;

5.5.5 The goods are new and unused;

5.5.6 All warranties will remain fully valid following any delivery of the goods and for a period of not less than one (1) year following acceptance of the goods by UNRWA in accordance with the Contract;

5.5.7 During any period in which the Contractor's warranties are effective, upon notice by UNRWA that the goods do not conform to the requirements of the Contract, the Contractor shall promptly and at its own expense correct such non-conformities or, in case of its inability to do so, replace the defective goods with goods of the same or better quality or, at its own cost, remove the defective goods and fully reimburse UNRWA for the purchase price paid for the defective goods; and,

5.5.8 The Contractor shall remain responsive to the needs of UNRWA for any services that may be required in connection with any of the Contractor's warranties under the Contract.

5.6 ACCEPTANCE OF GOODS: Under no circumstances shall UNRWA be required to accept any goods that do not conform to the specifications or requirements of the Contract. UNRWA may condition its acceptance of the goods upon the successful completion of acceptance tests as may be specified in the Contract or otherwise agreed in writing by the Parties. In no case shall UNRWA be obligated to accept any goods unless and until UNRWA has had a reasonable opportunity to inspect the goods following delivery. If the Contract specifies that UNRWA shall provide a written acceptance of the goods, the goods shall not be deemed accepted unless and until UNRWA in fact provides such written acceptance. In no case shall payment by UNRWA in and of itself constitute acceptance of the goods.

5.7 REJECTION OF GOODS: Notwithstanding any other rights of, or remedies available to UNRWA under the Contract, in case any of the goods are defective or otherwise do not conform to the specifications or other requirements of the Contract, UNRWA, at its sole option, may reject or refuse to accept the goods, and within thirty (30) days following receipt of notice from UNRWA of such rejection or refusal to accept the goods, the Contractor shall, in sole option of UNRWA:

5.7.1 provide a full refund upon return of the goods, or a partial refund upon a return of a portion of the goods, by UNRWA; *or*,

5.7.2 repair the goods in a manner that would enable the goods to conform to the specifications or other requirements of the Contract; *or*,

5.7.3 replace the goods with goods of equal or better quality; *and*,

5.7.4 pay all costs relating to the repair or return of the defective goods as well as the costs relating to the storage of any such defective goods and for the delivery of any replacement goods to UNRWA.

5.8 **TITLE:** The Contractor warrants and represents that the goods delivered under the Contract are unencumbered by any third party's title or other property rights, including, but not limited to, any liens or security interests. Unless otherwise expressly provided in the Contract, title in and to the goods shall pass from the Contractor to UNRWA upon delivery of the goods and their acceptance by UNRWA in accordance with the requirements of the Contract.

5.9 **EXPORT LICENSING:** The Contractor shall be responsible for obtaining any export license required with respect to the goods, products, or technologies, including software, sold, delivered, licensed or otherwise provided to UNRWA under the Contract. Subject to and without any waiver of the privileges and immunities of UNRWA, UNRWA shall lend the Contractor all reasonable assistance required for obtaining any such export license. Should any Governmental entity refuse, delay or hinder the Contractor's ability to obtain any such export license, the Contractor shall promptly consult with UNRWA to enable UNRWA to take appropriate measures to resolve the matter.

6. INDEMNIFICATION:

6.1 The Contractor shall indemnify, defend, and hold and save harmless, UNRWA, and its officials, agents and employees, from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any third party against UNRWA, including, but not limited to, all litigation costs and expenses, attorney's fees, settlement payments and damages, based on, arising from, or relating to:

6.1.1 allegations or claims that the possession of or use by UNRWA of any patented device, any copyrighted material, or any other goods, property or services provided or licensed to UNRWA under the terms of the Contract, in whole or in part, separately or in a combination contemplated by the Contractor's published specifications therefor, or otherwise specifically approved by the Contractor, constitutes an infringement of any patent, copyright, trademark, or other intellectual property right of any third party; *or*,

6.1.2 any acts or omissions of the Contractor, or of any subcontractor or anyone directly or indirectly employed by them in the performance of the Contract, which give rise to legal liability to anyone not a party to the Contract, including, without limitation, claims and liability in the nature of a claim for workers' compensation.

6.2 In addition to the indemnity obligations set forth in this Article 6, the Contractor shall be obligated, at its sole

expense, to defend UNRWA and its officials, agents and employees, pursuant to this Article 6, regardless of whether the suits, proceedings, claims and demands in question actually give rise to or otherwise result in any loss or liability.

6.3 UNRWA shall advise the Contractor about any such suits, proceedings, claims, demands, losses or liability within a reasonable period of time after having received actual notice thereof. The Contractor shall have sole control of the defense of any such suit, proceeding, claim or demand and of all negotiations in connection with the settlement or compromise thereof, except with respect to the assertion or defense of the privileges and immunities of UNRWA or any matter relating thereto, for which only UNRWA itself is authorized to assert and maintain. UNRWA shall have the right, at its own expense, to be represented in any such suit, proceeding, claim or demand by independent counsel of its own choosing.

6.4 In the event the use by UNRWA of any goods, property or services provided or licensed to UNRWA by the Contractor, in whole or in part, in any suit or proceeding, is for any reason enjoined, temporarily or permanently, or is found to infringe any patent, copyright, trademark or other intellectual property right, or in the event of a settlement, is enjoined, limited or otherwise interfered with, then the Contractor, at its sole cost and expense, shall, promptly, either:

6.4.1 procure for UNRWA the unrestricted right to continue using such goods or services provided to UNRWA; *or*,

6.4.2 replace or modify the goods or services provided to UNRWA, or part thereof, with the equivalent or better goods or services, or part thereof, that is non-infringing; *or*,

6.4.3 refund to UNRWA the full price paid by UNRWA for the right to have or use such goods, property or services, or part thereof.

7. INSURANCE AND LIABILITY:

7.1 The Contractor shall pay UNRWA promptly for all loss, destruction, or damage to the property of UNRWA caused by the Contractor's personnel or by any of its subcontractors or anyone else directly or indirectly employed by the Contractor or any of its subcontractors in the performance of the Contract.

7.2 Unless otherwise provided in the Contract, prior to commencement of performance of any other obligations under the Contract, and subject to any limits set forth in the Contract, the Contractor shall take out and shall maintain for the entire term of the Contract, for any extension thereof, and for a period following any termination of the Contract reasonably adequate to deal with losses:

7.2.1 insurance against all risks in respect of its property and any equipment used for the performance of the Contract; *and*,

- 7.2.2 workers' compensation insurance, or its equivalent, or employer's liability insurance, or its equivalent, with respect to the Contractor's personnel sufficient to cover all claims for injury, death and disability, or any other benefits required to be paid by law, in connection with the performance of the Contract; *and*,
- 7.2.3 liability insurance in an adequate amount to cover all claims, including, but not limited to, claims for death and bodily injury, products and completed operations liability, loss of or damage to property, and personal and advertising injury, arising from or in connection with the Contractor's performance under the Contract, including, but not limited to, liability arising out of or in connection with the acts or omissions of the Contractor, its personnel, agents, or invitees, or the use, during the performance of the Contract, of any vehicles, boats, airplanes or other transportation vehicles and equipment, whether or not owned by the Contractor; *and*,
- 7.2.4 such other insurance as may be agreed upon in writing between UNRWA and the Contractor.
- 7.3 The Contractor's liability policies shall also cover subcontractors and all defense costs and shall contain a standard "cross liability" clause.
- 7.4 The Contractor acknowledges and agrees that UNRWA accepts no responsibility for providing life, health, accident, travel or any other insurance coverage which may be necessary or desirable in respect of any personnel performing services for the Contractor in connection with the Contract.
- 7.5 Except for the workers' compensation insurance or any self-insurance program maintained by the Contractor and approved by UNRWA, in its sole discretion, for purposes of fulfilling the Contractor's requirements for providing insurance under the Contract, the insurance policies required under the Contract shall:
- 7.5.1 name UNRWA as an additional insured under the liability policies, including, if required, as a separate endorsement under the policy; *and*,
- 7.5.2 include a waiver of subrogation of the Contractor's insurance carrier's rights against UNRWA; *and*,
- 7.5.3 provide that UNRWA shall receive written notice from the Contractor's insurance carrier not less than thirty (30) days prior to any cancellation or material change of coverage; *and*,
- 7.5.4 include a provision for response on a primary and non-contributing basis with respect to any other insurance that may be available to UNRWA.
- 7.6 The Contractor shall be responsible to fund all amounts within any policy deductible or retention.
- 7.7 Except for any self-insurance program maintained by the Contractor and approved by UNRWA for purposes of fulfilling the Contractor's requirements for maintaining insurance under the Contract, the Contractor shall maintain the insurance taken out under the Contract with reputable insurers that are in good financial standing and that are acceptable to UNRWA. Prior to the commencement of any obligations under the Contract, the Contractor shall provide UNRWA with evidence, in the form of certificate of insurance or such other form as UNRWA may reasonably require, that demonstrates that the Contractor has taken out insurance in accordance with the requirements of the Contract. UNRWA reserves the right, upon written notice to the Contractor, to obtain copies of any insurance policies or insurance program descriptions required to be maintained by the Contractor under the Contract. Notwithstanding the provisions of Article 7.5.3, above, the Contractor shall promptly notify UNRWA concerning any cancellation or material change of insurance coverage required under the Contract.
- 7.8 The Contractor acknowledges and agrees that neither the requirement for taking out and maintaining insurance as set forth in the Contract nor the amount of any such insurance, including, but not limited to, any deductible or retention relating thereto, shall in any way be construed as limiting the Contractor's liability arising under or relating to the Contract.
8. **ENCUMBRANCES AND LIENS:** The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with UNRWA against any monies due to the Contractor or that may become due for any work done or against any goods supplied or materials furnished under the Contract, or by reason of any other claim or demand against the Contractor or UNRWA.
9. **EQUIPMENT FURNISHED BY UNRWA TO THE CONTRACTOR:** Title to any equipment and supplies that may be furnished by UNRWA to the Contractor for the performance of any obligations under the Contract shall rest with UNRWA, and any such equipment shall be returned to UNRWA at the conclusion of the Contract or when no longer needed by the Contractor. Such equipment, when returned to UNRWA, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear, and the Contractor shall be liable to compensate UNRWA for the actual costs of any loss of, damage to, or degradation of the equipment that is beyond normal wear and tear.
10. **COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:**
- 10.1 Except as is otherwise expressly provided in writing in the Contract, all right, title and interest, including copyrights, in all works and other materials, whether in written or electronic form and including all derivative works thereof, produced in the performance of this Contract shall be vested exclusively in, and the Contractor shall without further consideration assign, whether as works for hire or otherwise, the same to, UNRWA.

- 10.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, UNRWA does not and shall not claim any ownership interest thereto, and the Contractor grants to UNRWA a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.
- 10.3 At the request of UNRWA, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to UNRWA in compliance with the requirements of the applicable law and of the Contract.
- 10.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of UNRWA, shall be made available for use or inspection by UNRWA at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNRWA authorized officials on completion of work under the Contract.
11. **PUBLICITY, AND USE OF THE NAME, EMBLEM OR OFFICIAL SEAL OF THE UNITED NATIONS OR UNRWA:** The Contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill that it has a contractual relationship with UNRWA, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of the United Nations or UNRWA, or any abbreviation of the name of the United Nations or UNRWA in connection with its business or otherwise without the written permission of UNRWA.
12. **CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:** Information and data that is considered proprietary by either Party or that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:
- 12.1 The recipient ("Recipient") of such Information shall:
- 12.1.1 use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; *and*,
- 12.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.
- 12.2 The Contractor may disclose Information to the extent required by law, *provided that*, subject to and without any waiver of the privileges and immunities of UNRWA, the Contractor will give UNRWA sufficient prior notice of a request for the disclosure of Information in order to allow UNRWA to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.
- 12.3 UNRWA may disclose Information to the extent as required pursuant to the Charter of the United Nations, or pursuant to resolutions or regulations of the General Assembly or rules promulgated thereunder.
- 12.4 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 12.5 These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.
13. **FORCE MAJEURE; OTHER CHANGES IN CONDITIONS:**
- 13.1 In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the affected Party shall give notice and full particulars in writing to the other Party, of such occurrence or cause if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under the Contract. The affected Party shall also notify the other Party of any other changes in condition or the occurrence of any event which interferes or threatens to interfere with its performance of the Contract. Not more than fifteen (15) days following the provision of such notice of *force majeure* or other changes in condition or occurrence, the affected Party shall also submit a statement to the other Party of estimated expenditures that will likely be incurred for the duration of the change in condition or the event of *force majeure*. On receipt of the notice or notices required hereunder, the Party not affected by the occurrence of a cause constituting *force majeure* shall take such action as it reasonably considers to be appropriate or necessary in the circumstances, including the granting to the affected Party of a reasonable extension of time in which to perform any obligations under the Contract.
- 13.2 If the Contractor is rendered unable, wholly or in part, by reason of *force majeure* to perform its obligations and meet its responsibilities under the Contract, UNRWA shall have the right to suspend or terminate the Contract on the same terms and

conditions as are provided for in Article 14, "Termination," except that the period of notice shall be seven (7) days instead of thirty (30) days. In any case, UNRWA shall be entitled to consider the Contractor permanently unable to perform its obligations under the Contract in case the Contractor is unable to perform its obligations, wholly or in part, by reason of *force majeure* for any period in excess of ninety (90) days.

- 13.3 *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, *provided that* such acts arise from causes beyond the control and without the fault or negligence of the Contractor. The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in areas in which UNRWA is engaged in, preparing to engage in, or disengaging from any operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas, including without limitation closures, strikes and curfews, or to any incidents of civil unrest occurring in such areas, shall not, in and of itself, constitute *force majeure* under the Contract.

14. TERMINATION:

- 14.1 Either Party may terminate the Contract for cause, in whole or in part, upon thirty (30) day's notice, in writing, to the other Party. The initiation of conciliation or arbitral proceedings in accordance with Article 17 "Settlement of Disputes," below, shall not be deemed to be a "cause" for or otherwise to be in itself a termination of the Contract.
- 14.2 UNRWA may terminate the Contract at any time by providing written notice to the Contractor in any case in which the mandate of UNRWA applicable to the performance of the Contract or the funding of UNRWA applicable to the Contract is curtailed or terminated, whether in whole or in part. In addition, unless otherwise provided by the Contract, upon sixty (60) day's advance written notice to the Contractor, UNRWA may terminate the Contract without having to provide any justification therefor.
- 14.3 In the event of any termination of the Contract, upon receipt of notice of termination that has been issued by UNRWA, the Contractor shall, except as may be directed by UNRWA in the notice of termination or otherwise in writing:
- 14.3.1 take immediate steps to bring the performance of any obligations under the Contract to a close in a prompt and orderly manner, and in doing so, reduce expenses to a minimum;
- 14.3.2 refrain from undertaking any further or additional commitments under the Contract

as of and following the date of receipt of such notice;

- 14.3.3 place no further subcontracts or orders for materials, services, or facilities, except as UNRWA and the Contractor agree in writing are necessary to complete any portion of the Contract that is not terminated;
- 14.3.4 terminate all subcontracts or orders to the extent they relate to the portion of the Contract terminated;
- 14.3.5 transfer title and deliver to UNRWA the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the portion of the Contract terminated;
- 14.3.6 deliver all completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to UNRWA thereunder;
- 14.3.7 complete performance of the work not terminated; *and*,
- 14.3.8 take any other action that may be necessary, or that UNRWA may direct in writing, for the minimization of losses and for the protection and preservation of any property, whether tangible or intangible, related to the Contract that is in the possession of the Contractor and in which UNRWA has or may be reasonably expected to acquire an interest.
- 14.4 In the event of any termination of the Contract, UNRWA shall be entitled to obtain reasonable written accountings from the Contractor concerning all obligations performed or pending in accordance with the Contract. In addition, UNRWA shall not be liable to pay the Contractor except for, but without prejudice to UNRWA's rights under Article 15, those goods delivered and services provided to UNRWA in accordance with the requirements of the Contract, but only if such goods or services were ordered, requested or otherwise provided prior to the Contractor's receipt of notice of termination from UNRWA or prior to the Contractor's tendering of notice of termination to UNRWA.
- 14.5 UNRWA may, without prejudice to any other right or remedy available to it, terminate the Contract forthwith in the event that:
- 14.5.1 the Contractor is adjudged bankrupt, or is liquidated, or becomes insolvent, or applies for a moratorium or stay on any payment or repayment obligations, or applies to be declared insolvent;
- 14.5.2 the Contractor is granted a moratorium or a stay, or is declared insolvent;

- 14.5.3 the Contractor makes an assignment for the benefit of one or more of its creditors;
- 14.5.4 a Receiver is appointed on account of the insolvency of the Contractor;
- 14.5.5 the Contractor offers a settlement in lieu of bankruptcy or receivership; *or,*
- 14.5.6 UNRWA reasonably determines that the Contractor has become subject to a materially adverse change in its financial condition that threatens to substantially affect the ability of the Contractor to perform any of its obligations under the Contract.
- 14.6 Except as prohibited by law, the Contractor shall be bound to compensate UNRWA for all damages and costs, including, but not limited to, all costs incurred by UNRWA in any legal or non-legal proceedings, as a result of any of the events specified in Article 14.5, above, and resulting from or relating to a termination of the Contract, even if the Contractor is adjudged bankrupt, or is granted a moratorium or stay or is declared insolvent. The Contractor shall immediately inform UNRWA of the occurrence of any of the events specified in Article 14.5, above, and shall provide UNRWA with any information pertinent thereto.
- 14.7 The provisions of this Article 14 are without prejudice to any other rights or remedies of UNRWA under the Contract or otherwise.
- 15. REMEDIES OF UNRWA; NON-WAIVER OF RIGHTS:**
- 15.1 In case the Contractor fails to comply with any term of the Contract, the Contractor shall be liable for all damages sustained by UNRWA, and UNRWA may, after giving the Contractor reasonable notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:
- 15.1.1 procure all or part of the service or related goods from other sources;
- 15.1.2 refuse to accept delivery of all or part of the services or related goods; or
- 15.1.3 terminate the Contract in accordance with Article 14.1,
- and the Contractor shall be liable by reason of default for any loss or damage sustained and additional costs incurred by UNRWA, including without limitation any increase in the price payable by UNRWA resulting from the procurement of the goods from other sources, the costs of engaging in such procurement and reasonable expenses incurred for preserving and storing any rejected goods for the Contractor's account. UNRWA may, without notice to the Contractor, apply to the payment of any such loss, damage or additional costs, by setoff or otherwise, all credits, claims or
- other amounts, whether or not related to the Contract, at any time owing by UNRWA to the Contractor.
- 15.2 If the Contractor fails to supply the goods within the time for delivery specified in the Contract, UNRWA may, in its sole discretion and without prejudice to its other remedies under the Contract, deduct from the contract price the amount set forth in the Contract for each calendar day of delay until actual delivery which amount shall in no event be less than one percent of the delivered price of the delayed goods, up to a maximum deduction of ten percent of the contract price.
- 15.3 The failure by either Party to exercise any rights available to it, whether under the Contract or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Contract. All remedies afforded in the Contract shall be taken and construed as cumulative, i.e., in addition to every other remedy provided under the Contract and by law.
- 16. NON-EXCLUSIVITY:** Unless otherwise specified in the Contract, UNRWA shall have no obligation to purchase any minimum quantities of goods or services from the Contractor, and UNRWA shall have no limitation on its right to obtain goods or services of the same kind, quality and quantity described in the Contract, from any other source at any time.
- 17. SETTLEMENT OF DISPUTES:**
- 17.1 **AMICABLE SETTLEMENT:** The Parties shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Contract or the breach, termination, or invalidity thereof. Where the Parties wish to seek assistance of a neutral third person in their attempt to reach an amicable settlement in a process of conciliation or mediation, such process shall take place in accordance with the Optional Conciliation Rules of the Permanent Court of Arbitration in force at the date of commencement of conciliation or mediation, as the case may be, or according to such other procedure as may be agreed between the Parties in writing.
- 17.2 **ARBITRATION:** Any dispute, controversy, or claim between the Parties arising out of or relating to the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 17.1 above within sixty (60) days after receipt by one Party of the other Party's written request for conciliation or mediation, shall be settled by arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration between International Organizations and Private Parties in force on the date of this Contract (the "PCA Arbitration Rules"). The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The appointing

authority shall be designated by the Secretary-General of the Permanent Court of Arbitration following a written request submitted by either Party. The number of arbitrators shall be three, unless the Parties, in the interest of economy of proceedings, agree that there shall be one arbitrator. The place of arbitration shall be Amman, Jordan. The language to be used in the arbitral proceedings shall be English. The arbitrators must be fluent in that language. The arbitral tribunal shall be empowered to take any measures it deems appropriate, including without limitation, ordering the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, ordering the termination of the Contract, or ordering that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to the PCA Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

18. **PRIVILEGES AND IMMUNITIES:** Nothing in or relating to the Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities accorded to UNRWA in international law.

19. **TAX EXEMPTION:**

19.1 Article II, Section 7, of the Convention on the Privileges and Immunities of the United Nations provides, *inter alia*, that the United Nations, including its subsidiary organs (including UNRWA), is exempt from all direct taxes, except charges for public utility services, and is exempt from customs restrictions, duties, and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the exemptions of UNRWA from such taxes, restrictions, duties, or charges, the Contractor shall immediately consult with UNRWA to determine a mutually acceptable procedure.

19.2 The Contractor authorizes UNRWA to deduct from the Contractor's invoices any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNRWA before the payment thereof and UNRWA has, in each instance, specifically authorized the Contractor to pay such taxes, duties, or charges under written protest. In that event, the Contractor shall provide UNRWA with written evidence that payment of such taxes, duties or

charges has been made and appropriately authorized, and UNRWA shall reimburse the Contractor for any such taxes, duties, or charges so authorized by UNRWA and paid by the Contractor under written protest.

20. **OBSERVANCE OF THE LAW:** The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the Contract. In addition, the Contractor shall maintain compliance with all obligations relating to its registration as a qualified vendor of goods or services to UNRWA, as such obligations are set forth in UNRWA vendor registration procedures.

21. **MODIFICATIONS:**

21.1 Only the Chief, Procurement and Logistics Division, or, for local contracts, the Field Office Director in each of UNRWA's fields of operation, or such other contracting authority as UNRWA has made known to the Contractor in writing, possesses the authority to agree on behalf of UNRWA to any modification of or change in the Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in the Contract shall be valid and enforceable against UNRWA unless provided by a valid written amendment to the Contract signed by the Contractor and the Chief, Procurement and Logistics Division, or the Field Office Director (for local contracts), or such other contracting authority.

21.2 If the Contract shall be extended for additional periods in accordance with the terms and conditions of the Contract, the terms and conditions applicable to any such extended term of the Contract shall be the same terms and conditions as set forth in the Contract, unless the Parties shall have agreed otherwise pursuant to a valid amendment concluded in accordance with Article 21.1 above.

21.3 The terms or conditions of any supplemental undertakings, licenses, or other forms of agreement concerning any goods or services provided under the Contract shall not be valid and enforceable against UNRWA nor in any way shall constitute an agreement by UNRWA thereto unless any such undertakings, licenses or other forms are the subject of a valid amendment concluded in accordance with Article 21.1, above.

22. **AUDITS AND INVESTIGATIONS:**

22.1 Each invoice paid by UNRWA shall be subject to a post-payment audit by auditors, whether internal or external, of UNRWA or by other authorized and qualified agents of UNRWA at any time during the term of the Contract and for a period of two (2) years following the expiration or prior termination of the Contract. UNRWA shall be entitled to a refund from the Contractor for any amounts shown by such audits to have been paid by UNRWA other than in

accordance with the terms and conditions of the Contract.

- 22.2 The Contractor acknowledges and agrees that, from time to time, UNRWA may conduct investigations relating to any aspect of the Contract or the award thereof, the obligations performed under the Contract, and the operations of the Contractor generally relating to performance of the Contract. The right of UNRWA to conduct an investigation and the Contractor's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Contract. The Contractor shall provide its full and timely cooperation with any such inspections, post-payment audits or investigations. Such cooperation shall include, but shall not be limited to, the Contractor's obligation to make available its personnel and any relevant documentation for such purposes at reasonable times and on reasonable conditions and to grant to UNRWA access to the Contractor's premises at reasonable times and on reasonable conditions in connection with such access to the Contractor's personnel and relevant documentation. The Contractor shall require its agents, including, but not limited to, the Contractor's attorneys, accountants or other advisers, to reasonably cooperate with any inspections, post-payment audits or investigations carried out by UNRWA hereunder.

23. LIMITATION ON ACTIONS:

- 23.1 Except with respect to any indemnification obligations in Article 6, above, or as are otherwise set forth in the Contract, any arbitral proceedings in accordance with Article 17.2, above, arising out of the Contract must be commenced within three years after the cause of action has accrued.
- 23.2 The Parties further acknowledge and agree that, for these purposes, a cause of action shall accrue when the breach actually occurs, or, in the case of latent defects, when the injured Party knew or should have known all of the essential elements of the cause of action, or in the case of a breach of warranty, when tender of delivery is made, except that, if a warranty extends to future performance of the goods or any process or system and the discovery of the breach consequently must await the time when such goods or other process or system is ready to perform in accordance with the requirements of the Contract, the cause of action accrues when such time of future performance actually begins.

24. ADDITIONAL WARRANTIES:

- 24.1 The Contractor represents and warrants that:
- 24.1.1 it has not and shall not offer any direct or indirect benefit arising from or related to the performance of the Contract or the award thereof to any representative, official, employee, or other agent of UNRWA.

24.1.2 neither it, its parent entities (if any), nor any of the Contractor's subsidiary or affiliated entities (if any) is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, *inter alia*, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

24.1.3 neither it, its parent entities (if any), nor any of the Contractor's subsidiaries or affiliated entities (if any) is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

24.1.4 it shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging any sexual activities that are exploitive or degrading to any person. UNRWA shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

24.1.5 neither it, its parent entities (if any), nor any of the Contractor's subsidiary, affiliated entities (if any) or suppliers is engaged in any transactions with, and/or the provision of resources and support to, individuals and organizations associated with, receiving any type of training for, or engaged in, any act or offense described in Article 2, Sections 1, 3, 4 or 5 of the International Convention for the Suppression of the Financing of Terrorism, adopted by the General Assembly of the

United Nations in Resolution 54/109 of 9
December 1999.

- 24.2 The Contractor acknowledges and agrees that the provisions of Article 24.1 constitute an essential term of the Contract and that breach of any such representation and warranty shall entitle UNRWA to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
25. **BANK GUARANTEE:** If specifically requested by UNRWA, prior to the signature of the Contract, the Contractor shall provide a banker's guarantee from a bank acceptable to UNRWA in the form, amount and manner prescribed by UNRWA.
26. **NOTICE AND OTHER FORMALITIES:**
- 26.1 Service of any notice referred to in the Contract or arising therefrom shall be deemed to be valid if sent by registered mail, or by cable, or by hand against authorized signature on receipt, to the address of the Party concerned as set forth in the Contract.
- 26.2 It is expressly agreed that UNRWA shall have the right to enforce these General Conditions without the necessity of resorting to service of summons, *mise en demeure*, notarial notice, and without any legal formalities or court proceedings of any kind whatsoever; it is being further agreed that the notice provided for in the preceding paragraph is adequate for all purposes notwithstanding any provision of applicable law to the contrary.
27. **SEVERABILITY:** If any term, covenant, or condition of this Contract or the application thereof to any person or circumstance shall to any extent be determined to be invalid or unenforceable, the remainder of this Contract, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Contract shall remain valid and be enforced to the fullest extent possible.