الهيئة العامة للصناعات العسكرية
General Authority for Military Industries

Industrial Participation Policy

Issued by the Board of Directors of the General Authority for Military Industries (GAMI)
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1. *Definitions*

The following definitions are used throughout this policy:

Term	Definition
Acquisition	The process of executing a program to completion aligned to satisfying a Military and Security Entity's operational requirement
Acquisition Policy	The Saudi Military Acquisition Policy as published by GAMI from time to time.
Bonus Credits	Has the meaning given in paragraph 4.7 of this Industrial Participation Policy.
Capability Development	Development of technical and human capability and capacity in the Military Industries in support of the Military Industry Strategy and Technology Strategy.
Co-development	Development of technology, intellectual property, know-how or any other matter by more than one person or entity.
Contractor	A business entity which secures the supply of goods and services to a Military and Security Entity through a Supply Contract.
Credits	Values attributed by GAMI towards the satisfaction of a Contractor's Industrial Participation Commitment.
Dual Use Goods and Services	Goods and services which can be used for military and civil purposes.
Economic Offset Program (EOP)	The Economic Offset Program of Saudi Arabia.
Export Licences	Licences or approvals required to be issued by a foreign government or an agency or a department or other instrumentality of a foreign government to permit the transfer to an entity in Saudi Arabia or a Local Company and/or use by such entity or company of military or dual use technology, know-how, intellectual property or any other related matter.
Foreign Direct Investment	Investment by a foreign Contractor or its related parties in Saudi Arabia.
GAMI	General Authority for Military Industries.
Foreign Company	A business entity incorporated in a jurisdiction outside of Saudi Arabia.
Foreign Owned Local Company	A directly or indirectly majority foreign owned or controlled company with a commercial registration in Saudi Arabia and licensed by GAMI with local capability.
Military Industries Clusters	Designated areas for specific military industry.
Industrial Development	The series of activities to stimulate development of Military Industries in Saudi Arabia.
Industrial Development Policy (IDP)	The policy governing Industrial Development published by GAMI.
Industrial Participation	The means by which Contractors and other stakeholders can participate in the development of military and security capabilities in Saudi Arabia in accordance with the provisions of this Industrial Participation Policy.
Industrial Participation Agreement	The agreement to be entered into between a Contractor and GAMI in respect of a qualifying Supply Contract and in accordance with the terms of this Industrial Participation Policy.

Industrial Participation Commitment	Has the meaning given in paragraph 4.3 of this Industrial Participation Policy.
Industrial Participation Commitment Term	Has the meaning given in paragraph 4.6 of this Industrial Participation Policy.
Industrial Participation Proposal	The plan required to be submitted by the Contractor to GAMI as described in paragraph 4.4 of this Industrial Participation Policy.
Legacy Obligation	An outstanding offset obligation established under the Economic Offset Program.
Local Company	A company with a commercial registration in Saudi Arabia, licensed by GAMI with local capability. This can include a Joint Venture and 100% Foreign Owned Local Company.
Localization	The value of goods and services delivered by Local Companies in respect of Military Procurements.
Military and Security Entities	Any government entity undertaking the procurement of military equipment, works, or services, such as The Ministry of Defence, Ministry of National Guard, Presidency of State Security, Ministry of Interior, the Royal Guard.
Military Goods and Services	Goods and services which are used to meet the requirements of a Military and Security Entity.
Military Industry Strategy	The Military Industry Strategy published by GAMI from time to time.
Military Procurement	The procurement of goods, services and technologies related to the provision of military and security capabilities including but not limited to weapons systems, weapons, ammunition, telecommunication systems, equipment, spare parts and services, military uniforms, service agreements, maintenance, repair, overhaul and military operations contracts.
Performance Security	An unconditional, irrevocable on-demand guarantee in favour of GAMI issued by a Saudi Arabian financial institution licensed by Saudi Arabia Monetary Authority and in a form approved by GAMI.
Priority Sectors	The priority sectors identified in the published Military Industry Strategy.
Priority Technologies	The priority technologies identified in the published Technology Strategy
RFP	Request for proposal in respect of a Supply Contract published by a Military and Security Entities as part of the Acquisition process.
Small and Medium Sized Enterprise (SME)	As defined by the Small and Medium Enterprises General Authority from time to time.
Supply Contract	An agreement for the supply of Military Procurements to a Military and Security Entities.
Supply Contract Value	Has the meaning given in paragraph 4.3 of this Industrial Participation Policy.
Technology Strategy	The Technology Strategy published by GAMI from time to time.
Valuation Factor	A numerical factor used to establish the value of Industrial Participation Credits generated by an eligible activity as determined by GAMI in accordance with this Industrial Participation Policy.

2. *Introduction*

The Vision 2030 was launched in 2016 to drive broad economic, technological, industrial and social transformation in Saudi Arabia. This included activities across the economy to generate prosperity and shape the future of Saudi Arabia. Within this vision, a key aim is to localize a minimum of 50% of military equipment spending by 2030.

This will be achieved by focusing on maximizing utilization of existing capabilities, developing new capabilities according to the Military Industry Strategy and establishing strong research and technology capabilities in accordance with the Technology Strategy. This industrial capability will play a vital role in supporting the Military and Security Entities and establishing a strong and qualified work force.

In the next five years the focus of Industrial Development will be on building up suitably qualified resources and skills, qualified suppliers, industrial clusters, test and evaluation capabilities and supplier relationships to meet the demands of the Saudi Arabian Military and Security Entities.

The purpose of this Industrial Participation Policy is to provide stakeholders with a guide as to how Industrial Participation will be implemented to support development of the military industrial base in Saudi Arabia.

This Industrial Participation Policy will allow Contractors which are supplying Military Procurements to Military and Security Entities to make significant and valuable contributions to the economy and support the delivery of the Vision 2030 objective to localize 50% of the spending on military equipment and services by 2030 through participation between the Contractor and Local Companies.

Where local capability and capacity exists, this Industrial Participation Policy will encourage and incentivize Contractors to utilize and expand this capability in their supply solutions.

Where capability or capacity does not exist, this Industrial Participation Policy creates a framework to focus investment in the Priority Sectors to build the required capability and capacity through investment, transfer of technology and research and development.

3. *Priorities for Industrial Participation*

This Industrial Participation Policy will continue to evolve and will remain aligned with progress towards Vision 2030. The initial focus of this Industrial Participation Policy is to support capability building in the Priority Sectors and Priority Technologies that have been identified in the Military Industries Strategy and the Technology Strategy.

Through the Industrial Participation Policy, investment in the following types of eligible Industrial Participation activities to build industrial capability in the Military Industries sector will be encouraged.

- Maximizing the use of existing local industrial capabilities in support of the delivery and support of military and security capabilities.
- Creating and developing industrial capacity and capability that can be utilized to generate sustainable business in Saudi Arabia.
- Transferring or developing intellectual property to establish new capability in Saudi Arabia including transfer of technology and co-development.
- Delivering research and technology projects that create and develop capability in Saudi Arabia that is aligned to the Military Industry Strategy and Technology Strategy.
- Developing human capital capability through specialized training, development and sustainable employment opportunities for Saudi nationals.
- Supporting the development of Small and Medium Enterprises (SMEs) and other companies in the supply chain through enhancement of capability and training and qualification of these companies to participate in global supply chains.
- Establishing a local supply chain to contribute to the development, manufacture and support of products and services for the Military and Security Entities.
- Generating opportunities to secure exports from Saudi Arabia through involvement of Local Companies in the global supply chains.
- Supporting the development of strategic capabilities to allow Saudi Arabia to achieve self-reliance in strategic areas.

Industrial Participation activities and investments can be directly related to the delivery of the Supply Contract or the sustainability and upgrading of military equipment delivered under the Supply Contract. Alternatively, they can be related to the development of wider Military Industry capability. Dual Use Goods and Services

capability may be considered if it supports the development of Military Industry and is sustainable.

Investments in sectors outside the Military Goods and Services or Dual Use Goods and Services are not encouraged by this Industrial Participation Policy; the focus for GAMI is to support implementation of the Military Industry Strategy through the building relevant industrial capabilities in Saudi Arabia.

4. *Industrial Participation Policy*

4.1. *Principles of this Industrial Participation Policy*

Industrial Participation is a core component of any Acquisition and will be a focus of GAMI throughout the Acquisition life cycle.

All Military Procurements will have established Industrial Participation criteria and Industrial Participation will be taken into consideration alongside price and technical evaluation at each major decision point in the Acquisition process.

Appropriate weighting and priority of Industrial Participation will be established through the Acquisition process.

This Industrial Participation Policy will apply to all qualifying Supply Contracts (or otherwise as set out in paragraph 4.2), whether delivered through direct contracts with Contractors or through Government to Government agreements.

A core principle of this Industrial Participation Policy is that the Industrial Participation Proposal shall be agreed prior to source selection or Supply Contract award, and an Industrial Participation Agreement will be executed simultaneously with the execution of the Supply Contract.

This Industrial Participation Policy will apply to Foreign Companies and Local Companies, irrespective of ownership. This is to ensure that whoever is selected to deliver military equipment and services is committed to support the objectives of Vision 2030.

4.2. *Application & Threshold*

Industrial Participation will be measured and reported as part of all Acquisitions, however this Industrial Participation Policy will apply to the following Supply Contracts:

- All Supply Contracts placed by Military and Security Entities with Contractors for the supply of Military Goods and Services with a value equal to, or in excess of, SAR 150 million (or equivalent) including all amendments.

- The Industrial Participation Policy will apply to all Contractors (whether Foreign Companies or Local Companies) which receive a qualifying Supply Contract from the Military and Security Entity. GAMI may, at its discretion, apply the Industrial Participation Policy on the sub-contractors of such a contractor for their sub contracted responsibilities under the supply contract.

- The Industrial Participation Policy will apply to all qualifying Supply Contracts including those delivered on a Government-to-Government basis with Contractors required to sign an Industrial Participation Agreement with GAMI.

- At its discretion, GAMI may apply this Industrial Participation Policy to Supply Contracts with a value lower than SAR 150 million. This may include, without limitation, Acquisitions that are considered of strategic interest; where future contracting activity is anticipated and it is anticipated that the threshold may be reached in the future; extensions or amendments to existing Supply Contracts that exceed the threshold; or a series of related Supply Contracts which may individually fall below this threshold.

For Supply Contracts with a value below the Industrial Participation Policy threshold, maximizing Localization remains a critical principle to increase the level of work delivered in Saudi Arabia. The Localization requirements in respect of these Supply Contracts will be managed through the Acquisition Process.

The Acquisition process will ensure the following:

- Industrial Participation will be considered in all Acquisitions resulting in a qualifying Supply Contract. The Industrial Participation Commitment will apply to all qualifying Supply Contracts regardless of whether the Industrial Participation Commitment is expressly stated in the RFP for the relevant Military Procurement.

- Specific Industrial Participation evaluation criteria will be established and used as part of the evaluation process for all Supply Contracts.

- A minimum Localization requirement may be established in any specific Acquisition program and communicated to Contractors through the RFP

4.3. *Level of Commitment*

The level of Industrial Participation Commitment attributable to any qualifying Supply Contracts is set at a minimum of sixty percent (60%) of the total amount payable by the Military and Security Entity to the Contractor under the Supply Contract, subject to any adjustments made pursuant to the paragraphs below (the "**Supply Contract Value**"), with such amount being the "**Industrial Participation Commitment**".

The Industrial Participation Commitment will become effective when the Supply Contract has been executed and becomes effective in accordance with its terms.

The value of the Industrial Participation Commitment will be adjusted to reflect any changes to the Supply Contract Value (whether pursuant to the terms of, or arising from an amendment to, the Supply Contract) and the Contractor must promptly inform GAMI if any changes are made to the Supply Contract Value where a Supply Contract includes

elements of scope that GAMI determines are not directly related to Military Procurement, the value of such scope of work will be removed when calculating the Supply Contract Value for the purposes of determining the Industrial Participation Commitment. If GAMI makes such a determination, the adjusted value of the Industrial Participation Commitment will be reflected in the Industrial Participation Agreement.

As a result, the delivery of any Localization on any element unrelated to Military Procurement under the Supply Contract will not contribute to the delivery of the Industrial Participation Commitment.

The Local Content and Government Procurement Authority requirements shall apply on elements of an Acquisition not directly related to Military Procurement.

The value of the Industrial Participation Commitment will be maintained in the original currency of the Supply Contract and the associated Industrial Participation Agreement.

4.4. *The Industrial Participation Proposal*

An Industrial Participation Proposal must identify and detail all aspects of the Industrial Participation that the Contractor is proposing. This would include details of the activities that will be performed and the associated timelines. It should identify the work packages and Local Companies as well as including an assessment of risk and any key dependencies beyond the program or interdependencies with other activities that need to be considered.

The Industrial Participation Proposal should also identify any areas where Export Licenses are required and demonstrate the Contractor's engagement with the relevant foreign authorities to secure the transfer of the relevant items to Saudi Arabia. In addition, the contractor will ensure that GAMI is included in all export licenses and relevant documentation to allow for engagement in all areas of industrial participation proposal.

Prospective Contractors will be expected to develop, prior to submitting their offer, a detailed Industrial Participation Proposal that demonstrates how the specific Industrial Participation objectives will be addressed and how Industrial Participation Commitment will be met.

The Industrial Participation Proposal will be required prior to source selection or Supply Contract award and will be used in the evaluation of the tenders.

Figure 2 shows Industrial Participation in the context of the overall Acquisition process.

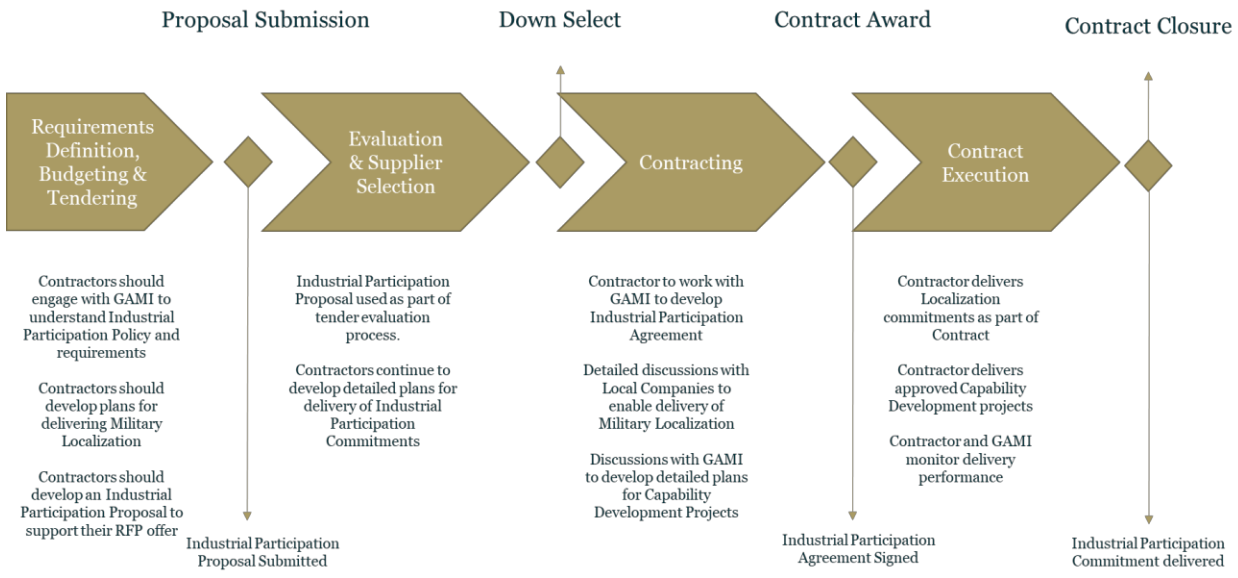

Figure 1 Industrial Participation in the Acquisition Process

4.5. *Eligible Activities & Valuation Factors*

GAMI, through its Military Industries division is the sole authority for the approval of eligible activities, the assignment of any Valuation Factors and the award of Credits under this Industrial Participation Policy

This Industrial Participation Policy encourages Contractors to use any Local Company and to assess all options for establishing sustainable capability in Saudi Arabia, including working with the broader supply base or delivering their own on-shore capability.

In general, activities outside the Military Industry sector will not be considered for the award of Credits but the establishment of approved Dual Use Goods and Services capability will be considered if it supports sustainable Military Industrial capability. GAMI will be required to approve any proposed Dual Use Goods and Services before they will be eligible for the award of Credits.

If the requirement of this Industrial Participation Policy for Localization cannot be met through the use of existing Local Companies, the development of additional industrial capability in Saudi Arabia will be required.

Valuation Factors will apply to each eligible activity with the upper limit awarded to the development of technologies and capability in the Priority Sectors and Priority Technologies. Valuation Factors between 1 and 5 can be awarded to incentivize Contractors to offer the most strategic capability and allows GAMI the flexibility to secure access to these capabilities.

These eligible activities will be assessed in 2 categories as follows:

- Category A – Localization
- Category B – Capability Development

Category A - Localization:

Credits will be awarded for the procurement of Military Goods and Services or approved Dual Use Goods and Services from Local Companies with the following Valuation Factors applied to the value of the transactions. This may include procurement of items beyond the scope of the Supply Contract.

#	Industrial Participation Contribution	Valuation Factor
A.1	Purchase order to Local Company for production of Military Goods and Services or approved Dual Use Goods and Services for Saudi Arabia	1.0
A.2	Purchase order to Local Company for production of Military Goods and Services or approved Dual Use Goods and Services for export	1.0 – 2.0
A.3	Technical support for the production of Military Goods and Services or approved Dual Use Goods and Services	1.0

Credits for Localization will be provided based on the value of work that is contracted with the Local Companies. The value of this Localization will be evaluated as the SAR value of work performed in Saudi Arabia and may be adjusted if these Local Companies subcontract significant portions of the work outside of Saudi Arabia.

- Additional Credits can be awarded where the Contractor uses SMEs in their supply chain for the delivery of goods and services (up to additional 0.5 on value sourced from SMEs).

- Additional Credits can be awarded where the Contractor is establishing a Local Company as a sole source supplier for Military Goods and Services or approved Dual Use Goods and Services (up to additional 1.0 on value sourced from sole source supplier).

- The Contractor will be responsible for providing supporting documents for Localization that demonstrate the value of work that is retained in Saudi Arabia for GAMI's approval.

- Credits will only be awarded for Localization for the export market once any specific requirements of the Supply Contract for Saudi Arabia have been satisfied.

Where additional capability is developed, the value of this will be recognized under Category B, however the additional procurement volume that it enables credited under Category A.

Category B - Capability Development:

Credits will be awarded for investment in Capability Development projects in Saudi Arabia that develop technical and human capability and capacity in the Military Industry in support of the Military Industry Strategy and Technology Strategy.

Credits will not be awarded for projects that do not deliver improvements in Military Goods and Services or approved Dual Use Goods and Services capability. Therefore, Industrial Participation Proposals outside of Military Goods and Services or approved Dual Use Goods and Services sectors will not be considered under this Industrial Participation Policy.

Qualifying projects may include Capability Development projects that will increase the value of Localization that can be delivered. The Contractor will receive Credits for the additional value of the Localization it enables within the Supply Contract under Category A, in addition to Credit for Capability Development under this category B.

Credits will be awarded for direct investment into Saudi Arabia or the transfer of capability into Saudi Arabia that will support Capability Development with the following Valuation Factors:

#	Industrial Participation Contribution	Valuation Factor
B.1	Foreign Direct Investment into a Local Company to produce Military Goods and Services or approved Dual Use Goods and Services	2.0 – 5.0
B.2	Special to type equipment	1.0 – 2.0
B.3	Transfer of technology	1.0 – 3.0
B.4	Technical / specialized training	1.0 – 2.0
B.5	Undertaking research and technology program in approved technologies	2.0 – 5.0

The Valuation Factors of activities will be agreed with GAMI prior to the execution of the Supply Contract.

4.6. *Contracting Framework*

The objective of this Industrial Participation Policy is, in support of the objectives of Vision 2030, to help Contractors focus on delivery of Localization and Capability Development in addition to the delivery of goods and services through their Supply Contracts.

While the principles of Industrial Participation support the development of strategic alignment and a mutual commitment to long-term partnerships, this Industrial Participation Policy aims to create a framework which provides focus on delivering specific and quantifiable outputs alongside the delivery of the Supply Contract.

To achieve this, an Industrial Participation Agreement will be entered into between the Contractor and GAMI that will identify the specific Industrial Participation Commitment of the Contactor. This Industrial Participation Agreement will be agreed and executed at the same time as, or prior to, execution of the Supply Contract.

Industrial Participation Agreement

The Industrial Participation Agreement will set out the Industrial Participation Commitment of the Contractor and will include the Industrial Participation Proposal, Statements of Work for the individual projects and the Credits that will be awarded for delivery of such projects, together with the performance management regime that will apply.

The period in which the Industrial Participation Commitment must be achieved is:

- In respect of such part of the Industrial Participation Commitment as relates to Localization tied directly to the Supply Contract, the period under the relevant Supply Contract in which the Contractor must substantially deliver the relevant Military Procurement.

- In respect of such part of the Industrial Participation Commitment as relates to Capability Development or Localization not tied directly to the Supply Contract, (i) the period under the relevant Supply Contract in which the Contractor must substantially deliver the relevant Military Procurement (ii) plus an additional 2 years (the "**Industrial Participation Commitment Period**").

The Industrial Participation Agreement will be supported by a Performance Security to assure performance of the overall Industrial Participation Agreement.

Each Contractor shall be required to provide to GAMI the Performance Security within 30 days of execution of the Industrial Participation Agreement. The amount of the Performance Security will be 10% of the Supply Contract Value

At its sole discretion, and in exceptional circumstances only, GAMI may consider a corporate guarantee in lieu of a Performance Security.

The Industrial Participation Agreement will govern the delivery of all Industrial Participation activities and will detail the entire scope of activities to be performed, and their respective timelines. It will include:

- A detailed plan for the Localization that will be delivered as part of the Industrial Participation Agreement.
- A detailed plan for any Capability Development projects to develop capability in Saudi Arabia to meet the balance of the Industrial Participation Commitment.

Through the Industrial Participation Agreement, GAMI will secure ownership of certain assets and intellectual property rights related to industrial capability.

4.7. *Performance Management*

This Industrial Participation Policy sets out clear guidelines for the establishment and discharge of Industrial Participation Commitments and it is important that all potential Contractors focus on delivering the expected outcomes.

Performance Review

Regular management reviews should take place between the Contractor and GAMI to monitor and measure the Contractor's progress and for GAMI to award Credits against certified performance pursuant to the Industrial Participation Agreement.

Incentives

In order to encourage the Contractor to deliver Localization, additional Credits ("**Bonus Credits**") may be banked and used towards future Industrial Participation Commitments.

- Bonus Credits of 10% of the Industrial Participation Commitment applicable to an Industrial Participation Agreement will be awarded if GAMI determines that the Contractor has achieved at least 30% Localization in the delivery of such Industrial Participation Commitment.
- Any Bonus Credits earned through the performance of an Industrial Participation Agreement can be used by the Contractor to fulfil up to 25% of the Industrial Participation Commitment in any separate Industrial Participation Agreement subsequently entered into by the Contractor, but cannot be used to satisfy any specific Localization requirements which may apply to such subsequent Industrial Participation Agreement.

Non-Performance

The value of the Industrial Participation delivered will be assessed at the end of the Industrial Participation Commitment Period and failure by the Contractor to deliver the Industrial Participation Commitment in accordance with the Industrial Participation Agreement will result in GAMI being entitled to call some or all of the Performance Security as follows:

- In the event that the Contractor has achieved less than 50% of the Industrial Participation Commitment GAMI will be entitled to liquidate 100% of the Performance Security.
- In the event that the Contractor has achieved between 50% and 100% of the Industrial Participation Commitment, GAMI will be entitled to liquidate the Performance Security by the value calculated as follows:

(Outstanding Value of Industrial Participation Commitment/ Industrial Participation Commitment) * Initial Value of Performance Security

If the Contractor pays a penalty under this Industrial Participation Policy for non-achievement of part of their Industrial Participation Commitment, they will be released from delivering that part of the Industrial Participation Commitment.

In addition, GAMI reserves the right to exclude the Contractor from further Supply Contracts if the Contractor, in the opinion of GAMI, has substantially failed to deliver its Industrial Participation Commitment.

4.8. *Banking of Credits*

This Industrial Participation Policy allows for both pre-banking and post-banking of Credits and recognizes any excess Credits that they generate, as described more fully below, in order to promote long term commitments. These Credits will be accounted for by GAMI and can be used to satisfy Industrial Participation Commitments under Industrial Participation Agreements subsequently entered into by the Contractor.

These Credits will be recorded as Category A or Category B and can only be used against future Industrial Participation Commitments in the same category.

Pre-banking

- To be eligible for Credits any pre-banking projects must be approved by GAMI prior to any commitment by GAMI in line with the principles of this Industrial Participation Policy.
- Projects to use Local Companies or invest in Capability Development may be initiated prior to Supply Contract award.

- Credit will not be provided for the sustainment of activity in Saudi Arabia commencing prior to the approval by GAMI of the pre-banking project.

Post-banking

GAMI will maintain a register of excess Credits that have been banked and can be used by a Contractor to satisfy any future Industrial Participation Commitment.

- Excess Credits generated by a Contractor as part of the Industrial Participation program can be banked and utilized within a period of 5 years from generation.
- Up to 25% of a future Industrial Participation Commitment can be satisfied through the use of banked Credits in the appropriate categories but cannot be used to satisfy any specific Localization requirements.
- If a Contractor establishes a Local Company in their global supply chain, Credits will still be awarded for future exports for a period of up to 5 years beyond the termination or expiry of the Supply Contract.
- Banked Credits shall be utilized by the Contractor, or a member of the Contractors group, and are not transferable to any other Contractor which is not in the Contractors group.

4.9. *Contractor Collaboration*

Contractors can work together or with third parties to deliver projects that may enhance the value that can be delivered to Saudi Arabia.

- Industrial Participation projects that can provide relevant capability to Saudi Arabia can be initiated between the Contractor (including group companies) and their respective suppliers.
- All parties involved in the delivery of the Industrial Participation Proposal will be agreed by GAMI as part of the project approval process.
- Where Contractors collaborate to deliver a joint project, the mechanism for the allocation of Credits between Contractors will be agreed in advance by the Contractors and GAMI based on the contribution of each Contractor and documented in their respective Industrial Participation Agreements.

5. *Program Management*

GAMI will manage the ongoing monitoring and measuring of this Industrial Participation Policy through an open and transparent dialogue and other communication channels between Contractors and other stakeholders. In addition, GAMI will seek regular feedback to ensure the Industrial Participation Policy continues to deliver its objectives and creates a supportive environment for stakeholders.

Contractors will engage with GAMI prior to executing a Supply Contract and at the commencement of the RFP process to develop their Industrial Participation Proposal and execute the Industrial Participation Agreement. Following execution of the Industrial Participation Agreement, Contractors shall report progress against the Statement of Work set out in the Industrial Participation Agreement.

The Industrial Participation Proposal will be evaluated prior to execution of the Supply Contract. The finalisation and valuation of the Industrial Participation Proposal will take place through dialogue and engagement between the Contractor and GAMI, which will apply their valuation principles to the proposals.

In the event that changes are required to the delivery of an Industrial Participation program, the Contractor will engage with GAMI to advise on the changes and any potential impact and negotiate and agree an amendment to the Industrial Participation Agreement.

Progress Reporting

Contractors with Industrial Participation Commitments under this Industrial Participation Policy will be required to attend quarterly review meetings with GAMI. At these meetings, the parties will review existing Industrial Participation Commitments and any future Industrial Participation Proposals to ensure alignment with GAMI's Industrial Development priorities and provide the opportunity to review and endorse any Credit claims or banking applications.

Credit Claim

To claim Credits, the Contractor will submit evidence to GAMI that their Industrial Participation Commitments have been met. GAMI will review the submission to confirm the necessary requirements have been met and confirm or reject the claim.

GAMI reserves the right to audit and validate all submitted documents and request any additional details and documents to demonstrate achievement of Credits. Credits will not be awarded until GAMI is satisfied that the relevant component of the Industrial Participation Commitment has been achieved.

GAMI reserves the right to revoke any Credits if information subsequently comes to light that raises questions over the validity of Credits that have previously been awarded.