



Israel Electric Corporation Ltd.

Operations and Logistics

Procurement Division

Tender & Market Research Department

New Office Building, 1 Nativ Haor St.

P.O.B 10, Haifa 31000, Israel

Tel: 972-4-8183330

Fax: 972-72-3459077



Proposal:102150080A

Date: 15.03.2017

Person to Contact: Chen Daniel

Email: chen.daniel@iec.co.il

Subject: DISTRIBUTION OF NETWORK CAST RESIN POWER TRANSFORMERS
Spec. NTS-58/14

Dear Sirs,

The I.E.C. kindly requests your proposal for the following item/s detailed in Annexure "C" attached.

Deadline for Submission of Proposal: 30.04.2017 **Time:** 11:00

Address for Submission: ISRAEL ELECTRIC, MAIN OFFICE BUILDING, 1 NATIV HAOR ST., HAIFA, ISRAEL

Method: IN A CLOSED ENVELOPE TO BE INSERTED IN BID BOX NO.1, GROUND FLOOR, ROOM NO. 009.

Should any additional information be required, please do not hesitate to contact us.

Sincerely,

Chen Daniel

INVITATION TO SUBMIT PROPOSALS

Rev. December 28th 2016

The Israel Electric Corporation Ltd. (hereinafter: "IEC") is interested in purchasing the goods/equipment, described below (hereinafter: the "Goods"). The purchase will be conducted and concluded in accordance with and subject to the terms, conditions and requirements, set forth in the tender/inquiry/request for proposals (hereinafter: the "RFP" or the "Purchasing Process") documents. You are hereby invited to submit a proposal for the supply of the Goods. Any inconsistency between the provisions detailed in this RFP and any publication in any newspapers or internet site, the provisions of this RFP shall prevail.

The information contained in this RFP (including any documents constituting any part thereof) is of a proprietary nature and Offerors in any RFP or Purchasing Process shall not copy or use the contents of this RFP for any purpose whatsoever unless used for purposes of submitting a Proposal and unless they have received the prior written consent of IEC.

1. DESCRIPTION OF GOODS

IEC intends to purchase the following Goods:

- a. Network Cast Resin Power Transformers (as listed in Annexure "C").
- b. Type and special tests for the transformers.
- c. spare parts for the transformers.

More fully described in the specifications (Annexure "B") attached herewith.

Where applicable the scope of work includes design, development, factory tests and packing of goods before delivery, and also services for training, supervision of erection & commissioning, and supply of spare parts and special tools.

2. CONDUCT OF THE PURCHASE

The Purchasing Process will be conducted in the form of (as marked with an X, below):

- ☒ a public tender
- ☐ a limited tender (paragraph 18B below)
- ☐ a closed/selective tender
- ☒ an evolving on-line computerized tender (paragraph 3E below)
- ☐ an additional competitive procedure (paragraph 3D below)

Subject to the mandatory Tenders Regulations 5753-1993, - new Amended edition as of February 2009 (hereinafter: the Regulations).

☐ an inquiry (pursuant to an exemption from tendering under the Mandatory Tenders Regulations) 5753-1993.

In the event of any inquiry ("Inquiry") exempt from tendering, the process of purchasing shall NOT be subject to the Mandatory Tenders Law and Regulations and IEC shall be free to contract in accordance with the general law of contract.

3. ORDER OF THE PURCHASE

A. The Purchasing Process will be conducted in (as marked with an X, below):

- ☐ a single stage
- ☒ two stages

B. When the Purchasing Process is conducted in two stages, the process shall be conducted in the following manner:

- (i) In stage 1 (the "preliminary examination" stage), Offerors are required to submit their technical and commercial proposals, excluding prices, along with all the documents, records, annexures, questionnaires and other things, required in the specification, or elsewhere in the Purchasing Process documents.

The term "Offeror" shall mean all entities, submitting their proposals under the Purchasing Process. Where

required, the documents must be filled in and/or signed.

(ii) IEC will examine the technical/commercial proposal and may request clarifications from Offerors in respect of any item contained therein, including possible modifications thereto and, in doing so, reserves the right to issue amendments to the tender/inquiry documents. Such amendments may contain requirements more or less stringent than those originally requested. In case amendments are effected, Offerors will be required to update and submit their revised technical/ commercial proposals (without prices) to IEC. Such proposals shall comply with the revised tender/inquiry documents, without exceptions, as far as possible, so that they may be better evaluated on a common basis. Where prices have been included in any stage 1 proposal, IEC shall disregard such prices.

(iii) IEC shall have a right to disqualify a proposal, at its discretion, on technical and/or commercial grounds. An Offeror, whose proposal is disqualified in the course of stage 1, will not be permitted to partake in stage 2.

(iv) In stage 2, Offerors, whose technical/commercial proposals have been approved by IEC during stage 1, will be invited to submit their price proposals, subject to such terms and conditions as will be set forth in the invitation to submit prices.

In stage 2, Offerors shall only submit their prices. Offerors shall not be permitted to submit any technical or commercial information (other than where specifically requested to provide further technical clarification) and shall not include any further technical, commercial or legal exceptions. In the event such exceptions are submitted, IEC shall be entitled to disqualify the proposal.

(v) IEC shall have a right to modify, amend or complement any term, requirement or condition, including quantities, delivery schedule and payment terms set forth in the tender/inquiry documents, at any time prior to the deadline for submission of price proposals.

(vi) The invitation of an Offeror to participate in stage 2 shall not deprive IEC of the right to disqualify such Offeror's proposal in the course of stage 2, if IEC discovers, that the proposal should have been disqualified for technical, or other reasons, during stage 1.

C. When the purchase is conducted in a single stage, Offerors are required to submit their technical and commercial proposals, along with their price proposal and all the documents, records, annexures, questionnaires and other things, which are required in the specification or elsewhere in the tender/inquiry documents, duly filled in and/or signed (as required).

D. ADDITIONAL COMPETITIVE PROCEDURE IN ACCORDANCE WITH MANDATORY TENDER REGULATION NUMBER 17E

1. If IEC decides that the tender shall contain an additional competitive stage, it will be explicitly stated in the title of the tender procedure. An additional competitive stage will be held, and IEC will notify the Offerors whose proposals comply with all the conditions of the tender that they are entitled to submit, at a date to be determined by IEC, a final price proposal which will include conditions more beneficial to IEC than those contained in the original proposal; provided that the lowest qualified price proposal submitted for the tender will not be lower than IEC's own estimate by more than 10%, and IEC has come to realize that no mistake was made in the estimate and also if one or more of the following conditions exists:

- a. There is a difference of up to 5% between the weighted mark of the lowest price proposal and the weighted mark of the next lowest price proposal.
- b. There are no more than three Offerors who have complied with all the tender conditions.

2. In the event an Offeror does not submit an additional price proposal or a proposal containing conditions more beneficial to IEC, then the original proposal will be considered the final proposal.

3. Where an Offeror has attached an accountant's approval for preference for local Israeli manufactured goods to the original proposal submission and there is an additional competitive procedure, a new accountant's approval must be attached to the final proposal, should it still be relevant.

E. EVOLVING COMPUTERIZED ON-LINE TENDER IN ACCORDANCE WITH MANDATORY TENDER REGULATION NUMBER 19D

Where IEC has issued an Evolving Computerized On-line tender for submission of prices, IEC reserves the right (without any obligation on its part), to change the method of the procedure prior to the prescribed date for submission of prices, and shall notify the participants that they are required to submit their proposals to the Tender Box without conducting an Evolving Computerized On-line tender, in the following cases:

1. One or more participants in the tender has submitted a request for preference according to the Mandatory Tender Regulations (Preference for Local Israeli Manufactured Goods), 1995.
2. Only one proposal in the tender was submitted or has been prequalified for discussion.

IEC will also be entitled, in special cases that will be noted, to change the aforesaid method of procedure. In the event IEC decides to change the method of the aforesaid procedure and the conditions exist for this, an additional competitive procedure will be conducted.

This provision shall also apply to Inquiries exempt from Tender where IEC decides to implement such procedure - with the necessary changes (where provisions relating only to tenders shall not be applicable).

4. PLACE FOR SUBMISSION OF PROPOSALS

A. Proposals must be submitted in pen, not pencil, in a sealed envelope, in two (2) printed hardcopies, stating the Tender/Inquiry number, to the following address;

THE ISRAEL ELECTRIC CORPORATION. LTD.
GROUND FLOOR, ROOM 009, NEW HEAD OFFICE BLDG, 1 NETIV HA'OR ST. SOUTHERN ENTRANCE OF
HAIFA, ISRAEL BOX NO. 1

B. Only the actual placement of the envelope, containing the proposal in the box, specified above, will be considered as a submission of the proposal.

PLEASE NOTE THE BOX NUMBER DESIGNATED ABOVE. PLACEMENT OF THE PROPOSAL IN THE WRONG BOX MAY DISQUALIFY YOUR PROPOSAL.

C. In the event that attachments to the technical/commercial proposal cannot be inserted into the box, due to the size and volume of its contents, the Offeror may deliver such attachments, by hand, in a separate, sealed envelope/box, properly marked with the tender/inquiry number and Offerors name to room 417, 4th floor, at the above-captioned address.

D. The above requirements are not applicable to On-line purchasing procedures as specified in Clause 3E above.

5. DEADLINE FOR SUBMISSION OF PROPOSALS

A. The deadline for submission of proposals is as stated below

DATE: 30/4/17.

TIME: 11:00 AM (Israeli time)

IEC reserves the right to disqualify any proposals that have not been submitted to the box at the specific time and date set forth as the final date for submission of proposals, subject to the provisions of any law.

PLEASE NOTE:

IEC's offices are open on the following days, to the public for purposes of submitting their proposals, :

Sundays through Thursdays: from 07:00 until 18:00 hours (Israeli time).

Fridays and on the days preceding Israeli public holidays and during
intermittent days of the religious holidays of Passover and Succot: from 07:00 until 14:00 hours (Israeli time).

NO PROPOSALS MAY BE SUBMITTED ON SATURDAYS OR ISRAELI PUBLIC HOLIDAYS.

B. When the purchase is conducted in a single stage, said deadline applies to the submission of the technical/commercial proposals, as well as the price proposal.

When the purchase is conducted in two stages, said deadline applies to submission of the technical/commercial proposals, while the deadline for submission of the price proposal will be notified at a later stage.

C. IEC may, at its discretion, postpone the deadline for submission of the proposals, at any time prior to the opening of the tender/inquiry envelopes. However, IEC shall be under no obligation to postpone the deadline due to the requests of any participants in the tender or inquiry.

D. The above requirements are not applicable to On-line purchasing procedures as specified in Clause 3.E. above.

E. IEC hereby announces that changes may be made in the tender documents until Thursday, the nearest day to the deadline that was scheduled for submission of proposals, at 12:00am.

It is Offeror's responsibility to ascertain whether such changes have occurred in the tender documents as well as to view on IEC's website, the documents on the said date.

It is hereby clarified that the above does not in any way derogate from IEC's right, after the final deadline for submission of proposals, to implement changes in the tender documents. These may include changes in the legal and commercial terms, such as: quantities, time schedule/delivery dates, terms of sale, payment terms, indexation. All in accordance with IEC's needs and sole discretion.
In such instance, the tender participants will be notified by way of a notice.

F. Please note that Offerors participating in the Purchasing Process may request a different delivery date to that specified by IEC.

G. The final delivery date shall be determined by IEC prior to proceeding to the second stage of the purchasing process and shall be subject to IEC's discretion all in accordance with IEC's needs.

H. Please note that the entrance to IEC's premises is subject to the Offeror undergoing, a routine security check which may delay his entrance to IEC's premises, and thereby delay the submission of the proposal. IEC will not accept claims that due to the security check, proposals were not submitted on time. Due to the abovementioned, IEC recommends its Offerors to submit their proposals in advance and not wait until the final date for submission.

6. THE MANNER IN WHICH PROPOSALS MUST BE SUBMITTED

Unless specifically stated otherwise, the Offeror shall be entitled to elect whether to submit his proposal to all or part of the sections listed, as well as submit alternatives to the different items proposed.

Should the Tender/Inquiry documents state that the Offeror is requested to submit a proposal to all sections listed and the Offeror omits to submit a proposal to one of the sections approved during the technical stage, IEC shall, when comparing the price proposals submitted by the offerors, list the highest price proposal submitted by the other offerors to that specific section. However, should such Offeror be awarded the Order/Contract, IEC shall pay the Offeror the lowest price submitted for that item.

Should the Offeror awarded the Order/Contract omit to submit a price proposal to an item and/or an option, that was specifically regarded as an item/option which will not be taken into consideration when comparing prices, the price to be paid by IEC for such item shall be the lowest price submitted by other offerors.

In the event the Offeror is requested to submit prices for: (i) a single item; and (ii) the total amount of units of that specific item (the price submitted for a single item multiplied by the amount of units) and a discrepancy is found between the following: the price submitted by the Offeror for a single item and the price found for a single item after dividing the price proposed by the Offeror for the total amount of units of that specific item, by the total amount of units of that specific item. The price to be determined for the purposes of comparison, (and for the order, should the Offeror be awarded the Order/Contract) shall be the unit price.

7. FEE FOR PARTICIPATION

The Offeror is requested to pay a participation fee in the amount of 300 NIS (inclusive of VAT) (hereinafter referred to as the: "Participation Fee").

In a single stage Purchasing Process, the Participation Fee must be paid together with submission of the proposal.

In a two stage Purchasing Process, the Participation Fee is required only for the first stage.

Please note that the Participation Fee will not be refunded.

IEC will permit an Offeror to finalize payment of the Participation Fee within a time period to be determined by IEC.

The RFP documents shall be published on IEC's website.

Where RFP documents are NOT published on IEC's website, the sum of 50 NIS shall be charged for the receipt of such documents. In the event a participant has paid for the receipt of documents not published on IEC's website, the Participation Fee shall be reduced to 250 NIS.

The Participation Fee must be deposited to IEC's account number 5314543, at a Post Office Bank, situated in Israel. Payment may be effected at any local Israeli Post Office Branch.

However, should the Offeror elect to pay the equivalent Participation Fee in any of the foreign currencies listed below, deposit must be made to IEC's account as follows:

Bank name: Israel Discount Bank

BIC code: IDBLILITXXX

Account name: Israel Electric Company LTD.

- IBN No for USD: IL85 0110 1000 0001 4092 265
Through any bank in the USA and: CHASUS33, BOFAUS3N, BKTRUS33
- IBN No for EURO: IL67 0110 1000 0000 1092 261
Through any European bank and: CHASDEFX, COBADEFF, DEUTDEFF
- IBN No for GBP: IL83 0110 1000 0001 9092 263
Preferred banks: BARCGB22, MIDLGB22, NWBKGB22
- IBN No for JPY: IL69 0110 1000 0002 1092 267
Preferred banks: SMBCJPJT

Please see the equivalent Participation Fee in the following currencies:

- 70 USD
- 55 Euro
- 45 STG
- 7,500 JPY

8. TENDER/INQUIRY DOCUMENTS

The following documents (as marked with an X below) are attached herewith and shall constitute the tender/inquiry documents:

- ☒ This "Invitation to Submit Proposals".
- ☐ Form of Agreement/Order;
- ☒ Annexure "A": General conditions.
- ☐ Annexure "A5" - General Conditions for Purchase of Standard Goods and Products and Supervisory Services (Short Version) Payment Per Hour
- ☐ Annexure "A5" - General Conditions for Purchase of Standard Goods and Products and Supervisory Services (Short Version) Payment to be made in a lump sum.
- ☒ Annexure "B": Specification NTS-58/14 attached in a separate file.
- ☒ Annexure "BB"- Threshold Conditions.
- ☒ Annexure "C": including: Summary of Prices for only the transformers, which, when completed by the Offeror (at the second stage), will constitute as a part of its Price proposal.
- ☐ Annexure "C1": Shipping data
- ☒ Annexure "D": Special Conditions (application of Annexure "Z").
- ☒ Annexure "E1": Form of irrevocable letter of credit for performance.
- ☒ Annexure "E2": Performance Bond (from Israeli Banks or Israeli insurance companies). attached in a separate file.
- ☒ Annexure "H": Price Adjustment (for Proposals in excess of NIS 500,000 and where prices are not firm prices).
- ☒ Annexure "L": INSURANCE
- ☒ Annexure "P": Preference for Israeli Manufactured Products.
- ☐ Annexure "R": Delivery Shipping and Handling attached in separate file
- ☒ Annexure "S": (Short Version) General Conditions for Safety at Work at IEC's Premises

- ☒ Annexure "U": Mandatory Commercial Cooperation Undertaking.
- ☒ Annexure "X": Finance (for contracts above 5 million \$).
- ☒ Annexure "Y" : Potential Banks for Guarantees.
- ☒ Annexure "Z" : Flexible frame contracts/orders Conditions.
- ☒ RFP- Offeror Data Sheet
- ☒ Attachment 1- Declaration Regarding the Adherence to Anti Trust Laws
- ☒ Attachment 2- Supplier's banking details.
- ☒ Appendix MK Developing Computerized Bidding Procedure
- ☐ Other attachments/annexures.

9. PRELIMINARY/THRESHOLD CONDITIONS:

As a prerequisite to Offeror's participation in the Tender, the Offeror is requested to furnish, together with his proposal (when the purchase is conducted in two stages with his first stage proposal), samples and/or documents attesting to the fulfillment of the Preliminary/Threshold conditions, set out in Annexure BB hereto.

in the event information provided by the Offeror in previous procurement procedure/s and/or tenders is found unreliable, IEC shall consider to prohibit the Offeror from participating in future procurement procedures/tenders.

10. SELECTION AND ACCEPTANCE OF PROPOSAL/S AND CANCELLATION OF AWARD

10.1 (a) Evaluation method

In order to determine which proposal/s is/are most advantageous to it, the IEC intends to use the "Expert Choice method", where the First stage proposal shall be graded according to the non-monetary, non-quantifiable parameters detailed in APPENDIX "K" in the specification giving an #expert choice grade/ score", weighted as 50% of the overall score. In the Second stage, the monetary value of the price proposal shall be considered in the overall techno-economic evaluation of the proposals, weighted as 50% of the overall grade/score.

(b) Criteria

Over and above the method of evaluation, IEC shall be free to determine, at its sole discretion, which proposal/s is/are most advantageous to it. In doing so Purchaser shall weigh all, or part, of the following:

- (i) The cost to IEC;
- (ii) The quality of the Goods, equipment or services;
- (iii) The fitness of the Goods, equipment, or services to IEC's purposes, and/or facilities, and/or systems and/or training and/or existing inventories;
- (iv) The reliability, expertise, training and experience of the supplier/manufacturer/Offeror;
- (v) IEC's past experience with the Goods, equipment and/or the supplier/manufacturer/Offeror;
- (vi) IEC's interest in developing alternate sources of supply;
- (vii) The supplier/manufacturer/Offerors production and service capabilities, as well as its ability to meet the required schedule of delivery;
- (viii) The supplier/manufacturer/Offerors financial condition and its ability to fulfill a long term warranty.
- (ix) The inclusion in the proposal of any exceptions, qualifications, modifications or additions to the terms and conditions set forth in the RFP documents (without restricting IEC's right to disqualify the proposal altogether).
- (x) Where relevant under Israeli Law, compliance with labor law stipulations regarding employees' rights, including a report or an audit in this regard to the effect that Offeror has not acted contrary to labor law, issued by a government office or government body which has had contractual dealings with the Offeror during three years preceding the final submission date for the proposal.
- (xi) Any other factor, concerning, among others, the Goods, the supplier or the manufacturer or the Offeror, which constitutes or may constitute an advantage or a disadvantage to IEC, or its interests.

10.2. IEC shall not be bound to accept the lowest proposal, or any proposal.

10.3. (a) IEC reserves the right to cancel the acceptance of any proposal without any cost to IEC or compensation to any Offeror and reserves the right to either: award any Order/Contract to any Offeror and shall award the Order/contract (in whole or in part) to the Offeror who has submitted the next most suitable proposal; or issue a new procedure for purchase of the Goods in the following circumstances:

- (i) Where the Offeror awarded the Order/Contract has withdrawn or amended his proposal after the award by IEC;
- (ii) the Offeror has refused or failed to sign the Order/contract;
- (iii) the Offeror fails to comply with the provisions of the Order/Contract including inter alia;
 - where the Offeror is required to supply IEC with a sample or prototype of the Goods and has failed to do so or where the said sample or prototype is unacceptable to IEC.
 - IEC has reasonable doubt that the Offeror is unable to comply with the time schedules specified in the Contract/Order.
- (iv) IEC has received information pertaining to the Offeror or the proposal which would otherwise have led to IEC's disqualification of the proposal had such information been known to IEC at the time of making the award.
- (v) IEC, in its discretion has elected to cancel the award due to erroneous evaluation of the proposal by IEC or for any other reason within the interests of IEC.

(b) For purposes of clarification, in the event an Offeror has received a notification that its proposal has not been accepted, such notification shall not affect IEC's right to award the Order/Contract to the Offeror who has submitted the next most suitable proposal.

(c) In the case of those circumstances detailed in subparagraphs 10.3.(a) (i),(ii) and (iii) above, IEC shall have the right to either:

- Claim liquidated damages from the Offeror in an amount of 5% (five percent) of the sum of the Offeror's proposal (including any options); or
- Claim damages for costs and expenses incurred to IEC.

10.4. According to Article 2B of the Mandatory Tenders Law, 5752-1992 (hereinafter referred to as "Article 2B"), in the event it is found, after weighing the results of proposals submitted by the offerors, that two or more of the proposals, received an identical weighted result, a result that received the highest score overall, and one of the proposals was submitted by a company under the control of a woman, IEC shall award the tender to such offeror, provided that at the time of submission, the following documents were attached to it: (i) an affidavit by the abovementioned woman; (ii) an approval from an accountant, all in accordance with the definitions and requirements set forth in Article 2B.

10.5. The authorized body making any decisions or awards in any tender/inquiry is IEC's relevant tender committee(s).

10.6 Where the Offeror has breached his contractual obligations, under an Order/Contract entered into with IEC, (hereinafter referred to as the "Breaching offeror") resulting in IEC canceling the Contract/Order with him, prior to its termination date, or during the option periods, or IEC failing to exercise the options (hereinafter referred to as the "Cancelled Order", "Cancellation of the Order"), in addition to all tools available to IEC by law as well as under the procedure, and without derogating from any claims and/or remedy available to IEC, IEC shall be entitled to the following:

10.6.1 Where the Purchasing Process is taking place as a result of the Cancelled Order, the Breaching Offeror shall not be entitled to participate in it. Should the Breaching Offeror submit a proposal to the Purchasing Process, such proposal shall be disqualified.

10.6.2 The Breaching Offeror shall not be entitled to participate in the Purchasing Process, provided it is for the purchase of goods and/or services and/or the performance of work, subject of the Cancelled Order, and such Purchasing Process was published and/or is being conducted simultaneously or close to the Cancellation of the Order.

Should the Breaching Offeror submit a proposal to the Purchasing Process, his proposal will be disqualified

and/or where a notice informing him that he was awarded the Contract/Order was provided, prior to signing the Contract/Order, such award will be cancelled.

For purposes of this paragraph, "simultaneously or close to" shall mean: from the date of notification of cancellation of the Contract/Order with him, and up to 6 (six) months thereafter, regardless whether the Offeror submitted his proposal prior to receiving notification of Cancellation of the Order, or after.

10.6.3 Regardless of that mentioned in subparagraph 10.6.2 above, a Breaching Offeror who is of the opinion that despite the Cancellation of the Order with him, should have been entitled to participate in the Purchasing Process and/or exercise his award, shall be entitled, to approach IEC and address his reasons in writing, no later than seven (7) calendar days from publication of the procedure, or notice of termination of his participation in this procedure, or cancellation of his award, as applicable.

The Offeror's claims will be heard by IEC and a written notice of IEC's decision will be provided to him.

For purposes of this paragraph, the Breaching Offeror shall include: Offeror's managers, Offeror's shareholders and any other body that the Offeror and/or his managers and/or shareholders, hold alone or together with their relatives means of control. "Means of Control" and "Relative" shall have the meaning ascribed to them in the Banking Law (Licensing)-1981

11. PARTIAL AND ALTERNATIVE PROPOSALS

A. Partial Proposals

- a. When requesting proposals with reference to a list of separate items, proposals need not refer to all such items, and may, instead, refer only to some of the items, unless otherwise indicated.
- b. In selecting the successful proposal, IEC may prefer a proposal, which refers to a larger number of items on the list, or, which is more advantageous as to a larger number of items, over a proposal which refers only to a fewer number of the items, or which is more advantageous as to a fewer items.

B. Alternative Proposals

The Offeror shall have the right to submit alternative proposals in any tender/inquiry provided such proposals comply with the requirements of the tender/inquiry.

12. EXCEPTIONS, QUALIFICATIONS AND ADDITIONS

A. IEC strongly urges Offerors not to submit or include in their proposals any qualifications, modifications, deletion, additions or substitutions (hereinafter jointly referred to as: "Exceptions") to the terms, conditions and requirements, set forth in the tender/inquiry documents.

- B. In the event , however , that any Exceptions are included in a proposal, the IEC, at its sole discretion, may:
- (i) Disqualify the proposal; or
 - (ii) Weigh and/or accept the proposal as is, taking the Exception/s into account in the overall evaluation, while, at its discretion, attaching a certain cost to the Exception/s, which maybe arbitrary, in instances where it/they cannot be reasonably quantified.
 - (iii) condition the consideration and/or acceptance of any offer and/or the execution of any contract, on a full waiver of any Exception made by the Offeror.

13. IEC'S DISCRETION TO DISQUALIFY

In addition to IEC's right to disqualify proposals under paragraph 12 above, IEC may disqualify any proposal on one or more of the following grounds:

- (i) The supplier/manufacturer/Offeror of the Goods lacks relevant experience, production capability or financial backing, so as to raise a reasonable doubt, concerning the delivery of the Goods, in accordance with the strict

requirements of the RFP documents.

- (ii) The proposal fails, or there is a reasonable likelihood that the proposed supplier/manufacturer/Offeror, may fail to meet any of IEC's technical requirements, standards or required delivery schedule; or
- (iii) The quality and/or reliability of the Goods has/have not been sufficiently tested or proven to IEC, in order to be safely or reliably incorporated into IEC's network or system; or
- (iv) The Goods do/does not fit, or is/are not compatible with, IEC's existing facilities, systems, inventories, equipment, standards or training; or
- (v) The Goods and/or its/their design and/or construction is/are based on outdated, inferior or untested design or technology.

14. DIVISION OF THE CONTRACT / ORDER

14.1. IEC shall be entitled, at its sole discretion, to divide the award and the Order among several Offerors. Where IEC decides to do so, it shall, at its sole discretion and according to its needs, divide the award between an Offeror whose proposal was rated as most advantageous to IEC, according to the standards set forth in the Tender, and another Offeror.

14.2. Where IEC decides to divide the award among several Offerors, IEC shall be entitled to condition the award of any portion, provided that the Offeror, whose offer is inferior, improves its proposal in relation to the most advantageous proposal, or alternatively, reduces its proposal in such a way that the Offeror whose proposal is most expensive, shall receive the same weighted grade as the Offeror who submitted the lowest proposal.

In the event the Offeror shall fail to improve its proposal, in the manner prescribed above, IEC shall be entitled to approach a different Offeror.

15. UNREASONABLE OFFERS, SINGLE PROPSAL AND DISCREPANCY BETWEEN THE ESTIMATED VALUE AND THE OFFEROR'S OFFER

A. IEC has determined the estimated value for the procurement procedure.

B. IEC shall have a right not to accept any price proposal, unreasonably higher or lower than IEC's price estimate and/or the price, which appears to IEC as a reasonable and fair price, under the circumstances.

C. Where all proposals submitted are disadvantageous to IEC in comparison to the estimated value, IEC shall be entitled, to request all Offerors who complied with the procedure requirements including the preliminary conditions, to submit an additional, more advantageous proposal. The abovementioned shall not derogate from IEC's right to cancel the procedure.

D. IEC shall be entitled to reject any proposal which is:

- substantially higher or lower or unreasonable in comparison to the estimated value set by IEC or
- from the price proposed by other Offerors in previous procedures or
- from the price that seems fair and reasonable to IEC for Goods subject of this procedure.

E. Where a single proposal has been submitted to a Tender or where IEC is left with a single proposal, due to other proposal being disqualified or rejected as a result of their price being disadvantageous to IEC in comparison to the estimated value, IEC shall be entitled to notify the Offeror and enable the Offeror to submit a more advantageous proposal, at a date to be determined by IEC.

F. Where a single proposal has been submitted in a single stage public tender, IEC shall have the right to decide whether to accept such single proposal or to cancel the tender and issue a new tender or to issue an inquiry (exemption from tender) should IEC be of the opinion that a new tender would not be beneficial to IEC.

G. Where a single proposal has been submitted or a single proposal remains in a public tender comprising of a single or two stage, IEC shall be entitled, at the end of the preliminary examination stage, or after examining the Offerors' technical proposals, as applicable, at its sole discretion and prior to proceeding to the pricing stage or opening the proposals, to decide on any of the following: cancel the tender and issue a new tender, or to issue an inquiry (exemption from tender) should IEC be of the opinion that a new tender would not be beneficial to IEC.

H. Where a single proposal has been submitted in a closed tender, IEC shall not accept such single proposal and shall issue a new tender unless IEC is of the opinion that a new tender would not be beneficial to IEC.

I. If, in the event of any inquiry (exemption from tender), a single proposal has been submitted, or results from disqualification or rejection of all other proposals in the inquiry, IEC shall not be obliged to accept such single proposal but shall be entitled to approach other Offerors (as well as the Offeror who has submitted the single proposal) in an additional process for receiving proposals.

16. TIME OF EVALUATION OF PRICE PROPOSALS

IEC will conduct the evaluation of the price proposals close to the date of the decision of its authorized tender committee. The evaluation will be based upon the relevant parameters, currency exchange rates, relevant capitalization rates, indices known and published on the date of conducting the evaluation. IEC reserves the right, during the evaluation of the price proposals, to take into consideration the following additional expenses: import, customs, delivery expenses etc.

17. CANCELLATION OF THE PURCHASING PROCESS

IEC shall have a right to abort or cancel the Purchasing Process, at any time, when, inter alia:

A. All the proposals are unsatisfactory to IEC and IEC has reason to believe that issuance of a new Purchasing Process may solicit proposal/s, which is/are more advantageous to IEC.

B. There are reasonable grounds to believe that the administration of the Purchasing Process has been improperly or defectively conducted, as to all or part of the participants.

C. IEC discovers an error or an omission in the Purchasing Process documents and/or in any data, which is relevant to the procurement of the Goods.

D. IEC finds it necessary or beneficial to update or modify the specification or any other material requirement in the Purchasing Process documents.

E. There is a change of circumstances, including a change in fiscal or budgetary circumstances, or a change in IEC's needs or priorities, which warrants, in IEC's opinion, the cancellation of the procurement.

F. There are grounds to suspect that some or all of the offers have been coordinated, or that some of the Offerors have joint interests or have, otherwise, acted illegally or improperly.

G. It is IEC's professional opinion that none of the qualifying offers is reasonably priced.

H. The Successful Offeror (the "Successful Offeror shall mean the Offeror, whose Offer has been chosen by IEC's Tender Committee as the most beneficial to it under the Purchasing Process) has failed to comply, within reasonable time, with any of the relevant requirements set out in the Purchasing Process documents.

I. The Successful Offeror has failed to countersign, within the time, prescribed by IEC or, in the absence thereof, within a reasonable time, the Order/s and/or the contract issued by IEC.

J. IEC tender committee has received information concerning the Offeror, the offer or its content, or any part thereof, that would have prevented the award being given to the Offer, had such information been known to the Tender committee, earlier.

K. There is reasonable doubt, as to whether the Successful Offeror is in a position to fulfill its obligations towards IEC, in a satisfying manner.

L. Any other reason, justifying in law the cancellation of the award.

In the abovementioned circumstances and any other circumstances in terms of which IEC is entitled to cancel the Purchasing Process according to the law, IEC shall not be liable to pay any compensation whatsoever to any Offeror, in connection with the cancellation of the Purchasing Process.

18. IEC'S RIGHTS TO NEGOTIATE

A. Unless prohibited by law, IEC shall have a right to conduct negotiations with all or part of the Offerors,

whose proposals are most advantageous to it.

B. NEGOTIATIONS IN TENDER PROCEDURES IN ACCORDANCE WITH MANDATORY TENDERS REGULATION NUMBER 7 (WHERE APPLICABLE)

1. IEC will negotiate with all Offerors within the final group of Offerors. The final group of Offerors shall include all those Offerors complying with the conditions of the tender, including the threshold conditions/pre-conditions and who have been evaluated with a minimal threshold mark (where such grade has been required).

2. At the completion of the negotiations on such date determined by IEC, each Offeror will be entitled to submit a final proposal into the Tender Box. In the event an Offeror fails to submit a final additional proposal, the first proposal will be considered the final one.

3. After submission of the final proposals, IEC will cease all negotiations with all Offerors. IEC will examine all the proposals submitted (including the first proposals where no additional final proposals were submitted) and will reach a decision.

4. Despite the above, IEC will be entitled to decide not to negotiate with the Offerors in the event any one of these conditions exists:

4.1 If no negotiations have begun with any of the Offerors.

4.2 Where all Offerors agree to waive the submission of the aforesaid proposal, IEC shall be entitled to decide not to accept any additional proposals after negotiating with all the Offerors.

5. Where only one Offeror remains in the group of final Offerors,

- IEC shall be entitled to negotiate with the Offeror and decide that such Offeror will not have to submit an additional proposal to the tender box, but may submit its proposal in writing, by any way determined by IEC. method to be determined.

- decide not to negotiate at all.

C. IEC'S RIGHT TO NEGOTIATE IN INQUIRIES EXEMPTED FROM TENDERS

IEC shall have a right to negotiate with all or part of the Offerors, whose proposals are most advantageous to it.

19. IEC'S RIGHT TO VERIFY PROPOSAL, TO REQUEST CLARIFICATIONS AND TO OBTAIN SUPPLEMENTARY DOCUMENTATION

IEC shall have the right to verify the Offeror's proposal by receipt of any information regarding the Offeror or the Goods and by conducting visits to the Offeror's offices and facilities or those of its subcontractors or affiliates (such visits shall be co-ordinated between IEC and the Offeror). IEC shall have a right to request and receive clarifications when such clarifications are necessary in order to properly evaluate any proposal, or request, and obtain any document, record or thing, which has not been submitted with the Offeror's proposal. In the event the Offeror fails to co-operate with IEC in verification and clarification of the Offeror's proposal, IEC shall be entitled to disqualify the proposal.

20. IECS RIGHT TO WAIVE REQUIREMENTS

IEC may, at any time, waive any requirement, term or condition in the tender/inquiry documents, which in IEC's discretion, is not essential or substantially material to IEC. In weighing such a waiver, IEC may consider the overall advantages of each proposal (in terms of overall costs and otherwise) visa vis the lack of compliance of such proposal with the relevant requirement, term and condition.

21. GOVERNMENTAL APPROVALS

The award of any order/contract to any Offeror and/or the notification of award/acceptance of proposal, are subject to the issuance any and all necessary governmental approvals, including import licenses. IEC shall have a right to cancel any notice, award or order/contract, if necessary governmental approvals are denied or delayed, in a manner, which interferes, or may interfere, with IEC's time tables.

22. CONTRACT FORMALIZATION

The Offeror awarded the tender/procurement procedure shall receive a written notice from IEC. The Order/Contract shall be binding only upon issuance of a Contract/Order signed by the Offeror awarded the Order/Contract.

23. PREFERENCE TO ISRAELI MANUFACTURED GOODS

Offerors of Israeli manufactured goods/products may be entitled to preference in the evaluation of any tender. Such preference may be given in two main instances:

- (a) When the value of the goods/products is less than 355,000 SDR (\$ 517,945); or
- (b) When the goods/products consist of cables (H.S 8544), transformers (H.S. 8504) disconnectors and switches (H.S. 8535 - 8537) electric motors (H.S. 85012099, 85015299, 85015199, 85015290, 85014099, 85015390); , irrespective of the value of the supplies. Offerors, who desire to obtain a preference, must carefully review and consult the "ANNEXURE "P": PREFERENCE TO ISRAELI MANUFACTURED PRODUCTS ", which, if not attached herewith, may be received from IEC, upon request. All claims for a preference are subject to the terms and provisions, set forth in said annexure and in any applicable laws, regulations or international treaties. As used herein, the words "Israeli manufactured goods/products" shall mean goods or products, manufactured in Israel or in zone, by a manufacturer, who is an Israeli citizen, or a permanent resident of Israel, or a corporate entity, registered in Israel, provided that the Israeli contents in such goods/products equals or exceeds 35% of the price of the proposal.

24. MANDATORY COMMERCIAL COOPERATION

A. For purposes of this paragraph, the words "Foreign Supplier" shall mean a Supplier of goods/products, which are not "Israeli manufactured goods or products", as defined in the Mandatory Tender Regulations (Preference to Israeli Manufactured Goods and Duty of Commercial Cooperation) of 1995.

B. A "Foreign Supplier", who is awarded a Contract for the supply of goods, equipment, services, or work of a value, which exceeds \$ 5,000,000 or USD 4,575,000* (when the Government Procurement Agreements applies) , or a repeat/additional order a period of 5 years, commencing on the initial contract period is required to engage in a "Commercial Cooperation" activity in Israel and to submit a proper undertaking, in writing, to do so, all in accordance with the Purchaser's "Annexure U: Mandatory Commercial Cooperation" and the applicable regulations.

C. It is the Supplier's duty to obtain from the Purchaser the most recent edition of the "Annexure U: Mandatory Commercial Cooperation" and of the form of the "Foreign Supplier's undertaking of Commercial Cooperation".

D. The Contractual provisions, set forth in said documents are hereby incorporated by reference, as though set forth in full herein and shall be an integral part of these general conditions. Irrespective of anything to the contrary herein, the provisions, terms and conditions, set forth in said Annexures P and U shall prevail.

25. JOINT PROPOSAL

The submission of an offer by multiple parties is conditioned upon the fulfillment of the following requirements:

- a. Each Offeror must sign the proposal and must fill in and sign the Offeror information sheet.
- b. If the joint proposal is accepted by IEC, the Offerors will be, jointly and severally, obligated to sign the Order/Contract and to fulfill the terms and conditions, set forth therein. No split or division of obligations or responsibilities is permitted.
- c. The joint proposal will, irrevocably, designate one party and one bank account For purposes of correspondence and deposits of payments, which will be used by IEC, during the process of the inquiry/tender and the management of the order/contract, if the joint proposal is accepted.
- d. At least one of the Offerors must fulfill all the threshold conditions, pertaining to the offerors, set forth in the inquiry/tender documents. In case of a closed or selective tender, at least one of the Offerors must be listed in IEC's list of qualified suppliers, pertaining to the relevant product / goods/equipment.
- e. Any joint proposal shall comply with the provisions of the Restraint of Trade Law 5748 # 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment.

26. ANTI DUMPING LEVY

A. The Offeror declares that the prices for the Goods set out in its proposal, or in the Order/Contract are:

- (i) neither substantially lower than the normal price charged by the Offeror domestically for similar equipment;
- (ii) nor subsidized by the Offeror's government, excluding support through export financing and credit risk insurance (hereinafter "Subsidy") and
- (iii) do not otherwise constitute dumping according to Israeli Law, as in force from time to time.

B. IEC shall notify the Offeror promptly of any allegation of dumping and the institution of proceedings or action against it. The Offeror shall supply IEC with all such information and assistance to enable it to defend the suit, and IEC shall permit the Offeror to be joined as a party respondent.

C. In the event the Israeli competent authorities determine that the Offeror's prices constitute dumping prices and IEC is required, as a result thereof, to pay any anti-dumping duty or any other assessment, levy, penalty, fine, obligation or payment, and incur costs, expenses or fees (including legal fees) (hereinafter together "Anti Dumping Duty") the Offeror's shall indemnify and hold IEC harmless for such Anti-Dumping Duty as shall be imposed on, or suffered by IEC.

27. IMPROPRIETY

27.1. In accordance with the provisions of law (including the Penal Law 5737-1977), the Offeror and any person on its behalf (the "Participant") hereby undertakes and declares as follows:

27.1.1. that the Participant shall neither directly nor indirectly offer and/or give and/or receive any benefit and/or funds and/or anything of value in order to influence, directly and/or indirectly, the decision and/or action and/or inaction of IEC or of an officer of IEC and/or an employee of IEC and/or any person on the behalf of IEC and/or any other persons, in connection with the Contract/Order;

27.1.2. that the Participant shall neither directly nor indirectly solicit and/or co-operate with any officer of IEC and/or employee of IEC and/or any person on the behalf of IEC and/or any other persons in order to obtain restricted/confidential information in connection with the Contract/Order;

27.1.3. that the Participant shall neither directly nor indirectly solicit and/or co-operate with any officer of IEC and/or employee of IEC and/or any person on the behalf of IEC and/or any other person/company/body in order to establish prices in an artificial and/or non-competitive manner or that they have not acted contrary to the provisions of restraint of trade as detailed in the Anti-Trust Law 5748 - 1988;

27.1.4. subject to clause 27.3 below, that it is not a Family Member and does not employ or intend to employ for purposes of this Contract/Order, any "Family Member" (as such term is defined in the Government Corporations Regulations [Rules Pertaining to the Employment of Family Members], 5765-2005) insofar as such employment may be construed as constituting a conflict of interests between the IEC and any officers or employees of IEC;

27.1.5. that the Participant shall neither directly nor indirectly engage in money laundering activities during the course of the Order/Contract.

27.1.6. that the Participant has not acted and/or is not acting and/or will not act contrary to the provisions of paragraphs 27.1.3-27.1.5 above in connection with any Contract/Order entered into with the IEC and that the Participant has not acted during the last twenty five years prior to the date of submission of the proposal and/or is not acting and/or will not act contrary to the provisions of paragraphs 27.1.1-27.1.2 above in connection with any Contract/Order entered into with IEC.

In the event the Participant has acted contrary to the above, vis-a-vis IEC (summarized as "Legacy Compliance Matters") the Participant is obliged to describe in a separate document the Legacy Compliance Matters, their current status, sanctions imposed and remedial action taken including, where applicable, any adequate policies and procedures designed to prevent such action.

27.1.7. that throughout the period of any transaction with IEC:

27.1.7.1. the Participant (not included: affiliates, branches and permanent establishments of the Participant) is not founded in and/or the execution of this Contract/Order is not managed from any of the countries designated as an enemy country and is not otherwise designated as an enemy under the Trading with the Enemy Ordinance 1939.

The meaning ascribed to the terms Participant as referred to in this Article 27.1.7.1 only, shall be: corporations parties to this Order/Contract only.

27.1.7.2. the Participant is not directly, or to the best of the Participant's knowledge, indirectly, subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), as such may be from time to time, or directly, or to the best of Participant's knowledge, indirectly, subject to any sanctions administered by any corresponding authority in any EU member state (the "Other Authorities"), as such may be from time to time.

The Participant hereby undertakes and declares that it shall not engage in any business activities, classified under this sub-article 27.1.7.2, to the extent such sanctions are administered by OFAC and Other Authorities.

27.1.7.3. The Participant

27.1.7.3.1. is not an "unlawful association" as specified in the Defense (Emergency) Regulations 1945;

27.1.7.3.2. has not been classified by Israeli Governmental authorities as a "terrorist" as specified in the Prevention of Terrorism Ordinance 5708-1948; and

27.1.7.3.3. has not acted in contravention of the provisions of the Prohibition of Financing Terrorism Law 5765-2007 and is not a designated terrorist organization thereunder.

27.1.8. For purposes of this provision:

27.1.8.1. the term " Participant " includes the Participant, any of its directors, officers, agents, employees, parent company, first degree subsidiaries, related companies and affiliates.

27.1.8.2. the terms "Ordinance", "Law" or "Regulation" shall also include subsequent amending legislation as well as subsidiary legislation and regulations.

27.2. In the event of reasonable suspicion that the Participant failed to comply with the provisions of Sub article 27.1 above, IEC reserves the right, in its exclusive discretion, to:

27.2.1. exclude it from any other procurement procedures regarding to which there is suspicion that the aforesaid action was performed and/or from any other procedure (hereinafter: "the Procurement Procedure"); and/or

27.2.2. reject its proposal submitted in the Procurement Procedure; and/or

27.2.3. at any time cancel its award in the Procurement Procedure and/or at any time cancel this Contract/Order or any other Contract/Orders entered into with the Participant.

27.3. In the event the Participant is a Family Member and/or employs a Family Member as detailed in Article 27.1.4 above, the Participant shall make full disclosure in writing to IEC of details of the identity and position held by such employee and no such Family Member shall be in any way connected with the performance of this Contract/Order without receiving the prior written consent of IEC.

27.4. At the time of submission of the Purchaser's proposal, the Participant declared and undertook full compliance with the provisions of the Restraint of Anti-Trust Law 5748 - 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment and the laws pertaining to freedom of contract and competition (including the formation of monopolies, cartels etc.).

In the event, such declaration is found to be false, IEC shall have the right to cancel the Order/Contract.

In the event the Participant is found to have acted in conflict of interests, at the time of submission of the Participant proposal, IEC shall be entitled to cancel the Order/Contract.

27.5. The Participant is required to bring the provisions of this Article to the attention of its employees, sub-suppliers, representatives, agents and any person on the behalf thereof that is involved in any manner in the Contract/Order.

When proposals (including any options, flexibilities etc) (shall mean "Proposals" in this paragraph only) are in

excess of NIS 3,000,000 or the equivalent amount in non-Israeli currency (calculated in accordance with the Representative Rate of Exchange {"RROE"}), the declaration attached as Attachment 1 below must be signed by the Offeror and the signature must be witnessed by an attorney.

Whereas Proposals in excess of 100,000 NIS (excluding any options, flexibilities etc) (or the equivalent sum in NIS [in accordance with the RROE]) and below NIS 3,000,000 (inclusive), the declaration attached as Attachment 1 below must be signed by the Offeror.

When Proposals are below 100,000 NIS or the equivalent sum in NIS [in accordance with the RROE] the signed Attachment 1 is not required.

28. RIGHT OF UNSUCCESSFUL OFFERORS TO VIEW THE TENDER DOCUMENTS

(a) Within 30 days of the date of IEC's announcement of its final decision of awarding the tender/inquiry, an Offeror who was not awarded the Order/Contract may, by law, review the protocol of IEC's tender committee awarding the tender/inquiry, correspondence with the Offerors, the professional opinions prepared according to committee's request, the position of the committee's legal counsel and the successful proposal, and receive a copy of these documents, excluding:

- (i). Sections of the decision or successful proposal which may, in the tender committee's opinion, disclose commercial or professional confidential information, or affect national security, international relations, the economy or public safety.
- (ii). Legal opinion issued by the committee's legal counsel in his capacity as legal advisor, including review of alternative courses of action and/or alternative decisions or estimation of legal risks and possibilities arising out of the above mentioned decisions, and possible legal ramifications.

(b) An Offeror who objects to its proposal (or parts thereof) being disclosed because it contains commercial or professionally confidential information, shall provide reasons explaining such objections and shall mark such portions of its proposal as being "Confidential". Where no reasons for objection have been received by IEC and where portions of the proposal have not been marked as Confidential, IEC shall be entitled to disclose the unmarked or unexplained portions of the proposal after the award. IEC is not obligated to approach the Offeror with any request to indicate any Confidentiality of the Offeror's proposal or to request any reasons for objections due to Confidentiality.

(c) The decision as to the Confidentiality of the Successful Offeror's proposal or part thereof shall be at the sole discretion of IEC's tender committee. IEC shall not be obliged to disclose any Confidential portions of the Successful Offeror's proposal unless otherwise instructed to do so by a competent court of law.

(d) Without derogating from the above, that part of the Offeror's proposal relating to the prices (in a one stage tender/inquiry) and the Offeror's price proposal (submitted in the second stage of a two stage tender/inquiry) shall not be deemed to be confidential and IEC shall be entitled to reveal the Successful Offeror's proposed prices to each unsuccessful Offeror requesting such viewing.

(e) The aforesaid right of review shall be subject to the payment to IEC of the sum of NIS 350 (inclusive of VAT). Anyone granted the right of review shall be entitled to make copies of the documents presented for review.

29. VALIDITY OF PROPOSALS

a) All proposals shall be valid for a period of 180 days from the date of the last deadline for submission of price proposals.

b) IEC shall not be obliged to consider proposals and decide about them, prior to their expiration.

c) In the event the validity date of the Offeror's proposal expires before the final decision by IEC regarding the tender or inquiry award, IEC shall be entitled to either cancel the tender/inquiry, or to request the Offerors to extend the validity date of their proposals.

d) Where an Offeror fails or refuses to extend the validity of its proposal, such Offeror shall not participate further in the tender/inquiry process.

e) An Offeror who has extended the validity date of its proposal shall not change or amend the proposal in whole or in part. Any change or amendment (including the increase or decrease of the price) is likely to disqualify the proposal and such Offeror shall not be entitled to participate further in the tender/inquiry process.

f) Without derogating from the abovementioned, IEC shall be entitled, after the validity date of the proposal has expired, to enter into a transaction with the Offeror, provided the Offeror did not notify IEC that its offer will be terminated after the validity date lapses.

30. THE ESTIMATED VALUE

IEC has estimated of the value of the goods to be supplied. In the event that all proposals submitted in the tender are disadvantageous to IEC compared with the estimate, IEC will be entitled to decide that all the participants in the tender who have complied with the tender conditions, including preconditions/threshold conditions, will submit new and improved proposals, according to paragraph 3.D. above.

31. OFFERORS CONSENT TO TERMS AND CONDITIONS

By submitting a proposal under the Inquiry/Tender, Offeror agrees that the submission of this proposal to IEC is subject to the terms and conditions, set forth in the Inquiry/Tender documents, and the signature below hereby implies Offeror's consent to all such terms and conditions. The undersigned hereby declares that he/she is authorized by law to sign this proposal on behalf of the Offeror, if the undersigned is not the Offeror. (Please fill in full name of Offeror and exact details).

Note: The identity of the Offeror (being the Legal entity) submitting the proposal, must be clearly stated/defined by the person/entity submitting the proposal.

31A. BANK DETAILS

In the event payment shall take place by way of a direct bank transfer, the Offeror awarded the Order/Contract, must submit to IEC, details of the Offeror's bank account as specified in Attachment 2, hereto.

31B. LETTER OF CREDIT

Please note that where the Offeror wishes to make use of one of the following Incoterms 2010 - DDP, DAT, DAP, CIP, CPT, payment by way of a letter of credit shall not be possible.

32. CHANGE IN THE MODEL TYPE AND/OR LEGAL PERSONALITY

A. IEC shall be entitled, at its sole discretion, to approve the change in the model type submitted by the Offeror for the Inquiry, in instances where after the final date for submission of proposals, the model type submitted has gone out of production and IEC is convinced that it is no longer possible to supply the type proposed and only in cases in which the previous type complied with all the Tender requirements and only where the newly proposed type complies with the Inquiry requirements.

B. In addition, in instances where after the final date for submission of proposals, a change occurs in the Offeror's legal entity, IEC shall be entitled, at its sole discretion, to approve the change in the Offeror's legal entity provided that the Offeror's previous and current legal entities comply with the Inquiry requirements.

C. An Offeror who at the time of submitting his proposal, was aware of the fact that a change may occur in his legal entity and/or that the model Inquiry submitted by him shall go out of production, is requested to specifically disclose such information in his proposal.

33. RETURN OF FAULTY GOODS

Without derogating from IEC's rights, provided to it by law and the provisions of this procurement procedure (in addition to IEC's right to demand the replacement or repair of the Goods or to purchase alternative Goods and request the Supplier to bear the cost of the repair or the difference), in the event the Goods fail to pass successfully the acceptance tests, the Supplier shall be requested to remove the defective Goods from IEC's premises, within 7 working days from IEC's written request.

Should the Supplier fail to remove the Goods within the specified seven working days, IEC shall store the defective Goods at its premises and charge the Supplier 15 NIS per meter per month (in the event the defective Goods are stored for a period less than a month, the relative amount) if stored at IEC's open warehouse or 38 NIS per meter, per month (in the event the defective Goods are stored for a period less than a month, the relative amount) if stored at IEC's closed warehouse.

The charges shall be according to its sole discretion, the manner in which the Goods are stored, their availability and IEC's needs. Charges shall begin on the date of IEC's written notice.

In addition to the above stated, IEC shall be entitled, at its sole discretion, to, and without the Supplier having any claim against IEC, to remove the Goods from the site and sell them as waste or destroy them.

IEC shall be entitled to claim compensation from the Supplier for the costs of removing, and/or selling and/or destroying such Goods.

The compensation claimed shall be deducted from any amount due to the Supplier under the order or any other order.

34. SAMPLES

In the event the tender documents or the specification require the submission of samples, the Offeror shall be requested to comply with the following:

A. the Offeror shall be required to submit samplers to the "samples warehouse" located at Haifa's power station's warehouse - Shemen beach. The samples must be submitted by the final date of submission of proposals (unless stated otherwise).

B. The time and date of submission of the proposals will be scheduled in advance by way of a telephonic conversation with any of the following:

Danny Levin - 0546099582

Shimon Cohen - 054-6090909

C. The samples must be packed separately, marked with the tender number, IEC's catalogue number and the name of the Offeror.

D. During the preliminary stage of the tender, the Offeror must attach to its proposal a signed copy of the delivery certificate of the samples.

The delivery certificate must include the following details:

Offeror's name, tender number, a description of IEC's catalogue number, quantity and the date of acceptance of the samples, at IEC's warehouse.

E. Unless stated otherwise in the tender documents, the samples will not be returned to the Offeror awarded the tender.

F. In the event the tender documents stipulate that the samples will be returned to the offerors once the tender is finalized, upon receipt of such notice from IEC, the Offerors must contact IEC's samples warehouse and schedule a date to collect the samples. Should the Offeror fail to collect its sample within 30 calendar days from receipt of IEC's notice, IEC shall be entitled, at its sole discretion, to dispatch the sample from its warehouse for purposes of destruction or sell it as waste. Should IEC dispatch such sample, the Offeror shall have no claim against IEC.

35. SUPPLIERS' RANKING MECHANISM

IEC has begun implementing in its tenders the process of ranking suppliers. Should a tender be classified as one where the suppliers' ranking shall be taken into consideration, it shall be stated explicitly in the document's heading.

The suppliers' ranking mechanism shall be included gradually in IEC's procurement procedures.

The suppliers ranking mechanism is aimed at improving the quality of the suppliers' products received as well as meeting delivery dates set forth in IEC's procurement procedures.

The Suppliers' Ranking mechanism will be based upon accumulated information regarding the suppliers' performances i.e meeting delivery dates and the quality of the goods provided under contracts/orders entered with IEC.

Each supplier shall be provided a Score which shall form part of the parameters to determine, in IEC's tenders, which supplier will be awarded the tender (hereinafter referred to as the: "Score").

Where the Suppliers' ranking mechanism shall be used, in a tender, the Score to be taken into consideration, when comparing proposals, shall be the Score valid during the preliminary examination stage and prior to the pricing stage. At this stage, each supplier shall be granted the Score allocated to him.

The Score shall be updated twice per year, on the following dates: January 31st and July 31st, according to the suppliers' performances and each time, shall be valid for a period of six months.

In addition, in the future, the time period during which the suppliers' ranking mechanism shall take place shall be 36 months, preceding the time period. For the avoidance of doubt, please note the current Scores are based upon accumulated data from the month of June 2011 onwards (hereinafter referred to as the: "Relevant Period").

In order to receive information regarding their updated Score, the suppliers may contact, at any time, Mrs. Tali

Cohen from IEC's, Supply and Stores Division, Supplier Certification Unit, at the following e-mail address:
tal.cohen1@iec.co.il

In the first stage, the suppliers' ranking mechanism will be based on the following two parameters:

1. Availability (45% weight) - this parameter shall take into consideration the suppliers previous performance during their contract/order with IEC, in particular their compliance with the delivery date stated in the contracts. The score granted in this parameter shall be determined according to the amount of delays each supplier had in his undertaking with IEC, as set forth below:

Delays calculated in days	Score
1-10	100
11-14	95
15-20	80
21-30	60
31-40	40
41-50	20
51-60	5
61 and above	1

Should a supplier breach his order/contract with IEC and fail to supply at all, he shall be awarded the Score 1, for the relevant order.

2. Quality (55% weight) - this parameter shall reflect the suppliers past performance with respect to the quality of the products supplied by them and their compliance with the quality tests. The Score to be awarded in this parameter shall be calculated as follows: compliance with the specification requirements - Score 10.

Non compliance with the specification requirements- Score 1

The supplier's Score awarded in the suppliers' ranking mechanism shall be determined according to the average score received in each of the orders during the Relevant Period.

When comparing proposals, the weight to be awarded to each Score according to the suppliers' ranking mechanism shall be as follows:

- In a tender, where weight is given to the technical aspect - in addition to the technical weight, the suppliers' ranking mechanism shall weigh 10%.
- In a tender, where weight is not awarded to the technical aspect - the prices will weigh 80%, whereas the suppliers' ranking mechanism will weigh 20%.

Please note, when comparing proposals, a supplier who received a Score above 90 for the suppliers' ranking mechanism, shall receive additional 5% to his Score. (the supplier's Score shall be multiplied by the following factor:1.05). Whereas if a supplier received a score less than 70, IEC will look into continuing working with the supplier.

When comparing proposals, a new supplier shall receive a Score of 100. Where a supplier does not enter into an agreement with EC and therefore does not supply it with equipment for a consecutive period of five years, during this period, the supplier's Score shall be changed to that of a new supplier.

36. CONTRACTOR/SUPPLIER/SERVICE PROVIDER'S DECLARATION

The Contractor/Supplier/Service Provider (please elect where applicable) hereby undertakes to fully co-operate with every inspection and/or investigation conducted by the company and/or any person on its behalf with regards to the procurement procedure and/or any other procurement procedure and/or any Contract/Order entered into between the Contractor/Supplier/Service Provider (please elect where applicable) and the company.

Without derogating from the abovementioned, the Contractor/Supplier/Service Provider (please elect where applicable) hereby undertakes to provide the company with any relevant information for purposes of examination as well as provide any document and/or evidence required with such examination, immediately upon the company's first request, should such request be made.

Offeror Data Sheet*

We hereby submit our proposal in connection with your Tender No.: _____

for the supply of: _____
Name of Offeror: _____
Type of Entity: _____
Name of the Offeror's Managers: _____

Where the Offeror is a company, please fill in the names of the Offeror's Shareholders: _____

Place of Incorporation (if a corporation): _____
Address of Main offices: _____

Country: _____

Tel. No.: _____ Fax No.: _____

Name of authorized representative (contact person): _____

Personal E-mail address: _____

Name of Manufacturer: _____

Address of manuf. plant: _____ Country: _____

Please fill in below, details of Offerors Local Agent/Representative (where applicable):

Name of Local Agent/Representative): _____

Address: _____ Code: _____

Tel. No.: _____ Fax No.: _____

Name of Person to contact: _____ Mobile Phone No.: _____

Personal E-mail address: _____

Name and title of signatory on proposal: _____

Signature

Date

Print Name of Signatory: _____

*The Offeror hereby undertakes to notify IEC of any change in the above information provided by him.

ATTACHMENT _1_

Declaration Regarding the Adherence to Anti Trust Laws and Prohibited Tender Collaboration authorized by an attorney

I the undersigned, [_____] (Nationality) and holder of the position of an [_____] in a company by the name of [____], registration number [_____] (hereinafter the "Position"), hereby declare in writing as follows:

** delete that which is not applicable

1. My name and Position is as set forth above.

2. I hereby submit this Declaration on behalf of [_____] (company name/ authorized dealer), (the "Bidder"), to the Israel Electric Corporation Ltd. in connection with the tender/RFP procedure, for the supply of [_____] (subject of the undertaking), in tender/RFP procedure number [_____] (the: "Procedure").

3. I am authorized to sign this declaration on behalf of the Bidder and its management.

4. In the framework of this proposal, the Bidder intends to use the following subcontractors as set forth below (please insert the company's name /authorized dealer and contact details) Section 4 is only relevant where the Procedure documents provide for subcontracting

Company name

scope of work/service/goods for which

Contact details

5. The Bidder and/or its management and/or its representatives have not acted in violation of the Anti Trust Law - 1988 and the laws pertaining to restraint of trade (hereinafter: "Anti Trust Laws"), in submitting their proposal in the Procedure and in particular (but without limitation) that:

* the prices and/or quantities and/or any other detail It is suggested to add here any additional component, in accordance with the tender's circumstances, or alternatively to add "as well as any additional component". which appears in this proposal have been determined by the Bidder and/or its management and/or its representatives independently, without any consultation, arrangement or any connection with another bidder in this procedure or with any other potential bidder in this Procedure (excluding a joint bidder, in case of a joint bid This sentence is only relevant in situations where the Procedure documents provide for a joint bid. and/or subcontractors as set forth in Section 4 above, with regard to the scope of work/service/goods to which subcontracting pertains, insofar as such matter complies with the Anti Trust Laws This part of the section is only relevant in situations where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this declaration.

* the prices and/or quantities and/or any other detail which appears in this proposal have not been disclosed to any person or company which is bidding in this Procedure, or to any potential person or entity which may submit a bid in this Procedure (excluding a joint bidder in case of a joint bid, where provided for in the Procedure documents) This sentence is only relevant where the Procedure documents provide for a joint bid. and/or subcontractors as set forth above, with regard to the scope of work/services/goods for which subcontracting pertains, provided such matter complies with the Anti Trust Laws This part of the section is only relevant where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this Declaration .

* the Bidder and/or its management and/or its representatives have not been involved in prohibited tender collaboration and/or collaboration concerning prices and/or quantities and/or any other detail in the bids submitted in this Procedure, either with regard to their own proposal or a proposal submitted by another bidder in this Procedure and/or dividing up the market with regard to this Procedure and have not acted in a way which may constitute Anti Trust activity and/or a behavior which is not in line with Anti Trust Laws in the framework of this Procedure, and/or have not attempted to perform any of these acts.

* the Bidder and/or its management and/or its representatives have not influenced nor tried to influence the proposal of another bidder, or another potential bidder in this Procedure and have not tried and/or caused another bidder or another potential bidder not to bid in this Procedure.

* The Bidder's bid is submitted in good faith and is not the result of an arrangement or a discussion with another bidder or potential bidder in this Procedure (except in case of a joint bid, when this is provided for in the Procedure documents) This sentence is only relevant where the Procedure documents provide for a joint bid. and or the subcontractors set forth above, with regard to the scope of work/services/goods to which subcontracting pertains, insofar as such matter complies with the Anti Trust Laws This part of the section is only relevant where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this Declaration.

Please mark with a V where applicable:

[] At the time of signing this Declaration, the Bidder, its management and/or its share holders and/or its employees are not being held under any investigation by the Anti Trust authorities regarding the suspicion of prohibited tender collaboration.

If this is not the case, please elaborate:

[] Within the past four years the Bidder, its management and/or its share holders and/or its employees, have not been convicted in of any offence under the Anti Trust Laws as well as offences of tender collaboration and there are no existing criminal proceedings regarding these offences.

If this is not the case, please elaborate:

Date Name Position Signature+ stamp

In the event the proposal (including any options, flexibilities etc) exceeds the amount of NIS 3,000,000 kindly ensure below paragraph is completed and signed accordingly.

I, the undersigned, Adv. [_____] , hereby confirm that [_____] , whom I know personally/who identified himself/herself to me as holder of the position of an [_____] in a company by the name of [_____] registration number [_____] , after I cautioned him/her to state the truth and that he/she will be subject to penalties laid down by law if he/she Does not do so, confirmed the accuracy of his/her above declaration, and signed it in my presence.

Date: [_____]
Name and Signature of Advocate: [_____]

ATTACHMENT 2

re: Contractual Payments to Suppliers/ Service Providers (hereinafter referred to as: Supplier/Suppliers) By Transfer to a Bank Account

1. The Israel Electric Corporation Ltd. (hereinafter referred to as: "IEC") makes payments by bank transfers, directly to Suppliers' bank accounts.
2. A notice setting forth a detailed description of the payment and the date the bank account was credited is sent to the Suppliers via email, facsimile or post.
3. IEC reserves the right to make payments to the Suppliers via cheques.
4. Kindly complete the table below clearly, without any alterations and return this Amendment with a copy of a cheque or a confirmation from the bank or approval from a CPA/Attorney, verifying the information provided below:
Supplier's details for direct bank transfer

Name: Date:

Address Supplier's number:

Telephone number: Supplier's VAT number:

Facsimile number: Income Tax File number

Name of Account holder/Beneficiary in the event it deviates from that of the Supplier: Email address:

Name of Bank: Account number

Bank address: Branch number:

Bank key or ABA for wire transfer:

Swift code:

Control key:

IBAN (mandatory for EU suppliers):

Account currency:

Signatory's name Signature:

Company Stamp (for all companies having limited liability): _____

Note:

- Any transfer of rights of payment under this purchase order shall not be assigned without IEC's consent in writing.
- IEC shall not be held liable for the erroneous transfers due to the Offeror providing incorrect information in this attachment.
- The Supplier hereby undertakes to notify IEC of any change in the above information provided by him.

General Safety Appendix

1. Terms and Definitions

- 1.1 The Contractor shall mean: the Offeror
- 1.2 The Company shall mean: the Israel Electric Corporation Ltd. ,
- 1.3 The Contract shall mean: the Contract/Order

1.4 Work

All the direct and indirect activities, which the Contractor has to carry out in accordance with the Contract

1.5 The beginning of the works

The time of commencing of carrying out the Contract

1.6 The Contractor's representative

The proxy of the Contractor, who is responsible, on behalf of the Contractor, for the Contractor's employees and for carrying out the works

1.7 The company's representative

The person, who was assigned by the Company as responsible for carrying out the Contract with the Contractor or anyone on the Contractor's behalf

1.8 Obstacle

A situation or an obstruction, which is expected to cause damage to the health of a person, or damage to property or to the vicinity

2. General

The Contractor takes upon himself to take all the safety means that are required in order to carry out the Works and to keep all the instructions of the Ordinance of Safety at Work, the regulations that were set in accordance with it, The Law of Organizing the Supervision on Works # 1954 and the regulations that were set in accordance with it and any instruction or another demand according to any law. The Contractor also takes upon himself to keep all the instructions that will be demanded by the Company's representative and the commissioner of safety on behalf of the Company, which relate to safety in works, health and usage of equipment, notwithstanding the Contractor's liability according to any law.

3. Responsibility

3.1 The Contractor or anyone on his behalf is the sole responsible for the matter of safety and health of his employees.

The Company will not be liable to any damage that will be caused to the Contractor's employees and/or his emissaries and/or anyone on his behalf and/or in his service, arising from an accident or damage, which will be caused during and as result of carrying out the Works.

3.2 The Contractor or anyone on his behalf shall conduct recording on the location of all his employees at any time.

3.3 The Company's representative will be allowed to carry out inspections of the Contractor and his employees, in order to verify that the Contractor meets his obligations, which are detailed in this safety appendix, without the said inspections imposing any liability on the Company and without derogating the Contractor's responsibility. The Contractor takes upon himself to act in accordance with instructions of the Company's representative / the safety commissioner on the matter of handling defects that will be found by him, as much as required.

4. Familiarity with the Work and its Vicinity

The Contractor declares that he visited the location of carrying out the Works and its vicinity and inspected the access ways to the location and is aware of the nature of the Work, the risks that are involved in it and the means, which should be taken, in order to carry out safe work.

The Contractor and/or the Contractor's representative and/or workers on his behalf shall not enter places / facilities to which they are not allowed to enter by the Company's representative / the safety commissioner and shall not carry out tasks that are not connected to carrying out their Work.

5. Entrance to the Company's Facilities and Reception of Access Badge

Reception of access badge to the site for the Contractor's employee is subject to the Contractor submitting to the Company's representative a copy of a form signed by the employee, which confirms that the employee received safety briefing, as said in Chapter 7 hereinafter.

Any access of the Contractor and/or his employees to the Company's facilities shall be accompanied by an entity on behalf of the Company, excluding Contractor's employees who are posted in the Company's sites as routine manner.

6. Training / Certifying Contractor Employees

6.1 The Contractor shall carry out the Works only with professional worker, with appropriate training and high proficiency, who hold all the certifications and licenses that are required by any law, for carrying out their Work. The Contractor shall be responsible to verify that all his employees are health wise qualified, as required by any law, for carrying out their Work.

The Contractor shall, as part of his responsibility, verify that that workers, who use special medical equipment (such as pacemaker, electronic or ferromagnetic devices and similar devices) shall not be employed in the vicinity of electric facilities, which may cause interruption to their correct operation, in accordance with the instructions of any law.

6.2 The Contractor shall present, upon demand of the Company's representative / the safety commissioner, the list of all his employees, any license, certificate and all the rest that belongs to him or to his employees.

6.3 The Contractor shall not employ workers who are not his employees, but according to a written permission of the Company's representative.

7. Safety Training

7.1 The Contractor and/or the Contractor's representative takes upon himself to arrive at the site, prior to commencing the Works, to receive safety training on the matter of the risks in the premises in which the Works will be carried out by his employees. This training will be given by the Company's representative / the safety commissioner at least once a year.

7.2 The Contractor and/or the Contractor's representative shall sign on the reception of the safety training at the Company's representative / the safety commissioner.

7.3 The Contractor shall take care to train his employees, who carry out works for the Company (whether in the Company's premises or outside the Company's premises) and to give them all the information on the matter of the risks existing in the premises in which the employees will be employed and also updated instructions for safe using, operating and maintaining of equipment, materials and work processes in the location, in accordance with his duty in accordance with the regulations of the Organization of Supervision of the Work (providing information and training of workers) # 1999 and any other instruction or demand in accordance with any law. The Contractor shall also verify that each employee understood the risks and is familiar enough with the issues of the training, according to his role and the risks to which he is exposed. In the framework of this obligation of the Contractor, the Contractor shall, among others:

7.3.1 To carry out trainings of the employees by the Contractor's representative, prior to commencing carrying out the works and at least once a year, in a language that the employees understand.

7.3.2 To verify and to declare that the training was given by a holder of any certification that is required in order to brief the employees.

7.3.3 To sign each Contractor's employee, who was trained, on a form that testifies that the employee received safety training and understands the contents of the training. Copies of the forms shall be submitted to the contract manager or his representative and/or the company's safety commissioner (see attached a form of declaration on reception of training in Appendix 1).

7.3.4 To train each new Contractor's employee who will be employed in carrying out the works or any Contractor's employee that his employment or work station was changed and to report the said training to the Company's representative.

7.3.5 To pass to the employees a written essence of information, on the issue of risks in the work in which the employees will be employed and also any written essence that will be given to him by the Company's representative, on the issue of risks in the work place and to verify that the contents of the essence of information as said will be passed to the employee in a language he understands, if the employee is not familiar with the languages in which the essence was given.

7.4 An employee shall not be employed in a work place, unless he received safety training, as detailed in the instructions of this clause.

7.5 Every day, before commencing the work:

7.5.1 The Contractor's representative will be briefed on the risks in the location in which that day's work will be carried out, Company's representative / the safety commissioner, except cases of works that are carried out the Company's premises.

7.5.2 The Contractor's representative shall carry out safety training to his employees, in accordance with the Work that they will carry out and the location of the employees' work and shall confirm, in writing, in the work log carrying out this training.

8. Preparation of Safety Management Plan

The Contractor shall submit to the Company's representative / the safety commissioner, prior to commencing the works, a plan of management of safety, in accordance and subject to the regulations of the Organization of Supervision of the Work (Plan of Management of the safety) # 2013 (including the chapter of risk management, in

respect to all the works that will be carried out by the Contractor). The plan shall be updated in accordance with the works that will be carried out by the Contractor.

9. Supply of Personal Protective Equipment, Equipment, Machines, Materials and Tools, including Storing

9.1 The Contractor takes upon himself to supply to all his employees tools, personal protective equipment and rescue means, in accordance with the regulations of safety at work (such as: work clothes, standard work shoes, boots, all types of gloves, glowing vest, hearing protection, protective goggles, protective helmet, breathing protection, protective equipment for works at height, protective equipment for work in surrounded location, including air monitoring appliance, etc.) which are fit for carrying out the works and in accordance with the specified in the Contract / specifications and/or as will be requested by the Company's representative.

9.2 No Work will be carried out without the personal protective equipment / tools/ materials/ machines that fit the type of Work.

9.3 The Contractor takes upon himself to keep inventory of personal protective equipment, as required for the matter of carrying out the works. Items of personal protective equipment and/or tools will not be supplied to the Contractor by the Company. The Contractor's usage of the Company's equipment / tools shall be done only after receiving the explicit written consent of the Company.

9.4 The Contractor takes upon himself that the personal protective equipment, the equipment, machines, vehicles, materials and tools that he will supply to his employees shall be serviceable, standard and shall pass periodic inspections as required, in accordance with the manufacturer's instructions, the acceptable professional rules and in accordance with the required by any law and circumstances of the Work.

9.5 The Contractor shall care that the equipment, tools, the materials and the waste shall be concentrated in the place that was assigned for this in the work site and shall be placed in a manner and location that shall prevent any possible obstacle or damage to persons or property.

9.6 The Contractor shall take care that of the mechanical # engineering equipment, vehicles, lifting machines, lifting accessories, etc. shall be serviceable and shall have valid inspection survey and/or valid license, as required by any law.

9.7 The Contractor takes upon himself that every operator of mechanical # engineering equipment, operator of lifting machine and anyone who drives another vehicle shall have the required certification and valid license, as required by any law.

9.8 The Contractor shall supervise the fitness and adaptation of the equipment at all the time of carrying out the work and shall present the inspection certificates to the Company's representative.

9.9 In the case the Contractor carries or transports food, the contractor shall present the required certifications for the vehicles that are allowed to carrying and transport food.

9.10 The Company shall have the right to inspect, at any time, the safety of the Contractor's equipment and/or oblige the Contractor to present to the Company any license, certificate and any other permit of equipment, machines, materials and tools that the Contractor uses for carrying out the Works, without this inspection imposing any liability on the Company and without derogating the responsibility of the Contractor.

9.11 Storing of materials, including hazardous materials, shall be done by the Contractor and under his responsibility and will be coordinated with the Company's representative. Separation of materials and adequate marking shall be adhered to, as required in accordance with any law and the instructions of the Company's representative.

10. Environmental Inspections # Occupational and Health Booklets

10.1 The Contractor is responsible to carry out environmental # occupational inspections to his employees (hereinafter: "Inspections"), in accordance with the conditions and instructions of the Regulations of Safety at Work (Environmental Monitoring and Biologic Monitoring of Workers in harmful conditions) # 2011 and/or the regulations of safety of work in connection with unique harmful agents (hereinafter: "The Health Regulations"), in every location in which inspections are obliged according to the health regulations.

10.2 The Contractor shall present to the Company's representative the results of the inspections, upon receiving them and at any time, upon the demand of the Company's representative and shall act in accordance with the results of the inspections and in accordance with the instructions of the health regulations, including carrying out repeated inspections and medical inspections to his employees where needed.

10.3 For the purpose of fulfilling his obligation as said, the Contractor can carry out the inspections through the Company or in the framework of the connection that the Company has with a certified laboratory, at the Contractor's cost. In order to avoid any doubt, it is clarified that the said does not derogate the Contractor's responsibility to carry out the inspections.

10.4 The Contractor takes upon himself to carry out medical inspections to his employees in a certified location (occupational clinic) and to keep health booklets of all his employees, who are occupied in works for the Company, in accordance with the instructions of the health regulations. The Contractor takes upon himself to present to the Company's representative / the safety commissioner, the health booklets prior to commencing the Works and at any time, upon the Company's representative demand.

10.5 The Contractor and his employees shall cooperate at the time of carrying out environmental occupational inspections, which shall be carried out in the site in which they work.

11. Coordination and Approval of Carrying out Works / Changes

11.1 The Contractor shall begin carrying out each new Work (both in the Company's sites and outside them), only after coordination (in all in respect to the character of the activity, the time, the location of the work, etc.) and obtaining the Company's representative's approval.

11.2 Any change in the Work or in carrying out any activity that is not included in the framework of the Work, which was approved in advance, requires the new approval of the Company's representative.

12. The work site and Removal of Obstacles

12.1 The Contractor takes upon himself to keep the vicinity of the location of carrying out the Work in clean, organized and safe manner, in order to prevent safety obstacles. The Contractor also takes upon himself to arrange (if such do not exist) adequate and safe access and evacuation ways in the area of the location of carrying out the Works, in coordination and upon the approval of the Company's representative and to keep them clear of any obstacle, material or equipment.

12.2 The Contractor takes upon himself to clean immediately any spilling of material, food, etc. and to handle immediately any obstacle that will be found by him or by the Company's representative.

12.3 Vehicles shall not be entered to the work sites, but upon the advanced approval of the Company's representative. Vehicles that are entered to the site shall not be parked close to cranes or other tools and shall not block access ways or passages or the access to facilities, elevators, etc.

12.4 The Contractor shall carry out his works with maximum caution, in order to not damage facilities, structures, cable systems, etc., which exist in the work area or close to it.

12.5 Carrying out the various works, at any stage, shall not interrupt the correct proceeding of activities of the existing facility and the Contractor shall avoid any action that may interrupt the correct activity of the facility.

12.6 The Contractor shall inform the Company's representative on any failure in any system and shall stop the Work in this area, until receiving instructions for the required handling.

12.7 Following the completion of carrying out his Works, the Contractor shall take upon himself to remove any temporary structures, equipment, facilities or waste of any kind and to leave the work site with all the required safety means, which are required by any law and in accordance with the demand of the Company's representative / the safety commissioner are present in it, located in it.

13. Fencing, Signs, Lighting and Warning Means

The Contractor takes upon himself to install, supply and maintain, at his own cost: guarding, fencing, adequate lighting, warning signs, including blinking lamps and other standard caution means in sufficient quantity to support the safety of the work site and the safety and convenience of the public and the workers, in any place in which it will be necessary, or as will be demanded by the Company's representative, or will be demanded by any law of instruction of any certified authority. If the Contractor does not adhere to the instructions of this clause, the Company shall be entitled to do the said arrangements, at the cost of the Contractor, and to deduct its expenses from any sum that is due to the Contractor from the Company.

14. Electric Works and/or Works in which there is Hazard of Electrification

14.1 Electric works shall be carried out by a licensed electrician with adequate license in accordance with The Law of Electricity # 1954 and its regulations.

14.2 Repair of electric tools and electric equipment shall be done by a certified electrician.

14.3 The Contractor takes upon itself to verify that all the electric portable and handheld tools and electricity panels shall be serviceable and standard and shall meet all the requirements of The Law of Electricity # 1954 and its regulations, including the requirements on the matter of double insulation, in accordance with the Regulations of Safety at Work (Electricity) -1990.

14.4 Disconnection of the electrical power, connection / returning the electrical power, connection to electrical power source, disconnecting / connecting of electrical appliances, shall be done only at the knowledge and approval of the Company's representative or the maintenance worker, who is responsible at the place.

14.5 The Contractor shall verify, prior to commencing the work, that the work vicinity, in which he intends to work, is dry and "clean" of exposed leads.

14.6 Any portable tool shall be connected to a panel in which there is a protective leakage switch, whether the panel is permanent or movable.

14.7 In installation works the Contractor shall keep the continuity of the grounding by bridging.

14.8 The Contractor shall verify that all his employees keep safety distances from live, exposed leads, in accordance with The Regulations of Safety at Work (Works at Height) # 2007, or in accordance with The Law of Electricity # 1954.

14.9 If Work, at distances smaller than the said in clause 14.8 above, is required, the Contractor shall ask the Company's representative to disconnect the leads from the voltage sources. In such case, the Work shall be carried out under constant supervision of the Company's representative, who will be present in the place at any time the Work is carried out.

14.10 In places in which there is suspicion that electrical cables exist and/or hazardous proximity to live leads, the Contractor shall work only under the constant supervision of the Company's representative, who will be present in the place at any time the Work is carried out.

14.11 The presence of the Company's representative, as said, shall not derogate the Contractor's responsibility to the safety of the workers and the facilities and he shall take all the means to meet the required safety conditions.

14.12 During carrying out the Works, if the Contractor is faced with electric facility / cables, or any other thing, the Contractor shall stop the works and shall report to the Company's representative, in order to receive instructions for continuing the Work. In such case, the Company is entitled to carry out the Works, or part of them, by itself or by its proxy and the Contractor shall cooperate and shall not have any financial demands in this connection.

14.13 Work or movement in the vicinity of electricity lines or on electricity rooms structures, shall be carried out such that hazardous proximity or close approach to live leads or pillars, including their equipment, foundations, or anchors, shall be avoided.

14.14 The ground surface in the vicinity of electricity pillars, their foundations and anchors and under electricity wires shall not be changed, unless it was approved in writing by the Company.

15. Works at Height

In case in which Work that is defined as work at heights, in accordance with the Regulations of Safety at Work (Work at Heights) - 2007, the Contractor shall take safety means, as required by the regulations.

The Contractor takes upon himself to carry out the Work in accordance with the regulations of Work at Heights and also not to employ a worker in work at heights, who does not have valid qualification, as required by any law. The Contractor takes upon himself to present to the Company's representative valid qualifications of his employees, who are intended to Work at Heights, upon the Company's representative demand. The Contractor takes upon himself to follow up the validity of the qualification of his employees for Work at Heights and to carry out refreshment training to his employees, in accordance with the regulations. Work in sliding shall be carried out only if it was found that this is the necessary and safe method to carry out the Work and there is no permanent facility / system to carry it out. If carrying out the Work by the sliding method is decided, the Work shall be carried out in accordance with The Regulations of Safety at Work (Work at Heights).

16. Work in Surrounded Location

In cases in which Work is carried out in a surrounded location, as defined in the Ordinance of Safety at Work, the regulations that were set according to it and the Company's safety instructions # prior to carrying out the Work, the Contractor's representative shall have to pass dedicated safety training for work in surrounded location. The Contractor shall train all his employees in work at surrounded location.

An employee shall not be employed in a surrounded location, unless he passed dedicated training.

The Contractor or the foreman / head of group on his behalf, shall not commence the Work in a surrounded location before receiving the Company's representative approval.

17. Work with Exposed Fire

In cases in which works such as: heating, cutting, welding, sharpening and any other action, which causes creation of fire sparks, or exposed fire, the Contractor shall take all the means to prevent the spreading of the fire / explosion, including keeping available fire extinguishing means, distancing and/or neutralizing of flammable materials, partitioning, etc.

Notwithstanding the said above, the Contractor shall carry out the Works in accordance with and subject to the instructions of carrying out works with exposed fire by the Company's contractors.

18. Work with Hazardous Materials and Handling and Removal of Hazardous Waste

In this Clause:

· Hazardous Material (HAZMAT)

Any material that may cause damage to person, vicinity or property, having one of the following characteristics: explosive, ignitable, corrosive, oxidizing, poisonous, reactive, radioactive, compressed gas, etc.

· Hazardous Waste

Any kind of material, which contains hazardous material, which is removed or intended to be removed, or should be removed according to the ruling of the general manager of the Ministry of Ecology.

18.1 In cases of work with hazardous materials, the Work shall be carried out by the Contractor in accordance with The Regulations of Safety at Work and subject to the instruction of the safety sheet, as defined in the Regulations of Safety at Work (Safety Sheet, Classification, Packing, Labeling and Marking of Packages) # 1998 (hereinafter: "The Safety Sheet") of the material. The Contractor shall verify that all his employees and/or anyone on his behalf, who use various materials in the framework of carrying out the Works, shall operate in accordance with the instructions of the materials' safety sheets.

18.2 The Contractor shall report to the Company's representative any HAZMAT that is inserted into the Company's site, in order to obtain a written approval, prior to inserting them and also prior to carrying activities on-site, which may cause the creation of HAZMAT.

The Contractor takes upon himself to submit to the Company's representative safety sheets of materials he uses, prior to commencing the work. The contractor shall not bring HAZMAT to the Company's sites / power stations and shall not use it without the approval of the commissioner of poisons in the site / power station.

18.3 Handling of HAZMAT or hazardous waste and/or removing them from the Company's premises shall be carried out by the Contractor in accordance with any law, the Company's procedures and the instructions of the Company's representative / the safety commissioner.

18.4 The transporting vehicles of the various kinds of HAZMAT / hazardous waste shall have all the licenses and permits that are required by any law.

18.5 Removal of the various kinds of HAZMAT / hazardous waste shall be to a certified site (if required by any law). Upon completion of the removal, the Contractor shall present to the Company's representative the certifications of removing the HAZMAT / hazardous waste to the certified site.

18.6 The Contractor is prohibited of using any material, which is prohibited to be used in accordance with any law, such as: asbestos.

19. Appointing a Safety Commissioner

19.1 In any case in which the number of the Contractor's employees exceeds 50, the Contractor shall take upon himself to appoint, prior to commencing the Works, a safety commissioner, with qualification certificate, in accordance with the conditions and instructions of The Regulations of Organization of Supervision of the Work (Safety Commissioners) # 1996 (hereinafter in this clause: "The Regulations").

19.2 The Contractor takes upon himself to present to the regional work supervisor on behalf of The Ministry of Economy, on the form that is intended for this, a notice with the name of the safety commissioner and to send a copy of the notice to the Company's representative.

19.3 The safety commissioner on behalf of the Contractor shall act to maintain the plan of safety management for the Contractor and shall operate in accordance with the instructions of the regulations.

19.4 The safety commissioner on behalf of the Contractor shall prepare a monthly report, in which the actions he took for raising the level of safety and prevention of risks in the Works shall be recorded and also any additional report that shall be demanded by the Company on the issues of safety and health. The said report shall be submitted to the Company's representative upon demand.

20. Presence of the Foreman / Responsible for a Group of Employees

The Contractor takes upon itself that the foreman / responsible for a group of employees on his behalf shall be present in the work site as obliged by any law and/or the instructions of the regional supervisor of the Works, at any time of carrying out work of his employees and shall have any certification that is required for carrying out the Works.

21. Stopping the Work as Result of Deviation from the Safety Instructions

21.1 The Company's representative / the safety commissioner shall have the authority to stop immediately the Works in a work site in which severe safety defects were found, among others in the following cases:

21.1.1 In cases in which it seems to the Company's representative / the safety commissioner that there are severe safety defects and not stopping the works immediately may cause an accident.

21.1.2 There are severe safety defects on-site and the Contractor's representative or anyone on his behalf do not act immediately and in the adequate manner to improve the safety situation on-site.

21.1.3 Not keeping safety instructions or an instruction of the instructions of this appendix.

21.2 In a work site in which the Work was stopped, it shall be renewed only after the situation was repaired and a written report was received from the Contractor's representative on fixing the defects, which caused the stopping of the Work.

21.3 All the implications that arise out of the stopping of the Work as said shall be on the Contractor.

22. Investigation and Reporting Safety Events

22.1 The Contractor shall report immediately, in writing, to the Company's representative and to the various authorities, as obliged by any law, any case of an accident as result of which a bodily damage was caused to a worker and/or to third party and/or to property. Or case of "Almost Accident" (hereinafter: "Safety Event").

22.2 Any safety event shall be investigated and inspected by the Contractor and/or entities on his behalf, to review the factors that caused the occurrence of the event and in order to take conclusions and steps to prevent repetition of similar events in the future.

22.3 Any investigation of a safety event shall be summarized and documented in a written report, which shall be submitted to the Company's representative / the safety commissioner.

22.4 Any information to external entities on the progress of the investigation, conclusions, results, etc. shall be submitted only by the authorized entities on behalf of the Company.

Notwithstanding the said above, as much as the Company will investigate the safety event on its own, the Contractor shall cooperate with the Company as much as required, in order to carry out the inspection.

23. Selling Goods

In cases of selling goods, the Company does not carry out inspections and/or responsible to the safety of the items it sells and the Contractor is responsible to inspect their correct state.

24. Delivery of Goods

In the event the Contractor delivers food to the Company, the Contractor shall deliver the goods in accordance with and subject to the instructions of The Regulation of Safety at Work # Sales and Renting of Machines, Facilities and Equipment # 2001 and subject to any law.

25. Speed of Driving in the Company's Sites

The speed of driving in the Company's sites shall be in accordance with the traffic signs that are installed on-site.

Upon lack of traffic signs, the maximum speed on-site shall be 30 kmh.

26. Providing First Aid

The Contractor shall keep at the work site a first aid kit and any other medical equipment that is required according to the essence of the Work and shall care to provide medical treatment services and first aid to his employees according to the needs and in accordance with the instructions of any law.

In the case, in which during carrying out the Work and/or providing service, the evacuation of one of the Contractor's employees by, ambulance, to receive medical services is needed, the Contractor shall assign one of his employees to accompany and stay with the evacuated employee until he is hospitalized, or until a family member / relative arrives, or until the employee is discharged.

27. Discipline and Fining as Result of Deviation from the Safety Instructions

27.1 Not keeping an instruction of the instructions of this appendix shall be regarded as fundamental breach of the contract.

27.2 Notwithstanding the Company's right to receive compensation according to the agreement and/or in accordance with any law, in the event the Contractor breached one of the instructions of this appendix and after he received a warning from the Company's representative / the safety commissioner, the Contractor shall pay the Company an advanced agreed and fixed compensation of 1,000 NIS for each breach as said.

Contractor, who was fined and breached again one of the instructions of this appendix, shall pay the Company, for any additional breach, Company an advanced agreed and fixed compensation of 5,000 NIS.

27.3 The agreed sum of compensation shall be attached to the Index of Consumer's Prices and shall be increased in accordance with the rate of raise of the index between the basic month in which the Work had to be finished and the month in which the Work was actually finished.

27.4 The Company shall be entitled, at its sole discretion, to deduct the agreed sum of compensation from any sum that is due to the Contractor at any time, or to collect it from the Contractor at any other mean, including by offsetting or forfeiting of collaterals. Paying the compensations, deducting them or collecting them does not exempt the Contractor from his obligation to complete carrying out the Works or any other obligation in accordance with the agreement.

28. The Contractor's Declaration

I, the undersigned, hereby declare that I have read and understood the contents of the safety appendix and that I take upon myself to work according to it and in accordance with the instructions of any law.

Name of the Contractor

Contractor's Signature

Date

Appendix 1

Form of Recording of Periodic Training on the Issues of Safety to Contractor's Employees

Reference: The instructions of The Organization of Supervision the Work

(Providing Information and Training of Employees) - 1999

The following are the details of the training that was carried out in the day of _____, between the hours

_____.
The name of the Contractor: _____

The name of the foreman / responsible for the workers' team on behalf of the contractor: _____

The name of the Trainer / Instructor: _____

The topics of the safety training:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Details of the Employees who were Trained and the Declaration

By this signature of mine I Hereby confirm that I received the safety training, understood all the risks that are involved in the works and will act accordingly.

No.	First and Last Name	ID Number	Language of the Training	Employee's Signature
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01

02

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The trainer's signature _____

Cc:
The supervisor on behalf of the appointed department
The Safety Commissioner
The site's manager

ANNEXURE "A"
Rev. February 23, 2017

**GENERAL CONDITIONS FOR PURCHASES OF
STANDARD GOODS AND/OR PRODUCTS AND/OR EQUIPMENT
(SHORT VERSION)**

1. DEFINITIONS:

- a) "Goods/Products/Equipment" - shall mean all or part of the goods/products/equipment described in the Order/Contract.
- b) Draw Order shall mean the draw order issued under the Contract/Order, including this annexure and any other attachments or annexures thereto, by which the Purchaser purchases the Goods/Products/Equipment from the Supplier.
- c) Contract/Order - shall mean the Order/Contract issued or a framework contract comprising of draw orders, including this annexure and any other attachments or annexures thereto, by which the Purchaser purchases the Goods/Products/Equipment from the Supplier.
- d) Purchaser - shall mean the Israel Electric Corporation Ltd.
- e) Tender/RFP shall mean the process, by which the Supplier's proposal has been solicited, including any documents attached as part of the Purchaser's invitation to submit/solicit proposals.
- f) Supplier shall mean the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
- g) All terms defined in "Incoterms 2010", issued by the International Chamber of Commerce, shall have the meaning, attributed to them therein, subject to the following modifications:
 - (i) In the case of delivery D.A.T port of import, the Goods/Products/Equipment shall be unloaded by the Supplier at Supplier's risk and cost either onto Purchaser's inland transportation vehicles or onto the dock as designated by Purchaser's customs agent.
 - (ii) Where Goods/Products/Equipment are delivered D.D.P and the Supplier enters IEC's site, the Supplier must comply with the provisions of Annexure S # Safety at Work at Purchaser's Premises. VAT shall be paid by Purchaser.
 - (iii) In the case of Ex-works deliveries, the Goods/Products/Equipment shall be loaded by the Supplier at Supplier's risk and cost onto Purchaser's inland transportation vehicles.

2. QUALITY INSPECTION, DELIVERY AND LIQUIDATED DAMAGES:

- a) The Goods/Products/Equipment will be delivered in accordance with the agreed delivery schedule, set forth in the Order/Contract, at the port, airport or the stores/warehouse of Purchaser's forwarder, as set forth in the Order/Contract, or as designated by the Purchaser, as applicable and the price agreed upon includes such delivery.

b) Where the provisions of the Order/Contract or the specification require that the Goods/Products/Equipment be inspected by the Purchaser or its authorized representative(s) prior to delivery, the Supplier shall provide the Purchaser or the representative with access to the Goods/Products/Equipment prior to delivery where the Purchaser has elected to conduct such inspection. Any inspection by the Purchaser shall not release the Supplier from its obligations under the Order/Contract.

c) Title to the Goods/Products/Equipment shall pass to Purchaser upon delivery of possession, or control over the Goods/Products/Equipment, to Purchaser's representative, at the designated port or location, unless otherwise provided.

d) Where the value of the Order/Contract is in excess of \$ 2,000 or the equivalent thereto, based on the applicable exchange rate, between the U.S. Dollar and the currency nominated in the Order/Contract, as set out by the Bank of Israel on the first working day prior to the date of issuance of the Order/Contract) and there is/are delays in delivery of more than 10 days beyond the specified delivery date/s (excluding delay/s for which the Supplier is not liable under the Contract), the Supplier shall pay to the Purchaser, as liquidated damages, one percent (1%) of the Contract/Order value or in the event of a framework contract, one percent (1%) of the applicable draw order issued under the framework contract, per full week of delay, beginning on the first week of delay, provided that the total maximal amount of liquidated damages, payable to the Purchaser, shall not exceed 10% of the total Contract/Order value.

Where the Supplier has been required to supply a sample or prototype or Type Test reports and/or an approval of the Standards Institution of Israel, regarding compliance with the official Israeli standard, prior to delivery of the Goods/Products/Equipment and because of delay in the delivery of the approved sample or prototype or Type Test reports and/or approval of the Standards Institution of Israel, as applicable, delays are caused to the delivery of the Goods/Products/Equipment, liquidated damages shall be claimed from the Supplier for the period commencing from the contractually scheduled delivery date of the sample or prototype or Type Test reports and/or approval of the Standards Institution of Israel, as applicable until the contractually scheduled date of delivery of the Goods/Products/Equipment in respect of which the prototype or Type Test reports have been requested as follows: Liquidated damages shall be paid at the rate of one percent (1%) of the Contract/Order value or in the event of a framework contract, one percent (1%) of the applicable draw order issued under the framework contract, per full week of delay - up to a maximum of 10% of the Contract/Order price.

In the event the Supplier previously supplied to IEC an identical product to the Product required and suggested by the Supplier, IEC shall be entitled, at its sole discretion, to revoke its request included in a tender or in a Contract/Order entered into following the tender, to receive a proto-type from the Supplier, provided such request was included in the tender.

Please note the following: should IEC decide to revoke its request that the Supplier submits a sample or a prototype or Type Test reports, the delivery dates set forth in the Tender/RFP documents shall not include the additional days provided to the Supplier for the sample and/or the proto-type.

e) Said liquidated damages shall be Purchaser's exclusive monetary remedy, in the event of delays in delivery up to a maximum period of ten (10) weeks. Any delay by the Supplier in excess of 10 weeks shall constitute a material breach. Thereafter Purchaser shall have the right to avail itself of its remedies under the Contract/Order or by law.

f) Should it be determined that necessary documents, as mentioned in the tender documents/RFP, are required to be delivered along with the Goods/Products/Equipment, failure to provide and deliver such documents with the aforementioned Goods/Products/Equipment shall be considered as a delay in the delivery date and Supplier will be obliged to pay the determined liquidated damages, as described in subarticle (d) above.

g) During the warranty period, the supplier shall provide services for faulty equipment. In the specification NTS-58/14, there is a reference of the ways the services shall be given by, and the fee the supplier will pay if the equipment will not be repaired or replaced within the time periods stated in the specification.

3. SHIPMENT, HANDLING AND BILLING DOCUMENTATION:

The Supplier shall comply with the following provisions, concerning handling, shipping and invoicing:

(a) Supplier shall make no shipment in advance of the specified/ Contractual delivery/shipping dates, without obtaining Purchaser's prior written approval.

(b) The Goods/Products/Equipment shall be preserved, crated, packed, loaded and braced in good and

workmanlike manner, in accordance with the best commercial export practices, to avoid any damage, or spoilage.

(c) No shipment shall be made, except through the Purchaser's freight forwarders, designated in the Order/Contract. In the event no freight forwarder is designated, the Purchaser's Import Manager should be contacted for instructions.

(d) All enclosures in connection with the Goods/Products/Equipment must be sent by Supplier to the Purchaser in triplicate.

(e) When, under the terms of the Order/contract, the Purchaser is responsible for shipping and/or loading of the Goods/Products/Equipment, the Supplier will give the Purchaser and Purchaser's forwarder a notice, sufficiently in advance, of Goods/Products/Equipment to be ready for delivery, in order to enable the Purchaser or the forwarder to make proper arrangements for loading for and/or shipping. Such notice shall include the number of packages, weights, volumes and values of the packages.

(f) Packing lists shall have a detailed description of all items (consistent with the description set forth in the Order/Contract, or bill of materials, as applicable). Packing lists shall specify weight, measurements, contents of each package/container, Order/Contract number and consecutive number of package).

(g) Components, accessories or materials, not included in the main shipment as a result of an oversight, or the negligence of the Supplier, shall, unless otherwise agreed by the Purchaser, be shipped air freight on the Supplier's account, freight prepaid, accompanied by a no charge invoice, indicating that the Goods/Products/Equipment were billed under Invoice No. "... but not shipped.

(h) Three sets of originally signed and stamped commercial invoices shall be made out in the name of the Purchaser and shall be airmailed to the Purchaser, containing the data, set forth below, as applicable:

(i) Detailed description of the Goods/Products/Equipment (as fully itemized as possible);

(ii) Quantity of each item in the metric system, weights and measurements;

(iii) The price or value of each component, where possible, or of each shipment, cross referenced to the appropriate paragraph or item in the Order/Contract;

(iv) Consecutive shipment/consignment number;

(v) Purchaser's Order number (the invoice shall relate only to one of Purchaser's Orders and display such number next to the invoice number);

(vi) Package number, gross and net weights and measurement of each package, and the volume of each container;

(vii) Inland freight, packing and other additional charges if not included in the price;

(viii) All applicable discounts, cash and/or trade and payments made on account. The final figure must be the NET amount;

(ix) An indication whether the prices shown are EXW, FCA, FAS, FOB, DAP, DAT, DDP, or otherwise, as applicable.

(x) The country of origin of the Goods/Products/Equipment;

(xi) A signature and attestation in the following manner: "We hereby certify that this invoice is correct and true in all respects and contains a true and full statement of the cost of the Goods/Products/Equipment and all charges thereon. We further declare that the Goods/Products/Equipment are of #####..... origin.

(xii) A printout of the name and title of the signatory. (l) Three (3) originals and three (3) non-negotiable copies of clean on board Bills of Lading, made out to the Order of "The Israel Electric Corporation Ltd., P.O. Box 10, Haifa, Israel," and bearing substantially the following clause: "In view of danger of confiscation, this vessel is not to call at ports and not to enter the territorial waters of Iran, Sudan, Syria, Lebanon, Iraq, Saudi-Arabia, Yemen, Libya or other Arab countries, excepting Egypt and Jordan, prior to unloading in Israel, unless in distress or subject to force majeure", shall be delivered to the Purchaser and further copies to be distributed as per Purchaser's instructions.

(i)

(i) If the Goods/Products/Equipment originate in countries, which have a free trade agreement (FTA) with Israel, the certificate of origin shall be accompanied by the proper documentation, allowing the goods to benefit from the FTA's terms.

(ii) For all /Products/Equipment rated with zero Israeli customs/import duties, the submission of a EUR 1/

EUR MED/Exporter's Declaration / FTA is not required.

(j) All shipping documents (invoices, packing lists, and bills of lading) shall be distributed as follows:

(i) One set for presentation for payment shall be shipped to Purchaser's Accounting Department (the certificate of origin to be a copy);

(ii) One set to be delivered to the Purchaser's Import Department of the Procurement Division, Attention "Import Department's Manager", by airfreight, or by courier, so as to arrive at least one week prior to the arrival of the vessel / airline (certificate of origin to be a copy);

(iii) One set to be delivered to Purchaser's freight forwarder (against receipt) for onward transmission to Purchaser (with original certificate of origin);

(k) If the customs authorities in Israel determine that the country of origin of the Goods/Products/Equipment is different than the one, specified by the Supplier in its original offer, or in the certificate of origin, or elsewhere, as applicable, or if the Supplier fails to deliver a certificate of origin, when appropriate, or required and consequently, the Purchaser is required to pay customs in excess of the customs, that the Purchaser would have, otherwise, been required to pay, the Supplier shall reimburse to the Purchaser the amount of such excess customs.

(l) Where the Supplier provided IEC with a certificate of origin and as a result IEC did not take into consideration in the proposal evaluation the customs costs imposed on the Supplier, and the customs authorities in Israel conducted an inquiry as to the origin of such goods, in such instance, the Supplier shall:

(i) Provide IEC and/or the Israeli customs authorities with all the necessary documents required; and

(ii) Reimburse IEC for custom payments paid by IEC following the customs authorities' demands, regardless as to when the customs duties are required to be paid and even after the warranty period has elapsed. Should the Supplier fail to reimburse IEC, IEC shall be entitled to deduct from any Contract/Order signed with the Supplier, the customs due to IEC.

4. WARRANTY:

(a) Supplier warrants that the Goods/Products/Equipment, supplied to the Purchaser shall be of good quality, shall be unused in all cases, and shall meet the required standards, performance and other requirements, set forth in the RFP/Tender including any applicable specifications document;

(b) The Supplier agrees, subject to the Purchaser's written request, promptly and at its own expense (including shipping and handling costs and insurance costs but not costs of disassembly and reassembly) to repair, remedy, or replace any part of the said Goods/Products/Equipment which proves in any way defective as to design, material, or workmanship or otherwise. For the avoidance of doubt, the Purchaser shall have the sole discretion to decide whether the Goods/Products/Equipment will be repaired, remedied or replaced.

Alternatively, the Purchaser may undertake to carry out such repairs or alterations and the expenses thereof shall be for the Supplier's account.

Where Goods/Products/Equipment under warranty are shipped to the Supplier for repair, the Supplier shall assume full responsibility for the Goods for the entire period of time they are in Supplier's possession. However, if the Supplier fails to promptly repair the Goods/Products/Equipment, the Purchaser may repair the Goods/Products/Equipment at Supplier's cost.

(c) Supplier's warranty shall extend for a period of 36 months, beginning at the time of delivery unless stated differently in the Tender/RFP documents. In such event, the period set forth in the Tender/RFP documents, shall prevail.

(d) Notwithstanding the provisions of Subarticles (c) above, the warranty period for any part of the Goods/Products/Equipment supplied under the Order/Contract shall be extended by a period equal to the period for which said part of the Goods/Products/Equipment have been out of operation due to any substantiated Warranty claim.

(e) THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF AND EXPRESSLY EXCLUDE ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

5. LIMITATION OF LIABILITY:

(a) In the event that the Supplier is held legally responsible or liable to the Purchaser for any damages in

connection with the Order/Contract, or the supply of the Goods/Products/Equipment, such liability shall, in no event, exceed the value of the higher of the following: the Order/Contract or the amount stated under the product liability insurance, (provided such insurance is required under the Tender/RFP).

(b) In no event shall the Supplier be liable to the Purchaser for any indirect or consequential damage or loss including loss of profit; provided however, that this exclusion does not derogate in any way from Purchaser's right to claim liquidated damages as specifically provided in the Order/Contract.

6. PAYMENT

(a) Mode of Payment

Unless otherwise agreed between the parties, payment shall be effected by direct payment (direct bank transfer or swift to Contractor's designated bank account).

(b) Terms of Payment:

One hundred percent (100%) pro rata per shipment of Order/Contract price or Draw Order price shall be paid on the 90th day calculated from the first day of the following month of the date of delivery.

Payment shall be conditioned upon delivery of the Goods/Products/Equipment in accordance with the agreed term of supply defined in Incoterms 2010 and receipt of the invoice, the latest and the relevant documents listed below:

- (1) Supplier's certified commercial invoices approved by IEC;
- (2) Documents required to evidence delivery as per Annexure R. where applicable
- (3) Performance Guarantee (Standby Letter of Credit) (where required - in accordance with Article

8) where

applicable. For the avoidance of doubt, all costs relating to the issuance of the SBLC shall be borne by the Supplier.

- (4) Certificates of Insurance- where applicable

(c) No certificates given or payments made shall be considered as conclusive evidence of the performance of the Contract/Order, either wholly or in part, nor shall any certificates or payment be construed as acceptable of any defective or nonconforming part of the work. Acceptance by the Supplier of final payment of the Order price shall constitute a waiver by the Supplier of all claims against IEC.

7. RIGHT TO RETAIN OR WITHHOLD PAYMENT

(a) In addition to, and without derogating from any other remedy available to Purchaser, Purchaser shall have the right to retain or withhold or set off payment from any contract/order entered into with the Supplier, Purchaser's damages, from the sums due to the Contractor under the Order/Contract in the event of the occurrence of any of the following:

- breach of Contract in whole or in part by the Supplier,
- failure to provide a required guarantee on the date stipulated in the Order/Contract, as set forth under the terms of the Order/Contract,
- lawsuits filed against Purchaser and/or in the event of damages (including but not limited to re-occurring defects in the Goods/Products/Equipment) caused to Purchaser and/or any other person as a result of the Order/Contract,

(b) In the event Purchaser cancels the Order/Contract due to breach by the Supplier, Purchaser shall be entitled at its sole discretion to withhold sums due to the Supplier, until such time as the scope of damages incurred to Purchaser by the Supplier's breach has been determined and Purchaser shall have the right, at its sole discretion, to set-off its damages from the sums withheld from the Supplier (without derogating from Purchaser's right to recover amounts due to Purchaser not included in the said sums set-off) or from any other contract/order entered into with the Supplier..

(c) Amounts detailed or set off as specified above shall not bear interest and linkage.

(d) The Supplier shall have no right of lien over Purchaser's Equipment for any reason whatsoever, during the Contract/Order period or during the option period (where exercised) or thereafter, regardless whether the Goods/Products/Equipment have been supplied to him by Purchaser or supplied to Supplier by anyone else.

8. PERFORMANCE OR DOWN PAYMENT GUARANTEE:

PERFORMANCE GUARANTEE

(a) Where the value of the Order/Contract is in excess of US\$ 500,000 (excluding options and/or VAT) or its equivalent (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of issuance of the Contract/Order) and without in any way derogating from Supplier's duty to perform its obligations under the purchase Order/Contract, the Supplier shall, at its expense, simultaneously with the delivery of the signed Contract/ Order or within 7 calendar days from receipt of a notice from the Purchaser, the earlier of the two, provide the Purchaser with a guarantee for the due performance of the Contract/Order, in the form of an unconditional standby letter of credit (the terms of which are set out in the form, attached to the Order), to be given by a first class bank or a qualified insurance company approved by the Purchaser, in an amount equal to 10% (excluding options and/or flexibilities and/or VAT) of the Contract/Order price. Said guarantee shall be amended from time to time to reflect the adjusted Contract/Order price, due to the issuance of change orders and price adjustment, if any, arising from the application of escalation provisions;

b) In a framework Contract/Order, the performance guarantee delivered by the Supplier, to the Purchaser, shall be in an amount equal to 10% (excluding options and/or flexibility and/or VAT) of the value of the Order/Contract for a period of one year. After the supply of the last draw order that the Supplier has to supply under the frame Contract/Order, the Supplier shall exchange the performance guarantee, for a new performance guarantee in an amount equal to 5% of the value of the actual Goods/Products/Equipment supplied under the Order/Contract.

c) The guarantee shall remain in effect until sixty (60) days after the expiration of the warranty period as prescribed in the Order/Contract and any extension thereof, in accordance with the Contract/Order terms;

d) Failure to provide the guarantee as specified in Article 7(a) above, shall constitute a fundamental breach of the terms of the Order/Contract. IEC shall thereupon have the right to resort to all remedies as set forth in the Order/Contract, in addition to any other remedy available to IEC by law, including the right to terminate the Order/Contract for fundamental breach.

e) Any failure or omission by IEC after the issuance of the Order/Contract, to request the issuance of the guarantees, shall not constitute a waiver of any right available to IEC under the Order/Contract or by law.

DOWN PAYMENT GUARANTEE

a) Where the Purchaser is required by the terms of the purchase Order/ Contract to make down payments prior to delivery, such payments shall be secured by a standby letter of credit as follows:

i) issued, or established by the Supplier at a first class bank, located in the Supplier's country and advised through an Israeli bank, both banks to be approved by the Purchaser;

ii) issued or established against the receipt of down payment, in an amount, which is not less than that being drawn;

iii) valid until 60 days after the scheduled delivery of the last shipment of Goods/Products/Equipment (to be extended upon the occurrence of any event of Force Majeure, or due to any delay on account of the Supplier, or as a result of any delay in scheduled delivery, agreed to between the parties).

b) The Purchaser may draw on the performance and/or the down payment guarantee, in the event that the Supplier fails to remedy a breach of Contract, or fails to take such steps as are satisfactory to the Purchaser in order to remedy the same, after having been given ten (10) days prior written notice of intent to draw on the guarantee.

c) Any amount/s drawn by Purchaser pursuant to the guarantee, shall be set-off against the overall damages/compensation, recoverable by Purchaser, in connection with the Supplier's breach.

9. PRICES:

a. The price/s set forth in the Order/Contract is/are firm price/s and shall not be affected by any variation in the cost of materials, labor or transport or any costs of conforming with any laws, orders or regulations of any government, local, or other authority, or for any other reason, except as may be required by virtue

of any express provision, if any, in the Order/Contract, or as may be agreed upon, subsequently, between the parties.

b. Non Israeli Taxes and Duties.

The Supplier shall be responsible for all taxes, imposts or other compulsory payments of Non-Israeli origin (excluding customs duties related to the import and export of the Goods, if any, which shall be paid by IEC) imposed on or in connection with the Goods/Products/Equipment.

c. Israeli Taxes and Duties.

Purchaser shall be responsible for all Israeli taxes, duties or other compulsory payments, or levies, imposed by the Israeli governmental authorities in connection with the Goods/Products/Equipment.

10. FORCE MAJEURE:

(a) Neither party shall be responsible to the other for loss or damage due to circumstances directly affecting the performance of the Contract/Order beyond such parties' control - which could not have been prevented by reasonable foresight at the time of signature of the Contract/Order such as but not limited to: acts of war, invasion, act of foreign enemy, whether war be declared or not, hostile action, civil war, rebellion, civil strife, sabotage, strikes and/or industrial disputes, act of Government, natural disaster, embargo (any or all of which are in this Contract referred to as "Force Majeure").

(b) Upon occurrence of any such circumstances, the party affected shall notify the other party in writing by the fastest means possible within seven (7) days of the occurrence, of the occurrence or existence thereof and the parties shall promptly thereafter consult with one another for the purpose of finding a solution to the Force Majeure problem.

(c) Any delays resulting from any such cause shall extend performance time, unless it shall become impossible to perform the Contract/Order in whole or a substantial part thereof, in which case the Order/Contract may be cancelled, in writing, by either party. In the case of such cancellation, the Supplier shall be paid for all Goods/Products/Equipment received by the Purchaser pursuant to the Order/Contract.

(d) If due to Force Majeure it shall become impossible to perform the Contract/Order in whole or a substantial part thereof, the parties can either mutually agree to cancel the Contract/Order or if the Force Majeure continues for a period up to 120 days in the aggregate, the Contract/Order may be cancelled in writing by either party.

11. INDEMNITY:

Irrespective of anything to the contrary in this document, the Supplier shall indemnify the Purchaser in respect of any third party claims against the Purchaser, relating to the personal injury or death of any person, or to any damages to property insofar as such injury, death, damage or loss is due, wholly or partially, to any act or omission of the Supplier, its servants or agents. Purchaser shall notify the Supplier in writing of any such third party claims. The third party liability mentioned under this Article 11, is unlimited and the provisions of Article 5 shall not apply.

12. INTELLECTUAL PROPERTY RIGHTS:

Supplier shall pay all royalties and license fees, which may be due or payable to third parties, in connection with the Goods/Products/Equipment. Supplier shall defend all suits or proceedings, instituted against Purchaser for the infringement of any intellectual property rights, associated with the supplied Goods/Products/Equipment and shall hold the Purchaser harmless against and/or indemnify the Purchaser for any damages, sustained by the Purchaser, in connection with such infringement, or the violation of any intellectual property rights of any third parties.

Each party shall retain ownership of all intellectual property it had prior to the Order/Contract. All new intellectual property created and designed solely by the Supplier in the performance of this Order/Contract shall be owned exclusively by the Supplier.

13. TERMS OF THE TENDER/RFP:

Terms and conditions of a Contractual nature, set forth in the tender/RFP documents, shall be a part of the Order/Contract (even if not inserted in or attached to the Order/Contract document), unless excluded by express and specific provision/s of the Order/Contract.

For the removal of doubt, in the event of conflict between the provisions of the tender/RFP documents including the specification and these General Terms and Conditions (as well as any amendments agreed with the Supplier) and the provisions of the Order/Contract documents the former provisions shall prevail.

In the event of any contradiction between the provisions of the Order/Contract and these General Terms and Conditions (as well as any amendments agreed with the Supplier), these General Terms and Conditions shall prevail.

14. EFFECT OF UNSIGNED ORDER/CONTRACT:

Notwithstanding the provisions of the Invitation to submit Proposals in the Tender/RFP, full or partial shipment/delivery of the Goods/ Products/Equipment by the Supplier (with the approval or request of the Purchaser) shall constitute a consent to any and all terms of the Order/Contract, whether or not actually signed by the Supplier.

15. ASSIGNMENT:

(a) Neither party may assign the Order/Contract, or any duty/right thereunder, without the prior written consent of the other. Such consent shall not be unreasonably withheld.

(b) Without derogating from the aforesaid, the Purchaser shall be entitled to assign and/or transfer and/or pledge the Contract or Order or any obligation and/or right and/or benefit included in them to a subsidiary, or affiliate of the Purchaser, and shall also be entitled to assign and/or transfer and/or pledge the Contract or Order or any obligation and/or right and/or benefit included in them, to anyone, in the event of a change and/or structural division or sale of assets of the Purchaser which is/are required under any law, including under the Electricity Sector Law, 1996, and/or the Government Companies Law, 1975, and/or pursuant to Government decisions and/or according to the directive of an authorized regulator and/or carried out with its/their approval. The Purchaser shall notify the Supplier/Contractor/Service Provider of any such assignment and/or transfer and or pledge in writing in advance.

#Affiliate# # in this clause, as defined in the Securities Law, 1968".

16. INSURANCE:

Supplier shall acquire and maintain such insurance, if any, as required in the tender/RFP, if required and shall comply with all other requirements, pertaining to insurance, if any, as set forth therein.

The Supplier shall sign the Insurance Annexure attached as Annexure "L", and return it to IEC within 5 (five) calendar days from receipt of notice of award.

17. MANDATORY COMMERCIAL COOPERATION & PREFERENCE FOR ISRAELI MANUFACTURED GOODS:

(a) For purposes of this paragraph, the words "Foreign Supplier" shall mean a Supplier of goods/products, which are not "Israeli manufactured goods or products", as defined in the Mandatory Tenders Regulations (Mandatory Industrial Commercial Co-operation) of 2007 and in the Mandatory Tenders Regulations (Preference to Israeli Manufactured Goods) 1995.

(b) A "Foreign Supplier", who is awarded a Contract for the supply of goods, equipment, services, or work of a value, which exceeds \$ 5,000,000, or a repeat/additional contract (following a contractual award of \$ 5,000,000 or more), valued at more than \$ 500,000 or more, is required to engage in a "Industrial Commercial Cooperation" activity in Israel and to submit a proper undertaking, in writing, to do so, all in accordance with the Purchaser's "Annexure U: Mandatory Industrial Commercial Cooperation" and the applicable regulations.

(c) It is the Supplier's duty to obtain from the Purchaser the most recent edition of the "Annexure U: Mandatory Industrial Commercial Cooperation" and of the form of the "Foreign Supplier's undertaking of Commercial Cooperation".

(d) Where the Supplier has declared that he is entitled to be granted a preference in the tender/RFP for the supply of Israeli manufactured Goods in accordance with the provisions of Annexure "P", and the Supplier has

failed to comply with the provisions of said declaration, the Purchaser shall be entitled to compensation in accordance with the provisions of Annexure "P". No preference for Israeli Manufactured goods shall be given where the purchase procedure is not conducted by way of Tender.

(e) The Contractual provisions, set forth in the above documents are hereby incorporated by reference, as though set forth in full herein and shall be an integral part of these general conditions. Irrespective of anything to the contrary herein, the provisions, terms and conditions, set forth in said Annexures P and U shall prevail.

18. GOVERNING LAW AND SETTLEMENT OF DISPUTES:

(a) The Order/Contract shall be governed by and construed solely under the laws of the State of Israel excluding its rules as to Conflict of Laws, except as specifically stated in this Contract. Notwithstanding the above, Article 35 of the Schedule to the Law of Sale (International Sale of Goods), 5760-1999 shall not apply.

(b) Both parties shall attempt to resolve their disputes pertaining to the Order/Contract between themselves within thirty (30) days from the date the parties became aware of the dispute.

(c) Where the parties are unable to resolve their disputes within the period stated above, either party may notify the other party in writing of its intention to have the dispute settled by arbitration and shall in the notification propose a single neutral arbitrator.

(d) In the event the parties fail to agree upon the appointment of an arbitrator, within thirty (30) days of the date of said notification, either party may refer the appointment of the arbitrator to the Chairman of the Israeli Bar Association, who shall appoint the arbitrator and such appointment shall be binding upon both parties.

(e) The arbitration shall be in accordance with the Arbitration Law 5728-1968 of Israel and shall be held as promptly as possible at such place in Israel as may be mutually agreed upon between the parties and at such time(s) as the arbitrator may determine.

(f) In the event that the Chairman of the Israeli Bar Association fails to appoint an arbitrator, within thirty (30) days of submission of the request, either party may be free to refer the resolution of the dispute to an Israeli court of law, having a proper authority over the dispute.

(g) Neither party may refuse to perform or delay the performance of any obligation under this Order/Contract unless the arbitrator has made an order which allows it to do so. Subject to the foregoing and until the final decision of the arbitrator, this Order/Contract will continue to be fully performed by both parties.

19. IMPROPRIETY:

a) In accordance with the provisions of law (including the Penal Law 5737-1977), the Supplier and any person on its behalf (the "Seller") hereby undertakes and declares as follows:

i. that the Seller shall neither directly nor indirectly offer and/or give and/or receive any benefit and/or funds and/or anything of value in order to influence, directly and/or indirectly, the decision and/or action and/or inaction of Purchaser or of an officer of Purchaser and/or an employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons, in connection with the Contract/Order;

ii. that the Seller shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons in order to obtain restricted/confidential information in connection with the Contract/Order;

iii. that the Seller shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf of Purchaser and/or any other person/company/body in order to establish prices in an artificial and/or non-competitive manner or that they have not acted contrary to the provisions of restraint of trade as detailed in the Anti-Trust Law 5748 - 1988;

iv. subject to clause (c) below, that it is not a Family Member and does not employ or intend to employ for purposes of this Contract/Order, any "Family Member" (as such term is defined in the Government

Corporations Regulations [Rules Pertaining to the Employment of Family Members], 5765-2005) insofar as such employment may be construed as constituting a conflict of interests between the Seller and any officers or employees of Purchaser;

v. that the Seller shall neither directly nor indirectly engage in money laundering activities during the course of the Order/Contract.

vi. that the Seller has not acted and/or is not acting and/or will not act contrary to the provisions of paragraphs (iii)-(v) above in connection with any Contract/Order entered into with the Purchaser and that the Seller has not acted during the last twenty five years prior to the date of submission of the proposal and/or is not acting and/or will not act contrary to the provisions of paragraphs (i)-(ii) above in connection with any Contract/Order entered into with the Purchaser.

In the event the Seller has acted contrary to the above, vis-a-vis the Purchaser (summarized as "Legacy Compliance Matters") the Seller is obliged to describe in a separate document the Legacy Compliance Matters, their current status, sanctions imposed and remedial action taken including, where applicable, any adequate policies and procedures designed to prevent such action.

vii. that throughout the period of any transaction with the Purchaser:

a. the Seller (not included: affiliates, branches and permanent establishments of the Seller) is not founded in and/or the execution of this Contract/Order is not managed from any of the countries designated as an enemy country and is not otherwise designated as an enemy under the Trading with the Enemy Ordinance 1939.

The meaning ascribed to the terms Seller as referred to in this Article 19(a)(vii)(a) only, shall be: 9 corporations parties to this Order/Contract only.

b. the Seller is not directly, or to the best of the Seller's knowledge, indirectly, subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), as such may be from time to time, or directly, or to the best of Seller's knowledge, indirectly, subject to any sanctions administered by any corresponding authority in any EU member state (the "Other Authorities"), as such may be from time to time.

The Seller hereby undertakes and declares that it shall not engage in any business activities, classified under this sub-article 18(a)(vii)(b), to the extent such sanctions are administered by OFAC and Other Authorities.

c. The Seller

i. is not an "unlawful association" as specified in the Defense (Emergency) Regulations 1945;
ii. has not been classified by Israeli Governmental authorities as a "terrorist" as specified in the Prevention of Terrorism Ordinance 5708-1948; and
iii. has not acted in contravention of the provisions of the Prohibition of Financing Terrorism Law 5765-2007 and is not a designated terrorist organization thereunder.

viii. For purposes of this provision:

- a. the term "Seller" includes the Seller, any of its directors, officers, agents, employees, parent company, first degree subsidiaries, related companies and affiliates.
- b. the terms "Ordinance", "Law" or "Regulation" shall also include subsequent amending legislation as well as subsidiary legislation and regulations.

b) In the event of reasonable suspicion that the Seller failed to comply with the provisions of Subarticle (a) above, Purchaser reserves the right, in its exclusive discretion, to:

i. exclude it from any other Procurement Procedures regarding to which there is suspicion that the aforesaid action was performed and/or from any other procedure (hereinafter: "the Procurement Procedure"); and/or
ii. reject its proposal submitted in the procurement Procedure; and/or
iii. at any time cancel its award in the Procurement Procedure and/or at any time cancel this Contract/Order or any other Contract/Orders entered into with Purchaser.

c) In the event the Seller is a Family Member and/or employs a Family Member as detailed in Article 19(a)(iv) above, the Seller shall make full disclosure in writing to Purchaser of details of the identity and position held by

such employee and no such Family Member shall be in any way connected with the performance of this Contract/Order without receiving the prior written consent of Purchaser.

d) At the time of submission of the Seller's proposal, the Seller declared and undertook full compliance with the provisions of the Restraint of Anti-Trust Law 5748 # 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment and the laws pertaining to freedom of contract and competition (including the formation of monopolies, cartels etc.).

In the event, such declaration is found to be false, the Purchaser shall have the right to cancel the Order/Contract.

In the event the Seller is found to have acted in conflict of interests, at the time of submission of the Seller's proposal, the Purchaser shall be entitled to cancel the Order/Contract.

e) The Seller is required to bring the provisions of this Article to the attention of its employees, sub-suppliers, representatives, agents and any person on the behalf thereof that is involved in any manner in the Contract/Order.

20. COMPLIANCE WITH ISRAELI STANDARDS AND REQUIREMENTS OF ISRAELI GOVERNMENTAL AUTHORITIES

(a) The Supplier shall bear all costs related thereto and shall be responsible to ensure that the Goods/Product/Equipment being supplied under the Contract/Order complies with the applicable Israeli standards and the requirements of the appropriate Israeli Governmental Authorities (if any) specified by the Purchaser in the Tender/Inquiry documents, and that the Equipment is approved by such bodies.

In the event of approval required by the Standard Institution of Israel regarding compliance with the Official Israeli Standard, such approval must be valid and in the Supplier's possession by the final date of delivery, of the Goods/Product/Equipment to IEC's warehouse.

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

21. CONFIDENTIALITY

The Supplier and any person acting on its behalf hereby undertakes as follows:

a. To keep in confidence the Goods/Products/Equipment supplied by the Supplier and/or the work and/or any results and/or any part thereof performed by the Supplier, and/or any information connected therewith or with the Order/Contract entered into with Purchaser.

b. To keep in confidence and not to disclose or cause to be disclosed, and not to show or deliver in any manner during the duration of the Order/Contract or thereafter, to any person or entity, commercial or any other secrets of the Purchaser, or any information related to the Purchaser or related directly or indirectly to the Purchaser's property, affairs, customers, suppliers, individuals or entities, including but without limitation methods, processes, prices, calculations and the provisions of the contracts (hereinafter referred to as: "Confidential Information") regardless as to whether the Confidential Information has become available to the Supplier as a result of its employment by the Purchaser or by any other manner whatsoever.

c. The Supplier hereby declares that the Confidential Information is the Purchaser's sole property and the Supplier will have no claims of any kind related to the Confidential Information.

d. Without derogating from the generality of the above, the Supplier hereby acknowledges that the information set forth in Articles a and b above, may be considered either in whole or in part to be Insider Information, as such term is defined under the Securities Law # 5728- 1968 and the Supplier is aware of the applicable legal restrictions imposed by this law on the use of Insider Information. The Supplier hereby undertakes not to make any use of the Confidential Information in any manner that will breach the provisions of the Securities Law.

e. Not to make use of the Confidential Information for purposes not related to the Order/Contract.

f. Not to damage, remove or modify identification marks of the Purchaser appearing on the Confidential Information.

g. To immediately inform the Purchaser regarding any person or body to whom the Confidential Information was made available, (contrary to that stated above).

h. To provide the Purchaser with any information, of any kind, which may be to the Purchaser's benefit, and which may become available to the Supplier, and/or with regard to the Order/Contract, and refrain from making use of the Confidential Information for purposes other than for those of the Purchaser.

i. Upon any request of the Purchaser's security officer, to provide the Purchaser with any information in my possession, by no later than 7 days from the date of termination of the Order/Contract.

j. This article shall apply to Supplier's employees, agents, representatives, consultants and subcontractors who assist in the Order/Contract.

k. The Supplier hereby acknowledges that the Purchaser is a regulated body as such term is defined under the State Comptroller Law # 5758-1958 and has been made aware of chapter 7 of the Penal Law - 5737-1977, in particular sections 118 and 119.

22. TERMINATION FOR CONVENIENCE OF THE PURCHASER

22.1. The Purchaser shall have the right, at its sole discretion, to terminate the Contract/Order in whole or in part, for its convenience, at any time during the term of the Contract/Order, after providing the Supplier thirty (30) calendar days written notice. The Purchaser shall not be required to state the reasons for such termination, and will not be required to pay any compensation to the Supplier or anyone on his behalf, following such termination (except for the Goods and/or Products and/or Equipment supplied to the Purchaser prior to the date of the notice of termination).

22.2. Without derogating from the abovementioned, in the event of breach of Contract/Order by the Supplier, which entitles the Purchaser the right to terminate the Contract/Order, the Purchaser shall be entitled to terminate the Contract/Order with immediate effect, or after providing the Supplier with a warning, as applicable.

22.3. Without derogating from anything stated above and any right available to the Purchaser under the Order/Contract and/or by law, the Purchaser shall be entitled to terminate the Contract/Order upon occurrence of any of the following:

22.3.1. The Supplier did not supply the Goods/Products/Equipment or supplied them partially or stopped supplying them.

22.3.2. The Supplier assigned the whole or part of the Order/Contract to another supplier, without receiving Purchaser's written approval, prior to assignment.

22.4. The Supplier made application to Court under any bankruptcy legislation or is declared bankrupt or insolvent or went into liquidation, voluntary or otherwise, or is placed under administration, receivership, trusteeship, judicial management, or compound with or made any arrangement with its creditors, or is suffering any similar action in consequence of debt.

22.5. Where a lien has been imposed on the Goods/Products/Equipment in whole or in part, or where action is taken regarding the said Goods/Products/Equipment which may prevent or is preventing the Supplier from supplying the Goods/Products/Equipment fully or partially.

22.6. Where it has come to the Purchaser's attention that the Goods/Products/Equipment supplied by the Supplier or in contravention of the Contract/Order or the Supplier has breached his obligations under the Contract/Order.

ANNEXURE "BB" - PRELIMINARY/ THRESHOLD CONDITIONS

1. The Offeror is required to meet the following preliminary/threshold conditions by the last date set for submission of Technical/Commercial proposals:

(i) Manufacturer Experience

1.1 The Manufacturer shall have at least 5 (five) years accumulated experience in manufacturing of the cast resin power transformers with rated medium voltage between 10 kV till 36 kV and rated power between 400 kVA till 1250 kVA during the last 10 (ten) years.

1.2 In case the Manufacturer does not have at least 5 (five) years accumulated experience in manufacturing of the above mentioned equipment during the last 10 (ten) years, the Manufacturer shall have a Know-how agreement with a company which has at least 5 (five) years accumulated experience in manufacturing the above mentioned equipment during the last 10 (ten) years.

1.3 The experience described in paragraph 1.1 or 1.2, as applicable, shall be proven by a signed STATEMENT OF MANUFACTURING EXPERIENCE.

The experience shall reflect at least 250 Cast Resin Distribution Network Power Transformers (all together) supplied during at least 5 years in the last 10 years by Manufacturer or by Know-How Supplier.

(ii) Know - How agreement to the Israel Electric Corporation (I.E.Co) (henceforth referred to as "the Purchaser") satisfaction as required in the Appendix "A" of the above mentioned specifications (in

case of Know-how transfer).

2. The Offeror is required to meet the following preliminary/threshold conditions by no later than 30 calendar days from the last date set for submission of Technical/Commercial proposals:

- (iii) The Bidder shall supply at his own expense and responsibility, to the Purchaser One sample of three phase cast resin power transformers with natural (self) cooling for medium voltage distribution network similar (from the current production line) to the proposed transformers in the tender and manufactured at the same factory by the same technology processes.

If the proposed three phase cast resin power transformers was supplied to I.E.Co. in the last seven (7) years, than the Proposer may ask for exemption from sample submission. A written request shall be submitted to the I.E.Co. by the last date set for submission of technical/commercial proposals.

Rated power of the sample may vary from 400 kVA up to 1250 kVA.

Primary voltage of the samples may vary from 10 kV up to 36 kV and with secondary voltage of 0.4 kV.

The samples are for Purchaser's inspections. After notification of award, the above samples will be at the Bidder's disposal.

- (iv) Quality Management System (QMS)

- 1.1 The Manufacturer shall have a QMS having a certificate evidencing compliance with the requirements of the valid edition of ISO 9001. The scope of certification shall include: design, production of transformers.

- 1.2 In case of Knowhow transfer both companies the knowhow supplier and the knowhow recipient shall have a Quality Management System (QMS) which meets the requirements of ISO Standard 9001.

Manufacturer operating under a Knowhow agreement, the scope of his certification shall include production of type of equipment as described in this specification. Furthermore the Knowhow supplier scope of certification shall include: design, production of transformers.

The Purchaser reserves the right, to allow a Manufacturer, who receives the Knowhow, to submit the above mentioned certificate during the prototype approval stage, if the production line does not exist at the proposal submission stage.

- 1.3 Approval of conformance with the ISO 9001 requirements, as indicated in clause 3.1 and 3.2 above, shall be in a form of a certificate issued by a Certification Body (CB) which is accredited by an Accreditation Body (AB).

- 1.4 The certificate should bear the logo of the CB and its Accreditation Body and/or the logo of the IAF.

- 1.5 The certificate shall be valid at least on the last date set for submission of it.

- 1.6 The certificate shall be valid for the scope of activities requested in the request for Proposal.

- 1.7 The Manufacturer's main suppliers shall also have a Quality Management System (QMS) certified to ISO 9001 requirements, with scope of certification corresponding to the scope of supply indicated in the Manufacturer's order and the requirements of this specification.

- (v) SI 50541 Israeli Standard

The Bidder shall submit a declaration that the transformers which will be supplied to the IEC will meet the requirements of the official Israeli standard SI 50541.
(Dry type distribution transformers # Requirements for energy efficiency and marking).

Notes:

- a. The IEC shall be entitled, at its sole discretion, to allow a bidder who did not submit sample/documents proving its compliance with the preliminary conditions by the last date set for meeting these conditions, to supplement these samples/documents by a date to be determined by it.
- b. All documents, data and any written material which will be submitted shall be written in English or Hebrew. Any written material in other languages will be rejected.

The IEC shall be entitled, at its sole discretion, to allow a Offeror who did not submit sample/ documents proving its compliance with the preliminary/threshold conditions by the last date set for meeting these conditions, to supplement these samples/documents by a date to be determined by it.

ANNEXURE "D" - SPECIAL CONDITIONS
rev. 6/2016

1. APPLICATION OF ANNEXURE "Z" (relevant for RFP's for Framework contracts, only)

Bidders are requested to carefully review the terms and conditions, set forth in Annexure "Z": Flexible, frame contracts/orders Conditions, attached herewith. All such terms and conditions shall form part of the contract between the IEC and the successful bidder, with respect to the matters, stipulated in the annexure, including: monetary value of the purchase, contract period and extensions thereof, schedule of delivery, quantities to be purchased and IECs options to purchase additional quantities.

2. PRICES (Relevant for 2nd stage)

- A. Your Price bid will be computerized and it will include the following:
1. "Summary of Prices" forms (Annexure C"), attached hereto - for the transformers..
 2. Type and special tests for the transformers.
 3. Spare parts for the transformers.
- Your price proposal must relate to the goods/equipment, as proposed by you during stage 1 of the bidding process (or according to the amended/revised proposal - where applicable), as approved by the IEC and subject to all conditions of approval, if any.
- B. Local (Israeli) Bidders must submit their prices, excluding VAT. The term of sale will be directly to IEC's stores / site, as specified by IEC (preferably).

For the avoidance of doubt, Article 2B above, shall apply to Local (Israeli) Bidders who supply goods which are manufactured outside Israel as well as within Israel.

- C. Non local (Foreign) Bidders may submit their prices as per definition by Incoterms 2010, issued by the ICC, excluding VAT. The Terms of sale will be:
- DDP (Delivery, Duty Paid) directly to IECs stores
(See also para. 5 below, for more details regarding supply DDP).

3. CURRENCY CONVERSION (LINKAGE) AND PRICE ADJUSTMENT

A. CURRENCY CONVERSION (LINKAGE)

Bidders may submit their prices, either in the currency of their country where the goods are manufactured, or in one of the following currencies:

- | | |
|-----|-------------|
| (1) | U.S. Dollar |
| (2) | Euro |

Payment to the Bidder awarded with the Contract will be in the Currency quoted.

Also, for award to local (Israeli) Bidder quoting in foreign currency (other than NIS) - payment shall be in the foreign Currency quoted.

Note: In this case Israeli Bidder must state in any invoice sent, the sum for payment, both in said

foreign currency and in NIS (after being converted in accordance with the Representative Rate of Exchange published by the Bank of Israel - the last known value on date of issue of invoice) - the amount before addition of V.A.T and amount after the addition of V.A.T.

B. PRICE ADJUSTMENT

1. In proposals submitted for the equivalent value of 500,000 NIS (including flexibilities and options) where the required date for delivery is within 12 months, prices shall be fixed and not subject to any linkage / adjustment.

Note: In the event the IEC decides to divide the award between a number of Bidders, and due to said award, the value of an order is less than 500,000 NIS (or equivalent) and IEC previously approved linkage / adjustment for Bidder's said proposal, the prices shall then be fixed and not subject to any linkage / adjustment.

2. In proposals submitted for above the equivalent value of 500,000 NIS (including flexibilities and options):

a. prices of the transformers shall be subject to linkage / adjustment as stated below:

$$P_p = P_o * X\% * (A_{Lp}/A_{Lo}) * (E_{xp}/E_{xo}) + P_o * Y\% * (GOES_p/GOES_o) + P_o * Z\% * (MDD_p/MDD_o)$$

where:

P_o = Basic Contract Price of the transformer, as expressed in the currency of the offeror's Proposal.

P_p = The Adjusted Price of transformer, as expressed in the currency of the offeror's Price Proposal - calculated according to the aforementioned basic formula.

X,Y,Z = Please state in the table below, your request for relative percentage of each index

X = ____ Shall reflect the percentage of the raw material Aluminum/copper in the transformer

Y = ____ Shall reflect the percentage of the grain oriented electric steel in the transformer

Z = ____ Shall reflect the percentage of other costs in the transformer

X+Y+Z = must sum 100%

A_{Lo} = The basic price (in U.S. Dollars) of Aluminum High Grade/ copper Grade A per one ton, as published by the London Metal Exchange on ____ (*) [i.e. \$ ____ (*)], the "Base Date".

Please note: The "Settlement prices" (in U.S. Dollars) of the Aluminum High Grade/copper Grade A Per one ton, shall be as published by the London Metal Exchange in the Internet site (www.lme.co.uk) or in the weekly "Metal Bulletin" - Daily Metal page, or as reflected in the Reuter's computer screen code MTLE "LME Daily Official Prices (+Ref Prices)" - being also the Cash Midday Sellers Price [in case of two prices stated - the higher of the two].

A_{Lp} = The known price (in U.S. Dollars) of Aluminum High Grade/copper Grade A per one ton, as published by the London Metal Exchange, on the "Determinative date" (see below definition).

E_{xo} = The basic representative exchange rate (from U.S. Dollars to offeror's proposal currency), on ____ (*), the "Base Date".

E_{xp} = The representative known exchange rate (from U.S. Dollars to Offeror's proposal currency) on the "Determinative date" (see below definition).

$GOES_o$ = The basic index of GOES+ (Grain Oriented Electrical Steel), as published by the "Transformer Commodity Indices" table in the "T&D EUROPE", on ____ (*), the "Base Date".

$GOES_p$ = The known index of GOES+, as published by the "Transformer Commodity Indices" table in the "T&D EUROPE", on the "Determinative date" (see below definition).

Please Note: GOES+ index first entries (marked in red) are provisional and at some point become permanent (marked in black).

When calculating the payment, the values to be taken into account, will be the fixed (permanent) values (marked in black) only, set for the index -7 days after the date of the draw order.

For example, if the draw order date is 28/3/17, the final date shall be 4/4/17, and the index valid for this date will be the index (marked in black) specified for the month of April 2017.

Values to be taken into account (from T&D EUROPE) are the final values, not the values (provisional) in the red font.

MDDo = Index or currency requested by the bidder to reflect other costs that he might have regarding the tender. This index can be firm (proportion of the Basic Contract Price which is firm and not subject to Price Adjustment) on _____ (*) [i.e. _____ (*)], the "Base Date".

MDDp = The known Index or currency requested by the bidder to reflect other costs that he might have regarding the tender. can be constant on the "Determinative date", [see above definition].

Notes:

1. Determinative date will be on the seventh (7) calendar day after the date upon which IEC notifies the offeror of each separate draw order.

2. EX[] = All exchange rate/s from "Raw material currency" to Offeror's proposal Currency, will be according to prar. B3 above.

b. prices of the spare parts: the bidder can choose one of the following linkage / adjustment:

- Dollar
- Euro
- The prices will not be subjected to any linkage / adjustment.

Note: The prices of the spare parts will be applicable for a period of 7 years from the end of the warranty period.

c. prices of the type and special tests for the transformers will not be subjected to any linkage / adjustment.

In all linkage / Adjustment formulas, prices shall be linked from the relevant "Base Date" until the "Determinative date" (*) only.

Note: IEC will not accept requested Linkage / Adjustment formulas having a different or later "Determinative date" than stated.

3. In two stage bidding processes, the "Base Date" shall be defined by IEC in the "Prices" (second) stage. In the event said base date is not specifically stipulated, the date of submittal of the Price proposal shall be the "Base date" for all factors of the Price Adjustment formula (the index/value's set and published for this date shall be valid).
4. In spite of the terms stated in sub-clauses 2, 3 above, Bidders may submit in the first stage (Technical/ Commercial) proposals, requests for price adjustment formula/s for linkage/ adjustment in accordance with Annexure "H" (Price Adjustment) attached, which shall be considered by IEC. In addition, Bidder may only choose requested indexes / commodities for linkage formula, from IEC's list of Indexes, including local and international indexes, published in IEC's website. Also, Bidder may choose exchange rates of any of the currencies published by the Bank of Israel and for US Dollar / Euro or Euro / US Dollar.

In the event of currency exchange rates included in linkage/adjustment formulas:

- a. For exchange from Euro to all other currencies, including to USD, all exchange rates shall be the representative Rate of Exchange published in the EUROPEAN CENTRAL BANK website: <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html> .
- b. For exchange from USD to all other currencies, save for Euro, all exchange rates shall be the representative Rate of Exchange published in the FEDERAL RESERVE website: <http://www.federalreserve.gov/releases/h10/hist>.

Note: Only in the event exchange rate is needed from USD to Euro, the EUR / USD will be taken from the European Central Bank and inverted.

- c. In case of local (Israeli) Contractor, where currency exchange change rates are needed to / from NIS, all exchange rates shall be the Representative Rate of Exchange published by the

Bank of Israel.

5. In the event no price adjustment formula has been requested by Bidder or approved by IEC in the first stage (Technical/ Commercial), Bidder's proposal shall be evaluated according to indexes / linkage defined by the IEC. It is hereby clarified that, in the transition to the second (Prices) stage, in a two stage bidding process, in the event IEC approved a Bidder's requested adjustment formula and/or stated said linkage terms in IEC's invitation to submit Price proposals (including Base date), and if the Bidder states in Price proposal (or in final proposal, in case of process with additional competitive stage), a different price adjustment formula than was approved or stated by IEC, then, said price adjustment formula approved or stated by IEC shall be binding and considered in IEC's evaluation.
6. The determinative and final values of the exchange rates / indexes (for calculation of end of Price Adjustment period) shall be the official exchange rates / indexes known on the contractual delivery date or milestone or the actual delivery date or milestone, whichever occurs first, unless specifically stipulated otherwise in the Tender documents.
7. The known exchange rates / indexes are those published by the official bodies authorized to publish said known exchange rates / indexes.
8. In the event the index published by the authorized bodies, changes, (either the manner in which it is calculated and/or the Schedule or table number where it shall be published), it is agreed that the Schedule or table number replacing it, shall be taken into consideration and/or the manner in which it shall be calculated, shall be as determined by the authorized bodies.
Where the authorized bodies fail to change the index or the calculation, the parties shall enter into negotiations for the said issue, until the issue is mutually resolved, by the parties.

4. TERMS OF PAYMENT

- A. For all Bidders supplying DDP or local Bidders supplying directly to IECs stores or EXW at manufacturer's plant, payment shall be on the 90th day, after the 1st day of the month, following:
 - (1) Delivery of each unit to IECs designated stores, (in case of Local EXW - Israeli Contractors Delivery Note as to readiness of goods countersigned by the Purchaser against receipt of the goods) and
 - (2) Delivery to the IEC of one original delivery note, acknowledged/certified by IECs authorized store representative, or such other documentary evidence, acceptable to the IEC of delivery of the lot to its stores and
 - (3) (for local Bidders) - Submission of VAT invoice.

5. HANDLING OF DDP GOODS BY NON-ISRAELI SUPPLIERS

The following terms shall apply to suppliers in order to fulfill and facilitate the requirement, that the goods be supplied DDP, in as far as Non-Israeli suppliers are concerned:

- A. All documents necessary for release of the goods at the port of destiny in Israel, including bill of lading, certificate of origin and commercial invoices, shall be in IECs name.
- B. Upon arrival of the goods at the port of destination, the supplier shall contact IECs representatives, in order to coordinate the release of the goods from customs/port.
- C. For purpose of release of the goods from customs, the supplier shall employ the services of such customs clearance broker, as will be designated by the IEC, or any customs clearance broker, of his choice.
- D. VAT shall be paid by the IEC.
- E. On arrival at the Israeli Port the goods shall be loaded by the supplier at supplier's risk and cost onto open trucks for transportation to IEC stores.

6. "KNOW-HOW" AGREEMENTS

- A. The award of an order to a bidder is conditioned upon the validity and fulfillment of the terms of such bidders "know-how" agreement, as presented by bidders in the course of stages 1 and 2 of this tender.
- B. The IEC shall have a right to cancel at any time, any order/contract, placed with the winning bidder, in the event that such bidders "know-how" agreement is cancelled, abrogated or otherwise not fulfilled, during the life of IECs contract with the bidder.

7. PACKING, HANDLING, STORAGE

See the requirements stated in para. 2.4 of the Specifications attached herewith.
Each item / package shall be marked with IECs bar code (which will be supplied by IEC, subject to the Supplier request by prior to delivery).

8. FINANCING

- A. See Annexure "X" and "X1" (if attached) which includes the mandatory conditions and requirements of IEC relating to financing and the information which suppliers are requested to submit together with their proposal.
- B. Where financing conditions in the offerors country require the export credit risk to be insured, the premium for such insurance shall be included as part of the offerors quoted price in the price proposal, but as a separate identifiable amount.

9. DOCUMENTS FOR PROPOSALS

The following documents must be submitted with the proposal:

- Annexure "C" (List of required items) including P/N (Manufacturers Catalogue No. or Model No.), duly filled in and signed.
- Documents proving the existence of the threshold conditions and all other documents/forms required as mentioned in Annex BB & in the Specifications.
- Offerors consent to terms & conditions, including Bidder/Offeror Data Sheet duly filled in and signed.

10. Evaluation of Proposals

10.1 Without derogating from the "Criteria for selection and acceptance of proposal/s" as detailed in the "Invitation to Submit Proposals" document, all proposals in this Tender shall be evaluated as follows:

The overall grading of the proposal shall be composed of two components:

(i) The Stage 1 proposal shall be evaluated according to Non quantifiable, non- monetary parameters, see Appendix "k" in the specification, weighted as 50% of the overall grade.

(ii) In Stage 2, the monetary value of the price proposal shall be considered in the overall techno-economic evaluation of the proposals. These, will be weighted as 50% of the overall grade/score.

10.2 The overall score of the Technical (first stage) evaluation shall be at least 70 (out of 100), in order to be approved for the Prices stage.

10.3 The evaluation of proposals will consider the cheapest offer for each category. The following items shall be considered:

- The cost of the transformers (as mentioned in annexure "c").
- The cost of type and special tests for the transformers (as mentioned in the specification).
- The cost of spare parts for the transformers (as mentioned in the specification).
- Declared value of energy efficiency and marking.
- The bidder's overall score of the Technical (first stage) evaluation.

ANNEXURE "E1"
FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT
PERFORMANCE OF CONTRACT
Updated: 3.1.2013

Dear Sirs,

Re: Standby Letter of Credit No:

Please advise the Israel Electric Corporation Ltd., P.O. Box 8810, Haifa, Israel (hereinafter "IEC") that at the request of and for the account of _____ (hereinafter the "Contractor"), we, _____ (hereinafter "Issuing Bank") hereby establish in favour of IEC, our irrevocable standby letter of credit No. _____ up to the aggregate amount of (Currency) _____ which represents 10% of the Contract Price of the Equipment and Services to be supplied under Contract No. _____ entered into between IEC and Contractor dated _____ ("the Contract"), the obligations of the Contractor extending thereunder until _____, being the expiration date of the warranty period of the last item of Equipment/Services plus sixty days.

1.
 - (a) This standby letter of credit is payable to IEC's account at _____ (hereinafter "Advising Bank") against first tested telex/swift advice from the Advising Bank to the Issuing Bank certifying that the Advising Bank has received a declaration purportedly signed by an authorized officer of IEC certifying as follows:
"We, The Israel Electric Corporation Ltd. ("IEC") do hereby certify that in the considered opinion of IEC, the Contractor is in breach of Contract No. _____; that the Contractor has been notified of the details of such breach; and that the Contractor has failed to take steps satisfactory to IEC to remedy the breach within ten (10) calendar days after sending notification of the breach by facsimile to the Contractor."
 - (b) Reference to the "Contract" is for purposes of identification alone, and the terms of the Contract are not made part of this letter of credit.
2. This standby Letter of Credit shall remain valid until _____, as extended under paragraph 4 below (hereinafter "Current Validity Date"), but in no event shall this credit be extended beyond _____ being the warranty expiry date of the last item of Equipment/Services + 60 days.
3. [Applicable only if the Contract Price is subject to price adjustment and/or affected by variation in costs of materials, labor, etc...] The amount available for drawing under this standby letter of credit shall be increased by two percent (2%) per annum or by the relative amount for a respective period (i.e., a standby letter of credit which is extended by six (6) months shall be increased by one percent (1%)).
4.
 - (a) It is a condition of this credit that its validity will be automatically extended for periods of one year from the then Current Validity date, unless no later than ninety (90) days prior thereto:
 - (i) we notify IEC, through you, by tested telex or swift advice, that this letter of credit will not be renewed; and
 - (ii) we have received from you a tested telex or swift advice stating that the Project Financing Dept., Supply and Stores Division of IEC has acknowledged its receipt of a copy of our notification to IEC under (i) above in this regard.
 - (b) In the event this credit is not further extended, notification having been given under paragraph 4(a)(i) and receipt thereof acknowledged by IEC under the paragraph 4(a)(ii) then, at any time within the last sixty (60) days prior to the then Current Validity Date, IEC may draw against this Letter of Credit in full or in part, by means of Advising Bank's first tested telex/Swift Advice to Issuing Bank, notifying that IEC has presented to Advising Bank a declaration purportedly signed by an authorized officer

of IEC, certifying as follows:

"We, the Israel Electric Corporation Limited, hereby declare that the amount of this drawing _____ under [Name of Issuing Bank] letter of credit number _____ represents the sum due to us, as [Issuing Bank] has failed to extend its letter of credit number _____ and this sum remains due and payable"

5. We, _____, Issuing Bank, hereby undertake irrevocably that payment will be made within seven (7) banking days as above after receipt by us of Advising Bank's first tested telex/Swift Advice notifying us of IEC's presentation to it of either or both of the declarations stipulated in paragraphs 1(a) and/or 4(b) above.
6. All documents to be presented shall be in English
7. With the Exception of amounts and dates, typing errors shall not be regarded as being discrepancies.
8. Except insofar as otherwise expressly stated herein, this standby letter of credit is subject to the "International Standby Practices" ("ISP98") published by the International Chamber of Commerce (Publication No. 590) (October 1998). In the absence of any provisions of ISP98, this Standby Letter of Credit shall be subject to Israeli Law.

ANNEXURE "H" PRICE ADJUSTMENT

1. Where Price Adjustment is required, Prices of Equipment and/or Services specified in the Contract shall be subject to a Price Adjustment formula which reflects the applicable production and/or labour costs as follows:

$$P_{adjusted} = P_o * (a + b * X_1/X_o + c * Y_1/Y_o + d * Z_1/Z_o)$$

In which:

P_o represents the non-adjusted Basic Contract Price
 X, Y, Z please state the applicable indices.
 X_o, Y_o, Z_o represent the Base Indices
 X_1, Y_1, Z_1 represent the Determinative Indices.
 $a, b, c, d..$ please state the relative percentage of each index (while "a" represents the proportion of the Basic Contract Price which is firm and not subject to Price Adjustment).

2. The Price Adjustment formula indices shall adhere to the following principles:

- (a) no more than three indices shall be used in the formula;
- (b) the indices shall be national or governmental indices;
- (c) the indices shall be officially published by a governmental authority; and
- (d) X_1, Y_1 and Z_1 shall not be interim, estimated or provisional indices.

3. The proposed Price Adjustment must indicate the Base Date for each index and the actual value of each Base Index.

4. The Determinative (end) Date for purposes of calculating Price Adjustment must be (in accordance with IEC's requirements) either the date of scheduled or actual milestone completion (delivery of drawings/Equipment/Services, commissioning or other, whichever is relevant) as detailed in Annexure "C1" Summary of Prices, whichever occurs first. For the removal of doubt, no Price Adjustment shall be due to delays for which the Purchaser is not responsible.

In the event the Equipment is placed into storage and payment is made upon storage, the date of placement into storage shall be used as instead of the contractual/scheduled date of delivery.

The Final Index shall be the index known on the Determinative Date.

5. Price Adjustment shall be invoiced on separate Price Adjustment invoices which shall be submitted together with the corresponding relevant invoices for the Basic Contract Price of Equipment. Such Price Adjustment

invoices shall be accompanied by documents evidencing the relevant officially published indices on the Determinative Date and the method of calculating the invoiced sums of Price Adjustment.

6. The Price of the Israeli Content could be subject to a Price Adjustment Formula which is based on Israeli indices only if the basic portion of such Israeli Content to be adjusted is denominated in NIS.

7. Should a change in the value added tax occur (the "Change") during the relevant linkage period as defined and according to the Order, the effect of the Change on the index shall be deducted for calculation purposes of the price increases or changes as specified in the Order.

ANNEXURE 'L' - INSURANCE:

INSURANCE CLAUSE

Without derogating from the Contractor's liabilities under the Contract and any applicable law, the Contractor shall take out and maintain in force until the end of the warranty period, on its own account, Products Liability Insurance in a minimum amount of US\$ 2,000,000.

Certificate evidencing that the above insurance policy is in force and comply with the above provisions will be forwarded to the Company prior signing the agreement by the Company.

ANNEXURE 'P'

Updated on May 29th, 2016

PREFERENCE TO SUPPLIERS OF "ISRAELI MANUFACTURED GOODS"

1. In this document the following definitions shall apply:

- (a) "IEC" or "Israel Electric" - shall mean The Israel Electric Corporation Ltd.
- (b) The "Regulations"- shall mean the Tenders Regulations (Preference for Israeli Products) 5755-1995
- (c) "Israeli Manufactured Goods" -shall be as defined in the Regulations.
"Israeli Manufactured Goods" - shall mean as defined in the Regulations.
Israeli Manufactured Goods" - shall mean as defined in the Regulations.

Goods From the Area Around the Gaza Strip- shall mean Israeli Manufactured Goods manufactured in the area around the Gaza Strip.

The Area Around the Gaza Strip - shall mean the greater Shderot area and the settlements around the Gaza Strip as defined in the Regulations.

Manufacture: shall mean the production of Goods or a fundamental change made to the Goods resulting in new or different goods.

With regards to Goods from the Area Around the Gaza Strip # "fundamental change" including "double fundamental change".

Double Fundamental Change- shall mean a process whereby a product had undergone a fundamental change in Israel resulting in an intermediate distinctive and independent product used as raw material for the manufacturing of another product.

(d) "Preference" - shall mean a preference of fifteen percent (15%) for Israeli Manufactured Goods and a preference of 20% for Goods from the Area Around the Gaza Strip, in the comparison of prices submitted by Bidders participating in the Tender as stated in the Regulations.

(e) The "Agreement" - shall mean the Agreement on Government Procurement (Marakesh)1995.

2. Subject to the provisions set forth in paragraphs 3 and 4 below, IEC will grant a preference to proposals submitted for the supply of Israeli Manufactured Goods and proposals submitted for the supply of Goods from the Area Around the Gaza Strip only in the following circumstances:

- (a) Where the value of the transaction is less than SDR 355,000 (approximately \$517,945);
- (b) Regardless of the value of the transaction, where the transaction is for the purchase of cables (H.S 8544), transformers (H.S. 8504) disconnectors and switches (H.S. 8535 - 8537) electric motors (H.S. 85012099, 85015299, 85015199, 85015290, 85014099, 85015390);
- (c) Any other instance provided that the preference shall not contravene the provisions

of the Agreement.

3.

(a) The preference shall be applied only as part of the price criteria and the grant of any preference shall not restrict IEC from considering other criteria, other than the price, for purposes of the determination of the Bidder awarded the Tender.

(b) Where a procurement procedure was exempted from a Tender, no preference will be given in the Tender procedures.

4.

(a) A Bidder requesting a preference shall, at the pricing stage, submit to IEC the following documents duly completed and signed: An accountant's certificate (according to Annexure 1 attached), (hereinafter the "Confirmation"). The Certification will address separately each of the items for which the Bidder is requesting preference.

Should an additional competitive procedure take place, and should a Bidder submit another proposal which is more beneficial to IEC, the Bidder shall be requested to attach to its new proposal, an additional Confirmation which shall address its new proposal, as applicable.

A Bidder requesting preference for Goods from the Area Around the Gaza Strip, shall submit in addition to the Confirmation, an affidavit (according to Annexure 2 attached), (hereinafter the "Affidavit") stating that its proposal is for Goods from the Area Around the Gaza Strip which comply with the conditions set forth under the Regulations, all in accordance with the attached.

(b) A Bidder requesting a Preference shall be denied such Preference in the event the Bidder has failed to submit the abovementioned Confirmation and in the event of Goods from the Area Around the Gaza Strip, the Bidder must submit the Affidavit (i) at the time of submitting its price proposal, or, (ii) where an additional competitive procedure was conducted - at the time of the submission of the final price proposals (to the extent that the Bidder's proposal has changed), or (iii) within an additional time period to be determined by IEC's sole discretion.

(c) If the goods to be supplied to IEC do not form part of an existing stock at the time of submitting the Confirmation, the Bidder will be required to re-submit the Confirmation at the end or towards the end of the manufacturing process. The Approval must be updated according to its new submission date as set forth in paragraph 7 below.

5. Where any Bidder is a candidate to be awarded a transaction or any part thereof due to receipt of a preference, IEC shall have the right to negotiate with such Bidder and with other Bidders who are entitled to a preference, in order to reduce the price of the Goods # all in accordance with the provisions of the Regulations # and to grant the award of a contract based on the results of the negotiations.

6.

(a) Where there is a Bidder who is the supplier of Non-Israeli manufactured goods (hereinafter the "Non-Israeli Supplier") who is a candidate to be awarded a Tender which can be split ("Split") and whose proposal regarding the quantity that IEC has decided to purchase in the Tender, exceeds NIS 54,000,000 (calculated in accordance with the Representative Rate of Exchange published by the Bank of Israel on the date of comparing the Bidders proposals), IEC will, in the case of such Split, transfer 50% of the quantity (that IEC has decided to purchase) to a Bidder of Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip, in accordance with terms and conditions stipulated in the provisions of Sub para. (b) below and subject to the Agreement insofar as such does not contravene the provisions of the Agreement.

(b)

1. If the decision to grant the award was based solely upon the price criteria, the Split shall be subject to the approval of the Bidder of the Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip (who submitted the lowest price proposal), having its prices compared with those of the Non-Israeli Supplier.

2. If the decision to grant the award was based upon the price criteria as well, as additional criteria, the Split shall be subject to the consent of the Bidder of the Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip whose weighted score is most beneficial to IEC, to reduce its price in such a way that after the reduction, the weighted score of the proposal of the Bidder of the Israeli Manufactured Goods shall be identical to that of the Non-Israeli Bidder.

(c) The price proposed by the Non-Israeli Supplier for the quantity stipulated by IEC as well as the remaining terms of his proposal shall not change as a result of the Split regardless of any provision or condition to the contrary. The transaction concluded with such Non-Israeli Supplier shall be subject to the Non-Israeli Supplier's consent to waive any such provision or condition.

7.

(a) If the goods offered to IEC are not designated to be supplied from the Bidder of Israeli Manufactured Goods' (who was awarded the Tender due to a Preference or who was awarded part of the transaction according to para. 6 above) inventory, existing at the date of submission of the Price Proposal. shall resubmit the above Confirmation to IEC duly signed and updated up to the date of its re-submission. Such Confirmation shall be based on the calculation of the actual value of the goods at the following dates:

1. If the terms of the contract stipulate one delivery date: within 20-45 days prior to the date of delivery.

2. If the terms of the contract stipulate a number of delivery dates: within 20-45 days prior to the last date of delivery.

(b) IEC shall be entitled to withhold payment up to an amount of 15% (fifteen percent) (hereinafter referred to as the Amount Withhold") of the updated contract price (valid as to the last date of delivery) until it receives the Confirmation stipulated in para. 7(a) above approved by IEC.

(c) Should the Bidder awarded the Order/Contract fail for any reason, to provide the Confirmation set forth in Article 7(a) above, within 120 (one hundred and twenty) days from the date stipulated in para.7(a) above, IEC shall be entitled without any warning or prior notice, to set off the Amount Withhold from the invoiced amount or, alternatively, receive from the Bidder awarded the Order/Contract an amount equal to 15% (fifteen percent) of the updated contract price (as of the last delivery date) t as the agreed and appropriate liquidated damages for breach of such obligation by the Bidder awarded the Order/Contract .

8. In order to verify that the proposal includes Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip, IEC shall be entitled, at any stage, to conduct an audit of the books and other documents belonging to any Bidder who was awarded the Order/Contract or part thereof due to the Preference or a Bidder who was awarded part of the transaction in accordance with Article 6 above. The audit shall be conducted by an accountant or any other person appointed by IEC (hereinafter referred to as the "Inspector").

9. According to the Bidder's request, the Inspector examining the books and documents submitted for inspection shall sign a confidentiality agreement drafted by IEC. The confidentiality agreement shall state that the Inspector shall not disclose any of the information submitted during the audit to a third party, other than to IEC unless requested in legal proceedings; or an arbitrator appointed by law or by court order.

10. In any instance where:

(a) The Bidder had failed to comply within 14 days from the date determined by the Inspector with the request to submit the books and documents; or

(b) In the opinion of the Inspector or IEC, the requested books and documents are incomplete or contain insufficient information for purposes of verifying the Bidder's right to receive Preference; or

(c) It is found, based on the Inspector's audit, that the proposal does not include Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip.

The Bidder shall not be entitled to a Preference and if a Bidder had already been awarded a Order/Contract or part thereof, by virtue of or with the aid of the Preference, the Bidder awarded the Order/Contract shall pay IEC, as just and fair compensation, liquidated damages in an amount equal to the difference between such Bidder's proposed price and the lowest proposal submitted by another Bidder participating in the Tender, plus 10% (ten percent) of the aggregate price of the proposal of the Bidder awarded the Order/Contract (hereinafter referred to as the "Compensation"). In the event the Bidder's proposal was the lowest and no lower proposal can be found, the amount of liquidated damages payable to IEC shall be 10% (ten percent) of the aggregate price of the Bidder awarded the Order/Contract.

In this Article, the word "price": shall mean: the price according to the price adjustment formula included in the relevant proposal, as of the date preceding the date the liquidated damages are due.

The Inspector's decision regarding the above, shall be final and binding on the parties and no party shall be entitled to dispute his decision.

Without derogating from the above, IEC shall be entitled to withhold, out of any sums due to the Bidder awarded the Order/Contract according to this invitation or any other invitation, an amount equal to the Compensation, until such time as the Inspector has made its findings as to the Israeli component in the proposal of the Bidder awarded the Order/Contract.

11. IEC shall be entitled to recover the Compensation or part thereof, according to para. 7 above, and/or para. 10 above, in the following ways, among others:

- (a) Drawing on the performance guarantee or any other guarantee including a standby letter of credit in favour of IEC or provided to IEC by the Bidder and/or
- (b) Offsetting the Compensation amount against any payment due to the Bidder awarded the Order/Contract from IEC, including set off from any existing orders with IEC.

12. In addition to any other remedy available to IEC, in accordance with the law, IEC reserves the right, at its sole discretion, to institute proceedings for the suspension and/or removal of the Bidder awarded the Order/Contract from IEC's list of authorized suppliers, if the Bidder awarded the Order/Contract made a declaration that the goods to be supplied are Israeli Manufactured Goods or Goods from the Area Around the Gaza Strip and such declaration is found to be false.

13. Each word or term appearing in this document and not defined in Article 1 above, and appearing in the Regulations, shall be interpreted according to their meaning or definition in the Regulations.

Annexure 1

PREFERENCE TO SUPPLIERS OF ISRAELI MANUFACTURED GOODS

The Accountant's Certificate

Accountant's name: _____

Accountant's address: _____

To:

The Israel Electric Corporation Ltd.
Nativ Ha'Or 1
Haifa

re: Tender Number: _____

Reference: _____(insert the bidder's name) proposal dated _____

At the request of [_____] (hereinafter referred to as: "the Bidder") and as its auditors, we have examined the Bidder's declaration dated [_____] for tender number [_____] in connection with the value of the "Israeli Component" (as such term is defined in the Tenders Regulations (Preference for Israeli Products) # 5755-1995) in the Bidder's price proposal, for sections [_____]. Attached hereto please find the Bidder's declaration marked with our office stamp for purposes of identification only.

This declaration is the responsibility of the Bidder's Board of Directors and management.

Our responsibility is to provide an opinion on the declaration based on our audit(*).

Date: _____

Signature: _____

Name of Signatory: _____

Annexure 2

**AFFIDAVIT
PROPOSAL FOR GOODS FROM THE AREA AROUND THE GAZA STRIP**

I, the undersigned [____], identification number [____], having been warned that I must tell the truth and that I will be punished according to the law if I do not, hereby declare as follows:

1. I hereby provide this affidavit together with the proposal of [____] (hereinafter referred to as the "Bidder"), for tender number: [____];
2. I hold the position of [____] for the Bidder;
3. I am familiar with all the information this Affidavit is based upon and i am authorized to provide this affidavit on behalf of the Bidder;
4. The Bidder's proposal is for Goods From the Area Around the Gaza Strip which conform with the requirements set forth under the Tenders Regulations (Preference for Israeli Products) 5755-1995;
5. I hereby declare that this is my name and my signature, and that the content of this affidavit is true and correct.

Declarant's signature

ATTORNEY'S APPROVAL

I the undersigned, [____] Adv, license number [____], hereby confirm that on the [____] day of [____] 2015, Mr/Mrs/Ms [____] holder of I.D number [____] appeared before me, at my offices located at [____] or alternatively, personally known to me, and after being cautioned that any failure to declare the truth will be punishable by law, signed the above before me.

Signature and Stamp

ANNEXURE "S"

GENERAL CONDITIONS FOR SAFETY AT WORK AT PURCHASER'S PREMISES

April 30th, 2015

1. This Safety at Work Annexure shall form an integral part of Annexure A above and the order/contract and the laws referred to in this Annexure shall be deemed to constitute part of the order/contract including provisions relating to breach of contract and remedies related thereto.
2. Definition:
Purchaser- shall mean the Israel Electric Corporation Ltd.
Service Provider: shall mean Supplier and/or the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
3. The Service Provider undertakes to take all necessary safety measures to execute the work and to comply with the provisions of the Safety at Work Ordinance as well as its Regulations, the Organizing Work Supervision Law -5714- 1954 and its Regulations and any other order or requirement under the law. The Service Provider undertakes to implement the Purchaser's instructions as well as the instructions required by the Purchaser's contract manager and the safety manager appointed on behalf of the Purchaser with regard to safety work, use of equipment and correct use of the equipment.

The above shall not derogate from the service providers liability according to the law and/or the provisions of the order/contract.

4. The Service Provider is solely responsible for the safety of its employees. The Purchaser shall not be held liable for any damage caused to the Contractor's employees and/or its agents and/or anyone acting on its behalf and/or its services and/or any third party as a result of an accident or damage incurred during and as a result of the execution of the work.

SAFETY INSTRUCTIONS

5. The safety provider shall ensure to instruct its employees and agents regarding the safety at work and provide them with all information regarding the risks inherent in the premises where the works will be performed, as well as current instructions for use, safe operation and maintenance of the equipment, material and work procedures at the site, all in accordance with its obligations under the provisions of Work Supervision Organization Regulations (Providing Information and Instructing Employees) 5759 - 1999 and any order or other requirement under any law. In addition, the Service Provider shall ensure that each employee fully understands the risks and has the required knowledge in the field of his position, and the risks to which he is exposed.

6. The safety trainings shall be provided to the employees upon commencement of their employment. At least annually, the Service Provider shall undertake to ensure that each employee who receives the safety training, signs a form stating that he received the safety training and understands the content of the training. Copies of the abovementioned forms shall be sent to the contract manager and/or the Purchaser's head of safety (hereinafter referred to as "Purchaser's Representative"). Should any changes occur in the workforce, the Contractor shall be responsible to ensure that each and every new/supplementary employee shall receive the safety training and shall immediately report it in writing to the Company's Representative.

7. The Service Provider is prohibited from employing an employee unless such employee underwent the safety training as stated above.

8. The Service Provider's representative undertakes to arrive on site prior to commencement of the work and to receive a safety training on the risks apparent at the premises where the works will be carried out by its employees. This training shall be given by the Purchaser's Representative. The Contractor's representative will sign that he in fact received the safety training from the Purchaser's Representative.

9. The Service Provider shall provide a written summary to the employees regarding the risks associated with the type of work they will perform as well as any written summary it has received from the Purchaser's Representative regarding the risks at the workplace. The Service Provider shall verify that the content of the summary will be provided to the employee. In the event the employee does not understand the language in which the summary is written, the summary will be translated to a language the employee understands.

SUPPLY OF PERSONAL PROTECTIVE EQUIPMENT AND TOOLS

10. The Service Provider undertakes to provide all its employees with tools and personal protective equipment, all in accordance with the Safety at Work Regulations (such as: work clothes, work boots, helmets etc#) suitable for performing the following tasks: transferring, unloading and suitable for the type of equipment supplied and required by the Purchaser's Representative.

11. The Service Provider undertakes that the tools and personal protective equipment provided to its employees, work, are up to standard and undergo periodic tests, as required, all in accordance with the manufacturer's instructions and generally accepted professional standards, as required by law and under the circumstances of the work.

The Service Provider shall oversee that the correct equipment is used throughout execution of the works and shall present the test certificates to the Purchaser's Representative.

12. The Service Provider shall execute the work using tools (including tools and vehicles) suitable for carrying out the work. The Service Provider shall ensure that the tools have all necessary permits and licenses required under any law and shall supervise the fitness and suitability of the tools throughout the execution of the works.

THE SERVICE PROVIDER'S EMPLOYEES

13. The Service Provider shall ensure the work is performed by skilled employees with appropriate training and high skills who hold all approvals and licenses required by law to carry out their work. The Contractor's

responsibility is to ensure its employees are in good health, as required by law, to perform their work.

MISCELLANEOUS

14. The Service Provider shall report to the Purchaser's Representative in writing regarding any hazardous event.

15. The Service Provider undertakes to immediately handle any hazard and act in accordance with the instructions of the Purchaser's Representative in order to correct the deficiencies found by the Purchaser's Representative.

16. The service provider's employee will only be entitled to receive an access tag once the Service Provider presents the Purchaser's Representative with a signed copy certifying that the employee received safety training as stated above.

17. The Purchaser's Representative shall be entitled to conduct inspections in order to ensure that the Service Provider complies with all its obligations stated above. For the avoidance of doubt, such inspections shall not impose any liability on the Purchaser and shall not derogate from the service provider's liability.

18. The Service Provider shall define the work area and where there is a safety risk and mark it by way of warning signs.

19. After completion of the works, the Service Provider undertakes to clean the work area and remove any temporary structures, equipment, facilities and waste. The Service Provider shall ensure the work area is left clean and suitable for its purpose, to the satisfaction of the Purchaser's Representative.

Date: _____

Service Provider's signature: _____

Date: _____

Purchaser's signature: _____

07.08.2016

ANNEXURE "U": MANDATORY INDUSTRIAL COOPERATION

1. General

Participants participating in a procurement procedure, valued at more than USD 5,000,000* or USD 4,377,000* (when the Government Procurement Agreements applies), are required to read the following provisions and to comply with the instructions, set forth below, as applicable.

A foreign supplier, who participates in a procurement procedure, conducted by IEC, for the purpose of acquiring goods, equipment, services or work, valued at more than USD 5,000,000* or USD 4,377,000* (when the Government Procurement Agreement applies) and a foreign supplier, who in connection with such a procurement, is awarded a repeat or additional order which value exceeds USD 500,000 within a period of 5 years, commencing on the initial contract period, is required to act as follows:

1. engage in Industrial Cooperation activity, or business in Israel, and
2. submit, as part of its proposal to IEC, certain documentation, which reflects its plan and commitment to such an engagement, in accordance with the provisions, set forth below.

2. Definitions

As used in this annexure:

- a) "Excluded Goods or Products" shall mean: cables (H.S. 8544), transformers (H.S. 8504), disconnectors and switchers (H.S. 8535-8537), electric motors (H.S.85012099, 85015299, 85015199, 85015290, 85014099, 85015390) which are excluded from the Government Procurement Agreement

b) "Foreign Supplier" shall mean: a supplier, manufacturer or importer, who offers to supply to IEC goods or products, which are not Israeli manufactured goods or products, or one who offers to IEC work/services, which is/are not rendered in Israel.

c) "GPA" shall mean: Government Procurement Agreement entered into on January 1st, 1996 as applied to IEC.

d) "Industrial Cooperation" shall mean: industrial activity or business in Israel, in the form of local subcontracting, and/or investments, and/or transfer of know-how, and/or research and development and/or acquisition of Israeli goods or work and/or other forms of industrial cooperation, as approved, in advance, by the Industrial Cooperation Authority, not including:

- (i) Expenses, including commission, paid to promote the sales of the foreign supplier in Israel;
- (ii) Purchases of stock or shares, governed by the Israeli Securities Law- 5728-1968, whereby the Foreign Supplier does not become an "interested party", as that term is defined therein;
- (iii) Grants, given by the Israeli government as part of an investment or financing plan.

e) "ICA": shall mean: the "Industrial Cooperation Authority", which operates as a unit of the Israeli Ministry of Economy

f) "IEC" or "Israel Electric" shall mean: The Israel Electric Corporation Ltd.

g) "Israeli Manufactured Goods or Products" shall mean: goods or products, which:

- (i) have been produced, manufactured, fabricated, or
- (ii) have undergone substantial transformation where new or different goods and/or services have resulted.

in Israel (or in the zone or areas, designated by ICA) in the framework of one transaction, or several joint transactions, or within a prescribed period, based on ICA's discretion, provided that the price of the Israeli contents in such goods or products is at least 35% of the price of the proposal or less, based on criteria, as prescribed by ICA.

h) "Local Sub-contracting" - shall mean: the execution of contract/s by a Foreign Supplier who was awarded the Order/Contract to purchase Israeli Manufactured Goods or Products, or to procure work or services in Israel, for the purpose of fulfilling, in whole or in part, the contract, which is the subject of the bidding, tender or inquiry process.

i) "Member States" shall mean: states, which signed and joined the GPA, or states, which executed bilateral agreements with the state of Israel, which incorporate, adopt or apply the relevant provisions of the GPA.

j) Order/Contract shall mean an agreement into with IEC

k) "Price of the Israeli Contents" shall have the meaning as defined in the Tenders Regulations (Preference for Israeli Products) 5755-1995

l) Price of the Proposal -shall have the meaning as defined in the Regulations

m) The Regulations - shall mean The Mandatory Bidding Regulations (Duty of Industrial Co-operation) 5767-2007

3. Industrial Cooperation Undertaking

a) Subject to the provisions, set forth in subparagraph b., below, a Foreign Supplier, who submits to IEC, in the course of a bidding, tender or inquiry, a price proposal, which value exceeds USD 5,000,000* or USD 4,377,000* (when the GPA applies), or a Foreign Supplier, who, after having won an award exceeding USD 5,000,000 who is awarded a repeat order to the initial order, valued at more than USD 500,000 within a period of five years commencing on the date he was awarded the initial order, shall sign and submit to IEC, along with the price proposal (in case of a single stage bidding/inquiry process), or along with the technical proposal (in case of a two stage bidding/inquiry process), or, in the event of a repeat/additional order, upon IEC's request, the form of "Industrial

Cooperation Undertaking", attached herewith (hereinafter: Undertaking, or The Undertaking), duly filled out and signed by it. The Undertaking shall commit the "Foreign Supplier" to perform "Industrial Cooperation" in case it wins the award, of a value, as set forth below, unless exempted, or modified

by the ICA:

- (i) As to "Foreign Suppliers" of non "Excluded Goods or Products" from "Member States" at least 20% of the value of the award and/or the repeat order, as applicable;
- (ii) As to all other "Foreign Suppliers" - at least 35% of the value of the award and/or the repeat order, as applicable.
- (iii) If, in the opinion of ICA, the award is important for the purpose of promoting the industry and the technological development in Israel, the Undertaking shall specify that, out of the total value of "Industrial Cooperation" committed to by the "Foreign Supplier" (as per subparagraph 3.a.(i) or (ii), above), at least 20% of the value of the award and/or repeat order, as applicable, shall be in the form of local subcontracting.

Important Note: It is recommended that "Foreign Suppliers" check with ICA, prior to filling out and submitting the Undertaking, whether, or not, they are required to commit to local subcontracting as part of their overall commitment to "Industrial Cooperation".

- b) In case the "Foreign Supplier" is an importer of the goods or equipment, the Undertaking, submitted by it, must be signed by the manufacturer of the goods/equipment.
- c) A "Foreign Supplier", who commits to perform local subcontracting, as part of its overall "Industrial Cooperation", shall submit to ICA, immediately after completion of the supply/work, a letter, duly signed by a certified public accountant, stating the certified contractual value and substance of the local subcontracting.

4. Preliminary Fulfillment plan

- a. Unless properly exempted, a "Foreign Supplier", whose financial proposal in the bidding, tender, or inquiry, is valued at more than USD 5,000,000 or USD 4,377,000 when the GPA applies, must submit to ICA and to IEC a preliminary/general fulfillment plan/program, specifying:
 - (i) The kind of category of "Industrial Cooperation", which will be selected by the "Foreign Supplier" in order to fulfill its undertaking (i.e. local subcontracting, investment, know how transfer, R&D order, acquisition of Israeli made goods or products, work or services);
 - (ii) Which technologies and industrial sectors, will be applied, utilized, or chosen, as part of the fulfillment of "The Undertaking";
 - (iii) The anticipated/intended nature and volume of the subcontracting and the identity of potential subcontractors (in cases where the "Industrial Cooperation" is intended to be fulfilled by way of "Local Subcontracting").
- b. The preliminary fulfillment plan must be submitted to IEC along with the form, marked as Attachment A, enclosed herewith and together with the "Foreign Supplier's technical proposal (in case of a two stage bidding/ inquiry process), or along with the price proposal (in case of a single stage bidding/inquiry process), as applicable. Such plan must be submitted simultaneously to ICA.
- c. IEC and ICA may require that the "Foreign Supplier" submit clarifications or additions/modifications to the preliminary fulfillment plan and may disqualify the bid/proposal, in case a preliminary fulfillment plan is not properly submitted, or in the event that required clarifications, additions, or modifications are not submitted in a timely manner, to IEC's, or to ICA's satisfaction.

5. Detailed Fulfillment Plan

- a. Unless properly exempted, a "Foreign Supplier", who wins a contractual award, valued at more than USD 5,000,000 or USD 4,377,000 when the GPA applies, must submit to IEC and ICA a detailed fulfillment plan/program for carrying out its "Undertaking", no later than 90 days after the date of execution of the contract by IEC and the "Foreign Supplier".
- b. The detailed fulfillment plan will be submitted along with the form, marked as Attachment B, enclosed herewith and shall employ the table, included as part of Attachment B, in order to describe its detailed fulfillment plan.
- c. Failure to submit the detailed fulfillment plan, or failure to win ICA's approval of the plan, will

constitute a substantial breach of contract, entitling IEC, at its discretion, to unilaterally terminate the contract and/or delay payments, due and payable to the "Foreign Supplier", under the contract, until the plan is submitted and approved by ICA.

- d. The detailed fulfillment plan may be modified during the period of execution of the plan, subject to ICA's prior written approval and discretion.

6. Questionnaire

Participants in a procurement process, conducted by IEC, of a value exceeding USD 5,000,000, or USD 4,377,000 when the GPA applies, are required to submit to IEC and ICA, along with their technical proposal (in case of a two stage bidding/inquiry process), or along with the price proposal (in case of a single stage bidding/inquiry process), as applicable, a copy of the questionnaire, enclosed herewith, as Attachment C, dully filled out and signed by a duly authorized officer of the participant, for the purpose of assisting IEC to determine whether or not the participant is a "Foreign Supplier".

7. Exemptions

- a. Under "The Regulations", ICA may exempt a "Foreign Supplier" from "Industrial Cooperation", or may approve fulfillment of a lower percentage (than 35% or 20%, respectively) of such cooperation. The "Foreign Supplier" must consult "The Regulations" in order to check whether or not it is entitled to a full or partial exemption. Unless notified of a partial, or full exemption, a "Foreign Supplier" must submit to IEC and to ICA "The Undertaking", and the preliminary fulfillment plan, along with its proposal. The filing of a request for an exemption, in itself, may not be a proper ground for a failure to submit such documents, as required, above.
- b. A "Foreign Supplier", who claims an exemption from the duty to submit the Undertaking by virtue of having signed a frame contract for industrial cooperation with ICA, must submit to IEC and ICA, along with its proposal, the following:
 - i. A letter from ICA, stating that the frame contract is in effect and that the "Foreign Supplier" need not submit the Undertaking, or, in lieu of such a letter, other proof, to the IEC's satisfaction, that the frame contract is in full force and effect.

8. Extensions

IEC may, at its sole discretion, extend any deadline, set forth in the bidding, tender, or inquiry documents, for the submission, or amendment of the Undertaking, the fulfillment plan or the questionnaire, or may disqualify any proposal, in the event that such undertaking, fulfillment plan, or questionnaire are not duly submitted, within the time prescribed.

9. Approval of the award by ICA

- a. The execution of a contract between the and a "Foreign Supplier", who wins an award, is subject to the approval of ICA.
- b. IEC shall have a right, at its sole discretion, to cancel an award unilaterally and without bearing any liability, in the event that ICA notifies IEC of its refusal to approve the award.
- c. In the event that ICA sets forth certain conditions for the approval of the award, IEC shall have a right, at its sole discretion, to cancel the award, without bearing any liability, if the "Foreign Supplier" fails to meet such conditions within a time frame, prescribed by IEC in a written notification to the "Foreign Supplier".

10. The period of fulfillment of the plan

The "Foreign Supplier's undertaking to perform "Industrial Cooperation" shall be fully executed within the period of the awarded contract, unless ICA has extended the period.

11. Completion Form

- a. A "Foreign Supplier", who has undertaken to perform "Industrial Cooperation", must fill in and duly sign the document, attached herewith, titled: "Commercial Cooperation Undertaking Completion Form" (hereinafter: the Completion Form).
- b. The Completion Form, duly filled in and signed, must be returned to IEC, along with the executed contract/order.
- c. Failure to return the Completion Form, duly filled in and executed, along with the executed contract/order, shall be a ground for cancellation of the award.

12. Exchange Rate/s

Values of proposals shall be determined, for purposes of this annexure, based on the official exchange rate, between the currency of the proposal and the representative exchange rate of the USD, as published by the Bank of Israel, on, the date the bid was published or the date of issuance of the exemption from bidding, as applicable.

13. Disqualification due to past conduct

IEC shall have a right to disqualify any "Foreign Supplier", at any stage of the procurement process and/or to cancel an award, in the event that it finds out that the "Foreign Supplier" has been prohibited from contracting with Israeli governmental entities, corporations or units, due to its failure to fulfill past undertaking/s for "Industrial Cooperation".

14. Conflicts

In the event of any conflict between the provisions, set forth in this annexure and the provisions of any regulation, statute, treaty or law, the latter shall prevail.

* The following amounts: USD 5,000,000 or USD 4,377,000 Include flexibilities, options and VAT.

Annex to Invitation to tender/request for proposal no. _____
issued by _____, (hereinafter referred to as "the Buyer")
dated _____ for the supply of _____

Foreign Suppliers Industrial Cooperation Undertaking
As per the Mandatory Tenders Regulations
(Mandatory Industrial Cooperation), 5767-2007 (hereinafter the "Regulations")

We, (name of Supplier) _____

Having its offices at (full address) _____

commit to the State of Israel, that in the event of winning the above mentioned tender/request for proposal (hereinafter referred to as "the tender"), we shall put into practice Industrial Cooperation in Israel, in accordance with the outlined below:

1. We are aware of the fact that this undertaking originates from the "Regulations" and the terms used herein have the same meaning as there.
2. The extent of Industrial Cooperation that shall be carried out by us, shall level at least 35% (for suppliers of non-excluded products from GPA member states, the extent of industrial cooperation is 20%), of the value of the contract or of the transaction, that will be concluded with us, in the event of winning this tender in whole or in part, including the exercising of any option related thereto, as well as to spare parts acquisitions, training activities, maintenance, technical assistance, guarantees etc. that will be procured from us, in connection with the main equipment acquired, within the framework of the above mentioned tender.
3. We are aware that the possible ways in fulfilling our undertaking for Industrial Cooperation, are by local subcontracting, investments, Know-How transfer, R&D orders and acquisition of Israeli products, work or services, or any other way approved in advance by the ICA, excluding those listed in clause 10 below.

- 4.
- (a) Within the framework of our undertaking, we commit to carry out Local Subcontracting in a value not less than 20% of the contract/transaction value and additionally, carry out Industrial Cooperation in one or more of the other ways set forth in clause 3 above, in a value not less than 15 or 0% (subject to the rule outlined in clause 2 above) of the contract/transaction value.
 - (b) We are aware that once we have committed to carry out Local Subcontracting in the value outlined above, at the end of work done, we have to provide the Buyer and the ICA with a signed by a CPA report, indicating the value and nature of Local Subcontracting actually materialized.
5. We are aware of the fact that in accordance with the provisions of the tender, we are required to provide in conjunction with our proposal, this duly signed undertaking form, along with a preliminary fulfillment program for the undertaking completion, as specified in Attachment A. in the event that we win the tender, We will provide a detailed fulfillment program according to the terms in section 11. (a) below.
Failure to provide the fulfillment program as required will disqualify our bid.
6. We are aware that the Industrial Cooperation Authority (ICA) is in charge on behalf of the Government of Israel with appraisal, classification and monitoring of the hereby attached fulfillment program, if we win the tender.
7. Our undertaking for Industrial Cooperation shall be carried out while the Contract the subject of this tender is in force. The ICA may upon request, approve an extended period of time, considering the nature of Industrial Cooperation to be implemented, or the complexity of the contract/transaction.
8. The records of ICA pertaining to the execution of our undertaking shall be prima facie evidence in any matter relevant to the fulfillment of this requirement in the tender.
9. We are aware that in order to value the extent of Industrial Cooperation activities carried out by us pursuant to this undertaking, the following rules shall apply:
- (a) New or incremental procurement by the supplier of Israeli products or services, compared to the suppliers average extent of procurements carried out in the last three years, or the award of orders for local subcontracting, comprising a level of Israeli added value of at least 35%, shall result in Industrial Cooperation credits in a value of 100% of the business deal nominal price.
 - (b) In some instances, subject to the rules to be published and on a case by case basis, the ICA will be entitled to grant credits exceeding 100% of the business deal price, by virtue of Industrial Cooperation activities of a unique nature, or activities implemented with preferred industry sectors and regions.
10. Furthermore we are aware that:
- (a) Investments, acquisition or funding of R&D projects, which shall be taken into account in calculating the extent of our Industrial Cooperation, shall not include any grant given, if given by the Government of Israel, as part of an investment or funding program as stated above.
 - (b) Expenditures such as agents commission, personnel, office and other expenses the purpose of which are to promote our sales in Israel, shall not be recognized as Industrial Cooperation activities.
 - (c) Purchase of shares of Israeli companies to which the Securities Law 5728-1968 applies, to the extent in which the purchaser is not deemed to be "a party with an interest" as defined in the said Law, will not be considered as Industrial Cooperation.
 - (d) Any activity of ours with the Israeli industry carried out prior to being awarded with the buyers contract shall not be eligible for crediting purposes.
 - (e) Any Industrial Cooperation activity to be carried out by us which is not part of our fulfillment program will be subject to ICA's prior approval.
11. Aimed at demonstrating our serious intentions regarding the fulfillment of our undertaking, we commit to take the following steps:
- (a) To submit to the ICA, within ninety (90) days from the effective date of the

contract which is the subject of the Tender a detailed fulfillment program for our undertaking. We will use Attachment B to specify the program including as many details as possible of subjects for Industrial Cooperation with the Israeli industry, implementation mile stones and time frame of completion, having regard to activities as outlined in clause 3 above.

- (b) The supplier hereby acknowledges and consents that the ICA is entitled to instruct the Buyer to cancel the Contract or withhold payments due according to mile stones under the Contract until issuance of approval by the ICA of Supplier's submitting the fulfillment program to ICA's satisfaction, according with section 11.(a)
- (c) Part of that program will be the appointment and written notification of a competent person to act as our Industrial Cooperation Coordinator (ICC), who will be responsible on our behalf for the fulfillment of this undertaking, for managing the activities in this regard and serve as our contact with the ICA, with the Israeli industry and other business entities. The appointees name and position in our organization and all other complementary information will be fully outlined in the program submitted.
In case the ICC is replaced at any time in the future, we are committed to notify the ICA within 72 hours from the time the replacement took place.
- (d) To take all conventional measures, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel and vice versa, or any other means aimed at the examination of business feasibilities in Israel.
- (e) Once every year (on January 31) and until our undertaking is fully satisfied, we shall furnish the ICA with written - in a format to be set by the ICA - reports, having regard to the fulfillment of our undertaking for Industrial Cooperation, which will include the following data:
 - (1) Full identifying details of orders for Israeli products, work and services, local Subcontracts, investments or any other Industrial Cooperation activities carried out during the reporting period, subject to the rules set forth in clause 9 above.
 - (2) Any additional information that might be required by the ICA, regarding activities weve carried out aimed at the fulfillment of our undertaking.

Non compliance with any of the requirements outlined in clause 11 will be deemed as a violation of our undertaking.

12. All communications on our behalf having regard to the fulfillment of this undertaking will be sent to the ICA at the following address:

Industrial Cooperation Authority
Ministry of Industry Trade and Labor
86 Menachem Begin Rd.
P.O. Box 36049
Tel Aviv 67138, Israel.
Guy.Haramaty@economy.gov.il
Tel: (972) 3 7347515 Fax: (972) 3 5634177
Cell: (0506204435)

and additionally, for U.S. and Canadian companies:

The U.S. Director - ICA
Government of Israel Economic Mission
800 Second Ave. 17th Floor,
New York, NY 10017, U.S.A.
Tel: (212) 499 5741, Fax: (212) 499 5745

Signature of an authorized officer on behalf of the submitter of the tender:

If the bid is submitted by an importer and/or a leasing services provider, this document should be signed by an authorized officer on behalf of the foreign manufacturer of the goods or services to be supplied pursuant to the

a.m. tender.

Name: _____ Title: _____
Phone No.: _____ Fax No: _____
Signature: _____ Date: _____
Email: _____ Web Site: _____

September, 2014 ed.

QUESTIONNAIRE
(Part of Annexure "U")

Note:

the duty to fill in, sign and submit this questionnaire applies to any offeror, in a bidding, tender or inquiry, conducted by the IEC, for the purpose of acquisition of goods, equipment, services or work of a value, which is more than USD 5,000,000 or USD 4,377,000 when the GPA applies.

1. Name of the offeror: _____
2. Address of the offeror: _____
3. Bid, tender, inquiry number: _____
4. Description of the goods/services offered: _____

5.
 - A. Have the goods/products, or will the goods/products, which are the subject of the proposal, been/be manufactured, produced, fabricated or undergone/undergo substantial transformation in Israel, or in a zone?

 - B. Does or will the value of the Israeli contents in the proposed goods/products equal or exceed 35% of the price of the goods/products, including taxes, levies, customs, insurance and transportation? _____
 - C. If the goods/products are imported, does or will the value of the goods/products equal or exceed 35% of the C.I.F. price (in the Israeli port) of the goods/products?

 - D. If the goods/products are imported, state the name/s and principal place/s of business of the manufacturer/s or principal manufacturer/s, as applicable:

6. If the proposal is for work/services, which part of the work/services (in percentage) will be performed in Israel? _____ percent.

Date: _____ Signature _____

Name and title of authorized officer, signing this questionnaire: _____

Attachment A to:

Foreign Suppliers Industrial Cooperation Undertaking, related to: Tender/RFP No. issued by.....

PRELIMINARY FULFILLMENT PROGRAM

Referring to clause 5 in the a.m. Foreign Suppliers Undertaking, you are requested to submit your Preliminary fulfillment Program, by the following guidelines:

1. Specify the technologies and industrial sectors the program will be carried out at.
2. Indicate the Industrial Cooperation Category:
Local Subcontracting, investment, Know-How transfer, R&D order, acquisition of Israeli product, work or service.
3. In case that Local Sucontracting is required, attached is a preliminary list of Israeli companies to take part in your program and specify the following:
 - a. Transaction Description designated for each company.
 - b. Estimated volume of business with each company.

INDUSTRIAL COOPERATION AUTHORITY

Ref. No.: _____

Company Information

Company name: _____

Parent company: _____

Ultimate Parent: _____

Annual Sales (Company): _____

Annual Sales: (Parent Co.): _____

Number of Employees (Company): _____

Number of Employees (Parent Co.): _____

Main products: _____

Company's Internet Web Site: _____

Industrial Cooperation Coordinator (ICC):

Name: _____ Title: _____

Address: _____

Tel: _____ Fax: _____

E-mail: _____

Israeli Agent/Rep.:

Co. name: _____ Contact person: _____

Address: _____

Tel: _____ Fax: _____

E mail: _____

Remarks: _____

Attachment B-DETAILED FULFILLMENT PROGRAM

to the
Industrial Cooperation Undertaking

Related to Tender/RFP No.

Issued by Dated

Pursuant to clause 11(a) of the a.m. document, we submit hereby our Fulfillment Program, that will serve as our initial outline aimed at the satisfaction of our a.m. undertaking, as follows:

4. Having regard to clause 3 of the undertaking document, the ways to be used by us to fulfill our undertaking will include one or more of the following Industrial Cooperation Categories:

Local Subcontracting

R&D Orders

Investments

Acquisition of Israeli Products, Work or Services

Know-How transfer

Other:.....

5. Anticipated / Approximate dates for Implementation of the following mile stones:

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

6. Following is our prospective Fulfillment Program, in the format of table below.

Industrial Cooperation Category	Transaction Description	Estimated Timeframe
Local Subcontractor		
Yes/No	Names of Israeli Entities Involved	Transaction Value Israeli entity#s Contact Person info.
	Start Date Due Date	

Total Fulfillment Value
Total Local Subcontracting value

Name: _____ Title: _____

Signature: _____ Date: _____

Note: For further clarifications or assistance in filling out this document, feel free to contact the corresponding ICA representative, to be found at:
www.ica.gov.il

Date: _____

To:
ICA Israel
86 Menachem Begin Rd.
P.O. Box 36049
Tel Aviv, 67138
ISRAEL
Fax: + 972-3-5634-177

Subj.: Commercial Cooperation Undertaking - Completion Form

Dear Sir,

Referring to the a.m. subject and as an integral part of our undertaking with respect to _____ order/supply contract no. _____ for the acquisition of _____ in the amount of _____, we hereby confirm that our undertaking in the amount of _____ (Representing 35% of the purchase order to non GPA member states suppliers or 20% of the purchase order for non-excluded products to GPA member states suppliers), will be carried out, starting on _____ / _____ / _____. (Hereinafter "the Effective Date") until _____ / _____ / _____ (the expiration date of the contract).

Sincerely yours,

Name and Title

Signature

Firm Stamp

ANNEXURE "X"

FINANCING

- A. The offeror of goods, services, and/or work may offer financing to the IEC, either from its own sources, or from third parties, for the purpose of IEC's procurement of such goods, services, or work.
- B. The IEC has the sole discretion to receive the financing directly from the offeror or through a financial body proposed by the offeror or to finance the purchase by itself by using the financial sources of IEC.
- C. The financing proposal shall only be acceptable subject to the existence of the

following terms:

1. The financing amount exceeds US\$ 5 million or the equivalent thereof in any other currency.
2. In respect of financing for goods and/or services and/or performance of work for a project of constructing a power station, the repayment period of the loan shall be at least 12 years.

In respect of financing for goods and/or services and/or performance of work which are not intended for a project of constructing a power station, the repayment period shall not be shorter than 8.5 years.

IEC may accord preference to an offeror who offers as part of the financing proposal long-term credit terms which extend beyond the aforementioned periods.

The repayment period shall commence 6 months after either:

- a) the last date of supply of the goods and/or services and/or the completion of the performance of the work whichever of these occurs last, or
- b) the last commissioning date of the goods,

the choice of the commencement date shall be determined in accordance with the OECD Rules.

3. The financing proposal shall be submitted according to Form X-1 attached hereto and shall be valid and binding on the offeror. The offeror shall submit in advance all the approvals, consents and permits (including the approval of the Export Credit Agency (ECA), as relevant) which are required for a binding financing proposal.
4. The proposed financing is in respect of the performance of the contract for the supply of goods and/or services and/or performance of work and it shall apply to the entire period of the supply of the goods and/or services and/or performance of the work, whereas the disbursement of the financing shall be effected simultaneously and in conformity with the terms of payment and/or milestone payments, as same are defined in the contract for the supply of the goods and/or services and/or performance of the work.

To remove any doubt it is hereby made clear that IEC will not consider a financing proposal according to which the disbursement of the financing shall be, in whole or in part, in advance or at such other date not related to the Contractual payment dates. Nor will IEC consider a proposal according to which the disbursement of the financing does not correspond to the payment dates as specified in the contract for the supply of the goods and/or services and/or performance of the work.

D. IEC will not consider financing proposals:

- 1.1. That directly or indirectly affect the "obligor" of IEC in the Israeli banking system according to the directives of the Comptroller of the Bank of Israel relating to restrictions on a single borrower.
- 1.2. The source of which is banks, saving funds, pension funds and insurance companies in Israel (hereinafter: "Financial Bodies in Israel") or other financial bodies associated with Financial Bodies in Israel, which may affect the "obligor" of IEC in such bodies.
- 1.3. The supplier must confirm with the financial body that provides the financing that the financing proposal will not affect the "obligor" of IEC in the Israeli banking system, or in the Financial Bodies in Israel as aforesaid in sub- Articles 1.1-1.2 above, and must furnish IEC with a written confirmation to this effect. Such confirmation shall be attached to the financing proposal.
2. The source of which is loans from a syndicate of banks or of other financial bodies (hereinafter: the "Syndicate"), where the contractual engagement is between IEC as borrower and the Syndicate as lender and/or where the financing necessitates the publishing of a prospectus or a sale proposal or memorandum of information by IEC.

3. That constitute an offer for the issuance of debentures and/or shares and/or other rights of the IEC.
4. That are conditional on the provision, directly or indirectly, of security of any kind by IEC to Financial Bodies in Israel and/or to other financial bodies associated with Financial Bodies in Israel and which will affect the "obligor" of IEC in such bodies.
5. That are conditional on the provision, directly or indirectly, of security of any kind by IEC, with the exception of:
 - a) A pari passu floating charge.
 - b) Promissory notes.

And this, subject to the provisions of the Electricity Sector Law, 5756-1996 (hereinafter: the "Law") and/or any direction, regulation, update and/or license thereunder.

6. That are conditional on the assignment by the supplier of financial rights and/or security and/or encumbering contracts for the supply of goods/services/work and/or the financing contract with IEC in favor of the Financial Bodies in Israel and/or abroad.
7. That are conditional on the provision of State guarantees.
- E. The offeror is required to specify and clarify the terms and conditions of his financing proposal and to provide all the relevant information and in general all the conditions and directions in the offers country or of the financing body, who may be involved in the financing and these bodies which may have an effect upon the financing.
- F. The offeror shall enclose with its proposal the Form X-1 attached hereto.

1. In a two-stage procurement proceeding (technical and commercial, separately):

The offeror is required to comply with the instructions set forth in the Form X-1 as follows:

At the technical stage - The offeror shall not fill in the sections next to which it is noted that they should be filled in only at the commercial stage.

At the commercial stage - The offeror shall fill in all the sections of Form X-1 including those filled in at the technical stage, so that a complete and binding financing proposal is submitted.

2. In a single-stage procurement proceeding - The offeror shall fill in all the sections of Form X-1, so that a complete and binding financing proposal is submitted.

- G. The financing proposal shall be defined and specific and shall entirely and exclusively refer only to the proposal to supply goods and/or services and/or to perform work being the subject-matter of the specific procurement proceeding, and it shall also not be conditional on winning any other procurement proceeding other than the one for which it is submitted.
- H. In the event that it transpires that the financing cannot be realized by IEC for reasons which are under the responsibility and/or control of the offeror and/or a financial body appearing in the financing proposal of the offeror, the IEC shall have the right to exercise any and all rights and remedies, available to it under the law and/or the supply contract.
- I. IEC reserves the exclusive right at any stage of the procurement proceeding and/or following notification of award to accept or reject the financing proposal on such grounds, inter alia, as: economic feasibility, changes in the market conditions or changes in the IEC's policy, and the like. In addition, the IEC

reserves the right, subject to the mutual agreement of the parties involved, to adapt the terms of the financing proposed, to fit the IEC's needs at any stage after the notification of award of procurement, but prior to execution of the financing agreement.

- J. The financing proposal shall remain effective until 90 days after the commercial proposal of the offeror, as same may be extended. The offeror undertakes to extend the validity of the financing proposal beyond the aforesaid period by an additional period of up to 120 days in excess of that stated above should IEC require it to do so for the purpose of signing the financing agreement.

FORM "X-1" - TERMS OF FINANCING

Specification _____

Name of Offeror _____

1. Type of credit - fill in at the technical + commercial stage:

1.1. Suppliers credit

1.2. Buyers credit (from a bank or other financial body)

2. Name of borrower - fill in at the technical + commercial stage:

3. Name of lender - fill in at the technical + commercial stage:

4. Name of supplier - fill in at the technical + commercial stage:

5. Description of the financed project/goods/services/work- fill in at the technical + commercial stage:

6. The credit amount- fill in at the technical + commercial stage:

7. Currency/ies of credit - fill in at the technical + commercial stage:

8. Description of the financed portion (%)- fill in at the technical + commercial stage:

8.1 The financed portion of the price of the proposal (%):

8.2 Details of the financed portion (%) of the price allocations of the offerors proposal (equipment from the offerors country, foreign equipment, Israeli equipment + work, services, etc.):

9. Is the financing subject to country of origin requirements (of the goods /services /

work) - fill in at the technical + commercial stage:

10. The requirements of the lender as regards the terms of disbursement of the financing and payments from IEC to the supplier under the supply contract - fill in at the technical + commercial stage:

11. Repayment of the loan - fill in at the technical + commercial stage:

11.1 Number of periodic installments:

11.2 Date of commencement of repayment:

11.3 Frequency of installments (annually, semi-annually, quarterly or otherwise):

12. Interest (in percents per year):

12.1 Fixed interest:

12.1.1 _____% per year fill in only at the commercial stage

12.1.1.1. Definition of the fixed interest base (indicate the source of the fixing of the interest such as: Reuters Screen, Bloomberg Screen, F.T. or otherwise) - fill in at the technical + commercial stage:

12.1.1.2. Date for fixing the interest - fill in at the technical + commercial stage:

12.1.1.3. The calculation method (Act/360, 360/360, otherwise) - fill in at the technical + commercial stage:

12.1.1.4. Terms of payment - fill in at the technical + commercial stage:

12.2 Variable interest:

12.2.1. _____% per year on 6 months, 3 months basis or otherwise - fill in at the technical + commercial stage:

12.2.1.1. Definition of the varying interest base (indicate the source of the fixing of the interest such as: Reuters Screen, Bloomberg Screen, F.T. or otherwise) - fill in at the technical + commercial stage:

12.2.1.2. Margin (if any) fill in only at the commercial stage:

_____% per year

12.2.1.3. The calculation method (Act/360, 360/360, otherwise) - fill in at the technical + commercial stage:

12.2.1.4. Terms of payment- fill in at the technical + commercial stage:

12.3 Where the proposal includes a variable interest and a possibility for fixing please specify the following terms - fill in at the technical + commercial stage:

12.3.1 Definition of the fixed interest base:

12.3.2 Date of fixing of the interest:

12.3.3 The conditions for fixing the interest:

12.3.4 The calculation method - fill in at the technical + commercial stage:

12.3.5 Terms of payment - fill in at the technical + commercial stage:

13. Fees:

Description of the fee	% of the fee	Terms of Payment	Calculation Method
Fill in at the technical + commercial stage	Fill in only at the at the commercial stage	Fill in at the technical + commercial stage	Fill in at the technical + commercial stage

14. Is a export credit risk insurance required (yes/no) - fill in at the technical + commercial stage:

14.1. Name the Export Credit Agency (hereinafter "ECA") (such as, USA Exim Bank, Hermes, ERG, EDC, etc.) - fill in at the technical + commercial stage:

14.2. Specific conditions required by the ECA fill in at the technical + commercial stage:

14.3. The ECA premium:

14.3.1. % premium of the financed amount, per year/flat; fill in only at the commercial stage:

14.3.2. Terms of payment - fill in at the technical + commercial stage:

14.3.3. Is the ECA premium financed? (Yes/No) - fill in at the technical + commercial stage:

14.4. The share (%) of the amount of financing covered by the ECA - fill in at the technical + commercial stage:

14.5. Date of preliminary approval of ECA - fill in at the technical + commercial stage:

15. Details of securities pursuant to Section 6 of Appendix "X" (if required) - fill in at the technical + commercial stage:

ANNEXURE "Y"

LIST OF POTENTIAL GUARANTEE PROVIDERS

IEC will accept guarantees either:

- (i) from Israeli banks holding a valid banking license received pursuant to the Banking Law (Licensing), 5741-1981".
- (ii) from none-Israeli banks which have long-term credit rated at least "A" by one of the following agencies: Standard & Poor's and/or Moody's and/or Fitch
- (iii) from an Israeli insurance company that has presented a valid license to issue guarantees from the Ministry of Finance

A supplier intending to submit guarantees by other banks, not as aforesaid, needs to obtain the written approval of IEC In accordance with the provision of the Guarantees' Section of Annexure "A", the supplier is required to specify the names of all the banks that will provide guarantees in favor of IEC under the contract.

Name of the bank: _____ Address: _____

Name of the bank: _____ Address: _____

Name of the bank: _____ Address: _____

Name of the bank: _____ Address: _____

Name of the bank: _____ Address: _____

Other goods

Supply, Logistics, Security & Emergency Supply and Stores Division

New Head Office Building 1 Netiv Ha'or st., Haifa, ISRAEL

Email address: _____ הנסחאה הקפסאה יגא

Tel.:972-4-8182423טל:

Fax.:972-4-8182469 פקס:

Date: _____

INQUIRY/TENDER NO.: _____
SPECIFICATION NO.: _____

ANNEXURE Z
SPECIAL CONDITIONS (FLEXIBLE, FRAME CONTRACTS/ORDERS)
(two years Basic Contract Period)
Revision December 3rd, 2015

THESE SPECIAL CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE "A"/"A3") ATTACHED THERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE SPECIAL CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS THESE SPECIAL CONDITIONS SHALL PREVAIL.

DEFINITIONS

1. All terms used in this Annexure "Z" have the meanings ascribed to same in the Purchase Order/Contract or in Annexure "A" (General Conditions) as the case may be. Additional terms used shall have the following meanings

1.1. "Basic Contract Value" - shall mean the total purchase price of the entire quantity (100%) of the Goods, specified in the Tender/Inquiry documents (not including options), in the currency, designated by the Supplier and approved by the Purchaser.

1.2. "Basic Frame Contract Period" - shall mean a period of 24 months, beginning on the date of signature of the frame contract/order for the supply of the Goods.

1.3. "Option Period" # shall mean the total period of 36 months during which the Purchaser shall be entitled to exercise the Options in whole or in part.

1.4. "Goods" - shall mean all or part of the goods, described in the Order/Contract.

2. FRAME ORDER/CONTRACT FLEXIBILITIES

2.1. VALUE OF THE PURCHASE

During the Basic Frame Contract Period (and the #Extension Period#, detailed in paragraphs 2.2 and 2.3, below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Goods of a total value, which is equal to the #Contract Value#, subject to the Purchaser's right to increase the Basic Contract Value by up to 40% or decrease the Basic Contract Value by up to 40%.

2.2. FLEXIBLE EXTENSION OF THE CONTRACT PERIOD

In the event that the total value of Goods, actually ordered within the #Contract Period# is less than the maximum value (including flexibilities) of the Contract, the Purchaser shall have the right, by no later than 30 days prior to the end of the Basic Frame Contract Period or the Option Period (detailed in para. 2.3 below), to notify the Supplier in writing of its intention to extend the Contract Period by a period of up to 36 months, 12 months at a time, (hereinafter: the #Extension Period#). In no event shall the total Order/Contract period (including the Extension Period and Option Period) exceed 60 months from the beginning of the Basic Frame Contract Period.

The Purchaser shall be entitled to exercise the Extension Period separately and/or partially up to the maximum Extension Period.

2.3. OPTION TO PURCHASE

2.3.1. The Purchaser shall have an option to purchase additional Goods (hereinafter: The "Optional Goods") as follows:

2.3.1.1. First Option

in an amount not to exceed 50% of the Basic Contract Value (hereinafter "Option Value") (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the #First Option Period#), beginning at the end of the Basic Frame Contract Period, or at the end of the #Extension Period#, as applicable.

2.3.1.2. Second Option

in an amount not to exceed 50% of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the #Second Option Period#), beginning at the end of the First Option Period or the end of the Extended First Option Period, as applicable.

2.3.1.3. Third Option

in an amount not to exceed 50% of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the #Third Option Period#), beginning at the end of the Second Option Period or the end of the Extended Second Option Period, as applicable.

* SEE ATTACHED TABLE

2.3.2. In no event shall the total Order/Contract period (including the Basic Frame Period and Option Periods and applicable Extension Periods) exceed 60 months from the beginning of the Basic Frame Contract Period.

Where there are more than one Options to be exercised on a periodic basis (yearly or monthly), the Purchaser shall be entitled to exercise each Option separately and/or partially up to the maximum permissible amounts or periods.

2.3.3. Said option may be exercised by the Purchaser, in writing, no later than 30 days prior to the end of the Basic Frame Contract Period or Extension Period or each Option Period, as applicable.

2.3.4. If the option is duly exercised, the sale of the Optional Goods to the Purchaser shall be at the same price and under the same terms as the sale of the Goods purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

2.3.5. For purposes of clarification, if the Purchaser has partially exercised the Option or only partially extended the Basic Frame Contract Period, the Purchaser shall still retain the right to exercise the Option or Basic Frame Contract Period up to the maximum amount or period of the Option.

2.3.6 The Purchaser shall have an option to purchase Spare Parts as mentioned in para 9.3.12, 16.3.1 in the specification.

The prices of the spare parts will be applicable for a period of 7 years from the end of the warranty period.

3. SCHEDULE OF DELIVERY

3.1. The Goods shall be supplied to the Purchaser in accordance with written draw orders, issued by the Purchaser to the Supplier. The draw orders will be issued by the Purchaser at such times as it chooses, within the Basic Frame Contract Period, the #Extension Period# or the Option Period (under paragraph 2 above as applicable.

3.2. Each draw order shall specify the type/s and quantities of Goods, required by the Purchaser and the Supplier shall deliver to the Purchaser such type/s and quantities as required according to the following:

3.2.1. First draw order

- For suppliers that need to perform Type Tests - Delivery will be within 230 (140+90) days of issuance of the draw order for supply DDP directly to Purchaser's stores. (140 days for the supply of the prototype).
- For suppliers that don't need to perform Type Tests - Delivery will be within 188 (98+90) days of issuance of the draw order for supply DDP directly to Purchaser's stores. (98 days for the supply of the prototype).

3.2.1.1 Prototypes, Type Tests and Special Documents (including Drawings to be approved by Purchaser prior to delivery)

Where the Supplier is required to provide the Purchaser with Prototypes, Type Tests and Special Documents (including Drawings to be approved by Purchaser prior to delivery), same shall be supplied:

- For suppliers that need to perform Type Tests - within 140 days of issuance of the Frame Contract/
- For suppliers that don't need to perform Type Tests - within 98 days of issuance of the Frame Contract.

Note- in the event the transformers offered within this tender already manufactured and supplied to IEC during the last 5 years, and the necessary tests were already performed on those transformers, IEC shall have the right to exempt the supplier from submitting the requested complete Type tests.

3.2.2. For all other draw orders

Delivery within 90 days of issuance of the draw order for supply DDP directly to Purchaser's stores.

3.3. The final date for delivery, as set forth in IEC's draw order/s, within the framework of the Contract, shall be no later than six (6) months from the end of any of the following: the Basic Frame Contract Period, Extension Period or the Option Period, whichever occurs later.

3.4. IEC reserves the right, prior to proceeding to the second(pricing) stage of the abovementioned tender, to modify or update the abovementioned schedule of delivery and lead time.

3.5. The time interval between each draw order shall not be less than 30 days.

4. QUANTITIES TO BE PURCHASED

Subject to the Purchaser's obligation to purchase Goods in the quantities specified in paragraph 2.1, above:

4.1. In the event that the Goods consist of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.

4.2. IEC reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender, to modify or update the quantities.

5. WARRANTY

a. Supplier's warranty, for each item of goods shall be in accordance with the terms and conditions, set forth in Annexure #A#/"A3" (General Conditions) and shall run for a period of 36 months from the date of scheduled or actual delivery whichever occurs later.

b. During the warranty period, the supplier shall provide services for faulty equipment. In the specification NTS-58/14, there is a reference of the ways the services shall be given by.

6. PERFORMANCE GUARANTEE

6.1. The performance guarantee, delivered by the supplier to the Purchaser pursuant to Annexure #A#/"A3" (General Conditions) shall be in an amount equal to ten percent (10%) of the #Basic Contract Value# for one year, (being the Basic Contract Value divided by the number of years in the Basic Frame Contract Period) and shall remain in effect until sixty (60) days after the expiration of the warranty period for the Goods, supplied during the #Basic Frame Contract Period#.

6.2. In the event of an extension of the #Basic Frame Contract Period# in accordance with paragraph 2, above, the supplier shall deliver to the Purchaser, within the first fourteen days of the #Extension Period#, an extension of the performance guarantee for an additional period equal to the Extension Period.

6.3. After supply of the last draw order, at the supplier's request, the Purchaser shall relinquish the performance guarantee, held by it, in exchange for a new performance guarantee, to its satisfaction, in an amount equal to 5% of the value of the Goods supplied during the Contract Period.

6.4. In the event that the Purchaser exercises any of the options in accordance with paragraph 2, above, the Supplier shall provide to the Purchaser, within 14 days of receipt of Purchaser's notice of exercise of the option, an additional performance guarantee, to the Purchaser's satisfaction, in an amount equal to 10% of the #Option Value#, effective until sixty (60) days after the expiration of the warranty period for the Goods, supplied during the Option Period.

TABLE OF FLEXABLE PURCHASES

AMOUNTS AND PERIODS

	PERIOD UP TO X months	INCREASE UP TO X %	DECREASE UP TO X %
BASIC	24	40%	40%
OPTION 1	12	40%	40%
OPTION 2	12	40%	40%
OPTION 3	12	40%	40%

Summary of Prices - Annexure "C"

Item: 1 IEC Catalog No.: 635821 AGE-00		
Description: TRANSFORMER DISTRIBUTION NETWORK 12.6/0.4KV 630KVA, SUPPORT ISOLATOR, CAST RESIN,		
Destination:		
Total Quantity	Unit	Quantity
77	each	77
Lead time: _____		
Supplier's		
Remarks:		

Item: 2 IEC Catalog No.: 636001 AGE-00		
Description: TRANSFORMER DISTRIBUTION NETWORK 22/0.4KV 630KVA, SUPPORT ISOLATOR, CAST RESIN,		
Destination:		
Total Quantity	Unit	Quantity
235	each	235
Lead time: _____		
Supplier's		
Remarks:		

Item: 3 IEC Catalog No.: 636035 AGE-00		
Description: TRANSFORMER DISTRIBUTION NETWORK 22/0.4KV 1000KVA SUPPORT ISOLATOR, CAST RESIN,		
Destination:		
Total Quantity	Unit	Quantity
14	each	14
Lead time: _____		
Supplier's		
Remarks:		

Item: 4 IEC Catalog No.: 635854 AGE-00		
Description: TRANSFORMER DISTRIBUTION NETWORK 12.6/0.4KV 1000KVA, BUSHING, CAST RESIN INDOOR DISTRIBUTION POWER TRANSFORMER 12.6/0.4KV 1000KVA EPOXY		
Destination:		
Total Quantity	Unit	Quantity
12	each	12
Lead time: _____		
Supplier's		
Remarks:		

Item: 5			IEC Catalog No.: 5215842 AGE-00		
Description: TRANSFORMER DISTRIBUTION NETWORK 33/0.4KV 630KVA SUPPORT ISOLATOR, CAST RESIN,					
Destination:					
Total Quantity		Unit		Quantity	
5		each		5	
Lead time: _____					
Supplier's					
Remarks:					

Acknowledgement of Compatibility

A. The Offeror/Supplier declares and confirms, that the proposed Product/goods/equipment (hereinafter: the proposed product) are compatible with and conform with the requirements of I.E.C., as set forth the Tender/Inquiry/Specifications and all appended documents, applicable (hereinafter: Purchaser's Product Requirements, PPR).

B. The Proposed product does not conform fully with PPR in the following respects (please list all respects of lack of conformity and if necessary, attach additional sheet):

C. We understand and agree that failure to list any information in subparagraph "B" above, shall be construed as a confirmation, that the proposed products fully conform with the PPR.

D. Irrespective of anything to the contrary anywhere in the Tender/Inquiry documents, or elsewhere, the submission of this "Acknowledgment of Compatibility", shall be a pre-condition to Offeror/Supplier participation in the price stage of the Tender/Inquiry.

Date: _____

Name of Offeror/Supplier: _____

Signature: _____

Additional Quotation Information

**IT IS ESSENTIAL THAT THIS PAGE BE FULLY FILLED IN AND
ATTACHED TOGETHER WITH YOUR OFFER**

Name of Manufacturer: _____

Country of Manufacture / Origin: _____

Country and Port of Export: _____

Certificate of Origin accompanying the goods:

☐ FTA (U.S.A) ☐ EUR 1 (E.E.C) ☐ EFTA ☐ EURO-MED

☐ Non Manipulation Certificate ☐ Other: _____

☐ Supplier's/Manufacturer's Export Declaration on Invoice stating customs authorization no.

Terms of Delivery as per Incoterms 2010:

☐ EXW LOADED ☐ FCA ☐ FOB ☐ FAS ☐ Other:
...(named place)_____.

Terms of Payment:

One hundred percent (100%) pro rata per shipment of Order Price shall be paid on the 90th day calculated from the first day of the following month of the date of delivery.

Payment shall be conditioned upon delivery of the services/goods in accordance with the agreed term of supply as defined in Incoterms 2010 and receipt of an invoice, the latest.

Total Quotation Value: _____

**Prices must include all expenses up to shipping point!
No additional costs will be authorized at invoicing stage.**

Approximate Gross Weight: _____

Approximate Dimensions: _____

Validity: _____

Supplier's Name/Stamp/Signature: _____

Please confirm your participation to this Inquiry by filling in the following and returning it ASAP by Fax to our Dept.: +972 4 8182469 or by Email: chen.daniel@iec.co.il

RFP: 102150080A

Supplier:

☐ First Stage ☒ Two Stages

Please advise: _____

We will be participating
We will not be participating

Supplier's Stamp:	Supplier's Signature	Date
_____	_____	_____