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Agreement

Signed on _____ (day) _____ (month) _____ (year)

Between

Israel Electric Corporation

Company no. 520000472

Registered in Israel

Registered office located at 1 Netiv Haor, Haifa

(Hereinafter: the Company)

As the first party

And

I.D. / Company no. / Partnership no. _____

(Hereinafter: the Service Provider)

As the second party

Whereas the Company is interested in the services, as provided by the Service Provider, of an expert of assets management and life-cycle management of assets in the transmission, distribution and metering segments of the electricity network, as specified below in article 1 of this Agreement (hereinafter: the Service);

And whereas the Service Provider agrees to provide the Company with the Service under this agreement (hereinafter: the Agreement);

And whereas the Service Provider declares that he has the required professional knowledge, experience and means to properly deliver the Service under the Agreement;

And whereas the Service Provider examined all the facts and aspects relating to the Service, as defined above, and the Service Provider is interested in

establishing an agreement with the Company in connection with the delivery of the Service;

And whereas the parties are interested in establishing a contractual relationship between them, as specified below in this Agreement;

It is hereby declared and agreed between the parties as follows:

1. Introduction and Interpretation

1.1 The introduction of this Agreement and all its appendices constitute an integral part of the Agreement; in the event of contradiction between the Agreement and the appendices – the provisions of the Agreement shall be binding.

1.2 The headings of this Agreement are for convenience of reference only and do not affect its interpretation.

1.3 Definitions

(a) "The Service" – services of an expert of assets management and life-cycle management of assets in the transmission, distribution and metering segments of the electricity network, as defined in Appendix A and in compliance with the schedule specified in that appendix.

Scope of the Service:

1.3.1 Performing a benchmark of assets management and life-cycle management of assets in the transmission and distribution segments of electricity companies in the world, including its presentation to the Company.

1.3.2 Review of life-cycle management processes of assets in the transmission (excluding substations) and distribution segment among IEC districts and Marketing Division's National Grid Unit, including benchmark between company districts.

1.3.3 Preparation and presentation of a final benchmark report for the transmission and distribution segments and recommendations including alternatives.

1.3.4 Option 1 – Preparation of a strategic road map for assets management and life-cycle management of assets at the transmission and distribution segments (not including substations and metering segments) and presentation to the Company.

1.3.5 Option 2 – Performing a benchmark in the substations of electricity companies in the world and presentation to the Company.

1.3.6 Option 3 – Review of asset life-cycle management processes in IEC substations and presentation of report to the Company.

1.3.7 Option 4 – Preparation and presentation of a final benchmark report for the substations and its presentation to the Company.

- 1.3.8 Option 5 – Preparation of a strategic roadmap (implementation plan) for asset management and life-cycle management of assets in substations and its presentation to the Company.
- 1.3.9 Option 6 – Performing a benchmark for the metering segment of electricity companies in the world and presentation to the Company.
- 1.3.10 Option 7 – Performing a benchmark for the metering segment within IEC and its presentation to the Company.
- 1.3.11 Option 8 – Preparation of a final benchmark report for the metering segment and presentation to the Company.
- 1.3.12 Option 9 – Preparation of a strategic roadmap (implementation plan) for assets management and life-cycle management of assets in the metering segment and presentation to the Company.
- 1.3.13 The Company, at its sole discretion, may require the Service Provider to carry out all or some of the above optional tasks, and the Service Provider is therefore required to perform all the tasks chosen by the Company from the list.
- 1.3.14 The above order of options is not binding and the Company may require the Service Provider to carry out several tasks in parallel.
- 1.3.15 When each comparison (benchmark) between electricity companies (transmission/distribution/supply) throughout the world and/or final comparison between Israel Electric Corporation (IEC) and foreign electricity companies and/or roadmap is complete, the documents, findings and recommendations shall be presented to relevant directors and professionals. The meeting shall be in the form of a lecture and take place in one of IEC facilities in Israel.
- 1.3.16 Preparation and presentation of professional materials and models in compliance with the description of the required service and as required by anyone involved in the process, throughout the Agreement period and as required in IEC Procedure no. NHS-1, Version 1.
- 1.3.17 Documentation of the consultation meetings and materials, including backup, throughout the process, and preparation of documents for meetings, based on specific needs.
- 1.3.18 The expert shall work in his offices and IEC offices. In the event the offices of the Service Provider are situated abroad, the Service Provider hereby agrees to arrive in Israel at least four times to provide the Service, and at least six times to perform the tasks chosen from the options – all this in coordination with the Company.
A kick-start meeting (included in the aforementioned four mandatory meetings) shall take place in Israel before the expert begins his work.
- 1.3.19 The materials shall be presented at IEC facilities and the Service Provider must arrive at Company offices in Israel to present these materials.
- 1.3.20 All the documents and materials must be printed by the Service Provider in Hebrew and/or English. The final reports must be presented during the meetings in Israel in Hebrew and/or English.

- 1.3.21 All documents given by IEC to the Service Provider, including electronic files, shall be in Hebrew and/or English.
- 1.3.22 Any written and/or verbal messages (by phone, fax, email, etc.) between IEC representatives and the Service Provider shall be in Hebrew and/or English. The Service Provider shall ensure that the employees who prepare the comparative survey for the Company, at all times, including all stages of the aforementioned tasks, are Hebrew and/or English speakers.
- (b) "The Service materials" – papers, plans, surveys, software, reports, information, calculations, and any document and/or other material, without exception (including copies), that have been stored using any measure, including any electronic, magnetic or other means, and prepared and/or accumulated by the Service Provider and/or anyone who works on his behalf to provide the Service.
- (c) "The Service Provider's employees" – employees and/or representatives who perform the Service on behalf of the Service Provider.

2. Appendixes

Appendix A – Milestones;

Appendix B – Insurance;

Appendix C – Declaration pursuant to the Public Entity Transactions Law, 1976;

Appendix D – Declaration of conflict of interest;

Appendix E – Privacy statement;

Appendix F – Consideration;

Appendix G – Guarantees for proposal;

Appendix H – Guarantees for performance and quality assurance;

Appendix I – Technical specification NHS-1 ver.1

- 2.1 The Agreement constitutes all the conditions agreed upon between the parties and no negotiation, declaration, presentation, condition, guarantee or obligation that was not explicitly included in the Agreement may be valid if it is prepared, explicitly or implicitly, in writing and/or verbally, after this Agreement was signed.
- 2.2 No change in the Agreement shall be valid unless made in writing and signed by both parties.
- 2.3 The headings of this Agreement are for convenience of reference only and do not affect its interpretation.
- 2.4 No action of any party may be considered as waiver of any of the rights specified in the Agreement and/or any law or as approval of any breach of the Agreement by the other party, unless the waiver and/or approval was prepared in writing.

3. Contractual Relationship

The Company hereby appoints the Service Provider to carry out the Service, and the Service Provider hereby agrees to provide the Company with the Service – all in compliance with this Agreement.

4. Agreement Period

4.1 The Agreement shall be valid for ten months starting the day on which the Agreement is signed (hereinafter: **the Agreement Period**).

4.2 The Company may, at its sole discretion, extend the Agreement Period for ten additional months for no additional payment to complete the Service, or extend the Agreement for 16 additional months to complete the aforementioned tasks, under the same conditions, by sending a written notification regarding the extension to the Service Provider, 30 days in advance, as long as the total Agreement Period, including the extensions, does not exceed three years.

4.3 Despite the aforesaid in **article 4.1**, articles 8, 11, 13, 16 and 17 shall continue to apply after the end of the Agreement Period.

4.4 The total Agreement Period shall not exceed three years.

5. Obligations and Declarations of the Service Provider

Without detracting from other obligations of the Service Provider, as detailed in this Agreement, the Service Provider declares as follows:

5.1 The Service shall be delivered by the Service Provider's employees or, subject to prior written approval from the Company, sub-contractors who work on behalf of the Service Provider, under his personal supervision, all without detracting from his responsibility to deliver the Service under the Agreement.

5.2 The Service Provider shall deliver the Service faithfully, loyally, skillfully, expertly, and at a high professional standard, making his best efforts, using the best means possible, ensuring optimal work by his employees and/or the sub-contractors employed for the delivery of the Service, in compliance with common professional rules throughout the Agreement Period and in accordance with the Agreement and the instructions given periodically by the Company and/or its representative. The Service Provider alone shall be responsible for the quality of the delivered and/or ordered and/or supervised Service.

5.3 The Service Provider must have, throughout the Agreement Period, the required knowledge, experience, qualifications, means, and human resources for the delivery of the Service under this Agreement.

5.4 The Service Provider must hold all the permits required by the law, comply and will continue complying with any law, including bookkeeping, in compliance with the Income Tax Order [New Version], the VAT Act, 1976, the Public Entity Transactions Law (Enforcement of Bookkeeping and Tax Payments), 1976, and any other law.

In the event the Service Provider resides abroad or is registered as a company abroad, the Service Provider must present an accountant's bookkeeping

confirmation in compliance with the applicable law of the country in which he is registered.

- 5.5 The Service Provider shall not publish anything in regards to the Service and its delivery, without exception, including the fact that he is the provider of the Service, unless given prior written explicit approval from the Company.
- 5.6 The Service Provider shall comply with all the security instructions given by the Company in regards to the Service and the maintenance of the Service materials.
- 5.7 The Service Provider must not infringe any patent, copyright, registered model, or any other intellectual right.
- 5.8 To dispel any doubt, it is hereby clarified that the above provisions do not detract from the Service Provider's responsibility or exempt the Service Provider from any of his obligations to the Company under this Agreement.
- 5.9 In the event a lawsuit and/or demand was submitted against the Company in regards to the Service, or the Company submitted a lawsuit and/or demand against any third party in regards to the Service, at any given time, even after the end of the Agreement Period, the Service Provider must provide the Company with all the assistance required against the lawsuit / for the lawsuit submission, including written or verbal legal opinions, testimonies, documents etc. No payment may be added to the consideration specified in the Agreement as a result.

"Lawsuit", for this purpose: any lawsuit that was examined before a judicial institution of any kind (court, arbitrator, etc.), whether or not a final decision was made.

Any breach of this provision shall be considered a fundamental breach of the Agreement.

6. Service Provision and Periodical Report

- 6.1 The Service Provider must carry out the Service in compliance with the schedule determined by the Company and in the Agreement, the tender documents and his offer and the above article 4. In the event the schedule is updated and/or changed by the Company representative, the Service Provider must carry out the Service in compliance with the aforementioned updated schedule and shall not be entitled to any additional payment.
- 6.2 In addition to the provisions specified in Appendix A – the Service Provider must submit a written monthly progress report of the Service delivery and submit it to the Company representative supervising the Agreement. The report must include the following details:
 - 6.2.1 Issues that were solved and operations that were carried out by the Service Provider throughout the month.
 - 6.2.2 Detailed review and nature of the issues/operations specified in article 6.2.1.
 - 6.2.3 Number of monthly working hours of the Service Provider, divided on the basis of the issues/tasks the Service Provider handled during the month.

- 6.2.4 Clarifications regarding the objectives and tasks that were performed over the month (if not accomplished/completed – details of which objectives were not achieved, including explanation of reason why they were not achieved).
- 6.3 The Service Provider must submit to the Company a final detailed report regarding the Service, including findings and recommendations, at the completion of the Service period.
- 6.4 In addition to the aforementioned reports, the Company may demand that the Service Provider prepare additional professional or technical reports at any given time throughout the Service period or at completion of the Service period.

7. Company Representative

- 7.1 The Company representative for this purpose is the engineer Ron Monheight or any other person the Company may appoint to replace or join him (hereinafter: the Company Representative).
- 7.2 The Service Provider must cooperate efficiently and constantly with the Company Representative in regards to the Agreement.
- 7.3 The Service Provider must regularly inform the Company Representative of the Service's progress, as aforementioned in article 6.2, and follow the instructions of the Company Representative.
- 7.4 The Company Representative may visit the offices of the Service Provider and evaluate the Service at all times during the Service period, approve the presence of the Service Provider's employees and request that the Service Provider provide any information and clarifications regarding the Agreement.
- 7.5 The Service Provider must accept the opinions, instructions, and comments of the Company Representative and carry out the Service accordingly.
- 7.6 It is hereby explicit that these provisions do not detract from the Service Provider's full responsibility to the Service or exempt the Service Provider from any of his obligations to the Company under this Agreement, excluding any case in which the Service Provider followed instructions of the Company Representative that contradicted the Service Provider's opinion, as long as the Service Provider gave the Company prior written notice regarding such action.
- 7.7 It is hereby explicit that the Company Representative is not authorized to approve changes in and/or deviations from the Agreement and appendices, unless given approval from authorized position holders of the Company according with Company procedure. The Service Provider may not change the Agreement unless given signed written approval from the Company Representative and his manager.

8. Service Materials

- 8.1 It is hereby explicit that the Service materials, including any novelty, patent, copyright, model, trademark, method, expertise, knowledge, finding, and recommendation relating to the Service shall exclusively be Company property. Without detracting from the aforesaid, it is therefore agreed that no work

prepared by the Service Provider may be considered his intellectual property, and the Service Provider hereby waives any such intellectual right.

- 8.2 The Company may use the Service materials as it sees fit, without any limitation, and change and/or transfer them to any third party without approval from the Service Provider and/or any compensation to the Service Provider, apart from the consideration specified in the Agreement. The Service provider hereby waives any claim to this right, including any demand of damages or intellectual rights. To dispel any doubt, the consideration given to the Service Provider under this Agreement reflects the transfer of all intellectual property rights to the Company.
- 8.3 The Company may demand that the Service Provider deliver any of the items included in the Service materials at all times during the Service period or at the end of the Service period.
- 8.4 Once this Agreement is no longer in force, for any reason, including any case of early termination as specified below in article 22 or as demanded by the Company's Representative for any reason, or once the Service Provider completes his work, the Service Provider must submit the Service materials to the Company Representative, including the original documents and copies of all plans, calculations, designs, and other documents in his possession, whether prepared by him or anyone else. They must be attached to an authorization signed by the Service Provider, confirming that he does not keep or permit anyone else keep any plan, calculation or other document with respect to the Service (whether an original document or a copy).
- 8.5 The Service Provider must submit all such documents and materials in an orderly manner and in the form approved by the Company.
- 8.6 The Service Provider may not copy any document, map or sketch with respect to the Service or deliver them to anyone else without prior written approval from the Company Representative.
- 8.7 In the event a document or any other material is lost, the Service Provider must inform the Company Representative and follow his instructions.
- 8.8 It is therefore clarified that the Service Provider shall have no lien concerning the Service materials.

9. Consideration

- 9.1 For the delivery of the Service and the completion of all his tasks under the Agreement, to the full satisfaction of the Company, the Company will pay the Service Provider an amount that shall not exceed _____ (in words: _____) NIS / US dollars / Euro, in addition to VAT, as specified by the law.
- 9.2 It is therefore explicit that in the event the Company, at its sole discretion, decides to appoint the Service Provider to carry out some or all of the tasks, the Service Provider shall receive an additional payment in an amount that shall not exceed _____ (in words: _____) NIS / US dollars / Euro.

9.3 VAT as specified by the law shall be added to the consideration. In the event the Service Provider is not Israeli, VAT shall be added insofar as it is required by Israeli law.

9.4 The Company shall pay the Service Provider for the visits in Israel if his main offices are abroad and the employees who carry out the Service on his behalf reside abroad. The payment shall be based on the actual number of visits in Israel, as the Company shall pay for no more than four visits for delivery of the Service – a kick-start meeting, a meeting for the benchmark survey presentation, a meeting for the presentation of the final comparative survey, and an additional meeting, as well as 6 more visits if the Company decides to exercise the options (a meeting for the benchmark survey presentation and a meeting for the presentation of the final comparative survey regarding substations and the metering segments, a meeting for the roadmap presentation and an additional meeting). The Service Provider shall cover any additional visit for the delivery of the Service.

9.5 Each subject in Appendix A, "Milestones", shall be defined in advance, in coordination with the Company Representative, in a work plan, complying with the determined milestones and schedule.

Consideration shall be paid at the end of each milestone based on the payment percentage specified in Appendix A and subject to completion of the milestone and approval of the documents submitted in compliance with Appendix A.

In the event the Company decides to require all or some of the optional tasks, consideration shall be paid based on the provisions specified in Appendix F. It is therefore explicit that the Company does not guarantee a certain work extent, and the Service Provider is aware that the Company may not exercise any options, and he may not file any claim and/or demand and/or lawsuit in the event all or some of the options are not realized. Furthermore, it is explicit that the Service Provider may not claim that he invested in the Service more hours than anticipated, and may not receive any compensation for such working hours.

9.6 Each work plan must be approved in advance and attached to this Agreement as an appendix.

9.7 Payment terms:

a. The Service Provider may submit to the Company a tax invoice following the completion of milestones 1.2, 1.3 and 1.5 as detailed in Appendix A. The invoice shall be based on the payment percentage applicable to the milestone, as specified in Appendix A.

b. The Service Provider may submit to the Company a tax invoice following every visit to Israel.

c. The payment shall be in the currency specified in the offer (NIS / US dollars / Euro), based on the details in the supplier detail form (the form must be signed and then stamped by the Company).

d. In the event the Service Provider is liable for additional tax per each payment due to his place of residence/work or any other reason, the payment shall be provided as long as the Service Provider adheres to all the

applicable terms and conditions and submits all the required documents to the Company.

9.8 The consideration shall be paid to the Service Provider as follows:

A tax invoice must be sent to the Company, to the offices of Finance Department, Marketing Division, 25 Hahashmal, Tel Aviv, as aforesaid, in addition to the materials required in Appendix A and monthly reports, as detailed in article 6.2, regarding all the months applicable to the payment, and in addition to all the documents, information and/or clarifications required by the Company for this purpose.

9.9 Payment will be issued according to the invoice current plus 90, namely 90 days from the first day of the month following the date of receipt of the invoice, or 90 days from the first day of the following month in which the service was performed, whichever is later, subject to IEC approval.

9.10 In the event an Israeli supplier requests the consideration in foreign currency, he must write the amount in NIS and the foreign currency in the tax invoice, excluding and including VAT (after conversion in accordance with the representative rate published by the Bank of Israel – the last known value on the invoice issuance date).

9.11 In the event that taxation applies on the Service Provider because of the agreement with IEC, when receiving the payment and on the amount received, he may submit an invoice instead of tax invoice. In the event that taxation applies in respect of the transaction, at receipt of the payment and due to the volume of transactions of the Service Provider (following the VAT Act - 1975), the Service Provider shall submit accountant authorization or his manager's approval regarding the applicable taxation date in respect to the transaction, upon receipt of the payment and on the amount received. Such approval shall be submitted by the Service Provider for the year ended and will be renewed every year. After the Service Provider submits such an approval, IEC will act according to this approval for payments which will be made against the invoices transferred after the submission of the approval and the proceeds will be paid against the transfer of the invoice.

9.12 In the event that the Service Provider may transfer an invoice instead of a tax invoice for payment, as specified in paragraph 9.6 above, he issues an invoice, as noted, the following provisions shall apply:

- The Service Provider undertakes to transfer to IEC a tax invoice no later than fourteen days after the receipt of the proceeds, paid to him upon presentation of invoice.
- In the event that the Service Provider will not transfer to IEC a tax invoice on the said date, IEC may withhold payment due for the Service Provider, either for this Agreement or for any other contract with him, until receipt of the tax invoice. The amount delayed shall be in the amount of input tax paid by IEC and will not be deducted for the non-transfer of the tax invoice by the Service Provider at the relevant date.

9.13 Without detracting from the aforesaid, IEC shall be entitled to claim funds from the Service Provider and / or offset the money owned to the Service

Provider, either for this contract or for any other contract that the Company has with him. This is in lieu of damages caused due to failure to transfer the tax invoice at the relevant date.

- 9.14 It is therefore explicit that the consideration shall be identical, whether the Service was provided in the Company sites or the facilities of the Service Provider.
- 9.15 The payment shall not be index-linked.
- 9.16 To dispel any doubt, it is hereby declared that the consideration specified in articles 9.1 and 9.2 is the total and final consideration to the Service Provider for the Service, and the Service Provider may not receive any addition and/or cost participation and/or coverage of any direct or indirect expenses in regards to the Agreement, apart from value added tax, as aforementioned.
- 9.17 In any event, the consideration paid by the Company to the Service Provider shall not exceed _____ NIS (excluding VAT) throughout the Agreement Period, including payment for the implementation of optional tasks.

10. Taxes and Compulsory Payments

- 10.1 The Company shall deduct at source any tax and compulsory payment in compliance with the law in any event of payment under this Agreement. It is hereby explicit that the Company must deduct at source any such tax and compulsory payment at the maximum rate determined by the law, unless it is stated otherwise in an approval from the Tax Authority that was submitted by the Service Provider.
- 10.2 The Service Provider must submit to the Company a certified copy of the following documents on the date this Agreement is signed:
- a. Confirmation of valid registration as licensed dealer from the Tax Authority, in compliance with the VAT Act, 1975.
 - b. Confirmation of lawful bookkeeping, as required in article 2(a) of the Public Entity Transactions Law (Enforcement of Bookkeeping and Tax Payments), 1976.
- 10.3 Submission of all the documents that were detailed above in article 10.2 is a prerequisite to any payment to the Service Provider under the Agreement. In the event the Service Provider resides abroad or is registered as a company abroad, the Service Provider must submit a bookkeeping confirmation from an accountant and any other document prior to the payment, as required by the applicable law of the country in which he is registered.

11. Liability

- 11.1 The Service Provider shall be fully and exclusively responsible for any damage (to people or property) or loss, including work accidents, incurred to the Service Provider and/or any of his employees and/or sub-contractors and/or any third party and/or the Company in connection with the Service and/or following any breach of this Agreement by the Service Provider.
- The Service Provider hereby releases the Company from any liability to any such damage or loss. In the event of claim and/or demand and/or lawsuit

(hereinafter, for convenience: Lawsuit) following any such damage or loss, the Service Provider agrees to compensate the Company for the entire amount of its liability, including expenses, including case of compromise – all immediately at the initial demand by the Company, and as long as the Company informs the Service Provider of the lawsuit in advance, allowing him the opportunity for defense against the lawsuit.

11.2 None of the provisions in this Agreement may render the Company or anyone who works on its behalf responsible for any loss and/or damage and/or expense which might be caused to people and/or property of the Service Provider and/or any of his employees or anyone who works periodically on his behalf and/or on behalf of his employees and/or representatives and/or any third party following any omission and/or action with respect to this Agreement, and the Service Provider alone shall be responsible to the consequences of all the aforementioned cases.

12. Insurance

12.1 Without detracting from his responsibility under this Agreement, the Service Provider undertakes to insure his liabilities in a reputable insurance company, at his sole expense, for his benefit and for the Company's benefit, under the law and according to the provisions of this Agreement.

12.2 Without detracting from the generality of the aforesaid, the Service Provider commits to purchase the following policies and ensure they are valid throughout the entire Agreement Period (as required):

Employers liability insurance that includes IEC as another insured party or personal accident insurance that includes a clause of waiver of the right of subrogation against IEC.

12.3 It is hereby agreed that the policy issued in compliance with article 12.2 must include (if needed) the Company as an insured party together with the Service Provider, or include a clause of waiver of recourse and/or recovery and/or subrogation against the Company and/or its employees and/or representatives and/or sub-contractors and/or anyone working on its behalf.

12.4 The policies issued in compliance with this article shall include an article that prevents their cancelation for any reason, unless written notice is given to the Company 60 days in advance.

12.5 If required by the Company, the Service Provider must show the Company representative proof of the aforementioned cancelation and receipts.

It is therefore explicit that the aforementioned provisions may not detract from the responsibility of the Service Provider and/or his obligations to the Company – as determined by the law and this Agreement.

12.6 Confirmation of insurance, in compliance with the coverage requirements specified in this Agreement, is attached as Appendix B (hereinafter: the Insurance Appendix). The Service Provider must submit the Insurance Appendix, signed by the insurance company, to the Company on the date this Agreement is signed.

12.7 The Company may examine the policies issued by the Service Provider, who must change or amend them as required to meet the conditions specified in the Agreement. The Service Provider declares that the Company's right to examine the policies and right to amend them as aforesaid shall not render the Company or anyone working on its behalf responsible whatsoever to the policies or their type or extent, and shall not detract from any liability of the Service Provider, as defined by the law or this Agreement.

13. Employees of the Service Provider

13.1 General

13.1.1 The Service Provider declares that the number and professions of his staff members, including professionals he might employ specifically for the implementation of the Agreement, enable the delivery of the Service under the Agreement and Technical Procedure no. NHS-1, Version 1, to the satisfaction of the Company Representative throughout the Agreement Period.

13.1.2 The Service Provider agrees to immediately terminate the work of any his employees for the implementation of the Agreement if required to do so by the Company and may do so at its sole discretion.

13.1.3 The Service Provider must equip his employees, including professionals he might employ specifically for the delivery of the Service under this Agreement, at his expense, with all the required measures, such as vehicles, communication devices, computerized machinery and software for the delivery of the Service under this Agreement. The Service Provider must properly maintain this equipment and cover maintenance costs. The Company shall not be responsible for any loss or damage to the Service Provider's equipment or any part of it, for any reason.

13.1.4 The Service Provider must comply, throughout the entire Agreement Period, with all his obligations to his employees, such as: payment of wages on the date specified in the Wage Protection Law, 1958; this remuneration may not be below the minimum wage, as specified in the Minimum Wage Law, 1987, and the employer must grant his employees the statutory rights they are entitled to under any law, collective agreement or extension order that applies to the collective agreement.

13.1.5 The Service Provider must ensure that all the provisions and deductions required under any law, collective agreement or extension order that applies to the collective agreement, as far as applicable to his employees, are transferred to authorities, provident funds and other institutions on time. He must pay all the taxes, levies and National Insurance Institution fees that apply to his employees on time, according to law.

13.2 No Employer-Employee Relationship

13.2.1 None of the provisions in this Agreement may form or be interpreted as forming employer-employee and/or agency relationship and/or

partnership between the Company and the Service Provider and/or between the Company and any person or organization the Service Provider might employ for the implementation of this Agreement. To dispel any doubt, the Service Provider declares that he provides the Service and implements this Agreement as a fully independent contractor, as defined by law.

- 13.2.2 The Service Provider declares that he provides services to others as well and is not a part of the Company's organizational structure or intends to become a part of the Company.
- 13.2.3 The Service Provider and his employees and agents may not be considered employees of the Company, and there shall be no employer-employee relationship between them and the Company. The Service Provider must inform employees that their work does not constitute any employer-employee relationship between them and the Company.
- 13.2.4 To dispel any doubt, it is hereby explicit that the Company shall not be required to pay any amount to employees of the Service Provider, and only the Service Provider shall pay his employees for their work. The Service Provider must inform all his employees and agents of this provision.
- 13.2.5 The Service Provider must compensate the Company for every demand or lawsuit that may be filed against the Company on his behalf or by any third party in regards to the Service, in the event of any claim of existence of employer-employee relationship between the Company and the Service Provider.
- 13.2.6 It is hereby explicit between the parties that in the event an authorized court will determine in the future that employer-employee relationship existed between the Company and the Service Provider and/or employees of the Service Provider during the Agreement Period, following any lawsuit that might be submitted by the Service Provider or his replacement or anyone who works on his behalf, and would decide that the Company must pay wages to the Service Provider and/or his employees and/or grant them the statutory right they are entitled to under any law, instead of the consideration specified in this Agreement, the Company shall pay the Service Provider and/or his employees the minimum wage applicable to the Agreement Period, considering the changes that were made in the minimum wage over this period.
- 13.2.7 In the aforementioned case, any amount that was paid to the Service Provider under this Agreement and that exceeds the aforementioned minimum wage must be repaid to the Company immediately when the request to do so is received. Such payment shall be linked to the consumer price index and include interest as required by law.
- 13.2.8 The parties hereby agree that the provisions in this article shall apply throughout the entire Agreement Period and continue to apply afterwards.

13.3 Adherence to the Foreign Workers Law (Prohibition of Unlawful Employment and Assurance of Fair Conditions), 1991

13.3.1 The Service Provider hereby declares that he does not employ foreign workers.

13.3.2 The Service Provider must adhere to the Foreign Workers Law (Prohibition of Unlawful Employment and Assurance of Fair Conditions), 1991 (hereinafter: the Foreign Workers Law) should he employ foreign workers.

13.3.3 It is hereby agreed that incompliance, whether in the form of action or inaction, with the provisions in this article shall be considered a fundamental breach of this Agreement, and the Company may demand remedy as specified by the law in such case, such as compensation by the Service Provider to the Company due to any demand and/or lawsuit that was filed against it following the breach and/or prompt termination of the Agreement.

13.4 Adherence to the Minimum Wage Law, 1987

13.4.1 The Service Provider must adhere to the Minimum Wage Law, 1987 (hereinafter: the Minimum Wage Law). It is therefore explicit that incompliance with the Minimum Wage Law in a way that breaches the rights of any employee working for the Service Provider for the delivery of the Service shall be considered a breach of the Agreement.

13.4.2 In the event the Company is sued following incompliance with the Minimum Wage Law or failure to pay wage and/or grant statutory rights to employees of the Service Provider and/or delay of wage payment, the Service Provider must compensate the Company in the full amount the Company would be charged with following the lawsuit, as long as the Company promptly informed the Service Provider of the aforementioned claim and/or lawsuit, allowing him an opportunity to defend himself against the claim and/or lawsuit in the form agreed upon between the parties.

See the attached **Appendix C – Declaration of the Service Provider in Compliance with the Public Organization Transactions Law, 1976**, an integral part of the Agreement. It is hereby explicit that in the event the Service Provider does not reside in Israel, articles 13.3 and 13.4 shall apply to his employment of workers in Israel and his employment of workers elsewhere, as far as required by the applicable law.

14. Guarantee

14.1 The Service Provider must submit to the Company a performance guarantee in the amount of 10% of the contract value specified in **Appendix G – Performance Guarantee**, an integral part of the Agreement, immediately after

notification of his tender win, and issue the documents required by the Company immediately after being required to.

14.2 In the event the bid bond is not replaced with a performance guarantee, the Service Provider confirms that the bid bond must be immediately forfeited or used as performance guarantee, as the Company sees fit, until a new performance guarantee is issued.

14.3 Without detracting from the aforesaid in sub-section 14.2, failure to timely issue the required performance guarantee shall be considered a fundamental breach of the Agreement, and the Company may use all the remedies specified in this Agreement in such an event, in addition to any other remedy it is entitled to under the law, including the right to cancel the Agreement following a fundamental breach.

14.4 In the event the Company did not demand an issuance of performance guarantee after notifying the contractor of his win, it shall not constitute estoppel or waiver of the Company in connection with any of its rights and/or remedies under this Agreement or the law, in respect of not providing guarantee performance by the Service Provider as required, on the date set above.

15. Signature

15.1 It is hereby explicit that in the event the Service Provider cancels his offer and/or fails to sign the Agreement within the timeframe specified in this Agreement, it shall be considered a breach of the Agreement.

15.2 It is therefore explicit that the bid bond shall be used only as guarantee for the collection of compensation/damages in the event of breach of contract by the Service Provider, and such forfeiture shall not affect the Company's right to additional compensation for the breach. In any event, the Company may collect the full compensation it is entitled to under the law or the Agreement/order following the aforementioned breach, regardless of the amount of the forfeited bond (if forfeited).

16. Confidentiality

16.1 For the purpose of this article, information is any professional and/or personal and/or technological and/or commercial knowledge and/or material of IEC and/or others working on his behalf, including information that was delivered to IEC by third parties, as long as it has not become common knowledge, and any information regarding commercial data of IEC and/or any of its clients that was delivered to the Service Provider and/or his employees and/or anyone who works on his behalf and/or brought or will be brought to their knowledge during the Service period verbally or through records, disks, files, software, sketches, booklets or any other media and in any form, including any product, concept, plan, and document.

16.2 It is therefore explicit that all Service materials and any right that might be formed following the Service shall be exclusively the Company's property. Without detracting from the aforesaid, the Service Provider confirms that the

Company may use the Service materials and/or any part of them free of additional charge.

- 16.3 The Service Provider must maintain full confidentiality in regards to the Service and its provision, including the service materials and any part of them and/or any information that was brought to his knowledge during and/or following the delivery of the Service, whether the materials were prepared by Service Provider and/or anyone who works on his behalf and/or at his expense or by others for the Company. In addition, the Service Provider may not publish any information relating to the Service and/or its delivery, in any form and without exception, unless given explicit prior written approval from the Company.
- 16.4 The Service Provider agrees to sign and require his managers, employees, agents and representatives to sign a non-disclosure agreement, as phrased in Appendix E of this Agreement. The Service Provider must make his best efforts to ensure that the aforementioned persons maintain full confidentiality as required and adhere to the commitments according to the non-disclosure agreement.
- 16.5 Without detracting from his responsibility under this Agreement and/or any law, the Service Provider must take all necessary measures to fully maintain the confidentiality of every document with respect to the Service he might have in his possession and prevent anyone who not authorized by the Company from obtaining access to any such document. In addition, the Service Provider must adhere to every demand of the Company Representative and/or the Company to add safety measures to the ones he uses. In the event of any incident in connection with the Service materials, the Service Provider must inform the Company Representative of the event immediately.
- 16.6 It is hereby explicit that any information the parties use for the delivery of the Service and the materials produced during and any right that might be formed following the Service shall be exclusively the Company's property. Without detracting from the aforesaid, the Service Provider declares that the Company may use the information and/or any material ensuing from it free of additional charge.
- 16.7 The Service Provider must maintain full confidentiality in regards to the Service and its delivery, including the information or any part of it, and maintain confidentiality in connection to any information that might be brought to his knowledge during and/or following the delivery of the Service, whether the materials were prepared by the Service Provider and/or anyone who works on his behalf or by others for the Company. In addition, the Service Provider must not publish any detail relating to the Service and/or its delivery, including the information or any part of it, in any form and without exception, unless given explicit prior written approval from the Company.
- 16.8 The Service Provider agrees to sign and require his managers, employees, agents and representatives to sign a non-disclosure agreement, as phrased in **Appendix E** of this Agreement. The Service Provider must make his best efforts to ensure that the aforementioned persons maintain full confidentiality as

required and adhere to the commitments according to the non-disclosure agreement.

16.9 Without detracting from his responsibility under this Agreement and/or any law, the Service Provider must take all necessary measures to fully maintain the confidentiality of the information, including every document in regards to the Service he might have in his possession and prevent anyone not authorized by the Company from obtaining access to any such document. In addition, the Service Provider must adhere to every request of the Company Representative and/or the Company regarding use of additional safety measures concerning information. In the event of any incident in connection with the aforementioned information, the Service Provider must inform the Company Representative of the event immediately.

16.10 Maintenance and use of the information:

16.10.1 Information classified by IEC as "confidential - commercial", "secret - commercial", "sensitive – personal", "limited – personal", "limited – crucial database" [hereinafter: Classified Information] must be kept locked in closets throughout hours of activity during which the information is not used – including daytime. The Service Provider is obligated to verify with the Company the classification of the information he receives from the Company.

16.10.2 The Service Provider and his representatives, who will be given access to Classified Information to provide the Service, must undergo a security compatibility check by IEC.

16.10.3 The materials classified "secret" by IEC must be kept locked in a safe throughout hours of activity during which the information is not used – including daytime.

16.10.4 The Service Provider and his representatives must avoid removing information outside IEC facilities as much as possible, and must not leave such information in an unattended car.

16.10.5 The Service Provider and/or his employees and/or others working on his behalf must not remove information outside IEC facilities and work at home with the information unless given prior written permission from the Company.

16.10.6 Any information that is no longer needed must be shredded by the Service Provider in a shredding machine approved by the Company, or be brought for shredding at IEC facilities.

16.10.7 The Service Provider must not process information on his computer systems, unless given prior written approval from the Company, including approval of the Service Provider's network connection. In addition, IEC information must not be used on computers that are not the Service Provider's computers, unless they are IEC-issued computers .

Use of mobile computers for the delivery of the Service:

16.10.8 Mobile computers shall be connected only to the safe network of the Service Provider, which must be approved by the Company, as specified

above in article 16.7. The IEC information security policy shall apply to the mobile computers, including protection with anti-virus software. Mobile computer hard-drives and any other device that store the Company's Classified Information must be encrypted with measures approved by the Company.

- 16.10.9 The Service Provider may not allow the connection of a mobile computer to another network, including any wireless network. Therefore, the Service Provider must disable the ability to create such connection, using logic programs, for example.
- 16.10.10 The Service Provider and/or his employees and/or representatives may not leave mobile computers in an unattended car and/or any other car, including the trunk.
- 16.10.11 The Service Provider must ensure that mobile computers taken to their homes by his employees and/or representatives are kept hidden, as much as possible, and locked in a closet or drawer.
- 16.10.12 The Service Provider employee may not begin any activity involving IEC or be exposed to any information regarding this Service unless given comprehensive instructions on information security from the Service Provider.
- 16.10.13 The Service Provider must ensure that visitors, maintenance personnel, cleaners, etc. entering the work areas in which IEC information is maintained and/or processed are closely accompanied by a Service Provider employee while in in these areas.
- 16.10.14 The Service Provider must ensure that the entrance door of the Service Provider's offices, the entrances to the work areas in which IEC information is maintained and/or processed, the closets and the windows are locked, and the alarm system (if exists) is turned on at the end of every workday.
- 16.10.15 The Service Provider must appoint one of his employees to serve as "information security supervisor". This supervisor must instruct employees of the Service Provider to adhere to the provisions included in this article and ensure that the employees adhere to these provisions.

17. Lack of Conflict of Interest

- 17.1 The Service Provider declares and undertakes that he does not and will not have during the provision of the Service any conflict of interest in regards to delivery of the Service to the Company.
- 17.2 The Service Provider must immediately inform the Company of anything that might constitute a conflict of interest and/or any similar concern regarding this Agreement.
- 17.3 Without detracting from the Service Provider's reporting obligation, as specified above in article 17.2, the Service Provider must submit to the Company annual statements of conflict of interest throughout the Agreement Period. These mandatory statements shall be phrased as **Appendix D** of this Agreement.

- 17.4 The Company may terminate the Agreement with the Service Provider at all times in the event the Service Provider is and/or might be in a state of conflict of interest between the delivery of the Service under this Agreement and any other matter. In such an event, the Company shall not be required to pay the Service Provider any compensation.
- 17.5 The Service Provider agrees not to perform, or deal with, by himself or with the assistance of others, any work that constitutes and/or might form a conflict of interest and/or an infringement of the Company's trade secrets unless given explicit prior written approval from the Company.
- 17.6 The Service Provider may not use, during the Agreement Period and/or afterwards, the data and/or materials he prepared and/or received and/or accessed during and/or following the delivery of the Service to Company under this Agreement unless given explicit prior written approval from the Company. In addition, the Service Provider agrees not to allow any third party to make any use of the Service materials unless given explicit prior written approval from the Company.
- 17.7 The Service Provider may not provide the Service, by himself or with the assistance of his employees, if anyone of them is a relative of an IEC employee and if the delivery of the Service may form a conflict between the interests of IEC and the Service Provider, unless given prior written approval from IEC.
- 17.8 Without detracting from the generality of the aforesaid, the Service Provider may not provide the Service, by himself or with the assistance of his employees, if any of them is a relative of an IEC employee who works in a unit that supervises the Service Provider or works directly with him, unless given prior written approval from IEC.
- 17.9 The Service Provider must inform IEC in writing of any possible conflict of interest.
- A relative, for this purpose, is as defined in the Governmental Companies Regulations (Provisions Regarding the Employment of Relatives), 2005.
- 17.10 If a reasonable suspicion arises during the process of engagement of the IEC and / or the contract and / or any other agreement with IEC, the Service Provider or its representative:
- a. Committed, or attempted to carry out or been involved in a scam against the IEC and / or;
 - b. Committed a criminal offense in regards to the supply or sale of goods and / or services and / or trade of real estate and / or perform work for the IEC.

The IEC may, at its sole discretion, not involve the Service Provider in the contractual process where there is a suspicion that the act was done as aforesaid, and / or any other contracting proceeding of the IEC (in this paragraph: "The process of engagement") and / or not to accept the proposal and / or cancel at any time its winning and / or cancel at any time the contract and / or the purchase order / contract resulting from the contractual process and / or a valid agreement with the service provider, in addition to any other remedy available to IEC by virtue of the contract /

order, agreement, contract documents, contracts law (Remedies for Breach of Contract), 1970, or under any law.

18. Non-Payment of "Mediation Fees" to "Mediators"

18.1 In addition to adherence to the obligations and prohibitions specified by applicable laws, such as the Penal Law, 1977, the Service Provider and all his representatives hereby agree:

- a. Not to offer and/or give and/or receive, directly and/or indirectly, any benefit and/or money and/or valuable to directly and/or indirectly affect any decision and/or action and/or inaction of IEC or any of its officials and/or employees and/or anyone working on its behalf and/or anyone else during any contractual process and/or contract/order that arise from it.
- b. Not to cooperate with and/or solicit, directly and/or indirectly, any official and/or employee of IEC and/or anyone working on its behalf and/or anyone else to receive confidential/secret information regarding any contractual process and/or contract/order that arises from it.
- c. Not to cooperate with and/or solicit, directly and/or indirectly, any official and/or employee of IEC and/or anyone working on its behalf and/or anyone else to fix artificial and/or non-competitive prices.
- d. Adhere to the above sub-sections a-c during all IEC contractual processes and/or the contracts/orders that arise from them.

18.2 In the event of reasonable suspicion that the Service Provider and/or anyone working on his behalf did not comply with the above article 18.1, IEC reserves the right, at its sole discretion, to prevent his participation in any contractual process during which such violation was allegedly committed, and/or any other contractual process of the Company (in this article: "contractual process"), and/or refuse his offer during the contractual process and/or cancel his win in the contractual process at any given time and/or terminate the contract and/or order that might arise from the contractual process and/or any applicable agreement with the Service Provider at any given time, all in addition to other remedies the Company is entitled to under the contract/order, the Agreement, the contractual papers, the Contracts Law (Remedies for Breach of Contract), 1970, or any other law.

18.3 The Service Provider must bring the content of this article to the knowledge of all his employees, sub-contractors and representatives working on his behalf in connection with the IEC contractual process and/or any contract/order that may arise from it.

19. Amount Offset

19.1 The Company may offset any debt the Service Provider might be required to pay the Company for any reason (contractual, damage-related etc.), including any reason that might arise from this Agreement or any other contract with the Company, from any debt the Company might be required to pay the Service

Provider under any agreement. The Service Provider declares that the amounts charged under this article include both liquidated and unliquidated claims.

19.2 If overpayments to the Service Provider are revealed after the Service Provider completes the delivery of the Service, the excess amount must be reimbursed to the Company immediately at its demand. The aforementioned amount shall be linked to the consumer price index and interest must be added as required by law. The interest shall be calculated on the basis of the period between the date of payment to the Service Provider and the date of repayment.

20. Right of Lien

20.1 The Company may retain the payment the Service Provider is entitled to in any event of full or partial breach of the Agreement, including any event of failure to issue a performance guarantee as required in this Agreement, and any event of lawsuit against the Company and/or damage to the Company and/or anyone else in connection with this Agreement, all without detracting from any other remedy IEC is entitled to.

20.2 In the event the Agreement is terminated by IEC following any breach of agreement by the Service Provider, IEC may maintain the aforementioned retained amount until it is determined (in a verdict or a compromise agreement) what the extent of the damage following the Service Provider's breach of agreement. This amount shall be offset from the retained amount, without detracting from the Company's right to charge the Service Provider for damages that were not covered by the offset.

20.3 The aforementioned retained amount shall not be linked to any index and no interest may be added.

21. No Assignment or Encumbrance

21.1 No party may fully or partially assign and/or transfer and/or mortgage the Agreement or order or any charge and/or right and/or benefit that arise from them, unless given explicit prior written approval from the other party. Any assignment and/or encumbrance that was not approved as required, or was performed without adherence to all the terms specified by the other party, shall be deemed null and void.

21.2 Without detracting from the aforesaid, the Company may assign and/or transfer and/or mortgage the Agreement or order or any charge and/or right and/or benefit that arise in the event of change in or structural division of the Company, as defined by applicable laws, including the Electricity Sector Law, 1996 and/or the Governmental Companies Law, 1975 and/or governmental decisions. IEC must inform the Service Provider of any such assignment and/or transfer and/or encumbrance in advance and in writing.

22. Early Termination

- 22.1 The Company may terminate the Agreement early, at all times and for any reason (hereinafter: "early termination"), by submitting a written notice at least 14 days in advance.
- 22.2 Without detracting from the generality of the aforesaid, it is hereby explicit that the Company may, at its sole discretion, discontinue the Service after the completion of _____.
- 22.3 In the event of early termination, the Service Provider may not receive any compensation or damages in addition to the consideration for the Service he delivered until the early termination date.
- 22.4 It is therefore explicit that in the event of early termination of the Agreement and/or cancelation and/or termination of the Agreement for any reason, the Company may appoint others to complete the delivery of the Service, as it sees fit, and hand them all the Service materials that were prepared until the termination date.

23. Breach of Agreement

- 23.1 Without detracting from any other provision in this Agreement, the Contracts Law (Remedies for Breach of Contract), 1971 (hereinafter: the Remedies Law) shall be applicable in any case of breach of the Agreement or any part of it by either party.
- 23.2 Any breach of articles 1-10, 11-15 and 16-21 shall be considered a fundamental breach of contract, as defined in Section B of the Remedies Law.
- 23.3 In the event of reasonable suspicion that the Service Provider and/or anyone working on his behalf, in connection with this Agreement and/or any other agreement or contractual process between the Service Provider and the Company:
- 23.3.1 Committed or attempted to commit any fraud against the Company or was involved in such act;
- 23.3.2 And/or committed any felony in connection with any delivery or sale of goods and/or services and/or any real-estate transaction and/or any work for the Company,
- The Company may, at its sole discretion, cancel the Agreement at any given time and use any other remedy it is entitled to under the Agreement, the Contracts Law (Remedies for Breach of Contract), 1971, or any other law.
- 23.4 In the event the contract was canceled by one of the parties following any breach of contract, the contract shall be deemed null and void, except for the articles specified above in article 4.3.

24. Governing Law and Jurisdiction

- 24.1 The governing law of this Agreement shall be only the substantive law of Israel. To dispel any doubt, it is hereby explicit that Israeli law applies to this Agreement regardless of the details of the parties. Namely, it shall be in effect in the event the Service Provider is a foreign resident / foreign company / company situated abroad.

24.2 The parties submit all their disputes arising from this Agreement to the exclusive jurisdiction of the courts of the Tel Aviv District.

25. Waivers

25.1 In the event the Company waives compliance to any provision and/or approves any breach of provision by the Service Provider under this Agreement, it shall not be considered waiver by the Company of the compliance to this or any other provision in the future and/or approval to breach this or any other provision in the future.

25.2 No waiver, inaction or extension by the Company and/or non-use of any right the Company is entitled to under this Agreement may be considered waiver of any of the Company rights, become any form of precedent or be used to withhold any claim or lawsuit of the Company against the Service Provider.

26. Miscellaneous

26.1 It is hereby explicit that the delivery of the Service by the Service Provider to the Company may not limit the Company's agreements with others, as it sees fit and at its sole discretion.

26.2 It is hereby explicit that the Service Provider may provide his services to others and/or offer other services, whether as an independent Service Provider or as an employee, subject to his obligations, as specified in article 17 of this Agreement. In any event the delivery of such services must not interrupt the Service to the Company under this Agreement. The Service Provider must give preference to the Service he provides to the Company, including time, resources, etc.

26.3 VAT shall be added to any amount the Service Provider is entitled to under this Agreement, in the legal applicable rate at the time. The Company may pay the VAT amount to the Service Provider on the date which the Service Provider is required to pay this amount to the VAT Authority.

26.4 No provision in this Agreement derogates from any other, but only adds to it.

26.5 Addresses of the parties for the purpose of this Agreement:

"The Company" – Israel Electric Corporation, _____

"The Service Provider" – _____

Any written notice sent by one of the parties to the other shall be considered to have arrived to the addressee 72 hours from the time it was handed over for delivery. If delivered by hand to a representative of the other party, it shall be considered to have arrived at the time of delivery to the addressee.

In witness whereof, the parties hereto have signed the Agreement:

The Company

The Service Provider

Signature Certificate

I, the undersigned _____, attorney license number _____ from _____ (address), hereby certify that the Service Provider _____ I.D. / Company no. _____ signed this Agreement before me, **and in the event the Service Provider is a company or another corporation**, I certify that this company or corporation is lawfully registered in Israel (or its country of residence), exists and is active, and that _____ I.D. _____ and _____ I.D. _____ were authorized by the corporation's board of directors to sign and execute this Agreement on its behalf, and that their signatures, attached to the stamp of the company or corporation, bind this company or corporation.

Date

Signature and stamp

Appendix A
Milestones

1. Milestones:

The Milestones for the Basic Agreement:

No.	Milestone	Product	Planned schedule	Payment % at the end of a milestone
1.1	Performing benchmark between four transmission companies (without substations) and five distribution companies in the world	A report on the present situation in the field of asset management and life-cycle management of at least four transmission companies (without substations) and at least five distribution companies, including a comparison between the companies. <u>Note:</u> It must have at least one transmission company and a distribution company in the United States and at least one transmission company and a distribution company in Europe	Up to two months from the date of signing the agreement	
1.2	Presentation of the benchmark between distribution and transmission companies in the world (Results of milestone 1.1) to IEC managers and professionals in Israel	A detailed presentation of the benchmark between the distribution / transmission companies in the world	Up to one month of milestone 1.1 finish	30% of the basic agreement scope
1.3	Review of life-cycle management processes of assets in the transmission (excluding substations) and distribution segment among IEC districts and Marketing Division's National Grid Unit, including benchmark between company districts	A report on the present situation in the districts and in Marketing Division's National Grid Unit at IEC, including a comparison between the districts	Up to three months of milestone 1.1 finish	40% of the basic agreement scope
1.4	Final benchmark report and recommendations regarding transmission (excluding substations) and distribution segments	A detailed comparison report according to criteria between companies abroad, including the IEC and recommending the optimal methods of physical asset management and life-cycle management of assets in the IEC transmission and distribution network, including expected savings resulting from the implementation of the recommendations.	Up to one month of milestone 1.3 finish	
1.5	Presentation of the final benchmark of the distribution and transmission segments (milestone 1.4 products) to IEC managers and professionals in Israel	A detailed presentation of the final benchmark, including conclusions and recommendations	Up to one month of milestone 1.4 finish	30% from the basic agreement scope

Milestones for options:

No.	Milestone	Product	Planned schedule	Payment % at the end of a milestone
Option 1:				
1.6	Preparation of a strategic road map for asset management and life-cycle management of assets at the transmission (excluding substations) and distribution segments	Roadmap (implementation plan) of the detailed strategy of the chosen method at the transmission (excluding substations) and distribution segments, including the estimated cost for implementation and deployment.	Up to three months from the date of IEC request	
1.7	Presenting a strategic roadmap (results of milestone 1.6) to IEC managers and professionals in Israel	A detailed presentation of the strategic roadmap in the transmission and distribution segments, including scheduling and implementation and deployment costs	Up to one month of milestone 1.6 finish	100% for the execution of option 1
Option 2:				
1.8	Implementing a benchmark in the substations	A report on the present situation in the field of assets management and asset life-cycle management in substations of at least five transmission companies in Europe and / or North America, Singapore, Hong Kong, Australia and New Zealand including a comparison between the companies. <u>Note:</u> It must have at least one transmission company from the United States and at least one transmission company from Europe	Up to two months from the date of IEC request	
1.9	Presenting benchmark in the substations (results of milestone 1.8) to IEC managers and professionals in Israel	A detailed presentation of the benchmark in the substations segment	Up to one month of milestone 1.8 finish	100% for the execution of option 2
Option 3:				
1.10	Review of assets life-cycle management processes in IEC substations	A report on the present situation in substations including a comparison between substations units	Up to three months from the date of IEC request	100% for the execution of option 3
Option 4:				
1.11	Final benchmark report in the substations	A detailed comparison report between the companies abroad, including IEC and recommending the optimal methods for life- cycle management of assets in substations, including expected savings resulting from the implementation of the recommendations	Up to one month from the date of request	
1.12	Presentation of the final benchmark in substations (milestone 1.11 products) to IEC managers and professionals in Israel	A detailed presentation of final benchmark including conclusions and recommendations	Up to one month of milestone 1.11 finish	100% for the execution of option 4
Option 5:				
1.13	Preparation of a strategic road map in the substations	A detailed strategic roadmap of the chosen method for IEC substations, including schedule and estimated implementation costs	Up to three months from the date of IEC request	
1.14	Presentation of a strategic road map for substations to IEC managers and professionals in Israel	Presentation of detailed strategic roadmap for substations including schedule and implementation cost	Up to one month of milestone 1.13 finish	100% for the execution of option 5

Option 6:				
1.15	Implementing a benchmark for the metering segment	A report on the present situation in the field of assets management and asset life-cycle management in the metering segment of at least five distribution /retail companies in Europe and / or North America, Singapore, Hong Kong, Australia and New Zealand including a comparison between the companies Including expected savings resulting from the implementation of the recommendations. <u>Note:</u> It must have at least one distribution/retail company from the United States and at least one distribution/ retail company from Europe	Up to one month from the date of IEC request	
1.16	Presentation of the benchmark in the metering segment (milestone 1.15 products) to IEC managers and professionals in Israel	A detailed presentation of the benchmark of the metering segment, including finding and recommendations	Up to one month of milestone 1.15 finish	100% for the execution of option 6
Option 7:				
1.17	Implementing a benchmark for the IEC metering segment	A report on the present situation of asset management and asset life-cycle of assets in the IEC metering segment(districts and metering segment in the Marketing Division) including a comparison between districts	Up to two months from the date of IEC request	100% for the execution of option 7
Option 8:				
1.18	Final benchmark report for the metering segment	A detailed comparison report between the companies abroad, including IEC and recommendations on the optimal method for managing the life-cycle of assets in the metering segment, including expected savings resulting from the implementation of the recommendations	Up to one month of milestone 1.17 finish	
1.19	Presentation of the final benchmark of the metering segment (results of milestone 1.18) to IEC managers and professionals in Israel	A detailed presentation of the final benchmark, including conclusions and recommendations	Up to one month of milestone 1.18 finish	100% for the execution of option 8
Option 9:				
1.20	Preparing a strategic roadmap (implementation plan) for the metering segment	A detailed strategic roadmap of the selected method in the metering segments in the districts and in metering segment in the Marketing Division including the estimated costs for implementation and deployment	Up to two months from the date of IEC request	
1.21	Presenting a strategic roadmap for the metering segment (milestone 1.20 products) to IEC managers and professionals in Israel	Presentation of detailed strategic roadmap of the metering segment, including schedule and implementation and deployment costs	Up to one month of milestone 1.20 finish	100% for the execution of option 9

1.1.1 The Company, at its sole discretion, may require the Service Provider to exercise all or some of the above options, and the Service Provider is therefore required to perform all options chosen by the Company from the list.

1.1.2 The above order of options is not binding and the Company may require the Service Provider to perform several milestones in parallel.

Appendix B – Insurance

Insurance Appendix – Supplement to the policies - Appendix

An integral part of the policies outlined below

We _____ (Hereinafter the "Insurance Company") confirm that we conducted an insurance policies in the name of _____ (insured - consultant / supplier / service provider) for the period of _____. In addition, we wish to confirm that the policies include coverage conditions as specified below (please mark X in the relevant parentheses):

1. Employers' liability insurance policy - policy number _____

A. Including the IEC as an additional policy holder..... []

B. Employee liability limits - []

Or

Personal accident insurance - policy number _____

A. Includes a clause waiving the right for subrogation against the IEC []

B. Event liability limits - []

2. The professional liability insurance policy - policy number _____

Event liability limits - []

The above policies include:

1. Article whereby the insurance company undertakes to notify the IEC of its intention to cancel the insurance policy or make a material change to the policy conditions at least 45 days before such cancellation or change will take effect.

2. Article whereby policies are prior to any insurance policy taken out by the Israel Electric Corporation and the insurance company waives any requirement for participating in IEC insurance.

Notes: _____

In witness whereof we had come on the undersigned

Date

Certifier name and position

Insurance company signature

Appendix C – Declaration in Accordance with the Public Entity Transactions Law, 1976

I, the undersigned _____ I.D. _____ from _____

After being warned that I must state the truth and that I will be punished according to the law if I do not, hereby declare as follows:

1. My name, I.D. number and address are as stated above.
2. I submit this statement in my name / on behalf of _____ privately held company no. _____ (hereinafter: the Service Provider) with respect to the contract with the Israel Electric Corporation Ltd, for a transaction of _____ and the delivery of this service: _____.
3. Forfeiture and confiscation verdicts not issued against me / against the company in question or against any affiliated to me / to the company in question, incriminating with more than two offenses, that were committed after October 31, 2002 under the Foreign Workers Law (Prohibition of Unlawful Employment and Assurance of Fair Conditions) 1991, and / or the Minimum Wage Law, 1987 until the date of the Agreement with IEC.

Alternatively -

I / the company in question and any affiliated to me / the said company incriminated in more than two forfeiture and confiscation offenses, that were committed after October 31, 2002 under the Foreign Workers Law (Prohibition of Unlawful Employment and Assurance of Fair Conditions) 1991 and / or an offense under Minimum Wage Law, 1987; However, the last conviction was not in the last year before the contract date.

4. In this deposition:

"Affiliated" – any of the following:

- (1) Any group of persons controlled by the Service Provider;
- (2) If the Service Provider is an association of individuals, one of the following: (a) the controlling shareholder; (b) a group of persons that the composition of its shareholders or partners, as the case may be, is substantially the same as the composition as the Service Provider, and areas of activity of the body of persons are essentially similar to the field of activity of the Service Provider; (c) The person responsible on behalf of the Service Provider for the payment of wages.
- (3) If the Service Provider is a substantially controlled group of persons - other group of persons, substantially controlled by whoever controls the Service Provider.

"Control": as defined in the Banking (Licensing) Law, 1981.

"Substantial control": possession of three quarters or more of a particular type of means of control on group of persons.

"Contract signature date": the date on which the Agreement is signed.

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

Signature of Declarant

I hereby confirm that on _____ appeared before attorney _____ at my offices in _____, Mr. / Ms. _____, known to me in person / the holder of ID card no. _____, and after I cautioned him / her that he / she must state the truth and that he / she will be expected to legal sanctions if he / she does not do so, he / she confirmed the readiness of this affidavit and signed it.

Stamp

Signature

Appendix E – Privacy Statement

A Commitment to Confidentiality

I, the undersigned: ID card no.: From (address)

Hereby declare and confirm -

That I am employee / manager / agent / acting on behalf of or for the.....
(Hereinafter the "Service Provider");

I am aware that the service provider undertook to IEC to maintain absolute secrecy regarding the work / service given by him in accordance with the contract signed between IEC and the Service Provider (Hereinafter the "Contract").

Therefore, I hereby undertake -

1. To maintain confidentiality regarding the work / service given by me including in regards to the "service material" as defined in the Agreement, and / or results and / or any part thereof and / or in connection with the information that came to me and / or obtained by me in relation to or in regard to the contract with IEC.
2. To keep secret and not reveal, not cause disclosure, show and / or transmit in any way, during the duration of the contract or subsequently, to any other person or entity, trade secrets or other of IEC, or information concerning or relating to IEC, whether directly or indirectly, to IEC, its business, property and affairs, its customers, suppliers, individuals or entities associated with or contacting with it, including, without limitation, of methods, processes, pricing, calculations and conditions of agreements. This whether the secrets or information stated came to me as a result of my employment with the service provider, or came to my attention in any other way whatsoever. I hereby declare that all the secrets and information, as stated above, are the property of IEC and that I do not have and will not have any claims of any kind, regarding them or derived from them.
3. Do not make any use of the information for things not related to the contract, for my benefit, benefit of others, or for any other benefit.
4. Not to harm and / or remove and / or modify identification signs of the IEC appear on info material.
5. Notify the IEC immediately and without delay of any person and / or entity to whom the information may be and / or exposed and / or come near them in contrast to the statement of this commitment.
6. To provide IEC information of any kind, which may be beneficial to IEC, that will arrive to my attention during my employment period with the Service Provider in connection with and / or about the existence of the contract, nor to do any use of the information, but for IEC.

7. To provide IEC with all the information that I have and / or will have immediately upon receiving a written request to do so from the IEC security officer, and in any event no later than a week from the end of the contract for any reason.

This obligation provisions will apply to all employees, consultants and subcontractors of the Service Provider used by him to carry out the contract and within its framework.

I know that IEC is a controlled entity, as defined by the State Comptroller Law, 1958 - and I am familiar with the Penal Law - 1977 Chapter VII, and specifically the provisions of Articles 118 and 119 of the Law.

In witness whereof I have come on the undersigned

Date..... Month Year,

(Name and signature)

Service Provider approval:

I,, the Service Provider, as defined in this Agreement, confirm that signed before me on the said statement after reading it, and confirmed to me that he understood it fully.

Appendix F
Consideration

Appendix G: Guarantees for proposal

Tender No. 175 – 304 – 2015

Day _____ Month _____ Year _____

Draft of guarantees for proposal

To

**Israel Electric Corporation Ltd.
25 Hahashmal Street
Tel Aviv 61000**

Dear Madam / Sir,

**Re: A bank guarantee / insurance company guarantee no. _____ in the
sum of _____ valid until _____**

Following the request of _____

(Hereinafter the "Applicant") we hereby guarantee a full and complete guarantee for the removal of any amount due or will be due to you from the applicant, up to the amount of _____ NIS / Euro / US dollar (please delete the inapplicable) the amount in words: _____ (Hereinafter "the amount of the guarantee"), in connection with the applicant proposal in Tender number 175 – 304 – 2015.

We will pay you any amount up to the amount of the guarantee, within ten days after receipt of your first request in writing, without an explanation for your request and without claim against you, or request first the disposal of the said sum from the applicant.

This guarantee will remain in force until the day of _____ month _____ year _____ (inclusive) only, and after this date, it will be null and void.

We must receive any requirement in accordance with this guarantee in writing, no later than the above date.

This guarantee is not transferable or assignable.

A requirement under this guarantee should be addressed to the bank / insurance company whose address is _____

Sincerely,

Signature: _____

Bank / insurance company name: _____

Branch: _____

Appendix H: Bank guarantee for performance and quality assurance

To

Israel Electric Corporation Ltd.

1 Netiv Haor Street

Haifa

Dear Madam / Sir,

Re: A bank guarantee / insurance company guarantee no. _____ in the sum of _____ NIS / Euro / US Dollar linked to the index, in effect until _____

1. At the request of _____ (Hereinafter the "Applicant"), we hereby guarantee IEC the complete removal of any amount due or will be due to you from the applicant, up to the amount of _____ NIS / Euro / US dollar (please delete the inapplicable), the amount in words: _____ NIS / Euro / US Dollar (Hereinafter "the amount of the guarantee"), in connection with contract no. _____.

2. The amount of the guarantee is linked to the Consumer Price Index as published from time to time by the Central Bureau of Statistics and Economic Research in the indexation terms provided as follows:

"Primary Index" will be index of (price fluctuations) month _____ year _____ at the rate of _____ points (the last known index on the date of submission of the proposal).

"Final Index" for the purposes of this guarantee would be the index last published before the date on which we have to pay you any amount in accordance with this guarantee.

3. Indexation differentials with regard to this guarantee will be calculated as follows: If it appears that the determining index rose against the primary index, there will be indexation differentials – amount equal to the multiplication of the difference between the final index and the primary index of the amount required, divided by the primary index. If the final Index will be lower than the primary index, we will pay you the amount specified in your request up to the amount of the guarantee, without any indexation differentials.

4. We will pay you any amount up to the amount of the guarantee, plus indexation differentials, within ten days after receipt of your first request in writing, without your having to explain your request and without any claim against you, or request first the disposal of the said sum from the applicant.

5. This guarantee shall remain in effect until date _____ month _____ year _____ (inclusive) only, and after that date will be null and void. We must receive any

requirement in accordance with this guarantee in writing, no later than the above date.

This guarantee is not transferable or assignable.

A requirement under this guarantee should be directed to the branch of the bank / insurance company, whose address is _____.

Sincerely,

Signature: _____

Bank / insurance company name: _____

Branch: _____

Appendix I: Technical specification NHS—1 VER.1

See attachment