Procurement Division
Operation procurement and Logistics

חברת החשמל לישראל

Purchasing process No.: 104076840

Subject: Supply of Equipped and Non-Equipped Central Metering Cabinets

Specification No.: NPS-325, Edition 4 (March 2026); Quality Specification Q-APP-02-PR

Tender Manager: Michael Fried

INVITATION TO SUBMIT PROPOSALS

Version 04.08.2026

The Israel Electric Corporation Ltd. (hereinafter: "**IEC**") is interested in purchasing the goods/equipment and/or services, described below (hereinafter: the "**Goods**" and/or "**Services**"). 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 "**Tender**", "**RFP**" or the "**Purchasing Process**") documents. You are hereby invited to submit a proposal for the supply of the Goods and/or Services.
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 AND/OR SERVICES

IEC intends to purchase equipped and non-equipped Central Metering Cabinets (CMC) for the concentration and metering of low-voltage customers, in configurations for 4, 6, 9 and 12 meters, as listed in Annexure "C", and as more fully described in the specifications (Annexure "B") attached herewith.

Key Commercial Conditions

Contract period: two years, with three separate one-year option periods. The total period, including extensions and options, shall not exceed five years.

Delivery terms: DDP to IEC warehouses for an Israeli supplier. First supply: prototype approval within 16 weeks from the prototype order, followed by delivery within 90 days. Subsequent supplies: within 90 days from each draw order. If IEC approves delivery terms other than DDP, 30 days shall be added.

Payment: 45 days after receipt of invoice. Warranty: 12 months from each delivery.

Performance guarantee: 5% of the total annual contract value for orders exceeding NIS 2,000,000, valid until 60 days after the end of the warranty period. A materials guarantee equal to 100% of the value, including VAT, of IEC locks provided to the supplier shall remain valid until 60 days after the end of the supply period.

IEC will provide one green half-cylinder lock (IEC catalogue 3414372) and one white half-cylinder lock (IEC catalogue 3414398) for each cabinet supplied.

2. CONDUCT OF THE PURCHASE

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

X	a public tender
	a limited tender (paragraph 17B below)
	a closed/selective tender
X	Preliminary Selection/Sorting Stage (Regulation 17C of the Mandatory Tenders Regulations)
	Two Stage Examination (Regulation 17D of the Mandatory Tenders Regulations)
	An Additional Competitive Procedure (Regulation 17E of the Mandatory Tenders Regulations)
X	an evolving on-line computerized tender (paragraph 3E below)

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

The Government Procurement Agreement applies to non-equipped cabinets (items 8–12); equipped cabinets (items 1–7) are excluded.

3. ORDER OF THE PURCHASE

A. When the Purchasing Process is conducted as a tender with a Preliminary Selection/Sorting Stage the process shall be conducted in the following manner:

(i) In stage 1 (the " Preliminary Selection/Sorting 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. As part of IEC's examination, IEC shall first examine the compliance of the Technical-commercial proposal with the Threshold Conditions and the material provisions of the Tender. Failure to comply with the Threshold Conditions and the material provisions shall result in the disqualification of the

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

IEC shall have a right to 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.

The final delivery date shall be subject to IEC's discretion all in accordance with IEC's needs.

(vi) IEC hereby clarifies that the delivery schedule dates stated in the tender/inquiry documents are minimum dates. IEC shall be entitled to amend the delivery schedule by adding additional dates all in accordance with operational considerations and inventory management.

(vii) 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.

B. 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).

C. When the purchase is conducted as a Tender with a Two Stage Examination Stage, the process will be administered in two stages as follows:

1. Offerors are requested to submit their proposals in two separate envelopes/files simultaneously (with attached sample for each type proposed), as follows:

Technical-commercial envelope – shall contain all the approvals and documents required to evidence the compliance of the Offeror with the bid requirements (including documents attesting to compliance with threshold conditions, material/compulsory conditions and all other documents included in the technical and commercial proposal as detailed in Annexures "D" and "Z").
NOTE: Price proposals are not to be submitted in this envelope.

Price Proposal envelope – shall contain the details of the Offeror and the table of Prices (Annexure "C"), , a request to receive preference for Israeli manufactured goods (where

relevant) and the documents for industrial cooperation (in the event and where relevant) and declarations regarding adherence to the laws of competition and no coordination of proposals, . NO technical or commercial details or information must be inserted in this envelope (except for the prices). Offerors must indicate on the envelope in clear conspicuous writing the words: "**PRICE PROPOSAL**".

Technical commercial file- shall include all approvals and documents required to prove compliance of the Offeror with the Tender requirements.
It is hereby emphasized: no price proposals must be included in this file.

Price Proposal file – shall contain the details of the Offeror and the table of Prices (Annexure "C"), , a request to receive preference for Israeli manufactured goods (where relevant) and the documents for industrial cooperation (in the event and where relevant) and declarations regarding adherence to the laws of competition and no coordination of proposals. NO technical or commercial details or information must be inserted in this file (except for the prices). Offerors must indicate in the file name the words: "**PRICE PROPOSAL"**

2. The Price Proposal envelopes/files of Offerors whose proposals are acceptable to IEC (as they are in compliance with the Threshold Conditions and material provisions in the Technical commercial envelope/file – as stated above) will be opened by IEC.

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, or, should IEC decide that the tender shall not contain an evolving computerized on-line tender as stated in Article 3E below, an additional competitive stage will be held as follows:

   IEC will notify the three Offerors whose proposals comply with all the conditions of the tender and are most beneficial to IEC, 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 15%, and IEC has come to realize that no mistake was made in the estimate.
   Despite the abovementioned, it is hereby clarified that where a tender contains sections (not within chapters/lots), in the event the lowest qualified price proposal/s for at least 75% of the sections in the tender are not lower than the self estimate , set for the tender for those sections, at a rate exceeding 15%, an additional competitive procedure shall take place with the abovementioned Offerors for all of the Tender items.

   Furthermore, it shall be clarified that where the tender contains a chapter or chapters and the Offeror is required to submit a price proposal to all of the sections under the chapter/s, a proposal will be considered more beneficial to IEC where the Offeror has improved its price proposal in the aggregate to the chapter/s, in comparison to its initial proposal.

   For the avoidance of doubt, in the event that out of all proposals submitted only three were approved, or less than three proposals were initially submitted, an additional competitive proceeding will be held, with all Offerors whose proposals will be deemed compatible.

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

It is hereby clarified that regardless whether the Offeror elected to submit a proposal in the additional competitive procedure or not, the validity of the proposals shall be for a period of 180 days commencing on the last date for submitting proposals in the additional competitive proceeding.

ii. Where an Offeror is requested, as part of the tender, to submit his proposal in percentages (a discount or an increase from a maximum or minimum price determined in the tender, or from Manufacturer's pricelist, as the case may be), the proposal submitted to the additional competitive procedure shall be more beneficial than the original proposal submitted.
It shall be clarified that where the tender contains a chapter or chapters and the Offeror is required to submit a price proposal to all of the sections under the chapter/s (a percentage per section), a proposal will be considered more beneficial to IEC where the Offeror has improved the entire scope of its proposal to the chapter/s, in comparison to its initial proposal.

Example A: In the event that the Offeror's initial proposal was a discount of 5% of the maximum prices determined in the tender, the Offeror must submit at the additional competitive procedure, a discount higher than 5% and this proposal shall replace the initial proposal.
Example B: In the event that the Offeror's initial proposal was an increase of 5% of the minimum prices determined in the tender, the Offeror must submit an increase lower than 5% and this proposal shall replace the initial proposal.

In the event the Offeror's proposal in the additional competitive procedure fails to comply with the requirements set-forth above, the Offeror's initial proposal shall be considered as the final proposal for the tender.

iii. RESERVED.

iv. It is hereby clarified that the existence of an additional competitive proceeding does not derogate from IEC's authority to examine the reasonableness of the proposals, inter alia, with respect to the estimate.

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. SUBMISSION OF PROPOSALS

4.1 PLACE FOR SUBMISSION OF PROPOSALS

Submission to the Electronic Bidding Box

Proposals shall be submitted to the Electronic Bidding Box through the designated Sourcing Vision link to be published at IEC website for this Purchasing Process, and in accordance with the Electronic Bidding Box Annexure and the attached manual.

- Bidders who are not registered to the system will be required to register first.
- Should you require any technical assistance with regards to the registration (or any other issue) please contact service@mashiktech.com with a copy to the tender manager, indicating the tender number/box number .

A. The technical/commercial proposal shall be submitted to the Electronic Bidding Box, in accordance with the Electronic Bidding Box Annexure attached hereto.
B. A proposal that will not be submitted to the Electronic Bidding Box at the date prescribed, according to the instructions or a proposal that does not include all the required details, may not be considered.
C. A proposal shall be regarded as a "proposal submitted" to the Electronic Bidding Box, only after it has been filled in according to the Electronic Bidding Box Annexure and attached manual and on the following website https://account.sourcingvision.com
D. Only the actual presence of a proposal, in the Electronic Bidding Box, on the day and time set as the last date for submission of proposals, shall be regarded as a proposal submitted.
E. The time of receipt of the proposal in Mashik's SV system, shall be regarded as the actual time of receipt, (and not the time the Offeror sent the proposal).
F. IEC shall see the signature on the proposal as well as acceptance of the memorandum as the Offeror's signature on the proposal.

G. It is hereby clarified that IEC shall see in every party who signs, on behalf of the Offeor, any document in the framework of the said purchasing process) as the party authorized by the Offeror to sign this document and the Offeror will be bound by it.

4.2 DEADLINE FOR SUBMISSION OF PROPOSALS

A. The deadline for submission of technical/commercial proposals shall be 24 December 2026 at 11:00 a.m. (Israel time).

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.

IEC reserves the right to update the RFP/Purchasing Process documents at any stage as well as update the legal and commercial terms: quantities, time table/ delivery dates, incoterms, payment terms and linkage, thing all in accordance with IEC's needs and sole discretion.

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 one working day to the deadline 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. RESERVED

G. RESERVED

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.

5. THE MANNER IN WHICH PROPOSALS MUST BE SUBMITTED

As a general rule, Offerors are required to submit a proposal for all items included in each lot for which they submit a proposal. An Offeror may submit a proposal for only some of the items included in a lot; however, IEC shall not be obligated to accept any such partial proposal.
IEC may, at its sole discretion, for professional or operational reasons and prior to the pricing stage, amend the composition or structure of the lots or cancel the division into lots. The final lot structure shall be subject to the approval of IEC’s Tenders Committee following completion of the technical stage.
Notice of the final composition and structure of the lots shall be provided to all Offerors that have complied with the preliminary conditions before the deadline for submission of price proposals. IEC may permit such Offerors to supplement or update their technical proposals in accordance with the final composition and structure of the lots.
Each Offeror may submit only one proposal in response to the Tender. Alternative proposals shall not be permitted

5.1. 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.

5.2. In addition, where a single proposal has been submitted or only one proposal shall remain, when comparing prices and for the purpose of the Tender/Inquiry (provided the Offeror shall be awarded the Tender/Inquiry), IEC shall take into consideration the price of IEC's internal

estimate for this item , including the average percentage deviation from the estimate of the remaining items in its proposal.

5.3. 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.

5.4. 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.

5.5. In any event, IEC reserves the right to disqualify a proposal that was not submitted in accordance with the above.

6. FEE FOR PARTICIPATION – N/A

7. TENDER/INQUIRY DOCUMENTS

The following documents are attached herewith and shall constitute the tender/inquiry documents:

Name	Annexure	When & how to be submitted
Invitation To Submit Proposals, including: - RFP- Offeror Data Sheet - Declaration Regarding the Adherence to Economic Competition Law - RESERVED - Declaration according to the Public Bodies Transactions law - 1976, article 2B **[applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)]**] - Declaration according to the Public Bodies Transactions law - 1976, article 2B1 **[applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)]**]	(this document) Attachment 1 Attachment 2 Attachment 3 Attachment 4	Technical stage (first stage) – filled in and signed
- The Offeror shall ensure that the goods included in the proposal, are manufactured without use of asbestos of any kind and in any amount. For purposes of proving compliance with the above condition, the Offeror is required to submit with its proposal the declaration in Attachment 6 filled in and signed by its authorized officers.	Attachment 6	Technical stage (first stage) – filled in and signed
Declaration for the Shipment of Goods Subject to an Official Standard Requirement	Attachment 8	No submission required
Developing Computerized Bidding Procedure	DCB	Informative only, no submission required
General Terms and Conditions for Purchase of Goods	A	No submission required

Specification	B	Technical stage (first stage) – filled in and signed
Threshold Conditions.	Sec. 8	Technical stage (first stage) – filled in and signed
Summary of Prices, which, when completed by the Offeror (at the second stage) will constitute a part of its Price proposal.	C	Pricing stage (second stage) – filled in and signed
Special Conditions	D	Technical stage (first stage) – filled in where relevant
Form of irrevocable letter of credit for performance and Performance Bond Down/Advance Payment Guarantee in the form of a Standby Letter of Credit	E, F	Technical stage (first stage) signed
Preference for Israeli Manufactured Products	P	Pricing stage (second stage) filled in where relevant
Delivery Shipping and Handling	R	No submission required
Raw materials	RM	No submission required
ICA Appendix (Mandatory Industrial Cooperation)	ICA	Pricing stage (second stage)- filled in where relevant
Offerors consent to terms and conditions	W	Technical stage (first stage) filled in and signed
Potential Banks for Guarantees	Y	No submission required
Flexible framework contracts/orders Conditions.	Z	Technical stage (first stage) – filled in where relevant
Information from the European Economic Area, as defined in article "the obligation of information accuracy and duty of notification" below, which will be attached to this document and the offeror's proposal will be created as a separate and distinct file from the other proposal documents. It should be noted in the title of the file that this is information from the European Economic Area. It will be clarified that IEC will not be responsible for information that will not be included in the aforementioned file and full responsibility according to the privacy protection regulations (instructions regarding information transferred to Israel from the European Economic Area) 2023-2023 will be placed on the Offeror.		

All the above shall be relevant only where the Tender or Inquiry is classified as a **two stage Tender/Inquiry**.

In a single stage Tender/Inquiry, all relevant documents above, must be submitted together on the date of submission of proposals.

8. PRELIMINARY/THRESHOLD CONDITIONS:

As a prerequisite to Offeror's participation in the Tender, the Offeror is requested to furnish, together with his proposal, samples and/or documents attesting to the fulfillment of the Preliminary/Threshold conditions:
Offerors must Meet the preliminary conditions set forth below no later than 14 calendar days after the deadline for the submission of proposals:

1. Quality Management System

The manufacturer/service provider shall submit a certificate attesting compliance with the requirements of the international standard ISO 9001 valid for the scope of work/supply required in the Specification.

The certificate must bear the symbol (logo), the name of the certifying body, and the name of the accreditation body and its symbol (logo).

The date of validity of the certificate and the edition of the ISO 9001 standard shall be valid on the last date set for submission of proposals in the tender.

The certifying body must be accredited by an accreditation body that is a member of the EA (European Accreditation) or the IAAC (Inter-American Accreditation Cooperation).

2. Experience

2.1 The manufacturer of the cabinets has at least 3 years of experience during the last 5 years, prior to the last date for submission of proposals in this tender, in manufacturing and supply of the proposed or similar equipment ("Similar" means the same system of cabinets with different dimensions manufactured from the same material and in the same technology.)
For demonstrating compliance with the Clause above, the manufacturer shall prove that, during each one of at least three (3) separate years within the five (5) years preceding the bid submission date, it manufactured and supplied not less than 600 of the proposed or similar equipment per year.
2.2 Alternatively, in case that the Manufacturer of the proposed equipment does not have the experience required above, the Manufacturer of the proposed equipment shall present a Know-how agreement (according to Appendix "B" of Specification NPS-325/4) with a company that has the required experience.

The experience described in paragraph **7.2.1 or 7.2.2**, as applicable, shall be proven by a declaration (See appendix "I" in NPS 325/4 Specification).

The declaration must be signed by an officer authorized by the Manufacturer.

3. Additional preliminary/threshold conditions:

1. **Compliance with all registration and licensing requirements by applicable law relevant to the Tender issue.**
2. **Only an Offeror who is an Israeli resident [in accordance with the term's definition in the Income Tax Ordinance (New Version)] is required to fulfill the following conditions:**

The Offeror shall possess all the approvals required by the Public Bodies Transactions Law – 1976, and shall sign and submit a declaration according to the Foreign Employees Law, 1991 and the Minimum Wage Law -1987 (as detailed in the attachment and in the Invitation document).
Such approvals (which are not declarations) shall be submitted to the IEC by the Offeror, in case IEC shall request it.

In addition, the Offeror shall sign and submit a declaration according to the Public Bodies Transactions Law – 1976, in regards of fulfillment of article 9 to the Equality of Rights for People With Disabilities Law, 1998 (as detailed in the attachment and in the Invitation document). Submission by the Offeror of such declaration, is a condition for any engagement between IEC and the Offeror.

(see Attachment/s in Invitation document for Declaration/s to be filled in and signed).

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

IEC shall be entitled, at its sole discretion, to permit an Offeror who did not submit documents, samples (as required) proving its compliance with the preliminary conditions by the dates stated above, as the case may be, to complete these documents and/or , submit samples (as required) until another date to be determined by the representatives of the technical unit and the organizers of the procedure. IEC shall be entitled to allow such completion at its sole discretion, **at any stage of the Tender/Purchasing Process as well as at the end of the Tender/Purchasing process,** and this completion includes , *inter alia* , the replacement/addition of details regarding professional experience, projects, customers, etc compared to what was submitted with the original proposal (according to what was required to present/prove according to the threshold/preliminary conditions) for the purpose of proving compliance with the preliminary/threshold conditions, provided the completions comply substantially with the requirements of the preliminary/threshold conditions and refer to the date stated in the preliminary/threshold conditions.

IEC shall be entitled to check the existence of the preliminary conditions only in the two best proposals/cheapest proposals that will be submitted to the Tender/Purchasing Process, depending on the circumstances and at its sole discretion.

It will be clarified that, as a general rule, unless explicitly stated otherwise within the framework of the preliminary condition, the Offeror's compliance with the preliminary conditions for participation in the Tender/Purchasing Process will be examined solely according to the data of the Offeror, as a separate legal entity, without the possibility of relying on any person or entity other than the Offeror itself, including, but not only, a parent company, subsidiary or other related company of the Offeror, a manager of the Offeror or a shareholder therein or a subcontractor.

At the same time, it is clarified that for the purpose of examining the Offeror's compliance with the preliminary conditions regarding experience and/or previous experience and/or financial turnover volumes in previous years, set for participation in the Tender/Purchasing Process (to the extent that such conditions have been set), IEC shall be entitled to take into consideration their existence in another legal entity (other than the Offeror), provided that its entire activity in the subject matter of the Tender/Purchasing Process has been transferred to the Offeror, and IEC shall be entitled to relate them to the Offeror, at its sole discretion.

In the aforementioned case, the Offeror will be required to attach the relevant references (for example where a licensed dealer becomes a limited liability company/merger, where the full activity subject of the tender prior to the new incorporation was transferred to the Offeror at the

same time as the incorporation, may fall within the scope of the above case).

General note: in addition, in the event the Offeror provided information in a previous Tender/Purchasing Process, which was found to be unreliable or unfounded, IEC will consider not allowing the Offeror to participate in future Tenders/Purchasing Process

Proposals shall also comply with all registration and licensing requirements by applicable law relevant to the Tender issue.

Only an Offeror who is an Israeli resident [in accordance with the term's definition in the Income Tax Ordinance (New Version)] is required to submit the declarations set forth in article 39, 40 and 41 below together with its proposal or within 14 days of the submission date of the proposal:

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

9.1. **Criteria**

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 and/or Services, 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 and/or Services, the supplier or the manufacturer or the Offeror, which constitutes or may constitute an advantage or a disadvantage to IEC, or its interests.

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

9.3. (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 and/or Services 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/or Services 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 9.3.(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.

9.4. 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.

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

9.6. 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 part thereof, 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:

9.6.1. 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.

9.6.2. 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, or similar and/or a Purchasing Process 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 Conract/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.

9.6.3. Regardless of that mentioned in subparagraph 9.6.2 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 attach to its proposal in this Tender", "RFP" or the "Purchasing Process, a request in writing and/or to approach IEC in writing from the date of the notice of termination of his participation in this procedure, or cancellation of his award, as applicable and must state its reasons..
The Offeror's claims will be heard by IEC and a written notice of IEC's decision will be provided to him..It is hereby clarified that IEC shall be entitled not to discuss the Breaching Offeror's request as set forth in this article, where the Breaching Offeror's proposal is not a candidate for being awarded the Tender, RFP or the Purchasing Process.

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

10. RESERVED

11. 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 whether technical or commercial are included in a proposal, at any stage of the tender, the IEC, at its sole discretion, may:

(i) Disqualify the proposal; or
(ii) Weigh and/or accept the proposal partially or as is, and may take the Exception/s into account in the overall evaluation, and at its discretion, to attach a certain cost to the Exception/s, which may be arbitrary, in instances

where it/they cannot be reasonably quantified.

(iii) After examination and discussion of all exceptions in proposals, IEC will create an updated version of commercial/legal conditions, with additional/modified terms it is able to accept, after which all bidders will be required to approve said updated version, otherwise this may result in the disqualification of the proposal; or

(iv) 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 or.

(v) Approach an Offeror/s to amend the proposal so that the proposal will conform with IEC's requirements

12. IEC'S DISCRETION TO DISQUALIFY

In addition to IEC's right to disqualify proposals under paragraph 11 above, IEC may disqualify any proposal on one or more of the following grounds:

(i) The supplier/manufacturer/Offeror of the Goods and/or Services lacks relevant experience, production capability or financial backing, so as to raise a reasonable doubt, concerning the delivery of the Goods and/or Services, 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 and/or Services 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 and/or Services 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 Services and/or its/their design and/or construction is/are based on outdated, inferior or untested design or technology.

13. DIVISION OF THE CONTRACT / ORDER

13.1. 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.

13.2. 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.

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13.3. Procedure for the improvement of proposals for the purpose of dividing the award (hereinafter referred to as: "**Proposal Improvement Procedure**"):

13.3.1. Without derogating from the provisions of this Article 13 and Article 3D above "Additional Competitive Procedure", in tenders where the expected scope of the engagement exceeds NIS 60 million, including flexibilities but excluding options, and to the extent that IEC considers dividing the award among several Offerors, IEC shall conduct Proposal Improvement Procedure among all Offerors whose proposals were found to be compliant and who were found suitable in light of the award dividing considerations determined by IEC, excluding the Offeror that submitted the most advantageous proposal.

13.3.2. In order to determine which Offerors are suitable for such award division, IEC shall be entitled to take into account, *inter alia,* considerations such as geographical area, prior experience, performance capabilities, availability, and any other relevant consideration for the purposes of the engagement.

13.3.3. As part of the Proposal Improvement Procedure, IEC shall be entitled to approach such Offerors with a request to submit an improved proposal in relation to their original proposal, in whole or in part, all in accordance with IEC's sole discretion and the needs of the engagement.

13.3.4. In the event an Offeror does not submit an improved proposal, its original proposal shall be deemed its final proposal for the purpose of this procedure. If an Offeror submits a proposal that is not more advantageous than its original proposal, IEC shall be entitled to take such Offeror's original proposal into account.

13.3.5. IEC shall be entitled, based on the results of the Proposal Improvement Procedure, and taking into account, inter alia, the gap between the most advantageous proposal in the Tender and the proposals submitted under the Proposal Improvement Procedure, to decide whether to divide the award, among how many Offerors it shall be divided and the scope of such division, all in accordance with IEC's sole discretion.

13.3.6. For the avoidance of doubt, neither the conduct of a Proposal Improvement Procedure nor the examination of the possibility of dividing the award shall obligate IEC to actually divide the award, and IEC shall be entitled to decide to award the Tender to a single Offeror only, even after conducting such procedure.

13.3.7. It is hereby clarified that, in any event, whether or not an Offeror submits an improved proposal as part of the Proposal Improvement Procedure, its proposal shall remain valid for a period of 180 days from the final deadline for submission of improved proposals under the Proposal Improvement Procedure.

13.3.8. It is hereby clarified that the conduct of a Proposal Improvement Procedure pursuant to this Section shall not derogate from IEC's authority to examine the reasonableness of the proposals, inter alia, with respect to IEC's estimate, or to exercise any other authority vested in it under the Tender documents.

13.3.9. An Offeror that attached to its initial proposal a declaration stating that its proposal is for goods manufactured in Israel or for goods from the area surrounding Gaza, for the purpose of receiving preference for Israeli manufactured goods, and where a Proposal Improvement Procedure is conducted, shall attach to its final proposal a new declaration to such effect, insofar as this remains relevant.

13.4. In the event that the part of the Contract/Order awarded to a Successful Offeror is not utilized at all or is not utilized in full, including, inter alia, due to the supplier/contractor/service provider

failing to comply with the terms of the Order and/or being unable to supply the product/goods and/or provide the services in the required scope and/or at the required professional level and/or quality and/or availability, and/or due to budgetary considerations and/or self-performance and the like, IEC shall be entitled to transfer the unutilized part of the engagement and/or the remaining balance thereof to another successful supplier(s)/contractor(s)/service provider(s), or not to utilize it at all, all at IEC's sole discretion.

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

A. IEC has determined the estimated value for the RFP/Purchasing Process.

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, and/or from the price proposed by other Offerors in previous procedures 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. An Offeror that shall not submit an additional more advantageous proposal, its initial proposal shall be regarded as its final proposal for the RFP/Purchasing Process. In addition, where an Offeror shall submit an additional proposal which is not more advantageous to IEC in comparison to its first proposal, IEC shall consider the Offeror's initial proposal only.

D. RESERVED

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 Preliminary Selection/Sorting Stage or two stage, IEC shall be entitled, 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.

15. CURRENCY OF PROPOSAL, PRICE ADJUSTMENT AND EVALUATION OF PRICE PROPOSALS

15.1 CURRENCY OF PROPOSAL

Price proposal may be submitted in any currency that has an active forecast in the Bloomberg financial system for the relevant period.

Main currencies that have an active forecast in the Bloomberg system include among others: New Israeli Shekel (NIS), US Dollar, Euro, Great British Pound (GBP) Swiss Franc, Canadian Dollar, and Japanese Yen. Nevertheless, it should be clarified that a price proposal may be submitted in any other currency, subject to the condition set up above.

15.2 PRICE ADJUSTMENT

15.2.1 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 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.

15.2.2 In proposals submitted for above the equivalent value of 500,000 NIS (including flexibilities and options Bidders may submit in the first stage (technical/commercial) proposals, requests for price adjustment formula/s for linkage/adjustment in accordance with the terms below which shall be considered by IEC:

i. Requested indexes/commodities for linkage formula are only to be chosen from IEC's list of Indexes, including local and international indexes, published in IEC's website. Acceptance of any other indexes chosen shall be subject to IEC's prior approval before submission of the price proposal.

ii. Any index can be used without any limitation of the number of indexes and their weights in the formulas, subject to the condition that for the purpose of price evaluation an active forecast for that index exists in the Bloomberg financial system.

iii. Submission of price proposal that is linked to indexes, for which no active forecast exists in the Bloomberg financial system, is subject to receipt of IEC's prior approval before submission of the price proposal. In this case, IEC will determine for all the offerors the same indexes and their weights in the price escalation formula(s). In addition, IEC will set for all the offerors the same cash flow.

iv. For the indexes offered by the offerors that have the forecast, they will be able to determine the index type and its weight, provided that the total of all the weights in the escalation formula is 100%.

v. 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).

vi. 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), whichever occurs first.

15.3 **EVALUATION OF PRICE PROPOSALS**

15.3.1 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, for the Relevant period (*), as detailed below. IEC reserves the right, during the evaluation of the price proposals, to take into consideration the following additional expenses: import, customs, delivery expenses etc.

Technical part percentage: 0%

Commercial part percentage: 100%

Offerors whose technical proposal is acceptable to IEC, being in compliance with the technical requirements and approved all general/commercial conditions, shall be invited to submit a Price Proposal. Price proposals shall be evaluated according to the following terms:

Price proposals will be compared separately for each lot. The award will be made to the Offeror whose proposal is most advantageous for the full content of the relevant lot. IEC may split the award among Offerors.

15.3.2 **Converting the price proposals to a uniform currency**:

a. If all the price proposals are submitted in the same currency, the evaluation will be made in the proposed currency.
b. If the price proposals are submitted in different currencies, all the proposals will be converted to uniform currency - US Dollar, using the active exchange rate forecast in the Bloomberg Financial System for the relevant period (*) of the procurement process/tender.

(*) Relevant period:

- In framework contract: the determinative date of the average draw order (middle of frame contract period) comprising of the basic contract period + optional contract period, assuming linear draw orders.
- Contracts with a fixed delivery date/ milestones: according to delivery dates / milestones.

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 of 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 and/or Services.

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.

16. 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,
   IECshall 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.

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

17.1 IEC reserves the right to approach the Offerors to receive clarifications and any technical, management and commercial information (excluding prices).

IEC shall be entitled to enable an Offeror, who did not submit with its proposal (as required), a document, a thing, certificate, approval, permit, license or any other document required (hereinafter shall be referred to as the: "**Document**") or any other sample/s required under the Tender/Purchasing Process, or if did not sign a document part of its proposal documents, to complete its submission to IEC and/or its signature within the time period set forth by IEC. IEC shall be entitled, at its sole discretion, to permit completion, **at any stage of the Tender/Purchasing Process as well as at the end of the Tender/Purchasing Process**, and this completion includes, *inter alia*, the replacement/addition of professional experience details, projects, customers etc compared to what was submitted with the original proposal (according to what was required to present/prove according to the terms of the Tender/Purchasing Process), provided the completions comply substantially with the requirements of the Tender/Purchasing Process, in particular the threshold conditions and compulsory requirements and will relate to the date stated in the Tender/Purchasing Process documents.

IEC may not consider a proposal that was not submitted with all the required documents signed and completed as required, and/or an offer that IEC requested the Offeror to complete

documents for within a specified time period, and the Offeror failed to do so in a timely manner.
IEC shall enable the submission of the above even if stated otherwise in the specification.

IEC may contact an Offeror, including by a documented telephone or video call, for the purpose of obtaining documents, particulars or clarifications concerning its proposal, including documents or samples required under the Tender, the Specification or any annexure thereto, provided that no such request or clarification shall concern the prices included in the proposal.

IEC may determine the deadline for submitting any supplementary document, clarification or sample. The results of such clarifications and supplementary submissions may be presented to IEC's Tenders Committee

17.2 RESERVED

17.3 Offerors' requests for clarification shall be submitted in writing through the Offeror's representative by the deadline to be published by IEC, by contacting the Tender Manager specified at the beginning of this document.

17.4 Questions referred to after the abovementioned date, will not be answered, except for exceptional cases and subject to IEC's sole discretion.
Answers to Offerors clarification requests shall be provided in writing.

Substantial clarifications and answers will be publicly advertised on IEC's website and IEC shall be entitled, (but under no obligation) to distribute it directly to potential Offerors and/or Offeror that have expressed (in writing) their interest to the RFP/Purchasing Process manager , to participate in the RFP/Purchasing Process.

18. 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.

19. 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.

20. CONTRACT FORMALIZATION

The Offeror awarded the tender/procurement procedure shall receive a written notice from IEC. A binding contractual obligation between the parties shall exist only upon an Order/Contract signed by IEC, and issued to the Offeror awarded the Order/Contract.

21. PREFERENCE TO ISRAELI MANUFACTURED GOODS

Offerors of Israeli manufactured goods/products or goods/products manufactured in the area surrounding the Gaza Strip, may be entitled to preference in the evaluation of any tender all in accordance with the law including the Agreement on Government Procurement.

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.

22. MANDATORY COMMERCIAL COOPERATION

A. For purposes of this paragraph, the words "Foreign Supplier" shall mean a Supplier of goods/products and/or Services, which are not "Israeli manufactured goods or products", and/or "Israeli services/work" as defined in the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation) of 2007.

B. A "**Foreign Supplier**", must act in accordance with ICA's Appendix (Mandatory Industrial Cooperation) and the applicable regulations.

C. **Israeli Supplier** – for the purpose of Mandatory Industrial Cooperation shall be any manufacturer or supplier of goods of Israeli origin or a supplier of work performed in Israel, including services performed in Israel or in the region by an Israeli citizen or a permanent resident in Israel or a corporation registered in Israel or elsewhere with the prior approval of the Industrial Cooperation Authority.

D. The Contractual provisions, set forth in the ICA Appendixes 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 Appendixes shall prevail.

E. IEC shall have the right to allow an offeror, which did not attach to its price proposal documents that are required according to ICA's Appendix (Mandatory Industrial Cooperation), to complete their submission, all in accordance with IEC's sole discretion.

F. It is hereby clarified, that in case the offeror that will be selected as the awarded offeror in the tender, will not be approved by The Industrial Cooperation Authority at the Ministry of Economy and Industry, IEC will have the right to award the Order/Contract to the Offeror who has submitted the next most suitable proposal, even in cases where the tender was managed as an Evolving Computerized On-line tender, or issue a new procedure for purchase of the Goods and/or Services. In such case, IEC will not pay any compensation to an offeror that did not receive ICA's approval.

G. An Offer shall be required to submit together with its price proposal, the following documents:
   1. **Foreign Offeror**s who have an umbrella agreement with ICA, shall be required to submit: Form H1 and Form H - Framework Agreement with ICA.
   2. **Foreign Offeror**s who don't have an umbrella agreement with ICA will be required to submit Appendix B and Form C - Implementation Plan and a Binding Undertaking by Foreign Supplier.

3. **Israeli Offerors** shall be required to submit the documents stated in subarticles G1 or G2 above, in the event he is an importer and provides goods from a foreign manufacturer. In such instance, he shall be required to submit said documents signed by both the manufacturer and himself.
4. **Israeli Offerors offering Israeli made goods** shall be required to submit Form D – Accountant's certificate concerning Israeli manufactured goods.

H. The Supplier, claiming not to be a foreign supplier, is aware that if it is awarded the tender, it will be required to submit a declaration to the Industrial Cooperation Authority, stating that it is an Israeli Supplier together with a certified accountant's approval.

23. JOINT PROPOSAL

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

1. Each Offeror must sign the proposal and must fill in and sign the Offeror information sheet.

2. 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.

3. 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.

4. 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/Services.

5. Any joint proposal shall comply with the provisions of the Economic Competition Law 1988 and/or the instructions of the Director General of Economic Competition.

24. 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.

25. IMPROPRIETY

The Offeror hereby acknowledges that it has been informed of and agrees to abide by the IEC's Impropriety clause as that clause is set forth on IEC's website at the following link: https://www.iec.co.il/en/content/suppliers/filespages/general-terms-conditions-and-annexures version 04.08.2026

26. 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 confident information, or affect national security, international relations, the economy or public safety.

(ii) Legal opinion that was issued as part of legal consultation to IEC's tender committee, 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) In light of the Offerors' right to view the Tender documents, an Offeror who objects to its proposal being disclosed fully or partially due to a trade secret or a professional secret which it considers to be part of its proposal, is required to mark the confidential parts of its proposal. **In addition, the Offeror is required to elaborate on the confidential parts of its proposal, as far as there are such parts, and the reasons therefor (the relevant reasoning must be detailed for each part, and IEC will not accept a general reasoning) in the relevant sections of the Annexure W titled Offerors Consent to Terms and Conditions.**

(c) Parts of a proposal that will not be marked by the Offeror as confidential and/or the reasons as to why they are confidential will not be stated, will be considered as permitted by the Offeror to be disclosed. IEC shall be under no obligation to contact and as a rule, will not contact an Offeror to inquire whether any parts of its proposal are confidential and/or the reasons for the confidentiality, where such were not specified in the Offer. In this regard please see article 45.4 below.

It is hereby clarified that, IEC shall be under no obligation to address the request for confidentiality where the Offeror marks the confidential parts in the body of the proposal only and/or provides a general comment regarding confidentiality in the

body of the proposal only, without providing details and explanations in Annexure W "OFFERORS CONSENT TO TERMS AND CONDITIONS".

(d) It is hereby further clarified that in each case, the decision as to the confidentiality or the disclosure of parts of the Offeror's proposal, shall be at the sole discretion of IEC's tender committee, which is entitled to disclose portions of the proposal that an Offeror has marked as confidential. In any event and despite that stated in a proposal, IEC shall be entitled to disclose the winning proposal's prices to any Offeror who shall request so.

(e) An Offeror shall be prevented to claim that he is entitled to review another Offeror's proposal, in the parallel parts that were marked as confidential in its proposal and will be barred and silenced from making claims in this regard.

(f) Offerors wishing to obtain the aforesaid right of review are requested to make a payment in the amount of NIS 350 (inclusive of VAT), by bank transfer only, to the account at the Postal Bank (account details below), and only from the bank account of the company/business.

In addition, when making the transfer, the customer must enter its company registration number in the “Remarks” field.

The account referenced above is held at the Postal Bank in the name of:
Israel Electric Corporation — Tender Proceeds Ltd., Haifa
Bank 09, Branch 001
This account is a current account only, with no deposits or savings accounts.
IBAN Code: IL400090010000005314543

Additional remarks:

(g) An Offeror who is disqualified during the technical stage shall receive a notice in regards to it disqualification, and according to its request, shall receive an additional notice in regards to the end of the process, in order for it, if required, to use the right to view the process documents.

27. 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.

28. RESERVED

29. RESERVED

30. RESERVED

31. 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.

It is hereby clarified that IEC shall be entitled, at its sole discretion to approve a change in the legal entity, including in cases of sale/transfer of full activity of the company/ies ,subject of the Tender, even if after the sale/transfer, the Offeror continues to exist and subject to the legal entity of the Offeror and the new Offeror in the new legal entity (to whom the subject of the Framework Procedure was sold) complies with the requirements of the Tender.

C. An Offeror who at the time of submitting its proposal, was aware of the fact that a change may occur in its legal entity and/or its activity if the field(s) subject of the Framework Procedure is expected to be sold/transferred and/or that the model Inquiry submitted by it shall go out of production, is requested to specifically disclose such information in its proposal.

D. Nothing in this article shall derogate from IEC's rights and authorities including under the instructions of this Tender/Purchasing Process to update and/or amend at any stage of the Tender/Purchasing Process and at any time, prior and after the final date for submission of proposals, the instructions of the Tender/Purchasing Process and/or its annexures and/or the format of the Tender/Purchasing Process, despite them amounting to changes and circumstances, not covered under this article.

32. **RESERVED**

33. USE OF GOODS/SERVICES/WORKS BY SUBSIDIARIES

Notwithstanding any other article in this document or in the General Terms and Conditions, the Offeror is aware of the fact that IEC may use the Offeror's services and/or works and/or equipment, in order to provide services and/or for subsidiaries of IEC (hereinafter referred to as "**Subsidiaries**"), as well as in territories and/or sites or premises in addition to those specified in the specification (as defined) from time to time and according to its needs, and/or the needs of the Subsidiaries and IEC may transmit copies of Offeror's invoices for internal account settling between IEC and Subsidiaries and any other information required for that purpose. It is hereby clarified, that in these circumstances, the Offeror's liabilities under the Order/Contract shall apply to those Subsidiaries as well.

34. SAMPLES

The Offeror shall submit, together with its proposal or no later than one month after the deadline for submission of proposals, a sample of the proposed non-equipped cabinet or a similar cabinet, in accordance with Section 3.17 of the Technical Specification.

An Offeror that supplied IEC with the cabinet proposed in its proposal, or a similar cabinet, during the five years preceding the deadline for submission of proposals may request an exemption from the sample-submission requirement. IEC may grant or reject such request at its sole discretion.

For the purpose of this Section, a "similar cabinet" means a cabinet of different dimensions that was manufactured from the same material and using the same technology as the proposed cabinet

A. the Offeror shall be required to submit samples to the "samples warehouse" located at any one of the IEC's warehouses located across the country, at the discretion of IEC.

Please note detailed details of the warehouses:

- **Acre Logistics Center** - 8 Hashmal St., Acre
  Reception - Niv Shlomi 054-6090718 / 076-8634019, Geto Delilo 054-2829543 / 076-8634077
- **Rabin Logistics Center** - Orot Rabin Power Station, Hadera
  Reception - Sokolov Amit 054-6099445 / 076-8635421, Rami Vaknin 076-8635778 / 054-2161661
- **Beit Dagan Logistics Center** - 88 Menachem Begin Blvd., Beit Dagan
  Contacts - Zion 076-8640953, Oren 076-8640912, Aharon 076-8640914
- **Ashdod Logistics Center** - 2 Habosem St., Ashdod
  Network Equipment - 076-8643612 / Projects and Substations - 076-8643606
- **Rotenberg Logistics Center (Ashkelon)** - 1 Hatohen St., Ashkelon
  Reception - 076-8647378
- **Haifa Warehouse** - 1 Hatovim St., Haifa / Shimon Cohen 054-6090909
- **Hadera Warehouse** - 51 Tzahal St., Hadera / Oshri Turgeman 052-5539297
- **Yokneam Warehouse** - 8 Hayozma St., Yokneam / Yoram Israel 054-6050302
- **-Afula Warehouse -** 11 Shprinzak St., Afula / Tzachi David 054-6090889
- **Safed Warehouse -** 1 Derech Hashokolad St., Safed / Lutfi Kablani 052-8884361
- **Nahariya Warehouse -** 25 Lohamei Hagetaot St., Nahariya / Shaul Cohen 054-6050777
- **Tiberias Warehouse** - 3 Hamagenim St., Tiberias / Nir Ohana 054-6050814
- **Galil Golan + Karmiel Warehouse -** 2 Hasnunit St., Karmiel / Omri Sofer 050-4082480
- **Jerusalem Warehouse** - 44 Gershon Hamelamed St., Givat Shaul, Jerusalem / Gil Morali 076-8649050
- **Be'er Sheva Warehouse -** 1 Hebron Rd., Be'er Sheva / Omer Ashkenazi 052-4455444
- **Gan Sorek Warehouse** - 6 Hamada St., Rishon Lezion / Dror Shami 054-6093332
- **Eilat Warehouse -** 67 Hatmarim Blvd., Eilat / Shlomi Ben Ayal 052-9258026
- **Ashkelon Forward Warehouse -** 3 Kibbutz Galuyot St., Ashkelon / Gideon Levitah 054-**6093539**
- **Dan Warehouse -** 5 Nirim St., Tel Aviv / Abed Rahamim 054-6120973
- **Ayalon Warehouse -** 6 Hagefen St., Kiryat Shdeh T., / Michael Kopitov 054-6120671
- **Sharon Warehouse -** 10 Jerusalem St., Ra'anana / Ilan Madmon 054-6121451
- **Netanya Warehouse** - 2 Hagavish St., Netanya / Ilan Madmon 054-6121451

B. The time and date of submission of the samples is to be scheduled three days in advance by way of a telephonic conversation with any of the following detailed in sub-article A above.:

The submission of the samples must take place during normal business hours only.

The samples must be packed separately, marked with the tender Number and subject, IEC's

catalogue number, the name and contact details of the Offeror and the name of IEC's contact person.

C. During the preliminary stage of the tender, the Offeror must submit a signed copy of the delivery certificate of the samples, as confirmation for submission of samples.
The delivery certificate must include the following details:
Offeror's name, tender number, a description of the item ,IEC's catalogue number, quantity and the date of acceptance of the samples, at IEC's warehouse.

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

E. 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.

F. Shall the Offeror fail to collect his 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. In such case, the Offeror shall have no claim against IEC.

G. In the event the tender documents or the specification, require the Offeror to submit a sample(s) as part of his proposal (or during any other stage of the tender), and the Offeror failed to do so, IEC shall be entitled to permit the Offeror to submit the sample(s) within a specified period to be determined by IEC, at IEC's sole discretion.

35. RESERVED

36. OFFEROR'S DECLARATION

The Offeror hereby undertakes to fully co-operate with every inspection and/or investigation conducted by IEC 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 Offeror and IEC.

Without derogating from the abovementioned, the Offeror hereby undertakes to provide the IEC with any relevant information for purposes of examination as well as provide any document and/or evidence required with such examination, immediately upon the IEC's first request, should such request be made.

37. ENFORCEMENT OF THE FOREIGN EMPLOYEES LAW, 1991
***This article is applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)].**

37.1 In Contracts/Orders exceeding 400,000NIS the Offeror is requested, to submit a declaration in the attached format, attachment 3.

37.2 Submitting such declaration to IEC, in the attached format (attachment 3), is a condition in order for IEC and the supplier to engage in a Contract/Order.

37.3 The supplier undertakes to fulfill, in regards of employees who are employed by him for the purpose of performing the works under the Contract/Order, all the orders/requirements of the foreign employees law (prohibition of illegal employment and ensuring fair conditions), 1991 (hereinafter: **"Foreign Employees Law"**).

37.4 It is hereby agreed, that not fulfilling and/or violating**,** whether by act or omission, of any order/requirement of the Foreign Employees Law, in regards of employees as stated above, shall be considered as a breach of the Contract/Order, and IEC shall be entitled to all the remedies according to the Foreign Employees Law and any other

law, including indemnifying IEC (by the Offeror) in regards of any demand and/or lawsuit that shall be filed against IEC in regards of such un-fulfillment and/or violation.

38. ENFORCEMENT OF THE MINIMUM WAGE LAW, 1987

***This article is applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)].**

38.1 Violation of the Minimum Wage Law, 1987 (hereinafter: **"the Minimum Wage Law"**) by the supplier towards its employees, in respect of works or services that are part of the Contract/Order, shall be considered as a violation of the Contract/Order.

38.2 In case IEC shall be required to pay any amount and/or a lawsuit shall be filed against IEC, for the reason of violation of the Minimum Wage Law by the supplier, the supplier shall indemnify IEC in the full amount IEC has been required to pay for such violation.

38.3 In a Contract/Order exceeding 400,000NIS, the Offeror shall attach a declaration according to the attached format, attachment 3.

38.4 Submission by the Offeror of such declaration, and IEC's approval of receiving it, is a condition for any engagement between IEC and the Offeror.

39. ENFORCEMENT OF "THE EQUALITY OF RIGHTS FOR PEOPLE WITH DISABILITIES" LAW, 1998

***This article is applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)].**

39.1 An Offeror shall attach a declaration according to the attached format, attachment 4.

39.2 Submission by the Offeror of such declaration, and IEC's approval of receiving it, is a condition for any engagement between IEC and the Offeror.

40. ABSENCE OF CONFLICT OF INTEREST

a. IEC shall be entitled to not permit an Offeror to participate in the Tender, RFP, Purchasing Process and/or to not accept a proposal if there is in its participation a conflict of interest.
The determination in this regard will be in IEC's sole discretion

b. The Offeror shall not supply the goods either by itself or through its employee, if any of them is a Relative of an employee of IEC, and the delivery of the goods may raise concerns of conflict of interests between IEC's benefit and the employee's personal benefit. The Offeror shall do so only after receipt of IEC's prior consent in writing.

"Relative" shall ~~has~~ have the meaning ascribed to it in the Government Companies Regulations (Rules Concerning the Employment of Relatives)- 2005

c. The Offeror shall notify IEC regarding any concern of this type of conflict of interest.

d. The Supplier is required to bring the contents of this section to the attention of its employees, subcontractors, representatives, agents and anyone on its behalf who are involved in any way in IEC's Tender/RFP/Purchasing Process and/or Order/Contract resulting thereof.

41. APPLICABLE LAW AND JURISDICTION

Israeli law is the law that will govern this RFP/Purchasing Process.
The sole jurisdiction for hearing all matters relating to this RFP/Purchasing Process and any claim and/or dispute arising therefrom, shall be the competent court in Tel Aviv.

42. OFFERORS' TOUR/OFFERORS' CONVENTION – N/A

43. <u>THE OBLIGATION OF INFORMATION ACCURACY AND DUTY OF NOTIFICATION</u>

43.1 In this Section, "**Information**" includes – data on a person's personality, personal status, privacy of personality, health condition, economic situation, professional training, opinions and beliefs, as well as any information according to which a certain person is identified or can be identified.

"**Information Subject**" – the person on whom the Information is transferred to Israel Electric Corporation (hereinafter: "**IEC**"), including the supplier's employee, a service provider on its behalf, an employee of a sub-supplier, etc.

"**European Economic Area**" – the countries of the European Union, as well as Iceland, Norway and Lichtenstein.

43.2 The supplier declares that any Information it shall deliver to IEC from the European Economic Area, within the procurement process of and the agreement thereof concerning an Information Subject is true, full, clear, updated and accurate, and, if it turns out that this is not the case, it will act immediately to correct the Information and to update IEC in relation thereto.

43.3 In case of Information being transferred as mentioned above, the supplier undertakes to notify the Information Subject, as soon as possible after transferring the Information, and no later than one month from the date of transferring the Information, that the Information has been transferred to IEC as specified in the format attached hereunder.

Notwithstanding the provisions of this section, the supplier is not obligated to notify the Information Subject under the circumstances specified in section 6(C) to *the Privacy Protection Regulations* (*Instructions for Data that was transferred to Israel from the European Economic Area*), 5783-2023.

<u>Format of notice to the Information Subject</u> -

Please note that Information about you has been transferred by _____ [supplier's name] to Israel Electric Corporation Ltd. (hereinafter: "**IEC**").

Details of the database manager: Dani Garabagi, Senior Vice President, Information and Communication

IEC's registered address: 1 Nativ Haor St., Haifa, Israel

Contact details: Tel.: +972-76-8634500
E-mail: l.samankaltikshuv@iec.co.il

The Information is transferred to IEC for the purpose(s) of _____

Type of Information transferred to IEC: _____

Please note that you have the right to delete the Information at your request, the right to review the Information and the right to correct the Information in accordance with and subjected to the provisions of the law.

43.4 In case IEC wishes to transfer details required by law to the Information Subject through the supplier, the supplier undertakes to notify the Information Subject of the details that shall be transferred to it by IEC immediately upon receiving them from IEC.

Despite that stated above, details regarding the Information Subject, which are not indicated in the Offeror's proposal as confidential, will be considered as if there transfer to a third party is permitted, and this is without IEC being required to inform the Supplier and/or the Information Subject about their transfer to a third party. The Supplier is required to inform the Information Subject about this, close to the submission of its proposal for the procedure. It will be clarified that the aforementioned does derogate from IEC's tender committee, or a party authorized by it, to decide to disclose also parts that the offeror has indicated as confidential, all as detailed in article 27 above. In the aforementioned case, a notification will be given to the Supplier who will require the Information Subject to be updated.

RFP No. _____

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): _____
Offeror's registration number (if the Offeror is a company) / identification number:_____

Where the Offeror is registered in IEC's data system, please fill in Offeror's vender number-

_____

_____

Address of Main offices: _____
_____Country: _____
Tel. No.: _____Fax No.: _____
Name of authorized representative (contact person): _____
Personal E-mail address:_____
Mobile Phone No.:_____

Name of Manufacturer: _____
Address of manuf. plant: _____ Country:_____

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

Name of Local Agent/Representative: .....
The Representative's position with the Offeror: _____
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 Economic Competition Law and Prohibited Tender Collaboration (authorized by an attorney)

[This declaration will apply only in regards of bids exceeding 3,000,000 NIS (New Israeli Shekels) (not including options). In regards of bids in the range starting from 100,000NIS (including) up to 3,000,000NIS (including) a submission of a declaration according to the attached format is needed – however, in such case an attorney's confirmation to it is not required]

I the undersigned, [_____] (Nationality), I.D number: [_____ _____] 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, I.D number and Position are 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 bid, 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 contain approval for subcontracting and in regards of an agent – where the tender includes supply of goods.

Company name/ authorized dealer	Scope of work/service/goods For which the subcontracting Is provided	Contact details

And/or

In the framework of this bid, the bidder intends to bid with the assistance of/via an agent, as detailed hereinafter (bidder will submit the agent's name as well as contact information):

_____

5. The Bidder and/or its management and/or who on its behalf have not acted in violation of the Economic Competition Law - 1988 and the laws pertaining to economic competition (hereinafter: **" Economic Competition Laws "**), in regards of their bid in the Procedure and in particular (but without limitation) that:

* The prices and/or quantities and/or any other detail which appears in this bid have

been determined by the Bidder and/or its management and/or who on its behalf independently, without any consultation, arrangement or any connection with another bidder in this procedure or with any other potential bidder in this Procedure (except in case of a joint bid, when this is provided for in the Procedure documents, and/or subcontractors as set forth in Section 4 above, with regard to the scope of work/service/goods to which subcontracting pertains, and/or an agent, as set forth in section 4 above, with regard to details relating to said bid alone, insofar as such matter complies with the Economic Competition Laws). This part of the section is only relevant in situations where the Procedure documents allow subcontracting, and the Bidder is required to specify the subcontractors in the framework of this declaration, and in regards of an agent – where the tender includes supply of goods.

* The prices and/or quantities and/or any other detail which appears in this bid 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 (except in case of a joint bid, when this is provided for in the Procedure documents and/or subcontractors as set forth above, with regard to the scope of work/services/goods for which subcontracting pertains, and/or an agent, as set forth above, with regard to details relating to said bid alone, provided such matter complies with the Economic Competition Laws). This part of the section is only relevant where the Procedure documents allow subcontracting, and the Bidder is required to specify the subcontractors in the framework of this Declaration, and in regards of an agent – where the tender includes supply of goods.

* The Bidder and/or its management and/or who on its behalf 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 bid or a bid 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 Economic Competition activity and/or a behavior which is not in line with Economic Competition 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 who on its behalf have not influenced nor tried to influence the bid 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.

* This Bidder's bid is submitted in good faith and is not the result of an arrangement or a discussion with another bidder or a potential bidder in this Procedure (except in case of a joint bid, when this is provided for in the Procedure documents and/or the subcontractors set forth above, with regard only to the scope of work/services/goods to which subcontracting pertains, and/or an agent, as set forth above, with regard to details relating to said bid alone, insofar as such matter complies with the Economic Competition Laws). This part of the section is only relevant where the Procedure documents allow subcontracting, and the Bidder is required to specify the subcontractors in the framework of this declaration, and in regards of an agent – where the tender includes supply of goods.

6. Bidder's declarations:

6.1. At the time of signing this Declaration, the Bidder, its management and/or its shareholders and/or its employees are not being held under any investigation by the Economic Competition authorities regarding the suspicion of prohibited tender collaboration.

If this is not the case, please elaborate:

_____

_____
_____

6.2. Within the past four years the Bidder, its management and/or its shareholders and/or its employees, have not been convicted in of any offence under the Economic Competition 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**	**I.D**	**Signature+ Stamp**

Signature Validation

I, the undersigned, Attorney . [ ], hereby confirm that [ ], ID number:_____, 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 will not do so, confirmed the accuracy of his/her above declaration, and signed it in my presence.

Date: [ ]

Name and Signature of Attorney: [ ]

Attachment 2 RESERVED

Attachment 3 - Declaration according to the Public Bodies Transactions law - 1976, article 2B [applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)]].

The declaration is in Hebrew since it is relevant only for Israeli residents as stated above.

נספח 3 - תצהיר בהתאם לס' 2ב. לחוק עיסקאות גופים ציבוריים, התשל"ו – 1976

אני הח"מ _____ מס' ת.ז. _____ מרח' _____,
לאחר שהוזהרתי כי עלי להצהיר את האמת וכי אהיה צפוי לעונשים הקבועים בחוק אם לא אעשה כן, מצהיר בזה בכתב כדלקמן:

1. שמי, מס' תעודת הזהות שלי וכתובתי הם כאמור לעיל.
2. אני מגיש תצהיר בשמי / בשם חברת _____ מס' חברה _____ לצורך התקשרות עם חברת החשמל לישראל בע"מ.
3. לא הוצאו כנגדי / כנגד החברה האמורה או כנגד כל בעל זיקה אלי / אל החברה האמורה פסק/י דין חלוט/ים, המרשיע/ים ביותר משתי עבירות, שנעברו לאחר יום 31 באוקטובר 2002 לפי חוק עובדים זרים (איסור העסקה שלא כדין והבטחת תנאים הוגנים), התשנ"א – 1991 ו/או לפי חוק שכר מינימום, התשמ"ז-1987, עד למועד ההתקשרות עם חברת החשמל.
לחלופין –
אני / החברה האמורה וכל בעל זיקה אלי / אל החברה האמורה הורשענו בפסק/י דין חלוט/ים ביותר משתי עבירות, שנעברו לאחר יום 31 באוקטובר 2002 לפי חוק עובדים זרים (איסור העסקה שלא כדין והבטחת תנאים הוגנים), התשנ"א – 1991 ו/או בעבירה לפי חוק שכר מינימום, התשמ"ז-1987; אולם, ההרשעה האחרונה לא הייתה בשנה האחרונה שלפני מועד ההתקשרות.
4. בתצהיר זה:
"בעל זיקה" - כל אחד מאלה: (1) חבר בני אדם שנשלט על ידי הספק; (2) אם הספק הוא חבר בני אדם, אחד מאלה: (א) בעל השליטה בו; (ב) חבר בני אדם שהרכב בעלי מניותיו או שותפיו, לפי העניין, דומה במהותו להרכב כאמור של הספק, ותחומי פעילותו של חבר בני האדם דומים במהותם לתחומי פעילותו של הספק; (ג) מי שאחראי מטעם הספק על תשלום שכר העבודה; (3) אם הספק הוא חבר בני אדם שנשלט שליטה מהותית - חבר בני אדם אחר, שנשלט שליטה מהותית בידי מי ששולט בספק.
"שליטה" – כמשמעותה בחוק הבנקאות (רישוי), התשמ"א- 1981.
"שליטה מהותית" - החזקה של שלושה רבעים או יותר בסוג מסוים של אמצעי שליטה בחבר בני האדם.
"מועד ההתקשרות"- במכרז-המועד האחרון להגשת הצעות במכרז; בהליך- המועד בו הוגשה ההצעה להליך.
5. זהו שמי, להלן חתימתי ותוכן תצהירי אמת.

_____ _____

תאריך חתימת המצהיר

אימות חתימה

הנני מאשר בזה כי ביום _____ הופיע בפני עו"ד _____ ,במשרדי ב_____, מר/גב' _____, המוכר/ת לי באופן אישי / בעל תעודת זהות _____, ואחרי שהזהרתיו/ה כי עליו/ה להצהיר את האמת וכי יהיה/תהיה צפוי לעונשים הקבועים בחוק אם לא יעשה/תעשה כן, אישר/ה את נכונות התצהיר הנ"ל וחתם/ה עליו.

_____ _____

חותמת חתימה

<u>Attachment 4</u> - Declaration according to the Public Bodies Transactions law - 1976, article 2B1 [applicable only for Israeli residents, [in accordance with the term's definition in the Income Tax Ordinance (New Version)]].

<u>The declaration is in Hebrew since it is relevant only for Israeli residents as stated above.</u>

<u>נספח 4 - תצהיר לפי סעיף 2ב1. לחוק עסקאות גופים ציבוריים, תשל"ו- 1976</u>

אני הח"מ _____ מס' ת.ז. _____ מרח' _____ לאחר שהוזהרתי כי עלי להצהיר את האמת וכי אהיה צפוי לעונשים הקבועים בחוק אם לא אעשה כן, מצהיר בזה בכתב כדלקמן:

1. שמי, מס' תעודת הזהות שלי וכתובתי הם כאמור לעיל.

2. אני מגיש תצהיר זה בשמי / בשם חברת _____ מס' חברה _____ (להלן: "המציע") לצורך התקשרות עם חברת החשמל לישראל בע"מ.

3. נא לסמן V במקום הרלוונטי:

☐ הוראות סעיף 9 לחוק שוויון זכויות לאנשים עם מוגבלות, התשנ"ח-1998 (להלן "חוק שוויון זכויות") לא חלות על המציע;

לחילופין –

☐ הוראות סעיף 9 לחוק שוויון זכויות חלות על המציע והוא מקיים אותן.

4. בנוסף לאמור לעיל, במקרה שבו הוראות סעיף 9 לחוק שוויון זכויות חלות על המציע והוא מקיים אותן- נא לסמן V במקום הרלוונטי:

☐ המציע מעסיק פחות מ- 100 עובדים;

☐ המציע מעסיק 100 עובדים או יותר;

5. במידה והוראות סעיף 9 לחוק שוויון זכויות חלות על המציע והמציע מעסיק 100 עובדים או יותר, המציע מצהיר ומתחייב כדלקמן (נא לסמן V במקום הרלוונטי):

☐ כי יפנה למנהל הכללי של משרד העבודה הרווחה והשירותים החברתיים לשם בחינת יישום חובותיו לפי סעיף 9 לחוק שוויון זכויות, ובמידת הצורך – לשם קבלת הנחיות בקשר ליישומן;

☐ במידה והמציע התחייב בעבר לפנות למנהל הכללי של משרד העבודה הרווחה והשירותים החברתיים לשם בחינת יישום חובותיו לפי סעיף 9 לחוק שוויון זכויות, ובוצעה עימו ההתקשרות שלגביה התחייב כאמור- המציע מצהיר כי פנה כנדרש ממנו אל המנהל הכללי של משרד העבודה הרווחה והשירותים החברתיים; ואם קיבל הנחיות ליישום חובותיו לפי סעיף 9 לחוק שוויון זכויות, המציע מצהיר כי גם פעל ליישומן;

המציע מצהיר ומתחייב כי יעביר העתק מהתצהיר שמסר לפי הנדרש בחוק, למנהל הכללי של משרד העבודה הרווחה והשירותים החברתיים, בתוך 30 ימים ממועד ההתקשרות.

6. זהו שמי, להלן חתימתי ותוכן תצהירי אמת.

_____ _____

תאריך חתימת המצהיר

הנני מאשר בזה כי ביום _____ הופיע בפני עו"ד _____ , במשרדי ב_____, מר/גב' _____, המוכר/ת לי באופן אישי / בעל תעודת זהות _____, ואחרי שהזהרתיו/ה כי עליו/ה להצהיר את האמת וכי יהיה/תהיה צפוי לעונשים הקבועים בחוק אם לא יעשה/תעשה כן, אישר/ה את נכונות התצהיר הנ"ל וחתם/ה עליו.

_____

חתימה וחותמת עורך הדין

Attachment 6

OFFEROR'S DECLARATION

Please note that in accordance with Israeli legal requirements, the Purchaser is not permitted to import, install, use or trade asbestos, or asbestos waste.

Purchaser requires that a party desiring to provide the Purchaser with any type of goods, including gasket and or seal of type or kind, provides the Purchaser with following signed statement:

"I' [_____] (name), am an authorized signatory and serve in the role of. __[_____]_____ at [_____]_____ (name of company making the proposal) hereby declare on behalf of _[_____]_____ (name of company making the proposal) that the goods included in our proposal _[_____]_____ dated __[_____]_____, are manufactured without use of asbestos of any kind and in any amount.

In the event the Purchaser discovers any amount of asbestos in any of the goods delivered by us, all the goods delivered shall be deemed to contain asbestos and thus are disqualified, entitling the Purchaser to immediately cancel any and all orders from _[_____]_____ for the disqualified.

Furthermore, we hereby agree to bear the cost and responsibility for the removal disqualified goods from the Purchaser's facilities and sites including payment for any damage caused to the Purchaser, and to refund the Purchaser all its costs in connection with purchase and delivery of such disqualified goods. We further agree that __[_____]_____ shall have no legal recourse towards the Purchaser in connection with disqualified goods.

I hereby declare that this is my name, this is my signature, and the content of my affidavit is true.

_____ _____

Date Declarant's signature

Attorney's confirmation

I, the undersigned [_____]_____, license number [_____]_, hereby confirm that on [_____]_, at my office located at [_____], Mr./Ms. [_____] after I warned him/her that he/she must speak the truth and is subject to penalties set by law if he/she does not, he/she confirmed to me the correctness of the above declaration and signed it in my presence.

_____ _____ _____

Date Signature Stamp

Attachment 8

Declaration for the Shipment of Goods Subject to an Official Standard Requirement

As part of Order/Draw order number _____, we hereby declare that the goods subject of the shipment, as detailed below, are identical to the goods inspected in test certificate number: _____ which was submitted during/after winning tender/procurement procedure number: _____.

Order /Draw order number: _____

Shipping invoice number: _____

Invoice number: _____

Bill of Lading number (optional) _____

Supplier's name: _____

Name of Supplier's signatory and position: _____

Signature and stamp: _____

Date: _____

THE ISRAEL ELECTRIC CORPORATION LTD. - ANNEXURE "A"
GENERAL CONDITIONS FOR PURCHASES OF STANDARD GOODS
(SHORT VERSION) 08.03.2026

1. DEFINITIONS:

a) "Contract/Order" - shall mean the order/contract issued or a framework contract comprising of draw orders including any change orders and/or price adjustments and/or options exercised and/or any flexibility increase, unless explicitly stated otherwise , including this annexure and any other attachments thereto, by which the Purchaser purchases the Goods from the Supplier, as specified in Annexure B.

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 from the Supplier.

c) "Goods " - shall mean all or part of the goods/products/equipment described in the Order/Contract.

d) "Purchaser" - shall mean the Israel Electric Corporation Ltd.

e) "Supplier" shall mean the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.

f) "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.

g) Unless otherwise stated in the Order/ contract, all Supplies shall be delivered in accordance with Incoterms 2020 FCA to the place stated in the Order.

2. QUALITY INSPECTION, DELIVERY AND LIQUIDATED DAMAGES:

a) The Goods 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 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 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 shall pass to Purchaser upon delivery of possession, or control over the Goods, 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 $ 20,000 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 working 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, half a percent (0.5%) of the Contract/Order value or in the event of a framework contract, half a percent (0.5%) 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 five (5%) of the total Contract/Order value.

e) 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 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, 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 in respect of which the prototype or Type Test reports have been requested as follows:
Liquidated damages shall be paid at the rate of half a percent (0.5%) of the Contract/Order value or in the event of a framework contract, half a percent (0.5%) of the applicable draw order issued under the framework contract, per full week of delay - up to a maximum of 5% of the Contract/Order value.
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 prototype or Type Test reports 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.

f) Liquidated damages shall not be the Purchaser's only remedy in the event of delays in excess of ten (10) weeks.

g) RESERVED

h) The Supplier shall deliver the Goods to IEC at its own expense and responsibility to the place of delivery specified in the terms of the contract, during the hours and according to IEC's accepted work procedures and after the delivery date has been approved by IEC.
The Goods shall be accompanied by three (3) copies of delivery certificates bearing IEC's order and catalogue numbers to which the Goods refer to.
Delivery will become effective only upon the actual delivery of the Goods to IEC and receipt.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

i) IEC's signature on the Supplier's delivery certificates as confirmation of receipt, shall not constitute notice from IEC and or anyone on its behalf regarding the accuracy of the amount, the quality of the Goods to IEC and/or compliance with the terms of the Contract.

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 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 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 the Supplier will give the Purchaser and Purchaser's forwarder a notice, sufficiently in advance, of Goods 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 and 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 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. One set of shipping documents (invoice, packing list and Bill of Loading) is to be delivered to the Purchaser's freight forwarder. A copy is to be sent to the purchaser.
ii. Purchaser's Order number (the invoice shall relate only to one of Purchaser's Orders and display such number next to the invoice number),
iii. Detailed description of the Goods (as fully itemized as possible);
iv. Quantity of each item in the metric system, weights and measurements;
v. 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;
vi. Consecutive shipment/consignment number;
vii. Package number, gross and net weights and measurement of each package, and the volume of each container;
viii. Inland freight, packing and other additional charges if not included in the price;
ix. All applicable discounts, cash and/or trade and payments made on account. The final figure must be the NET amount;
x. An indication whether the prices shown are EXW, FCA, FAS, FOB, DAP, DAT, DDP, or otherwise, as applicable.
xi. Delivery Terms as per Incoterms 2020.
xii. The country of origin of the Goods;
xiii. 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 and all charges thereon. We further declare that the Goods are of ..... origin.
xiv. A printout of the name and title of the signatory.
xv. 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) If the Goods 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.

The following must be submitted unless specifically stated otherwise by IEC (relevant for all delivery terms):

i. For U.S.A. manufacture: starting January 2018, FTA Certificate is not required. Instead, Supplier's Export Declaration stating origin of Goods on the original invoice is to be submitted as follows:
"I, the undersigned, hereby declare that unless otherwise indicated, the goods covered by this document fully comply with the rules of origin and the other provisions of the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America." It should be stated whether supplier is The Exporter or The manufacturer.
The declaration must include tax identification, name, title, e-mail and signature; or
ii. Original EUR1 Certificate for E.E.C. manufacture; or

iii. Supplier's Export Declaration (for European suppliers only) stating origin of Goods on the original invoice up to EUR 6,000; For invoices exceeding EUR 6,000: The declaration may only be used by Suppliers having a customs authorization number.

Declaration wording: "The exporter of the products covered by this document (customs authorization no. ...) declares that, except where otherwise indicated, these products are of .... preferential origin."
The declaration must include name, title, signature, place and date; or

iv. In the event that goods are being dispatched from a country other than the place of manufacture, a Non-Manipulation Certificate, signed by local Custom Authorities and Chamber of Commerce, must accompany the relevant original Certificate of Origin.
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 from the one specified by the Supplier in its original offer, or in the certificate/declaration of origin, or elsewhere, as applicable, or if the Supplier fails to deliver a certificate/declaration of origin, when appropriate, or required and consequently, the Purchaser is required to pay customs in excess of the customs, that the Purchaser would otherwise have 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.

3A Compliance with Israeli Ministry of Energy Regulations
(Applicable only to non-synchronized three-phase electric motors as defined in the specification)

"The Supplier acknowledges that it has been duly informed of the 'Compliance with Israeli Ministry of Energy Regulations' article (the "**Article**"). The Supplier hereby undertakes to strictly adhere to the terms of said Article, as published on the IEC website at:
https://www.iec.co.il/en/content/suppliers/filespages/general-terms-conditions-and-annexures. Version 08.03.2026.

4. WARRANTY:

a) Supplier warrants that the Goods, supplied to the Purchaser shall be of good quality, shall be unused in all cases;

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 which proves in any way defective as to design, material, or workmanship or otherwise. For the avoidance of doubt, the parties shall try and reach an amicable agreement and if they fail, the Purchaser shall have the sole discretion to decide whether the Goods 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 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 at Supplier's cost.

c) Supplier's warranty shall extend for a period of 12 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 Sub-articles (c) above, the warranty period for any part of the Goods supplied under the Order/Contract shall be extended by a period equal to the period for which said part of the Goods have been out of operation due to any substantiated warranty claim and in any event shall not exceed 12 months.

5. LIMITATION OF LIABILITY:

The Supplier shall be held fully and solely liable for any damage or loss of any kind caused to it, to anyone on its behalf or to the Purchaser, due to any act or omission, in connection with or resulting from the Goods delivered and/or the Services performed.

For this purpose, it does not matter whether the damage or loss was caused by the Supplier and/or anyone on its behalf.

It should be noted that either party's limitation of liability towards the other, shall not exceed the value of the Contract/Order and such liability will not include indirect or consequential damage or loss.

6. PAYMENT:

6.1. **Digital platform**

6.1.1 The Purchaser shall upload the orders, services sheets and/or confirmation of receipt of goods, to the digital platform.

6.1.2 The Supplier will submit the commercial/ tax invoice through a digital platform (herein after referred to as the " Invoice"), as defined by the Purchaser.
All costs, if any, in connection with submitting the Invoice, shall be borne by the Supplier awarded the tender/procurement procedure and shall be paid directly to the platform provider.

6.2. **Terms of payment**

Unless otherwise agreed by the parties, payment shall be made 45 calendar days from receipt of invoice and compliance with all the terms of the Order/Contract.

6.3. **Invoice submission**

6.3.1 An Invoice shall be submitted for each order separately, upon receiving the Goods or completion of the Services
6.3.2 The Supplier shall submit a separate Invoice for each type of service (services abroad, services in Israel, software, legal services, professional literature, equipment repair, rent equipment) and a different one for Goods.
6.3.3 In the case of an Invoice for Services, the Invoice submission shall be linked to the service sheets.
6.3.4 The Supplier shall not split the Invoices for the Services or Goods delivered.
6.3.5 If the terms of the contract/ order include linkage differentials, the Invoice amount shall include such linkage differentials. The submission of the Invoice shall be in the total amount (base amount + linkage differentials) for each item.

6.4. **Bank account verification**

Contract/ purchase Order with an overall monetary value of NIS 20,000 or more,or the equivalent of the foreign currency in NIS - shall be subject to a verification process ,by a company appointed by the Purchaser, for any change in bank account details. The verification process requires a one-time payment of 10.00 USD, exclusive of bank commissions. A Supplier, whose new bank account has been verified, for Purchaser or any other client of the Supplier, through above procedure, is exempt from the verification process.

6.5. **Terms of payment for down payment, where applicable**

Unless otherwise agreed, the down payment shall be paid 45 days after signature of the Contract/Order, subject to receiving a down payment guarantee and Supplier's request for payment.

Each Invoice shall be submitted for the contract/order value of the Goods and/or Services actually delivered, and Payment of each Invoice shall then be made after deduction of down payments.
Terms of payment for retention, where applicable
In the event that retentions apply under the Contract/ Order, The retention payments shall be affected against Supplier's request for payment 45 days after receipt of the Provisional Acceptance Certificate, unless otherwise agreed upon by the parties.
For each Invoice submitted, the retention component will be deducted from the payment.

6.6. **Payment**

Payments shall be affected against Supplier's Invoices, after deducting down payments, retentions and all other charges such as but not limited to: liquidated damages, agreed charges between the parties, charges for missing items, charges for negative linkage differentials.

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

8. GUARANTEES:

It is hereby clarified that the guarantee/s requested during the Contract/Order period, as set out below, can be issued either as an irrevocable Standby Letter of Credit (hereinafter: "**SBLC**") or as a bank guarantee issued by an Israeli bank. SBLC shall be provided to the advising bank in Israel as an authenticated SWIFT. Bank guarantee shall be provided to the Purchaser by way of digital media, in which case the electronic signature on the guarantee/s shall be authenticated in accordance with the Electronic Signature Law , 5761-2001. Supplier asking to provide a bank guarantee to Purchaser in a printed format duly signed instead, shall submit its justified request in advance, which shall be subject to Purchaser's approval.

The guarantee/s requested during the period of the Contract/Order stated below, shall be issued for the specific Order/Contract. IEC will not accept a guarantee issued for more than one Contract/Order.
The name appearing on the guarantee shall be identical to that appearing on the Contract/Order **only.**

8.1 PERFORMANCE GUARANTEE

8.1.1 Where the value of the Order/Contract is in excess of NIS2,000,000 (in this case Order/Contract excluding options and/or flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (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 submission of the price proposals to the Tender/RFP) 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, within 30 (thirty) days from the issuance of an Order, provide the Purchaser with a guarantee for the due performance of the Contract/Order, (in the form of SBLC/bank guarantee, attached to the Tender/RFP documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% of the Contract/Order value (in this case Order/Contract excluding options and/or flexibilities and/or VAT).

8.1.2 Where Purchaser has decided to exercise an option and its value exceeds NIS2,000,0000 (excluding options, flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (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 the Tender Committee's decision to exercise the option), the Supplier hereby undertakes to provide to the Purchaser, at Supplier's expense, immediately upon receipt of notice of Purchaser's exercise of the option, a performance guarantee for the due performance of the option, (in the form of SBLC/bank guarantee, attached to the Tender/RFP Documents), to be given by the entities stated in Annexure Y , in an amount equal to 5% of the option price (excluding options and/or flexibilities and/or VAT)**.**

8.1.3 In a framework Contract/Order, the performance guarantee delivered by the Supplier, to the Purchaser, shall be in an amount equal to 5% of the annual value of the Order/Contract (in this case Order/Contract excluding options and/or flexibilities and/or VAT).

8.1.4 The guarantee shall remain in effect until sixty (60) days after the warranty period or in the event there is no warranty period, the guarantee shall remain valid up to 60 days after the last date of delivery

8.1.5 Failure to provide the guarantee as specified in Articles 8.1.1, 8.1.2 and 8.1.3 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.

8.1.6 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.

8.1.7 In the event of an addition in an amount exceeding NIS2,000,000 to the Contract/Order, a performance guarantee shall be required as set forth above, regardless whether the original Order/Contract included a performance guarantee or not.

8.2 DOWN PAYMENT GUARANTEE

i. 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 guarantee as follows:
   - SBLC issued, or established by the Supplier at a first class bank, and advised through an Israeli bank, both banks to be approved by the Purchaser or bank guarantee issued by an Israeli bank;
   - issued or established against the receipt of down payment, in an amount, which is not less than that being drawn;
   - 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).

ii. 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.

iii. 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:

The prices shall be firm unless stated otherwise in the Contract/Order.

10. TAXES:

(a) For the purpose of this article only, the following terms shall have the meaning ascribed to them below:

i. Foreign Supplier for tax purposes shall have the meaning ascribed to the term "foreign resident" under the Israeli Income Tax Ordinance 1961.

ii. Israeli Supplier for tax purposes shall have the meaning ascribed to the term "Israeli resident" it under the Israeli Income Tax Ordinance 1961.

(b) Taxes and Duties.

1. In the case of an Israeli and a Foreign Supplier for tax purposes, the taxes will be dealt with in accordance with Israeli laws.

2. Foreign and Israeli supplier for tax purposes shall be responsible for all taxes imposed or other compulsory payments of Non-Israeli origin imposed as a result of or in connection with the Order/Contract.

3. If required, taxes of any nature whatsoever would be levied by any taxing authority in Israel. According to the Israeli domestic tax law or to the relevant Double Taxation Treaty, taxes will be withheld by Purchaser at source, unless the Foreign and Israeli Supplier for tax purposes, will present a written approval issued by the competent Israeli authority confirming that the Foreign Supplier for tax purposes, is exempt from such withholding tax in whole or in part.

4. Foreign and Israeli Supplier for tax purposes shall bear all costs and expenses incurred in obtaining any required certificates of exemption, and the Foreign Supplier for tax purposes shall have no claim against Purchaser for reimbursement of such costs and expenses.

Purchaser shall have no obligation to reimburse or indemnify the Foreign Supplier for tax purposes, or any person on its behalf, for any taxes imposed by tax authorities pursuant to any law or with respect to any deductions made by Purchaser to Foreign Supplier for tax purposes

11. 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, 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 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 60 days in the aggregate, the Contract/Order may be cancelled in writing by either party.

12. INDEMNITY:

The Supplier shall be liable for any damage or loss of any kind caused to a third party due to any act or omission in connection with or resulting from the Goods delivered and/or the Services performed all in accordance with the law, except in instances of death, bodily injury, intellectual property infringement, fraud, and malice in which case the Supplier shall be fully and solely liable.

For this purpose it does not matter whether the damage or loss is caused by the Supplier and or anyone on its behalf.
The Purchaser shall inform the Supplier, in advance, of any suit or proceeding and enable the Supplier to defend itself against

such suit or proceeding and any compromise reached shall require the prior written consent of the Supplier.

13. 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.

Any other intellectual property right that was generated as part of the Order/Contract , including with respect to the knowledge, is and shall remain the property of the Purchaser.

14. 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.

15. EFFECT OF UNSIGNED ORDER/CONTRACT:

Full or partial shipment/delivery of the Goods by the Supplier shall constitute a consent to any and all terms of the Order/Contract, whether or not actually signed by the Supplier.

16. ASSIGNMENT:

16.1. Neither party may assign and/or transfer and/or pledge in full or in part the Order/Contract, or any obligation/right/benefit included in them, without the prior written consent of the other, which shall not be unreasonably withheld.

Assignment and/or transfer and/or pledge that were not approved as stated, or occurred without fulfillment all of the conditions set forth by the other party to the Order/Contract for providing such consent, shall be null and void.

16.2. Notwithstanding 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/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 of any such assignment and/or transfer and/or pledge in writing in advance.

In addition, the Purchaser shall be entitled to pledge the Contract and/or Order from time to time as part of the floating charge over its assets in favour of financing entities.

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

17. 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" (where applicable) and return it to IEC within 5 (five) calendar days from receipt of notice of award.

Upon failure to submit the Insurance Annexure required, on the date set forth above, IEC shall be entitled to resort to all remedies available to it under the Order/Contract or by law, including the right to cancel the award, at IEC's sole discretion.

18. PREFERENCE FOR ISRAELI MANUFACTURED GOODS:

a) 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 or goods manufactured in the Gaza Strip 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".

b) 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 Annexure "P" shall prevail.

19. GOVERNING LAW AND SETTLEMENT OF DISPUTES:

19.1 This Order shall be governed by and construed solely under the laws of the State of Israel Notwithstanding the above, the Law of Sale (International Sale of Goods), 5760-1999 shall not apply.

19.2 The Supplier shall conform in all respects with the laws, rules and regulations of the State of Israel and any authorities having jurisdiction over the Goods/Products/Equipment and shall keep the Purchaser indemnified against all penalties and liabilities imposed upon the Purchaser by any public authority for any kind of breach attributable to Supplier of aforesaid laws, rules or regulations.

19.3 Both Parties shall attempt to resolve their disputes pertaining to the Order amicably between themselves.

19.4 Without derogating from other rights and remedies available to the parties under the Order, in the event the nominated senior representatives of the parties are unable to resolve their disputes amicably within thirty (30) days after receipt by one party of the other party's written request for such amicable settlement, either party may approach a competent Israeli court located in Tel Aviv to have the dispute settled, and such court shall have exclusive jurisdiction.

20. IMPROPRIETY:

The Supplier hereby acknowledges that it has been informed of and agrees to abide by the IEC's Impropriety clause as that clause is set forth on IEC's website at the following link: Terms, Conditions and Annexures - Israel Electric (iec.co.il) version 14.7.2022

21. COMPLIANCE WITH ISRAELI STANDARDS (OR ANY OTHER REQUIREMENT BY LAW) AND REQUIREMENTS OF ISRAELI GOVERNMENTAL AUTHORITIES.

21.1. Supplier undertakes that the Goods supplied by it within the duration of the Contract/Order, will comply with all legal requirements concerning the official Israeli standard (if applicable to the relevant goods subject of the contract).

21.2. 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 or any other requirement by law and the requirements of the appropriate Israeli Governmental Authorities (if any) and that the Equipment is approved by such bodies.

21.3. 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 from customs, the Supplier shall hold Purchaser harmless from the payment of such fines or penalties.

21.4. In procurement procedures, whereby an official Israeli standard applies to the Goods, the additional conditions for Procurement Procedures in which the Goods are Subject to an Official Israeli Standard set forth on IEC's website at the following link shall apply: **Terms, Conditions and Annexures - Israel Electric (iec.co.il)**

22. CONFIDENTIALITY:

a) The Supplier and any person acting on its behalf, shall treat any information whatsoever relating to the Contract/Order as private and confidential, except to the extent necessary to carry out its obligations under the Contract/Order or under any applicable law or judicial order. The Supplier shall not publish, permit to be published, or disclose any information whatsoever relating to the Contract/Order without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld.

b) Without derogating from the generality of the above, the Supplier hereby acknowledges that the confidential information set forth in article a above, may be considered either in whole or in part to be Insider Information, as such term is defined under the Securities Law –- 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.

23. TERMINATION:

23.1 The Purchaser shall have the right, at its sole discretion, to terminate the Contract/Order in whole or in part, for any reason, 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.

Where IEC so decides to terminate the Contract/Order, it shall not be required to pay compensation, except as stated herein below, and shall only be required to pay for the Goods actually delivered to it by the date of termination stated in the written notice.

However, in the case of custom made parts, IEC will pay compensation for the Supplier's direct, proven expenses up to the date of termination. In any event, the compensation shall not exceed the price of the custom made parts in the Order/Contract. In such case, IEC will also be entitled to receive anything manufactured or purchased in connection with the Order/Contract by the date of termination.

23.2 Nothing in this article shall derogate from the Purchaser's right to terminate the Order/Contract , in the event of breach by the Supplier, after providing the Supplier a prior written notice of 7 days (seven days), during which the breach was not remedied, which entitles the Purchaser the right to cancel such Order/Contract and to invoke any other remedy available to it under the Order/Contract and or the law including but not limited to: non participation of the Supplier in future tenders, claiming

compensation for damages incurred, deducting and or retaining sums and/or, exercising a performance guarantee **(**which shall not be considered as invoking liquidated damages**)**.

23.3 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:

23.3.1 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.

23.3.2 Where a lien has been imposed on the Goods of the Supplier in whole or in part, or where action is taken regarding the said Goods which may prevent or is preventing the Supplier from providing the Goods fully or partially.

24. **WORK SAFETY ON PURCHASER SITE:**

The Supplier hereby undertakes and declares that it is aware that a preliminary condition for the entry of a Supplier and/or any of its employees for the performance of any service at Purchaser's site/s, if such service is required during the course of the Contract/Order, is that the Supplier and/or any of its employees will complete a safety briefing and/or receive a written summary of safety information, as the case may be. The Supplier undertakes to approach IEC's representative in order to coordinate the time of the safety briefing and/or receipt of a written summary of safety information, and to act and to cause its employees to act in accordance with IEC's safety instructions that will be provided to it as stated.

25. ORDER OF DOCUMENTS:

In the event there are any conflicting provisions or requirements in the Order/Contract documents, the documents shall prevail in the following descending order:

(i) Order/Contract

(ii) RFP document/Invitation (including, as applicable, Special Conditions)/Ann. "D"/Ann. "Z" or "Z1"

(iii) Annexure “A”

(iv) Annexure "B" (Technical Specification)

(v) All other docs

26. **RETURN OF FAULTY GOODS:**

Without derogating from IEC's rights, provided to it by law and the provisions of this Tender/RFP (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.

27. USE OF ARTIFICIAL INTELLIGENCE-BASED TOOLS:

27.1. “Artificial Intelligence System” means software or a computerized mechanism that is capable, based on a series of variables predefined by a human, of generating predictions, recommendations, or decisions that may influence tangible or virtual environments.

27.2. The Supplier agrees and undertakes that any information received from the Purchaser or related to Goods and/or services and/or works provided by it to the Purchaser provided by them to the Purchaser, shall not be uploaded to, shared with ,or otherwise used via an artificial intelligence system, unless explicit, prior, and written consent has been granted by the Purchaser.

27.3. Such consent shall apply solely to specific information and for a specific purpose, and shall not be broad or general. In any case, the Purchaser may revoke its consent at any time and/or condition it upon requirements as needed.

27.4. If the Purchaser grants consent to use information in an artificial intelligence system as stated, the Supplier will be required to adhere to appropriate information security and confidentiality protocols, in accordance with the terms of engagement and the appendices “Supply Chain Security” and “Information and Cyber Security,” if attached to the procedure documents.

27.5. The Supplier shall ensure that all its employees and/or representatives comply with these provisions.
Without derogating from the foregoing, it is hereby clarified that any outputs generated by an artificial intelligence system as a result of the use of the information referred to in sub article 27.2 above shall constitute the exclusive property of the

Purchaser. The Purchaser shall be entitled to use such outputs at its sole discretion for any purpose whatsoever, without any limitation and without any obligation to pay any consideration.

27.6. Regarding limitation of liability and indemnification for damage or loss resulting from the use of an artificial intelligence system, the provisions of the limitation of liability and Indemnity articles shall apply.

End**.**

ANNEXURE "D" - SPECIAL CONDITIONS
IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE SPECIAL CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS (EXCLUDING ANNEXURES Z, WHICH SHALL PREVAIL) THESE SPECIAL CONDITIONS SHALL PREVAIL

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 IEC and the successful bidder, with respect to the matters stipulated in the annexure, including Contract Value, contract period and extensions thereof, schedule of delivery, quantities to be purchased and IEC's options to purchase additional quantities.

2. **PRICES (Relevant for 2nd stage)**

   Your price bid must be inserted in the "Summary of Prices" forms (Annexure "C"), attached hereto. 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 IEC and subject to all conditions of approval, if any.

3. **TERMS OF TRADE**

   A. Israeli bidders must submit their prices, excluding VAT in one of the following Terms of Trade:

      - Directly to IEC's stores/site, as specified by IEC (preferably).

      For the avoidance of doubt, Article 3A above, shall apply to Israeli bidders who supply Goods, which are manufactured outside Israel as well as within Israel.

   B. Non–Israeli bidders may submit their prices as per definition by Incoterms 2020, issued by the ICC, excluding VAT in one of the following Terms of Trade:

      - DDP - (Delivered, Duty Paid) directly to IECs stores, (See also para. 5 below, for more details regarding supply in Israel).

      - DAP - (Delivered At Place) to Israeli port, (See also para. 5 below, for more details regarding supply in Israel).

      - DAT (As defined by Incoterms 2010) - (Delivered At Terminal) to Israeli port, (See also para. 5 below, for more details regarding supply in Israel).

      - FOB - (Free On Board) to _____ (Non-Israeli port of delivery).

      - FCA - (Free Carrier) to IEC's forwarder _____ (nearest port of delivery).
      In this case, the Goods shall be unloaded by the

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

Supplier in coordination with the Purchaser's freight forwarder at the designated place of delivery at Supplier's risk and cost.

- FAS - (Free Alongside Ship) to _____ (port of delivery, abroad).

- FCA SUPPLIER'S PREMISES (previously EXworks LOADED) at manufacturer's plant(s) or named place(s) _____, abroad.

Note: Full valid details regarding the above-mentioned Terms of Trade can be viewed in "Annexure R", in IEC's website, via the hyperlink: Terms, Conditions and Annexures - Israel Electric (iec.co.il)

C. Certificates of origin / Movement Certificates / Invoice Declarations (to be filled in by bidder _____:

(May be EUR.1/EUR-MED/FTA/Non Manipulation Certificate or such other exporter's declaration (invoice declaration) or other necessary certificate of origin dependent on the preferential agreement concluded between Israel and manufacturer's country).

Please fill in above and forward all required "shipping data" (in Excel supplement) for evaluation of import and transport costs.

Please Note: Any deviation from the above requirement for prices to be quoted in one of the "Terms of Trade" as stated above, may result in the disqualification of your proposal.

4. CURRENCY FOR PAYMENT AND PRICE ADJUSTMENT (LINKAGE)

4.1 **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.

4.2 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).

4.3 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), whichever occurs first.

4.4 For the "base date" and the "determinative date", the last known index/value's on this said date, shall be valid, for all factors of the price adjustment formula.

4.5 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.

4.6 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.

4.7 Should a change in the value added tax occur (hereinafter: "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.

5. RESERVED

6. SPECIFIC INSTRUCTIONS AND TERMS FOR HANDLING OF GOODS SUPPLIED TO ISRAELI PORT BY NON-ISRAELI CONTRACTORS

The following terms shall apply to Contractor's in order to fulfill and facilitate the requirement(s), that the Goods be supplied DDP, DAP or DAT – the latter as defined by Incoterms 2010, in as far as Non-Israeli Contractor's are concerned:

A. As Contractor is responsible for the freight, transshipment is not permitted, unless Purchaser's prior written approval has been given.

B. The bill of lading/airway bill shall be made out to the order of the Purchaser as consignee through/ care of /notify* (Israeli company, agent or persons designated by the Contractor for purposes of release from customs)

C. The import entry (import declaration) shall be in the name of the Purchaser through/ care of /notify* (Israeli company, agent or persons designated by the Purchaser for purposes of release from customs).
* To be determined by the Purchaser's customs clearance broker, if the customs clearance is to be made by or under the responsibility of Purchaser.

D. In the case of DAP, the Contractor undertakes to utilize the services of the Purchaser's designated customs clearance broker for purposes of release of the equipment from customs. For DDP/DAT (the latter as defined by Incoterms 2010) the Contractor may employ the services of any customs clearance broker, of its choice.

E. Upon arrival of the Goods at the port of destination, the Contractor shall contact IECs representatives, if necessary to coordinate the release of the Goods from customs/port.

F. VAT shall be paid by IEC.

G. On arrival at the Israeli port, after customs release, the Goods shall be loaded by the Contractor's (or appointed customs clearance broker / forwarding agent) at Contractor's risk and cost onto open trucks for transportation to IEC stores.

7. "KNOW-HOW" AGREEMENTS - where applicable

A. The award of an order to a bidder is conditioned upon the validity and fulfillment of the terms of such bidder's "know-how" agreement, as presented by bidders in the course of stages 1 and 2 of this tender.

B. 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 IEC's contract with the bidder.

8. PACKING, HANDLING, STORAGE

Packing of Goods must be according to standard manufacturer's instructions, taking the necessary precautions for transportation (by sea, if relevant).
See the requirements stated in the specifications attached herewith.

9. RESERVED

10. DOCUMENTS FOR PROPOSALS

The following documents must be submitted with the proposal:

- Annexure "C1" (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 the Specifications.
- Offerors consent to terms & conditions ("Ann. W") including Bidder/offeror's data sheet duly filled in and signed.
- All documents detailed in cl. 7 of the "Invitation to Submit Proposals" document.

ANNEXURE "E1"

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

PERFORMANCE OF CONTRACT

Dear Sirs,

Re: Standby Letter of Credit No. _____

Please advise the Israel Electric Corporation Ltd., Finance Division, Treasury Dept., 1 Nativ Haor St., Haifa, 3508510 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 Performance Standby Letter of Credit (hereinafter: "**SBLC**") No. _____ up to the aggregate amount of (Currency) _____ under Contract/Order No. _____ entered into between IEC and Contractor (hereinafter: "**the Contract**").

1. This SBLC is payable to IEC's account at _____(hereinafter: "**Advising Bank**") against SWIFT advice from the Advising Bank to the Issuing Bank certifying that the Advising Bank has received a written demand for payment in English (hereinafter: "**the Demand**") purportedly signed by an authorized officer of IEC.

2. This SBLC shall remain valid until _____ (hereinafter: **''the Expiry Date''**). Any Demand must reach us on or before the Expiry Date.

3. We, _____, Issuing Bank, hereby undertake irrevocably that payment will be made within 7 banking days after receipt by us of Advising Bank's SWIFT advice notifying us of IEC's presentation to it of the Demand stipulated in paragraph 1 above.

4. With the exception of amounts and dates, typing errors shall not be regarded as being discrepancies.

5. Except insofar as otherwise expressly stated herein, this SBLC 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 SBLC shall be subject to Israeli Law.

Yours truly,

ANNEXURE "E3"

FORM OF IRREVOCABLE BANK GUARANTEE

PERFORMANCE OF CONTRACT

TO: ISRAEL ELECTRIC CORPORATION LTD.
FINANCE DIVISION, TREASURY DEPT.
1 NATIV HAOR ST.
HAIFA 3508510
ISRAEL
(HEREINAFTER: "**IEC**")

DEAR SIRS,

RE: BANK GUARANTEE NO: . . . . . .
FOR . . . . . .

AT THE REQUEST OF AND FOR THE ACCOUNT OF . . . . . (HEREINAFTER: "**THE CONTRACTOR**"), WE, ... [INSERT BANK NAME & DEPT.], HAVING OUR ADDRESS AT . . . . . [INSERT DETAILED ADDRESS, INCLUDING ZIP CODE], ISRAEL (HEREINAFTER: "**THE ISSUING BANK**") HEREBY ESTABLISH IN FAVOUR OF IEC, OUR IRREVOCABLE PERFORMANCE BANK GUARANTEE NO. . . . . UP TO THE AGGREGATE AMOUNT OF . . . . . [CURRENCY, IN DIGITS & WORDS BOTH] IN CONNECTION WITH CONTRACT/ORDER NO. . . . . ENTERED INTO BETWEEN IEC AND CONTRACTOR (HEREINAFTER: "**THE CONTRACT**").

1. (THIS BANK GUARANTEE IS PAYABLE TO IEC'S ACCOUNT HELD WITH US AGAINST THE RECEIPT BY US OF IEC'S FIRST ORIGINAL WRITTEN DEMAND FOR PAYMENT IN ENGLISH (HEREINAFTER: "**THE DEMAND**") PURPORTEDLY SIGNED BY AN AUTHORIZED OFFICER OF IEC.

2. THIS BANK GUARANTEE SHALL REMAIN VALID UNTIL _____ (HEREINAFTER: "**THE EXPIRY DATE**"). ANY DEMAND MUST REACH US ON OR BEFORE THE EXPIRY DATE.

3. WE, THE ISSUING BANK, HEREBY UNDERTAKE IRREVOCABLY THAT PAYMENT WILL BE MADE WITHIN SEVEN (7) BANKING DAYS AFTER RECEIPT BY US OF YOUR DEMAND.

4. WITH THE EXCEPTION OF AMOUNTS AND DATES, TYPING ERRORS SHALL NOT BE REGARDED AS BEING DISCREPANCIES.

5. THIS GUARANTEE IS NEITHER TRANSFERABLE NOR ASSIGNABLE IN ANY WAY WHATSOEVER.

FORM OF IRREVOCABLE BANK GUARANTEE

PERFORMANCE OF CONTRACT

6. EXCEPT INSOFAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS BANK GUARANTEE IS SUBJECT TO THE UNIFORM RULES FOR DEMAND GUARANTEES OF INTERNATIONAL CHAMBER OF COMMERCE (URDG), I.C.C. PUBLICATION NO. 758), 2010 REVISION. IN THE ABSENCE OF ANY PROVISIONS OF URDG 758, THIS BANK GUARANTEE SHALL BE SUBJECT TO ISRAELI LAW.

ANNEXURE "F2"

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DOWN/ADVANCE PAYMENT

FOR A FOREIGN CURRENCY OR ILS LINKED TO FOREIGN CURRENCY DENOMINATED CONTRACT

Dear Sirs,

Please advise the Israel Electric Corporation Ltd., Finance Division, Treasury Dept. 1 Nativ Haor street, Haifa, 3508510, Israel (hereinafter: "**IEC**") that at the request of and for the account of _____ (hereinafter: **the "Contractor"**), we, _____ _____ (hereinafter: "**Issuing Bank**") hereby establish in favor of IEC, our irrevocable Standby Letter of Credit (hereinafter: "**SBLC**") No. _____ in the amount of [Currency] _____ (hereinafter: "**SBLC Amount**") representing a Down/an Advance Payment paid by IEC to the Contractor under the terms of Contract/Order No. _____ entered into between IEC and the Contractor.

1. This SBLC is payable to IEC at the counters of_____(hereinafter: "**Advising Bank**") against SWIFT advice from the Advising Bank to the Issuing Bank certifying that the Advising Bank has received a written demand for payment in English (hereinafter: **"the Demand"**) purportedly signed by an authorized officer of IEC.

2. The SBLC Amount shall be increased by interest at the rate of 6% per annum, including by the relative amount for a respective period (i.e., a SBLC for a period of 6 months shall be increased by 3%).

3. This SBLC shall remain valid until 60 days after delivery of the last item of equipment covering the current value of the Down/Advance Payment, i.e., until _____ [insert scheduled date + 60 days].

4. We, _____, Issuing Bank, hereby undertake irrevocably that payment will be duly made within 7 banking days after receipt by us of Advising Bank's SWIFT advice notifying us of IEC's presentation to it of the Demand and in strict conformity with the terms of this SBLC.

5. With the exception of amounts and dates, typing errors shall not be regarded as being discrepancies.

6. Except insofar as otherwise expressly stated herein, this SBLC 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 SBLC shall be subject to Israeli Law.

Yours truly,

ANNEXURE "F4"

FORM OF IRREVOCABLE BANK GUARANTEE

DOWN/ADVANCE PAYMENT

FOR A FOREIGN CURRENCY DENOMINATED CONTRACT

TO: ISRAEL ELECTRIC CORPORATION LTD.
FINANCE DIVISION, TREASURY DEPT.
1 NATIV HAOR ST.
HAIFA 3508510
ISRAEL
(HEREINAFTER: **THE "BENEFICIARY/"IEC"**)

RE: OUR GUARANTEE NO. . . . . .
FOR THE AMOUNT OF . . . . .

DEAR SIRS,

AT THE REQUEST OF AND FOR THE ACCOUNT OF _____ (HEREINAFTER: **THE "CONTRACTOR"**), WE, _____ BANK LTD., [THE RELEVANT INTERNATIONAL GUARANTEES DEPARTMENT'S NAME], HAVING OUR ADDRESS AT _____, ISRAEL (HEREINAFTER: **"ISSUING BANK"**) HEREBY ESTABLISH IN FAVOR OF IEC, OUR IRREVOCABLE BANK GUARANTEE NO. _____ IN THE AMOUNT OF _____ [CURRENCY, IN DIGITS & WORDS BOTH] (HEREINAFTER: "**GUARANTEE AMOUNT**") WHICH WE ARE INFORMED IS REPRESENTING A DOWN/AN ADVANCE PAYMENT PAID BY IEC TO THE CONTRACTOR UNDER THE TERMS OF CONTRACT/ORDER NO. _____ ENTERED INTO BETWEEN IEC AND THE CONTRACTOR.

1. THIS BANK GUARANTEE IS PAYABLE TO IEC'S ACCOUNT AGAINST THE RECEIPT BY US OF IEC'S FIRST WRITTEN DEMAND FOR PAYMENT IN ENGLISH (HEREINAFTER: "**THE DEMAND**") PURPORTEDLY SIGNED BY AN AUTHORIZED OFFICER OF IEC.

2. THE GUARANTEE AMOUNT AVAILABLE FOR DRAWING UNDER THIS BANK GUARANTEE SHALL BE INCREASED BY INTEREST AT THE RATE OF SIX PERCENT (6%) PER ANNUM OR BY THE RELATIVE AMOUNT FOR A RESPECTIVE PERIOD.

3. THIS BANK GUARANTEE SHALL REMAIN VALID UNTIL . . . . . (HEREINAFTER: **"THE EXPIRY DATE**"). ANY DEMAND MUST REACH US ON OR BEFORE THE EXPIRY DATE.

4. WE, THE ISSUING BANK, HEREBY UNDERTAKE IRREVOCABLY THAT PAYMENT WILL BE MADE DULY WITHIN SEVEN (7) BANKING DAYS AFTER RECEIPT BY US OF IEC'S DEMAND.

FORM OF IRREVOCABLE BANK GUARANTEE

DOWN/ADVANCE PAYMENT

FOR A FOREIGN CURRENCY DENOMINATED CONTRACT

5. WITH THE EXCEPTION OF AMOUNTS AND DATES, TYPING ERRORS SHALL NOT BE REGARDED AS BEING DISCREPANCIES.

6. THIS GUARANTEE IS NEITHER TRANSFERABLE NOR ASSIGNABLE IN ANY WAY WHATSOEVER.

7. EXCEPT INSOFAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS BANK GUARANTEE IS SUBJECT TO THE UNIFORM RULES FOR DEMAND GUARANTEES OF INTERNATIONAL CHAMBER OF COMMERCE (URDG), I.C.C. PUBLICATION NO. 758), 2010 REVISION. IN THE ABSENCE OF ANY PROVISIONS OF URDG 758, THIS BANK GUARANTEE SHALL BE SUBJECT TO ISRAELI LAW.

Annexure "R"

DELIVERY, SHIPMENT AND HANDLING

Version March 12th, 2024

1. Delivery Instructions:

1.1 The Equipment shall be delivered in accordance with Incoterms® 2020 rules (**ICC publication no**. 723) subject to the special terms specified in the Agreement/Purchase Order and the provisions stipulated below, in this Annexure "R".
In some special cases, the equipment shall be delivered in accordance with DAT (Delivered at Terminal) as per Incoterms® 2010 rules (**ICC publication no**. 715)

1.2 Special Requirements per Delivery Terms:

1.2.1 In the case of EXW (Ex Works) LOADED deliveries:

Purchaser shall normally replace the EXW term by FCA SUPPLIER'S PREMISES which obligates the Supplier to clear the goods for export at the country of origin and make the goods available at a set location, with the risk of loss or damage during that operation clearly remaining with the Supplier/ Contractor.

For purposes of payment, the delivery date shall be the date of the Freight Forwarder's Receipt.

1.2.2 In the case of FCA (Free Carrier) deliveries:

1.2.2.1 A. For air freight and non-containerized shipments:

The Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost.

B. For ocean freight "Less than Container Load" (LCL):

The Equipment (in partially filled containers) shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost. The stuffing and containerization of the **Groupage container shall be carried out** at Purchaser's cost and risk.

C. For ocean freight "Full Container Load" (FCL):

The stuffing of Equipment into (fully filled) containers shall be performed by the Contractor at the Contractor's premises at Contractor's risk and cost.
The Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at the designated place of delivery at Contractor's risk and cost.

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1.2.2.2 For purposes of payment the delivery date shall be the date of the Purchaser's Freight Forwarder's Certificate of Receipt.

1.2.3 In the case of FAS (Free Along-side Ship) deliveries, the Equipment shall be unloaded by the Contractor in co-ordination with the Purchaser's Freight Forwarder at Contractor's risk and cost on the dock alongside ship and within reach of its loading tackle.

For purposes of payment the delivery date shall be the date of the Purchaser's Freight Forwarder's Certificate of Receipt.

1.2.4 In case of FOB (Free On Board) deliveries, the Equipment shall be delivered on board the designated vessel in co-ordination with the Purchaser's Freight Forwarder at Contractor's risk and cost. Equipment will **not** be shipped on deck but will only be shipped "Stowed, Lashed, Secured and Dunnaged (SLSD) and Trimmed" under deck at the cost of the Purchaser.

For purposes of payment the delivery date shall be the date of the Bill of Lading.

1.2.5 Reserved.

1.2.6 In the case of DAT (Delivered at Terminal) Israeli (Mediterranean) port of Import:

1.2.6.1 The Equipment shall be unloaded by the Contractor at the Contractor's risk and cost at the terminal (Container Freight Station (CFS) designated by the Purchaser's Customs Agent.

1.2.6.2 Contractor will obtain at his costs and risk, at the port of arrival, the delivery order from the carrier and pay all necessary costs to enable customs clearance.

For purposes of payment the delivery date shall be the date of the CFS or Terminal Receipt.

1.2.7 In the case of DAP (Delivered at Place) deliveries:

1.2.7.1 All transportation as well as insurance costs to the Purchaser's Designated place of delivery shall be for the Contractor's account.

1.2.7.2 All customs dues, import taxes and Israeli VAT shall be for the Purchaser's account and will be paid promptly.

1.2.7.3 Clearance costs shall be for the Purchaser's account.

1.2.7.4 Israeli Port dues are to be paid by the Contractor.

1.2.7.5 The Equipment shall be unloaded by the Purchaser at Purchaser's risk and costs inside the Purchaser's warehouse, on site or elsewhere as

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designated by the Purchaser.

1.2.7.6 In case Contractor ships goods in container (FCL), un-stuffing of containers inside the Purchaser's warehouse, on site or elsewhere as designated by the Purchaser, will be at Contractor's costs and risk.

1.2.7.7 The Contractor should notify with "pre-arrival notice" the purchaser and his designated notify party and / or custom broker. The "pre-arrival notice" must specify the estimated time of arrival of goods and will be sent sufficient time in advance to enable smooth clearance. Contractor must provide all necessary documentation a few days before arrival.

1.2.7.8 For purposes of payment the delivery date shall be the date of the warehouse receipt or other written evidence of delivery to Purchaser's designated site.

1.2.8 In the case of DDP (Delivered Duty Paid) deliveries:

1.2.8.1 The Equipment shall be unloaded by the Purchaser at Purchaser's risk and cost inside Purchaser's warehouse, on site or elsewhere as designated by Purchaser.

1.2.8.2 For the removal of doubt, the Purchaser shall bear the costs of Israeli VAT incurred upon release of the Equipment/Materials from the designated port or airport in Israel. All other taxes, levies, fees, charges (regardless of country of origin), including import legalities (standards etc.) shall be for the Contractor's account and, if paid by the Purchaser shall be set off from sums due to be paid to the Contractor.
(see also clause 7 below)

1.2.8.3 For purposes of payment the delivery date shall be the date of the warehouse receipt or other written evidence of delivery to Purchaser's designated site.

1.2.8.4 In case Contractor ships goods in container (FCL), un-stuffing of containers inside the Purchaser's warehouse, on site or elsewhere as designated by the Purchaser, will be at Contractor's costs and risk.

1.3 General Delivery Terms:

1.3.1 The Contractor shall give the Purchaser and Purchaser's forwarder a sixty (60) day preliminary general written notification of intended delivery and at least a thirty (30) day detailed final written notification of the date on which Equipment is to be ready for delivery in order to enable the Purchaser or forwarder to advise the Contractor of the vessel or vessels upon which the said Equipment is to be shipped, and the approximate date upon which they are to be delivered to the dockside.

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1.3.2 Where the place of delivery is in Israel, notice of Readiness for Delivery shall be given to the Purchaser's Procurement Division at least seven (7) working days prior to such delivery.

1.3.3 Notices required under Sub-articles 1.3.1 and 1.3.2 above shall include an estimation of the number of packages, and weights, volumes and values of the packages. Such aforesaid notice shall also emphasize and give details of any shipment which contains Equipment which is perishable or hazardous or have a limited life span. The delivery of any and all such shipment(s) shall be especially coordinated with the Purchaser.

1.3.4 The Purchaser shall not be obliged to accept early deliveries, and unless otherwise specified in the Order or Summary of Prices and Delivery Schedule, Annexure "C1", each actual delivery should not be made earlier than one (1) month prior to the date specified therein as the latest date of delivery, unless otherwise agreed prior to shipment, in writing

1.3.5 Where the Contractor is responsible for the freight (e.g. in the case of delivery DAT, DAP, or DDP) transshipment is **not** permitted unless Purchaser's prior written approval has been given, which approval shall not be unreasonably withheld.

2. **Shipping Documents:**

Each delivery shall be accompanied by Shipping Documents as described hereinbelow:

2.1 Types of Shipping Documents and Related Instructions:

2.1.1 Invoices:

All invoices shall be issued in accordance with Annexure "A" and shall include (where applicable) the Contractor's Suppliers Authorization Number as detailed in Sub-article 2.1.3.5 below.

2.1.2 Packing Lists:

Packing lists shall bear the Contract number, Purchase Order number, Package number, and Order Item number and shall include a detailed description of all items, consistent with the appropriate Purchaser's catalogue number appearing in the relevant Purchase Order.

If full details of contents, weights and measures of each case or package are shown on the invoice and description is as required above, an independent packing list is not required provided copies of said invoice are eventually distributed to the recipients of the packing list.

2.1.3 Certificates of Origin / **Movement Certificates / invoice declarations**:

2.1.3.1 EUR.1 / EUR-MED / FTA / Non Manipulation Certificate or such other exporter's declaration (invoice declaration) or other necessary certificate of origin shall be provided in accordance with:

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A. the preferential agreement concluded between Israel and the European Union or EFTA, United Kingdom, Turkey, Ukraine South Korea as applicable; and

B the requirements specified in Israeli customs regulations.

2.1.3.2 If the Equipment originates in countries, which have a free trade agreement (FTA) with Israel, the certificate of origin, Movement certificate, shall be accompanied by the proper documentation, allowing a reduction in the costs of customs in accordance with the FTA's terms.

2.1.3.3 Deliveries from the United States shall be accompanied by a declaration of origin on the original invoice, failing which, the Contractor shall pay the cost of customs duties. The person signing the declaration of origin (below) is required, under the Israeli customs rules, to manually sign the declaration in blue ink.

U.S. Declaration of Origin on Invoice

The exporter of the products covered by this document (customs authorization No…) declares that, except where otherwise clearly indicated, these products are of …… preferential origin.
(place and date)
(name and signature)

2.1.3.4 Deliveries from European countries, except the UK, shall be accompanied by either EUR1 Movement Certificate or EUR MED or Exporter's (Supplier's) Invoice Declaration (as referred to below), failing which the Supplier shall pay costs of customs.

Deliveries from the UK, shall be accompanied by either EUR1 or EUR MED Movement Certificate or Exporter's (Supplier's) Invoice Declaration (as referred to below), failing which the Supplier shall pay costs of customs.
The Supplier is under the obligation to verify with which countries the UK can accumulate origin.

2.1.3.5 Notwithstanding the provision detailed above, in the event the value of the Equipment from European countries including the UK does not exceed €6,000 (six thousand EUR) and to the extent Israeli customs regulations allow, the EUR1 or EUR MED certificate can be substituted by an Invoice Declaration in accordance with the provisions of the relevant preferential agreement Israel has concluded with the respective country of origin, including the Pan-Euro-Mediterranean cumulation of origin. Where the value of the Equipment exceeds € 6,000 (six thousand

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EUR), the Equipment shall either be accompanied by the required EUR 1 or EUR MED or by an invoice showing the Contractor's Authorized Exporter Number.

2.1.3.6 In the event that Equipment is dispatched from a country other than the place of manufacture having free trade agreements with Israel, a Non-Manipulation certificate, signed by local Customs authorities **must accompany the original Certificate of Origin / invoice declaration.**

2.1.4 Bills of Lading/Airway Bills:

2.1.4.1 Where payment is made by Letter of Credit:

For carriage by sea:

Three (3) original negotiable "Shipped on board" and "Clean on Board" marine Bills of Lading and three (3) non-original non-negotiable copies thereof shall be made out to the order of the issuing bank (the Purchaser's Israeli bank for purposes of payment) who shall be the consignee under the Bill of Lading until the Bill of Lading is endorsed to the Purchaser.

For carriage by air:

3 Airway Bills and three (3) non-original non-negotiable copies thereof shall be made out to the order of the issuing bank (the Purchaser's Israeli bank for purposes of payment) who shall be the consignee under the Bill of Lading until the Bill of Lading is endorsed to the Purchaser

2.1.4.2 Where payment is made by Direct Bank Transfer to Contractor's designated bank account:

Three (3) original negotiable "Shipped on board" and "Clean on Board" Bills of Lading or Airway Bills and three (3) non-original non-negotiable copies thereof shall be made out to the order of the Purchaser.

2.1.4.3 Bills of Lading or Airway Bills shall bear the following clause:

"In view of danger of confiscation this vessel/aircraft is not to call at ports/airports and not to enter the territorial waters/air space of Iran, Sudan, Syria, Lebanon, Iraq, Saudi-Arabia, Yemen, Libya or other Arab countries, except for Jordan or Egypt, the United Arab Emirates (UAE), & Bahrain prior to unloading in Israel, unless in distress or subject to Force Majeure"

2.1.5 Quality Control Certificates:

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law . Therefore please treat this information as CONFIDENTIAL.

Quality Control Certificates shall be issued in the format of Form 5 attached hereto, where required by IEC.

2.1.6 Forwarder Receipts:

Forwarder Certificate of Receipt, (FCR) where required, shall be issued by the Purchaser's freight forwarder to the Contractor at the Non-Israeli port/airport of export as follows:

2.1.6.1 against presentation of the Equipment in accordance with the packing list and the documentation.

2.1.6.2 against acknowledgment of receipt of shipping documents for onwards transmission to the Purchaser's Import Department.

2.1.7 Terminal (Container Freight Station (CFS)) Receipts for DAT Deliveries:

Destination Terminal (CFS) Receipts shall be issued by the Terminal Operator to the Contractor and the Purchaser or its agent, in the case of DAT deliveries at the Israeli Terminal of import. The Contractor shall mark in the Terminal Receipt its containers or Equipment designated for delivery to the Purchaser.

2.1.8 Delivery Notes:

Delivery Notes shall be issued Ex-Works Israeli manufacturing plant or DAP/DDP Purchaser's store either by the Israeli Contractor or the Israeli Subcontractor of a Non-Israeli Contractor (as the case may be) and shall be countersigned by an authorized representative of the Purchaser against receipt of the Equipment as detailed in the packing list.

2.2 Recipients of Shipping Documents:

2.2.1 Advising Bank:
The bank designated by Contractor for purposes of payment, in accordance with the provisions of the General Conditions (Annexure "A").

2.2.2 Financing Body:
Such bank or institution which has executed a Financing Agreement with the Purchaser (if applicable).

2.2.3 Purchaser's Freight Forwarder:
The representative designated by the Purchaser for purposes of receiving Equipment delivered to the Purchaser outside Israel and/or for arranging and coordinating shipments.

2.2.4 Import Department:
Purchaser's Import Department, Procurement Division.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law . Therefore please treat this information as CONFIDENTIAL.

2.3 Distribution of Shipping Documents:

Shipping Documents shall be distributed and attached to the delivered packages under the various delivery terms specified in this Order or Contract.

2.4 Arrival of Shipping Documents:

2.4.1 In the case of sea freight the Contractor shall be obliged to ensure that all original shipping documents required for Israeli Customs clearance and release from the port in Israel are received by the Purchaser's Import Department at least five (5) working days prior to the arrival of the vessel ("due date").

2.4.2 In the case of air freight, any Shipping Documents not in possession of Contractor ten days before shipment, shall be scanned and emailed as soon as possible but not later than three days prior to the arrival in Israel of the aircraft.

2.4.3 The Shipping Documents addressed to Purchaser's Import Department shall be couriered on the Contractor's account.

2.4.4 In respect of deliveries of non-Israeli Equipment, where the original Shipping Documents fail to arrive in due time, due to the Contractor's fault, and thereby prevent the release of the Equipment promptly from the port or airport of import, the Contractor shall, on its account, take all such reasonable steps as the Purchaser may reasonably request so as to permit the Equipment to be released from the port or airport. In such event, the Contractor shall take such alternative steps to enable the Purchaser to release the Equipment/Materials from the port in Israel by obtaining a Delivery Order ("Pekudat Mesira") against equivalent release by the Purchaser of the related payment to the Contractor.

2.4.5 Notwithstanding the provisions above, any direct costs incurred by the Purchaser resulting from the Contractor's failure (or Contractor's designated bank) to provide the Shipping Documentation or other acceptable means to permit the release of the Equipment as aforesaid including costs of any bond, demurrage, storage, freight handling and clearance shall be for the Contractor's account.

Paperless customs clearance

Commercial invoices, packing lists and preferential documents (documents proving the originating status of the products concerned) can now be transmitted to Israel in PDF form. The new "Global Gate" Customs Paperless Clearance system allows importers to electronically transmit documents to customs – eliminating the need to print and manually attach them to shipments.

Note: Paperless Clearance allows you to electronically transmit documents via the importer's customs broker to customs – eliminating the need to print and manually attach them to shipments. This feature helps you avoid costly delays caused by handwritten, misread customs documentation. With Paperless Clearance, your documents will increase in accuracy and

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efficiency while accelerating the clearance process. Commercial Invoice must be an original document which has no indication on its face as being "copy" or "pro-forma". Within the framework of the new "Global Gate" System, Commercial Invoice will be regarded as admissible provided it is scanned and digitally signed by the importer or its customs broker using approved Digital Signature Certification entity. Preferential documents / certificates of origin / EUR-1, EUR-MED Movement Certificates certify that goods are subject to reduced tariffs or exemptions when they are exported to countries extending these privileges. Customs will accept scanned Preferential documents provided the scanned document is digitally signed by the importer or its customs broker by an approved Digital Signature Certification entity. The same applies to limited Invoice Declarations valued €6,000 or less or Authorized Exporter Declarations valued over €6,000.

3. Shipping and handling instructions:

In order to avoid dislocation, delay and damage to the Purchaser in taking delivery of Equipment, and its subsequent erection or installation, the Contractor shall comply with the following provisions:

3.1 Packaging:

3.1.1 Where Equipment is supplied from Non-Israeli sources, the Equipment and all components thereof shall, at the cost of Contractor, be preserved, packaged, crated, and braced in good and workmanlike manner, in accordance with Contractor's best commercial export practices.

3.1.2 In order to save time and avert damage to Equipment of a sensitive nature, such as electronic components, as well as components of high value and low volume, the Contractor, at Contractor's cost, shall:

3.1.2.1 Advise the Purchaser and upon the Purchaser's instructions, such Equipment shall be packed for shipment by airfreight; and

3.1.2.2 In consultation with the Purchaser, ensure that the packages/crates/containers are supplied with the necessary shock indicators, tilt indicators and/or humidity indicators.

3.1.3 Where Equipment is supplied from Israeli sources the Contractor shall insure safe inland transportation to the Purchaser's designated point of delivery.

3.1.4 Under all circumstances and unless otherwise agreed:

3.1.4.1 Packaging shall also be suitable for open storage at the Purchaser's designated site taking into consideration high humidity and salty atmosphere for a period of up to twelve (12) months after delivery, provided that the protective packaging remains intact during such time

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period. Packing shall be such as to ensure safe arrival at destination, fully overcoming sea and other hazards including inclement weather conditions, exposure to salty atmosphere, open storage, high humidity conditions, and normal handling (as applicable).

3.1.4.2 For Equipment which is not suitable for open storage, special storage instructions shall be provided by the Contractor to the Purchaser's Procurement Division, Divisional Project Management, with a copy to the engineering Project Manager, at least ninety (90) days before its delivery.

3.1.5 All wood packaging materials (WPM), (e.g., pallets and crates) entering Israel, must be appropriately treated and marked in accordance with the International Standards For Phytosanitary Measures No. 15 (**ISPM 15**). Consequently, all WPM (other than plywood, MDF and certain particle boards) must be:

3.1.5.1 treated and certified, by an authorized agency, to have gone through methyl-bromide (MB) fumigation or heat treatment (HT), conforming to ISPM 15; the International Plant Protection Convention's International Phytosanitary Measure 15 ("ISPM 15"). **The** Contractor shall make sure that the wood packaging material is clearly marked with the currently approved ISPM 15 format in a visible location on each article, preferably on at least two opposite sides of the article, with a legible and permanent mark that indicates that the article meets the ISPM 15 requirements.

3.1.5.2 marked on at least two sides of the packing with a noticeable, non-red imprint, which includes the logo of the International Plant Protection Convention (IPPC), the code of the country of destination (IL), the certification number issued by the Australian Quarantine and Inspection Service (AQIS) to the treatment provider of wood, and the combination letters MB/HT/DB, indicating the type of treatment (DB represent debarking).

3.1.5.3 If any wood packaging material is rejected by a government authority / agency for failure to comply with ISPM 15, or similar standards, the Contractor agrees to reimburse the Purchaser for any resultant costs, fees, losses, and penalties incurred by the Purchaser.

3.1.6 Specific Packaging Requirements.

3.1.6.1 The Contractor shall pack the Equipment in order to ensure maximum stability considering its weight, volume and size. i.e. cargo must be adequately packed and protected for its voyage to protect it from damage during sea transport.

3.1.6.2 The Contractor shall anchor the Equipment in order to prevent any movement. Cargoes shipped inside containers should be properly packed (stuffed), with appropriate shoring and internal securing.

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3.1.6.3 Packaging shall include means for handling and lifting of packages such as lifting-lugs, hoisting points, a raised basis as a pallet, in order to allow handling and lifting by crane or fork-lift.

3.1.6.4 The Contractor's quality control department shall confirm the method of packaging, as well as the means of lifting and handling.

3.2 Weights and Sizes:

3.2.1 The Equipment shall be delivered so that no component will have an "as lifted" weight in excess of 35 metric tons. If this limitation cannot be met, the Contractor shall provide a list of Equipment exceeding 35 metric tons, and special arrangements for shipment and unloading shall be agreed upon between the Contractor and the Purchaser.

3.2.2 To the greatest extent possible whenever Equipment is delivered on pallets, the same should be the size of 1.0 x 1.2 meters and weight not exceeding 1500 kg.

3.3 Marks:

In addition to the provisions of Sub-article 3.1.5 above, each case/package shall be clearly marked and labeled for easy identification on the outside as follows:

3.3.1 Specification No. (i.e. ABC1234 and Contract number);

3.3.2 Equipment Assembly and consecutive package nos. (e.g. 1/3 for Unit Number 1, package number 3);

3.3.3 IEC;

3.3.4 Designated port or airport of import (if applicable) (e.g. Haifa port/Ashdod port/Eilat/Ben Gurion); (Haifa Bay port / Ashdod Hadarom/South Container Terminal);

3.3.5 Designated site (e.g. Hagit/Gezer/Eshkol);

3.3.6 Weights and measurements.

4. <u>Compliance with Israeli Standards and Requirements of Israeli Governmental Authorities</u>:

4.1 The Contractor shall be responsible to check that the 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 Contract documents, and that the Equipment is approved by such bodies.

4.2 In the event that the Purchaser (having informed the Contractor in the Contract documents as mentioned above) is required to pay any fines or penalties to the Israeli customs authorities because the 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 Equipment from customs, the Contractor shall hold the Purchaser harmless from the payment of such fines or penalties.

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5. **Reserved.**

6. **Delivery of Short Shipped Items:**

Equipment or any parts thereof which the Contractor has failed to include in the main shipment, or in the event that any items are included in the packing list and/or the Bill of Lading/Airway Bill but are not actually included in the package, shall, unless otherwise agreed upon by the Purchaser, be shipped airmail, airfreight or courier on the Contractor's account, freight prepaid, taking into consideration the urgency with which the short shipped items are required for installation and erection. The delivery hereunder shall be DDP to site indicated by Purchaser, excluding VAT and import declaration fees (reshimon), if any, upon such shipments, which shall be borne by the Purchaser. Upon the Contractor's request, the Purchaser shall render the Contractor reasonable assistance, at the Contractor's cost, for customs release.

7. VAT Payment Upon Release from Customs in Israel:

In the event of deliveries to the Purchaser's site of non-Israeli Equipment DAT, DAP, or DDP, the procedure for Purchaser's payment of VAT upon release of said non-Israeli Equipment from the port/airport of import in Israel is as follows:

7.1 In the case of DAP, the Contractor undertakes to utilize the services of the Purchaser's designated Customs Agent for purposes of release of the Equipment from customs.

7.2 Without derogating from the DAT/DAP/DDP terms of delivery, the Bill of Lading/Airway Bill:

Shall be made out to the order of the Purchaser as consignee **through/care of/notify*** (Israeli Company, agent or persons designated by the Contractor for purposes of release from customs)

* to be determined by the Purchaser's Customs Agent, if the customs clearance is to be made by or under the responsibility of Purchaser.

7.3 Reserved.

7.4 All consignments shipped shall be accompanied by a packing list which shall detail the content of each package or crate.

7.5 The Import Entry (Import Declaration) shall be in the name of the Purchaser **through/care of/notify*** (Israeli company, agent or persons designated by the Purchaser for purposes of release from customs)

* to be determined by the Purchaser's Customs Agent, if the customs clearance is to be made by or under the responsibility of the Purchaser.

7.6 The Contractor shall supply the Purchaser, Import Department, Procurement Division with copies of the documents detailed in this article.

8. Reserved.

9. Annexure "C1", (including Purchaser's Catalogue Numbers, Purchase Orders and special instructions for partial deliveries) and Bills of Materials:

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9.1 Annexure "C1" - Summary of Prices and Delivery Schedule:

Annexure "C1" is a summary in tabular form of the prices, mode of delivery, delivery schedule and payment terms applicable for all deliverables under this Contract. Annexure "C1" is also used to form a common basis for the reports to be provided by the Contractor (Contractor's Project Schedule, Equipment Shipment Report, Progress Report.

9.2 Reserved

9.3 Bill of Materials for Projects

9.3.1 The Contractor shall issue a Bill of Materials. The Bill of Materials shall allocate all the components, assemblies and sub-assemblies to be delivered to the relevant Deliverable Item and to the appropriate shipment. The Bill of Materials shall contain such cross-reference data as shall allow the Purchaser to verify compliance with the scope of Work and to locate and identify items during erection.

The Bill of Materials shall be issued on an agreed upon magnetic media (preferably as an Excel file), containing at least the following details: name of site, Contract Number, Assembly/Unit Number, Purchase Order number, related product tree number, related Purchaser's catalogue number, item description, reference drawing number and revision, quantity ordered, dimensions, weight and type of storage.

9.3.2 The Contractor shall verify that all the items included in a packing list are properly listed in the Bill of Materials and if necessary shall issue special updates not later than three (3) working days prior to actual shipment.

9.3.3 The Bill of Materials and each update thereof is considered to be a Critical Document and the provisions of Annexure "A" shall apply thereto.

10. **The Contractor acknowledges that failure to adhere fully to any of the provisions of this Annexure "R" may cause the Purchaser inconvenience or severe damage and serious difficulties with the customs, port, VAT or other relevant Israeli Governmental authorities.**

- Final -

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חברת החשמל
Israel Electric

Annexure RM

PROVISION OF IEC'S RAW MATERIALS TO THE SUPPLIER

Where IEC is required, as part of the procurement procedure, to provide the Supplier with materials, parts or components required for purposes of manufacturing the goods, products and/or facilities (hereinafter referred to as "**Raw Materials**") the following shall apply:

1. Materials Warranty
   a. The Supplier shall provide IEC with a separate and autonomous guarantee (hereinafter referred to as the "**Materials Guarantee**") provided 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 Purchase, in an amount equal to 100% of the value of the Raw Materials + related costs incurred by IEC, in their purchase, and/or the value of parts or components provided to the Supplier by IEC. IEC shall notify the Supplier of the value of the Raw Materials and the costs prior to issuing the order or the frame order.

   b. The Materials Guarantee shall be submitted to IEC by no later than seven (7) days prior to the date set forth by IEC for providing of the Raw Materials to the Supplier.

   c. The purchaser is obliged to provide the Supplier raw materials at least 60 days prior the date set for delivery of the items in the order, subject to the submission of The Materials Guarantee (as specified in Section b above).

   d. The cost and responsibility of transporting raw materials to the supplier's plant shall be that of the supplier. Delivery of raw materials will be from one of the main warehouses of IEC - Beit Dagan and/or Acre only.

   e. The Materials Guarantee shall be in effect from the date of provision of the Raw Materials to the Supplier by IEC as set forth in sub-article (b) above, and maintained in full force and effect until sixty (60) days after date of delivery of all goods manufactured and/or services provided, for which the Raw Materials were delivered.

   f. Where payment of the contract/order price is made in Israeli currency, the amount of the Material Guarantee shall be linked to the Price Index plus 4% per annum. Where payment of the contract/order price is made in foreign currency or the value of foreign currency, the amount of the Material Guarantee shall be linked to foreign currency plus 6% per annum.

2. Where IEC has provided the Supplier with Raw Materials, as set forth in the Order/Contract, for purposes of manufacturing goods or commencing the Order/Contract, at no charge to the Supplier, the Supplier is obliged to provide the Purchaser with all processed materials or all products and/or the attached to them, all in accordance with the Order/Contract/tender documents. Unless stated otherwise by the parties, the Supplier shall return to the Purchaser, all remaining and unused Raw Materials which are not required according to the drawings/change incurred or surplus or off-cuts as the case may be.

3. The Supplier is obliged to use the Raw Materials supplied to it by the Purchaser for purposes of manufacturing the equipment, goods, materials and/or the facilities and/or the installation as specified in the Order/Contract, and shall not use the Raw Materials for any other purpose.

4. Title to the Raw Materials delivered to the Supplier, by the Purchaser, shall remain with the Purchaser at all times.

5. Until the delivery of the Purchaser's goods/ materials and/or facilities incorporating the Raw Materials, the Supplier shall be solely liable for any damage caused to the Raw Materials as a result of loss/theft/fire or for any other reason.

6. In the event of damage caused as set-forth in sub-article (5) above, the Purchaser shall be entitled to claim from the Supplier the damage caused to the Raw Materials. The amount of damage caused shall be estimated by the Purchaser's representatives and deducted from the amount due to the Supplier.

   In the event it is necessary to purchase new Raw Materials, the Supplier shall purchase such Raw Materials on its account in the same aggregate quantities as those provided initially to the Supplier by the Purchaser.

7. Delivery certificates duly signed by an authorized representative of both Purchaser and the Supplier shall be deemed to constitute conclusive binding evidence that the goods, materials and/or facilities were delivered.

8. At the end of the fiscal year, the Supplier shall conduct an inventory inspection of the Raw Materials in its possession and report to the Purchaser the quantity which has not been returned or redelivered to the Purchaser.

9. Where failure by the Supplier to deliver the Raw Materials to the Purchaser will result in postponement of the delivery date, the Supplier is obliged to notify the Purchaser of such postponement as well as the orders affected by it.

ANNEXURE 'P'
Updated on 26.07.2026

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 mean as defined in the Regulations.
   Goods from the Area Surrounding the Gaza Strip: Israeli manufactured Goods that that were manufactured in the Area surrounding the Gaza Strip.
   Area Surrounding the Gaza Strip: greater Sderot area and localities surrounding Gaza as defined in the Regulations.
   d) Manufacture: shall mean the production of Goods or a fundamental change made to the Goods resulting in new or different goods. In the case of Goods from the Area Surrounding the Gaza Strip, "fundamental change" including "double fundamental change".
   "Double Fundamental Change" – a process in which a product has undergone a fundamental change in Israel in such a way that a distinct and independent intermediate product is created, which is used as a raw material for the production of another product.
   e) "Preference" - shall mean a preference of fifteen percent (15%) for Israeli Manufactured, and of twenty percent (20%) for Goods from the Area Surrounding the Gaza Strip in the comparison of prices submitted by Bidders participating in the Tender as stated in the Regulations.
   f) The "Agreement" - shall mean the Agreement on Government Procurement (Marakesh) since 1996.

2. Subject to the provisions set forth in paragraphs 3 and 4 below, IEC will grant a preference to proposals for the supply of Israeli Manufactured, and proposals for the supply of Goods from the Area Surrounding the Gaza Strip, submitted in its tenders, only in each of the following circumstances:
   a) Where the value of the transaction is less than SDR 355,000 (approximately $495,000);
   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 determining the Bidder awarded the Tender.

   b) Where a procurement procedure was exempted from a tender, no preference will be given.

4.

   a) A Bidder requesting a Preference shall submit, at the pricing stage together with its price proposal, a declaration that its proposal is for Israeli Manufactured Goods and/or Goods from the Area Surrounding the Gaza Strip in the attached format.
   b)
   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, a declaration that its proposal is of Israeli Manufactured Goods and/or Goods from the Area Surrounding the Gaza Strip which shall address its new proposal, as applicable.

   c) A Bidder requesting a Preference shall be denied such Preference in the event the Bidder has failed to submit the abovementioned declaration, (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 more beneficial proposal (to the extent that the Bidder's proposal has changed), or (iii) within an additional time period

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to be determined by IEC's sole discretion.

d) A Bidder whose proposal will be awarded the tender due to Preference, undertakes, as a condition for signing the Order/Contract with it, submit to IEC within five (5) days of the announcement of the award, an accountant's certificate , according to the attached wording , completed and signed by an accountant (hereinafter referred to as the "**Approval**") . The Accountant's Approval shall refer separately to each of the items for which the Bidder requested a Preference. For the purpose of this paragraph, the "proposal price" shall mean the final price of the proposal as determined in the tender process, including following the submission of proposals, any price improvement process, the submission of repeated and improved proposals, negotiations, or any other competitive procedure conducted in accordance with the tender documents.

e) Failure to produce the abovementioned Approval signed by an Accountant as required, within the period stated above, or on another date to be approved by IEC, shall result in the cancellation of the award and will entitle IEC the right to resort to all remedies available to it under the terms of the tender and the law.

f) It is hereby clarified that in the event the abovementioned award is cancelled, IEC shall be entitled, at its sole discretion, to choose the next proposal in line and/or make any other decision, all according to the circumstances of the matter and its needs. IEC will base its decision on the price proposals as submitted to the tender, even where the tender was conducted as an evolving computerized on-line tender.

g) If the goods to be supplied to IEC do not form part of an existing stock at the time of submitting the Approval, the Bidder will be required to re-submit the Approval 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 65,041,530 (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 be entitled , in the case of such Split, to transfer 50% of the quantity (that IEC has decided to purchase) to a Bidder of Israeli Manufactured Goods or goods manufactured in the Area Surrounding the Gaza Strip ,if there was such a split (hereinafter referred to as the: "**Split**") in accordance with terms and conditions stipulated in the provisions of Subpara. (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 conditioned upon the approval of the Bidder of the Israeli Manufactured Goods or goods manufactured in the Area Surrounding the Gaza Strip, who submitted the lowest price proposal, to compare its prices to 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 manufactured in the Area Surrounding 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 or goods manufactured in the

Area Surrounding the Gaza Strip, 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.

7.

a) If the goods offered to IEC are not supplied from an inventory which exists at the date of submission of the Price Proposal, then, the Bidder of the Israeli Manufactured Goods or goods manufactured in the Area Surrounding the Gaza Strip who was awarded the Tender due to a Preference or who was awarded part of the transaction according to para. 6 above) 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 Withheld**") 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 Withheld 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) at 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 manufactured in the Area Surrounding 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 " **Auditor** ").

9. According to the Bidder's request, the Auditor examining the books and documents submitted for auditing shall sign a confidentiality agreement drafted by IEC. IEC shall also sign this confidentiality agreement. The confidentiality agreement shall state that the Auditor and IEC shall not disclose any of the information submitted during the audit to a third party, 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 Auditor with the request to submit the books and documents; or
b) In the opinion of the Auditor 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 Auditor's audit, that the proposal does not include Israeli Manufactured Goods

The Bidder shall not be entitled to a Preference and if a Bidder had already been awarded an 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.

IEC and/or the Auditor's decision regarding the above, shall be final and binding on the parties.
Without derogating from the above, IEC shall be entitled to withhold, out of any sums due to the Bidder awarded the Order/Contract or any other order/contract, an amount equal to the Compensation, until such time as the Auditor 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, *inter alia* :
    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 manufactured in the Area Surrounding 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.

14. In the event of any contradiction between this Annexure P and the law, the law shall prevail.

Annexure 1

Bidder's declaration for Israeli Manufactured Goods and/or Goods from the Area Surrounding the Gaza Strip

I, the undersigned, [ ] identification number [ ] after being warned that I must tell the truth, and that I will be subject to the penalties prescribed by law if I do not do so, I hereby declare in writing as follows:

1. I provide this declaration attached to the proposal of [ ] (hereinafter referred to as the "**Bidder"**) in tender number [ ]

2. I hold the position of [ ] in the service of the Bidder

3. In my position, I am familiar with all the information on which my statement below is based and I am authorized to give this declaration on behalf of the Bidder.

4. The Bidder's proposal is of (kindly circle the relevant sentence):

   - Israeli Manufactured Goods that meet the requirements of the Tenders Regulations (Preference for Israeli Products) 5755-1995.

   - Goods from the Area Surrounding the Gaza Strip that meet the requirements of the Tenders Regulations (Preference for Israeli Products) 5755-1995.

*In an evolving computerized on-line tender, the minimum amount in which the proposal is for Israeli Manufactured Goods or Goods from the Area Surrounding the Gaza Strip.
It will be stated instead of the words: "the Bidder's proposal", "Bidder's proposal up to an amount of [ ]"

5. I hereby declare that this is my name, this is my signature and the content of my declaration are true.

Attorney's approval

I the undersigned, **[ ]** license number **[ ]**, hereby confirm that on **[ ]** at my office located at **[ ]**, appeared before me Mr./ Miss **[ ]** who identified himself/herself according to identification number **[ ]** or alternatively, known to me personally, and after I warned him/her that he/she must tell the truth and that he/she will be subject to the penalties prescribed by law if he/she does not do so, and confirmed to me the correctness of the above declaration and signed it in front of me.

Annexure 2

PREFERENCE TO SUPPLIERS OF ISRAELI MANUFACTURED GOODS

The Accountant's Certificate

To:

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

re: Price of the Israeli component submitted by: ____(insert the bidder's name) _____ for tender number submitted by: ____(insert the bidder's name) _____

At the request of [_____] (hereinafter referred to as: "the **Bidder**") and as its auditors, we have audited the Bidder's proposal for tender number [_____] as stated above, and its declaration dated _____, 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(*).

We conducted our audit in accordance with generally accepted auditing standards in Israel, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement in question is materially misleading. The audit includes a sample examination of the evidence in support of the above statement (including an audit of the company's documents regarding products manufactured / imported by it and statements from the sub-suppliers and "special reports" of accountants of sub-suppliers for the audit of these statements). We believe that our audit provides a reasonable basis for our opinion

In our opinion, the above statement reflects, in all material respects, the information contained therein.

**** Where the Tender is conducted as an evolving computerized on-line tender (as set forth under Sub Article 3E of the Invitation to Submit Proposals), the following paragraph must be completed:

The above approval is based on the fact that the prices of the items are not lower than the amounts noted below: Item number one (catalogue number_____) _____
Item number two (catalogue number_____) _____

Sincerely

_____
Accountants

(*) **Note**: ensure that the declaring company declares that the rate is at least 35% and not the exact rate.

Notes:

- The format of this statement was determined by a joint committee of the Government Procurement Administration and the Israel CPA - August 2009.
- to be printed on the Accounting firm's letter head
- The Bidder's declaration mentioned above shall be attached.

Revision: 07.09.2025

Annexure W

OFFERORS CONSENT TO TERMS AND CONDITIONS

Purchasing process No.: 104076840

Subject: Supply of Equipped and Non-Equipped Central Metering Cabinets

Specification No.: NPS-325, Edition 4 (March 2026); Quality Specification Q-APP-02-PR

Tender Manager: Michael Fried

(a) We, _____ hereby agree that the submission of this proposal to IEC is subject to the terms and conditions, set forth in the RFP documents including the specification, and our signature below hereby implies our consent to all such terms and conditions including the commercial, contractual, technical and legal terms, without exception.

(b) We hereby confirm that the Goods/Services offered and to be supplied by us, fully comply with the requirements of the Tender/RFP, the Specifications and the relevant annexures.

In any case of non-compliance of any kind, the details of such non-compliance must be clearly specified and justified below. Failure to specify and justify such details shall be deemed a declaration and representation by the Offeror that the Goods/Services fully comply as stated above.

It is hereby also clarified that IEC shall neither accept nor consider any details of non-compliance that are mentioned solely within the body of the proposal, without being detailed and justified within this annexure. No claims by the Offeror in this regard shall be heard by IEC.

_____

_____

_____

_____

_____

(c) Right of Review

In addition to and without derogating from the instructions set forth under "Right of Unsuccessful Offerors to View the Tender Documents" stated in the Invitation to Submit Proposals, it is hereby clarified as follows:

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

- In light of the Offerors' right to view the Tender documents, an Offeror who objects to its proposal being disclosed **fully or partially** due to a trade secret or a professional secret which it considers to be part of its proposal, is required to mark the confidential parts of its proposal and to elaborate on them at the end of this article, and state the reasoning why they are confidential.

- In a Tender with two stages or a preliminary stage, an Offeror who is of the opinion that the price proposal **submitted by it includes confidential parts, shall explain and elaborate which parts are confidential , all in accordance with the instructions above and below**.

- **Parts of a proposal that will not be marked by the Offeror as confidential and/or the reasons as to why they are confidential will not be stated, will be considered as permitted by the Offeror to be disclosed. IEC shall be under no obligation to contact and as a rule, will not contact an Offeror to inquire whether any parts of its proposal are confidential and/or the reasons for the confidentiality, where such were not specified in the Offer.**

  In this regard please see that stated please see that stated in the article "the obligation of information accuracy and duty of notification" appearing in the invitation to submit proposals.

- **It is hereby clarified that IEC shall be under no obligation to address the request for confidentiality where the Offeror marks the confidential parts in the body of the proposal only and/or provides a general comment regarding confidentiality in the body of the proposal only, without providing details and explanations in this Annexure.**

- It is hereby further clarified that in each case, the decision as to the confidentiality or the disclosure of parts of the Offeror's proposal, shall be at the sole discretion of IEC's tender committee, which is entitled to disclose portions of the proposal that an Offeror has marked as confidential. **In any event and despite that stated in a proposal, IEC shall be entitled to disclose the winning proposal's prices to any Offeror who shall request so.**

- **An Offeror shall be prevented to claim that he is entitled to review another Offeror's proposal, in the parallel parts that were marked as confidential in its proposal and will be barred and silenced from making claims in this regard**.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

Further to that stated above, if the Offeror is of the opinion that parts of its proposal are confidential, the Offeror shall elaborate below the confidential parts of its proposal, as far as there are such parts, and the reasons therefor (the relevant reasoning must be detailed for each part, and IEC will not accept a general reasoning) :

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

The undersigned hereby declares that he/she is authorized by law to sign this proposal on behalf of the body/entity represented.

---------- ---------- ----------

Name of Signatory Signature Company stamp

Date

Name of Offeror/Bidder:

_____

Title of signatory on proposal:

_____

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

ANNEXURE "Y"

Version: November 13th, 2023

LIST OF POTENTIAL GUARANTEE PROVIDERS

IEC will accept guarantees (Standby Letter of Credit [SBLC]/ guarantee) issued as follows:

a) From Israeli banks holding a valid banking license received pursuant to the "Banking Law Licensing), 5741-1981"; or

b) From non-Israeli banks which are rated at least "A" by Standard & Poor's and/or Fitch and/or at least "A2" by Moody's, in the form of an Irrevocable Standby Letter of Credit to be opened in favour of IEC, advised through an Israeli bank (Advising Bank); or

   (i) Guarantees submitted from a non-Israeli bank that is not rated as above, will be accepted under the following conditions :
   - a confirmation from an Israeli Bank; or
   - a confirmation from a non-Israeli bank rated as mentioned in clause b) above

   (ii) Guarantees submitted directly from banks abroad, **will not be accepted**.

c) From insurance companies in Israel holding a valid license from the Ministry of Finance to provide guarantees; or

d) From a Finance provider in Israel holding a valid license from the Capital Market Authority, Insurance and Savings to provide guarantees.
or

e) From insurance companies out of Israel which are rated at least "A-" by Standard & Poor's and/or Fitch and/or at least "A3" by Moody's
or

f) From Clearance companies in Israel holding a valid license from the Bank of Israel to provide guarantee

A Supplier intending to submit guarantees from other Guarantee Providers not as aforesaid, needs to obtain the prior written approval of IEC.

The winning Supplier is required to specify the names of all Guarantee Providers that will provide guarantees in favour of IEC under the contract

	Name of the Guarantee Provider	**Address**
1.		
2.		
3.		
4.		
5.		

חברת החשמל
Israel Electric

Confidential - Commercial

INQUIRY/TENDER NO.: 104076840
SPECIFICATION NO.: NPS-325
SUBJECT: Framework Agreement for the Supply of Low Voltage Central Metering Cabinets (Equipped and Non-Equipped)

ANNEXURE "Z"
CONDITIONS FOR FRAME CONTRACTS/ORDERS
(Two (2) years Basic Frame Contract Period)
Revision 12.03.2024

THESE CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE A) ATTACHED THERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS THESE 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 Price" – unless specified otherwise in this document, shall mean the total purchase price of the entire quantity (100%) of the Equipment and/or Services, specified in the tender/inquiry documents (not including options) and flexibilities, in the currency, designated by the Supplier and approved by the Purchaser.

1.2. "Basic Frame Contract Period" - shall mean a period of twenty-four (24) months, beginning on the date specified in the frame contract/order for the supply of the Equipment.

1.3. "Option Period" – shall mean the total period of thirty-six (36) months (three consecutive periods of one year each) during which the Purchaser shall be entitled to exercise the Options in whole or in part.

1.4. "Equipment" - shall mean all or part of the equipment, described in the Order/Contract.

2. FRAME ORDER/CONTRACT FLEXIBILITIES

2.1. PRICE OF THE PURCHASE

During the Basic Frame Contract Period (and the "extension period", detailed in paragraph 2.2.1.1, below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Equipment of a total price, which is equal to the "Basic Contract Price", including the Purchaser's right to increase the Basic Contract Price by up to 40 % or decrease the Basic Contract Price by up to 20 %.

2.2. EXTENSION PERIOD AND OPTION TO PURCHASE

2.2.1. During the Basic Frame Contract Period, the Purchaser shall be entitled to exercise any one of the following options described below:

2.2.1.1. In the event the Purchaser does not issue draw orders for Equipment and/or Services in the maximum permissible amount (including flexibilities), during the Basic Frame Contract Period and /or the Option Period specified in the Contract/Order and below, the Purchaser has the right to extend the Order/Contract for a period of time of up to three (3) years (hereinafter referred to as the "**Extension Period**"), each time for a period of one year.

2.2.1.2. The Purchaser shall have an Option to extend the Basic Frame Contract Period by up to an additional three (3) years, one year at a time (hereinafter referred to as the **"Option Period"** or **"Option Exercise Period**").

During the Option Exercise Period, the Purchaser shall be entitled to purchase additional Equipment from the Equipment specified in the Order/Contract, in an additional monetary value which shall not exceed 50% of the Basic Contract Price. The Option shall remain valid during the Extension Period.

2.2.1.3. It is hereby clarified that partial exercise of an Option (in scope and/or period) will not derogate from the Purchase's right to exercise the Option in full.

2.2.2. In no event shall the total Order/Contract period (including the Basic Frame Contract Period and Option Periods and applicable Extension Periods) exceed sixty (60) months from the beginning of the Basic Frame Contract Period.

2.2.3. Regardless of that stated above, where the Purchaser estimates that it shall utilize the entire contract price, prior to the end of the contract period, the Purchaser shall be entitled, at its sole discretion, to precede the commencement date of the Option Period, to a date to be determined by the Purchaser by providing the Supplier a written notice at least ten days prior to the commencement of the Option Period.

The early exercise of the Option Period will not derogate from the Purchaser's right to extend the Contract/Order in time only and/or exercise additional options (as far as such options were included in the Contract/Order), provided that the total of the Contract

Period, including the period of the Basic Frame Period and Option Periods and applicable Extension Periods shall not exceed five (5) years.

Similarly, where the Purchase anticipates, to the best of its understanding, the utilization of the full monetary value prior to the end of the Option Period, if exercised, the Purchaser will be entitled to precede the commencement date of the Option Period (if any), or terminate the Order/Contract, on a date to be determined by the Purchaser, at its sole discretion.

2.2.4. Exercising one of the options listed under sub article 2.2.1 above, with the exception of the exercise of the flexibility, shall be made by a written notice, no later than one month prior to the end of the Basic Frame Contract Period or the Option Period or the Extension Period, as the case may be.

2.2.5. During the period of the Option Period or during the Extension Period, the Purchaser shall be entitled, at its sole discretion, to increase the monetary value of its purchases according to the Order by up to 40%, or to decrease it by up to 20%, of the Basic Frame Contract Price and/or the Option, as set forth under sub-articles 2.1 and 2.2.1 above.

2.2.6. Refusal of the Supplier to exercise the Option (including the exercise of the Extension Period in time) will be considered a breach of the Order/Contract for all intents and purposes, and will entitle the Purchaser to the remedies set forth in the tender/ inquiry documents, including exercising the performance guarantee provided by the Supplier in accordance with the instructions of the inquiry /tender documents, (to the extent that a performance guarantee is required according to the terms the tender/ inquiry), as well as the remedies according to the law.

2.2.7. It is hereby clarified that should the Purchaser wish to exercise an option in parts, the Purchaser's commitment to a minimum purchase scope (to the extent that such commitment is included in the Contract/Order), will be calculated for the entire Option Period that is exercised and not for each part of it separately.

2.2.8. Should the Purchaser decide in the future to enter into further contracts with the Supplier, the maximum prices, (including during the Option Periods), shall be at the same price or better than those in this Contract/Order, under the linkage conditions listed in this contract.

The exercise of the continuing contract is subject to the prior consent of the Supplier and is subject to the issuing of a separate company order for the subject or an addendum to this order.

2.2.9. If the option is duly exercised, the sale of the "Optional Equipment and/or Services" to the Purchaser shall be at the same price and under the same terms as the sale of the Equipment and/or Services purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

3. SCHEDULE OF DELIVERY

3.1. The Equipment and/or Services 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 Equipment and/or Services, 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

- Delivery within 90 days of issuance of the draw order for supply DDP directly to Purchaser's stores.

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 within 112 days (16 weeks) of the date of the prototype order specified in the Contract/Order.

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 the Purchaser'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. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the abovementioned schedule of delivery and lead time.

4. QUANTITIES TO BE PURCHASED

Subject to the Purchaser's obligation to purchase Equipment and/or Services in the quantities specified in paragraph 2.1, above:

4.1. In the event that the Equipment and/or Services consist of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.

4.2. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the quantities.

4.3. The Purchaser shall be entitled to regulate quantities between the items included in the Order.

5. PERFORMANCE GUARANTEE

5.1. Where the value of the Order/Contract is in excess of NIS2,000,000 (excluding options and/or flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (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 submission of the price proposals to the tender/inquiry) 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, within 30 (thirty) days from the issuance of an Order, provide the Purchaser with a guarantee for the due performance of the Contract/Order, in the form of an unconditional standby letter of credit (in the form, attached to the tender/inquiry documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% (excluding options and/or flexibilities and/or VAT) of the annual value of the Contract/Order Price**.**

5.2. 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.

5.3. Where Purchaser has decided to exercise an option and its price exceeds NIS 2,000,000 (excluding flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (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 the Tender Committee's decision to exercise the option), the Supplier hereby undertakes to provide to the Purchaser, at Supplier's expense, immediately upon receipt of notice of Purchaser's exercise of the option, a performance guarantee for the due performance of the option, in the form of an unconditional standby letter of credit (in the form, attached to the tender/ inquiry Documents), to be given by the entities stated in Annexure Y , in an amount equal to 5% (excluding option and/or flexibilities and/or VAT) of the Option Price.

5.4. The guarantee shall remain in effect until sixty (60) days after the warranty period or in the event there is no warranty period, the guarantee shall remain valid up to 60 days after the last date of delivery

5.5. Said guarantee shall be amended from time to time to reflect the adjusted option price, due to the issuance of change orders;

6. WARRANTY

twelve (12) months from the date of each delivery.

7. SPARE PARTS AND ADDITIONAL TERMS

1. In addition to the Equipment, the Purchaser shall be entitled to purchase from the Supplier dedicated spare parts for the cabinets during the contract period. Each bidder shall submit a

spare parts list including the manufacturer's part numbers. The prices of the spare parts shall not be weighted in the comparison of proposals. The Purchaser shall have no minimum purchase commitment with respect to spare parts.

2. The spare parts shall be delivered to the Purchaser within 30 days of issuance of the draw order for the relevant part.

3. The Purchaser shall retain the option to purchase spare parts from the Supplier for a period of seven (7) years from the last delivery of the cabinets under this Order/Contract.

4. The Purchaser shall lend to the Supplier, for installation in the cabinets to be supplied, one semi-cylinder lock, green (IEC cat. no. 3414372) and one semi-cylinder lock, white (IEC cat. no. 3414398) for each cabinet supplied.

5. The Supplier shall provide the Purchaser with a guarantee in the amount of 100% of the value of the materials transferred to the Supplier, including VAT, valid until sixty (60) days after the end of the supply period.

The end.

Israel Electric Corporation
Operation and Logistics Division
Procurement Division
Market Research and Tenders Department

Date:

Developing Computerized Bidding Procedure – Tender Number - Tender for the Purchase/ Sale of

The Israel Electric Corporation Ltd., ("**IEC**"), has decided to conduct the pricing stage of tender number A (the "**Tender**"), in the format of a developing computerized bidding procedure (the "**Procedure**"), in accordance with regulation 19(d) to the Mandatory Tenders Regulations 5753 – 1993.

Kindly adhere to the following instructions when filling out this form:

Sections 3, 9 and 10 below must be filled in pursuant to the subject of the Tender. Where IEC is the Purchaser in a Tender, the format of the Procedure will be that of a decreasing Tender and the bids will be submitted in a decreasing order and bidders will not be entitled to submit a higher bid than the opening price. Where IEC is the Seller, the format of the Procedure will be of an increasing Tender and the bids will be submitted in an increasing order and bidders will not be entitled to submit a lower bid than the opening price.
The bottom of each page must be signed and a complete copy of this document must be returned to fax number: .

The Procedure shall take place as detailed below:

1. The Procedure will be performed by an SV system, a system belonging to a company by the name of Mashik (the "**Dynamic Management System**"). All instructions and tender requirements, published by IEC in this Tender, shall continue to remain in force provided they do not conflict with any explicit instruction stated in this document, insofar as same relate technically only to submission of prices.

2. During the course of the Procedure and while bidders bid their offers in real time and receive instant feedback, dynamic negotiations will take place.

3. The Procedure format: a developing computerized Procedure where prices either decrease or increase depending on whether the Tender is one of purchase or one of sale.

4. **The Procedure Time Schedule:**

4.1. First Stage – Instructions

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

Prior to performing the Procedure, each bidder will be given a telephonic instruction for the duration of approximately 45 minutes.
Training will be coordinated individually with each bidder, at agreed dates.
Afterwards, Bidder will be required to confirm receipt of said Training and understanding of all the rules of the Procedure (in form in clause 22 below).

4.2. Second Stage – Day of Implementing the Procedure

On the day of implementing the Procedure, i.e: _____, bidders are required to enter the tender website, at the following address: www.sourcingvision.com by using the user name and password to be provided to each bidder.

5. Mashik's Technology

The required Internet access is by way of browser EXPLORER 6 and above.

6. Preparation for Participating in the Procedure

The bidders will be invited to enter Mashik's secured website. Bidders who are participating in the Procedure will be requested to practice using the website prior to their participation. IEC's telephonic training will include the following: review of the format, the Procedure legal requirements and participation in a trial Procedure.

7. Preparing Price Quotations for the Procedure

We recommend that bidders participating in the Procedure prepare in advance the lowest/highest prices they are able to bid in the Procedure (depending on whether the Tender is for purchase or sale).
Each withdrawal of a bid shall be deemed to constitute the withdrawal from an offer placed into the tender box, including all consequences that such withdrawal entails.

8. On-line Observation of the Procedure on the Website

Please note, a bidder will not be granted access to the website from different computers.
Bidders must specify: if they work from a network/bid together with an agent/ are bidding in a Joint Venture.
Bidders will be granted access to the website by entering a password and username specific to each bidder, to be provided by IEC.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

Bidder is to state (fill in below) details of appointed direct contact person, who will be handling the training and responsible for the actual On-line bidding procedure. Also, Business ID is needed.

Note: For this purpose, (foreign) Bidder may authorize their Israeli representative (acceptable by IEC), to handle and be responsible for the On-line bidding procedure, in which case Bidder is to fill in required authorization as below (and Contact person, Bus. ID of Israeli representative):

I the undersigned, _____ (Name) and holder of the position of an _____ in our company, _____ (Bidder's company), registration number _____ , hereby declare that our company authorizes our Israeli representative, _____ , to participate in the Developing Computerized Bidding Procedure and submit prices quoted for the goods, on behalf of our company, for the a/m Tender .
I confirm that I am authorized to sign this declaration on behalf of _____ (Bidder's company), and its management.

Name of contact person: _____

Email of contact person: _____

Business ID: _____

9. Method of Submitting Bids in the Procedure

Bids will be submitted in a decreasing/increasing order (depending on whether the Tender is for purchase or sale).
As of its submission, the initial bid is final.

10. Opening Price: As Set Forth in the Table Below

Upon the commencement of the bidding procedure, the bidder shall submit his price proposal to all items listed in the lot.
Only after the submission of the first price proposal and its acceptance by the system – the bidder will be able to view the dynamic procedure information.

- **Prices do not include VAT.**

11. Preliminary Feedback on the Website

The bidder will see the _____ and bidder's on-line connection to the Procedure.

12. Feedback During the Procedure on the Website

In next stage of the Procedure, bidders will only see the leading /(position

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of their) bid.

During the entire Procedure, bidders will not be able to ascertain: the place/position / (best) of their bid in the Procedure, the identity of other bidders and number of bidders participating in the Procedure.

The best / (position of their) bid will be the only detail available to all participants.

After the approval of the winning supplier by IEC's authorized authority, IEC will mail the Procedure results to the bidders.

13. Range of Changes in the Bids

The minimum (difference) permissible change between the initial offer and the additional offer which can be submitted is NIS_____ / ___ %.
A bidder can improve his bid by at least the above minimum difference however, such bidder will not be entitled to correct the original bid.

The maximum (difference) permissible change between the initial offer and the additional offer which can be submitted is NIS_____ / ____%.
A bidder will not be entitled to improve his bid by more than the maximum stated above, in one bid.

14. Identical Bids in a Procedure

Where two identical bids were recorded in the Dynamic Management System, by different bidders, only the first to be recorded in the system will be accepted. Online feedback will be sent to the second bidder. In addition, the system will reject any possibility to compare bids or to accept a bid where the difference between such bid and the bid which at the moment appears on the screen as the leading bid, is lower than the minimum difference required set forth in Section 13 above, and the bidder will be requested to change the bid. **When timing the filing of the bids, the system's response must be taken into consideration.**
The Dynamic Management System will enabled identical proposal as long they are not the best offer. The identical proposals will be ranked according to their acceptance order.

15. Managing the Procedure

The Procedure manager of IEC is entitled, at any time and at his own discretion, to stop the Procedure, as a result of special circumstances according to any law, including tender laws. In addition, he has the right to extend the time period of the Procedure.

The Procedure manager is entitled during the Procedure to notify the bidders via the computerized system. Notification shall be made in the same manner to all participants.

16. Completion of the Procedure

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

The Procedure will be completed within _____minutes , unless extended as specified below.
Rules for extension – in the event an additional bid is submitted by one of the bidders during the last three **minutes** before closing the Procedure, all bidders will be granted an additional **three minutes** from the time of submittal of the abovementioned bid, during which they will be entitled to submit a better bid according to the rules set forth above.

It is recommended to submit a bid by no later than 60 seconds prior to the time of completion of the Procedure.

17. No sooner than the closing time, and within ____minutes of receiving the last bid for the Procedure, the Procedure will end.

18. Determining the Final Tender Results

For the avoidance of any doubt, the bidder, whose bid appeared as the best at the end of the Procedure, will not be regarded as the winning bidder until a comprehensive decision regarding the tender is reached by the authorized authority at IEC.

19. Technical Problems

Bidders who are unable to obtain the said technology, are requested to apply to the IEC contact person in order to try and find an alternative solution to their participation.
IEC and Mashik will not be liable for any damage to the bidder due to technical failures and/or a tender loss, attributable to IEC's failure to receive a bid because of technical failures or bidder's lack of attention to the tender instructions.

A bidder, who during the bidding Procedure relating to prices encounters a technical problem, shall immediately notify, by direct email or phone to IEC's Tender co-ordinator, whose details will be forwarded to all bidders prior to procedure.

No claims regarding an error and/or a technical failure shall be accepted, which was not reported to IEC in the above mentioned fax, immediately once the bidder had become aware of such error and/or technical failure, and in any event no later than ten minutes after the closing of the price bidding. IEC will not discontinue or retrospectively invalidate a Procedure as a result of an error and/or failure for which notice thereof has been provided, provided that the source of the error and/or the technical failure is not due to IEC or in the SV system belonging to Mashik.

Without derogating from the above, in the event the tender committee has decided, after the evolving on line computerized tender has ended, that there was a defect in the most beneficial proposal, or in any other proposal of the evolving on line computerized tender, resulting in its disqualification, such

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

disqualification shall not derogate from the tender committee's right, to implement the results of the evolving on line computerized tender, and elect the most beneficial proposal that complies with the evolving on line computerized tender's requirements.
The Offerors are requested to take this into consideration when pricing their proposals.

20. Price Adjustment Terms

---

21. IEC and/or Mashik are not responsible and will not be held responsible in any way for the proper functioning of the telephone network and/or the internet, or any part thereof and will not be liable for outages, disruptions, cut-offs, damages, expenses, loss of profit etc., caused to a participant in the Procedure, directly or indirectly within the framework of the Procedure and/or as a result thereof. Each participating bidder declares that he is aware that participating in the Procedure is subject to the availability and proper functioning of the internet network and therefore will not be entitled to raise any claim and/or law suit and/or demand against IEC and/or Mashik and/or any of its representatives with regard to damage caused to such supplier and/or any of its representatives as a result of a mistake, error, delay, technical failure or any other reason related to the said communication networks.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

22. Contact Details for Questions and Clarification:

_____

23. <u>Training Approval</u>
(to be filled in after on-line training)

On _____ at _____ I was trained and practiced on the developing computerized tender system and I understand the rules of the Procedure as well as the difference between the minimum and maximum required between each bid, the extended schedule mechanism and the risks involved in submitting bids at the last minute.

Name of the trainee _____
Position _____
Signature + company stamp _____

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

Israel Electric

Operation & Logistics
Procurement Division

Dear bidder,

The Israel Electric Corporation is pleased to have you as a potential bidder in our tenders and/or inquiries (hereinafter shall be referred to as: "Procurement Procedures"). As part of the bidding process, please pay attention also to ICA appendix in the Procurement Procedures' documents, which covers the offset obligations of the winning foreign bidder.
The offset process is managed by the Industrial Cooperation Authority (ICA) at the Israeli Ministry of Economy and Industry, who will be happy to work with you in order to enable your company to successfully meet your offset obligation requirements.

The ICA sees this project not only as an obligation, but also as an opportunity for both the foreign supplier and the Israeli industry to establish a mutually beneficial and successful long-term relationship, and will be happy to assist you in identifying potential suppliers, partners and opportunities in Israel.

Please note that offset fulfillment can come in many forms, including not only simple procurement, but also R&D, training, accreditation, strategic investment and more as a fulfillment of your offset obligations. We highly recommend that you contact the ICA during your Procurement Procedures submission preparations in order to understand the regulation as well as to explore the various opportunities we believe are available in Israel. This collaboration can result in a quality implementation plan that will enable an efficient engagement procedure.

ICA's contact people are:
Mr. Gil Efraim, Director, Procuring Entities – Gil.Efraim@economy.gov.il
Mr. Hovav Ref, Senior Director, Business Development
hovav.ref@economy.gov.il

We recommend that you look at the ICA Web site – www.ica.gov.il, in order to go over the regulation, requirements, process and assistance that the ICA provides to foreign suppliers.

We wish you much success in the Procurement Procedures process.

Sincerely,

Nir Blecher

Head of Procurement Division

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Appendix_____ ICA Appendix (Mandatory Industrial Cooperation)
in respect to Tender/Contract No._____

1. A Foreign Supplier is required to fulfill industrial cooperation as defined in the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation), 5767-2007 (hereinafter: "**the Regulations")** to the extent of 18 or 35 or 50 percent[1] of the contract value where at least 18% of the contract value must be performed in a way of local subcontracting (as detailed in Directive No. 3.2.1 of the ICA Guidelines for Israeli Buyers).

   For the avoidance of doubt:

   1.1 "**Foreign Supplier**" - for the purpose of mandatory industrial cooperation - manufacturer, supplier , importer of imported goods or a supplier of work that is not being performed in Israel, whether by himself or by means of others.

   The location of incorporation, the official address or business center of the Foreign Supplier or its shareholders is immaterial in this regard

   1.2 Israeli Supplier – for the purpose of Mandatory Industrial Cooperation shall be any manufacturer or supplier of goods of Israeli origin or a supplier of work performed in Israel, including services performed in Israel or in the region by an Israeli citizen or a permanent resident in Israel or a corporation registered in Israel or elsewhere with the prior approval of the Industrial Cooperation Authority.

   1.3 "**Israeli made goods" -** goods manufactured in Israel or in the Area or another place approved by the ICA and in which the price of the Israeli content therein

[1] The extent of the Industrial Cooperation shall be an amount equal to at least **35%** of the value of the transaction or the value of the contract.
If the purpose of the transaction or the contract is to purchase security equipment of the Ministry of Defense, including a reference unit within its meaning in the Mandatory Tenders Regulations (Defense Establishment Contracts), 5753 - 1993, the extent of the Industrial Cooperation required shall be at least **50%** of the value of the transaction or the contract.
In respect of tenders relating to civil procurements to which the GPA Agreement applies, the extent of required industrial cooperation from Foreign Suppliers from the signatory countries shall only amount to **18%** of the value of the transaction or the contract**.**

constitutes at least 35 percent of the bid price (including taxes, levies, statutory fees, insurance and transportation expenses).

1.4 "**Israeli content Price**" - as such is defined in the Mandatory Tenders Regulations (Preference of Israeli Made Goods), 5755-1995.

1.5 **"Imported Goods" -** goods that are not manufactured in Israel.

2. A threshold condition for the participation of a Foreign Supplier in the tender is that he shall submit, together with his bid price, a Binding undertaking for industrial cooperation, as in the standard and binding form attached hereto as Form C - "**The Undertaking"** and an implementation plan complying with its undertaking to carry out industrial corporation, in the standard and binding form attached hereto as Appendix B of The Undertaking - "**Implementation Plan"** both having been duly completed, signed and certified as required in these Forms[2]. In so far as it concerns a Foreign Supplier who is under Umbrella Agreement for Industrial Cooperation (hereinafter: "**UICA")** with the Industrial Cooperation Authority (hereinafter: The "**ICA")** the Foreign Supplier shall submit, together with his bid price, Form H - "**Supplier's Binding Undertaking under UICA",** and Form H1 -"**Updated Implementation Plan".**

   Supplier who is arguing not to be a Foreign Supplier, as defined in the Regulations, and therefore believes that the Regulations do not apply to him, must submit to the ICA, along with the submission of his bid price, an auditor opinion letter stating that the Israeli content price in the component of the goods in its bid price is equivalent to or exceeds 35% of the bid price.

   Such auditor's opinion Letter must be submitted in the format attached hereto as Form D. This form shall be submitted instead of form C & Appendix B or forms H & H1.

   The Foreign Supplier is aware that the mere fact of submission of the aforementioned duly completed documents (Form C and Appendix B or Forms H and H1) does not mean that these documents are approved by the ICA. The substance of these documents require examination and approval by the ICA, this being a condition for receiving the ICA's approval for Contract engagement between the Buyer and the successful Foreign Supplier. It may be that the Foreign Supplier will be required to amend these documents

[2] In the case of a Foreign Supplier who is an importer, signature will be required from the manufacturer of the goods (in addition to the importers signature).

in accordance with the requirements of the ICA and as a condition for signing the contract between him and the Buyer, in the event of having him won the tender.

3. The Foreign Supplier is aware that signature of the contract between him and the Buyer is contingent upon the approval of the ICA, upon the provisions of the ICA Regulations and its Guidelines having been fully complied with, including approval of the Implementation Plan submitted by him.

4. The Foreign Supplier is aware that in the event of him being defined by the ICA as a Foreign Supplier under monitoring, the ICA may require, in addition to the Undertaking and the Implementation Plan, that he submit an Instrument of Guarantee for the implementation of his Binding Undertaking to fulfill industrial cooperation, as a condition for the ICA approval of signature of the contract between him and the Buyer, and this in the binding form attached hereto.

   The amount of the Guarantee will be equivalent to the aggregate amount of the annual agreed liquidated damages under the Undertaking or the UICA.

   A Foreign Suppler under monitoring, who is required to submit a Letter of Guarantee as aforesaid, will be entitled to demand a change or update of the amount of the Guarantee depending upon the pace of his annual implementation, provided that he has met the targets of the Implementation Plan (if not otherwise stated in the Implementation Plan, the minimum annual pace is linear).

5. The Foreign Supplier is aware that in the context of approval of the Implementation Plan, the ICA may certify that activity in certain spheres of activity and in certain areas, detailed in the Multipliers Rules as will be published and attached hereto, will be recognized for the purposes of determining the extent of the Industrial Cooperation, at rates in excess of 100 percent.

Special provisions for tenders of a value in excess of 100 million Dollars:

6. The potential Foreign Suppliers are invited to arrange meetings with representatives of the ICA in order to obtain assistance in the planning and structuring of an optimum Implementation Plan to be submitted together with the tender bids. A Foreign Supplier who wishes to do so may obtain preliminary confirmation from the ICA that the documents that he intends to submit in relation to Industrial Cooperation together with

his bid, meet the threshold conditions in terms of submission of such forms and documents as are required under the Regulations.

7. The Supplier, claiming not to be a foreign supplier, is aware that if it is awarded the tender, it will be required to submit a declaration to the Industrial Cooperation Authority, stating that it is an Israeli Supplier together with a certified accountant's approval.

8. Contact details for the ICA can be obtained on the internet website: www.ica.gov.il

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

"FORM C"
BINDING UNDERTAKINGS BY FOREIGN SUPPLIER

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

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

Whereas, the Supplier, is a Foreign Supplier (as such term is defined below) and participates in a procurement process number [____] [Tender No.] issued by [____] [Issuer of the Tender] (the "**Buyer**") for the supply of _____[___] [Name of Tender] (the "**Tender**") or otherwise wishes to engage with Buyer for the supply of goods, equipment, services or work; and -

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

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

1. PREAMBLE, INTERPRETATION AND DEFINITIONS

1.1 The preamble and Schedules to this Undertaking and the Appendices attached hereto constitute integral parts hereof.

1.2 Section headings have been included in this Undertaking for convenience of reference only and shall not be used for the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Supplier hereunder.

1.3 This binding Undertaking is provided in accordance with Israeli Statute and Regulations (as such terms are defined below) and the ICA Guidelines as presented in the official website of the ICA.

1.4 Terms used herein and not otherwise defined shall have the same meaning as ascribed thereto in Statute or Regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. **GENERAL**

2.1 The Supplier hereby declares, warrants and undertakes towards the State of Israel (represented for the purposes hereof by the ICA), that subject to the signing of the Contract, it shall perform and put into practice Industrial Cooperation in Israel at a scope, nature and timetables as set forth in this Undertaking and the Implementation Plan (as such term is defined below) and shall fully comply with all of its undertakings hereunder.

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

3. EXTENT OF THE INDUSTRIAL COOPERATION

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

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

4. NATURE OF INDUSTRIAL COOPERATION

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

Supplier undertakes to perform Local Subcontracting at a value of no less than 20% (or 18% where applicable) of the Contract Value.

4.2 Industrial Cooperation shall not include:

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

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

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

5. PERIOD AND TIMETABLE

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

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

6. IMPLEMENTATION PLAN

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

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

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

6.3 Supplier hereby undertakes that it will continue to invest efforts, using customary reasonable measures, for exploring and establishing Industrial Cooperation in Israel in accordance with its undertakings hereunder, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel, participating in Israeli industry conferences, etc., and shall pursue full implementation of the Industrial Cooperation as described in the Implementation Plan.

6.4 ICA may, at any time, require Supplier to submit clarifications, additions or modifications to the Implementation Plan, inter alia in order to reflect actual changes in Supplier's Industrial Cooperation, or in the case of a default or a potential default by Supplier (and without prejudicing from any right or remedy of ICA) – in order for Supplier to cure any such default and fully comply with its undertakings hereunder. Supplier hereby undertakes to comply with all such requirements by ICA.

6.5 Any industrial cooperation activity to be carried out by the Supplier which is not part of an approved Implementation Plan will be subject to ICA's prior written approval in order for it to be credited as Industrial Cooperation.

7. REPORTS

7.1 The Supplier shall submit to the ICA an annual report regarding the fulfillment of the undertakings for Industrial Cooperation stated in this Undertaking (the "**Progress Report**").

7.2 The Progress Report for each calendar year shall be submitted no later than March 31st of the following calendar year. ICA may, at any time, require the submission of additional Progress Reports, including in case of a default or a potential default of the Implementation Plan.

7.3 The Progress Report shall include the following details:

7.3.1 Performance against anticipated Industrial Cooperation under the Implementation Plan.

7.3.2 A summary of all the claims for Industrial Cooperation credits in a form attached as **Appendix "C"** hereof approved by the Supplier's independent auditor. For each one of the credit claims the Supplier shall submit a confirmation of the Israeli supplier signed by an authorized signatory, at the form included in **Appendix "C1"**.

7.3.3 Any additional information, which may be required by the ICA, regarding the activities carried out toward the fulfillment of the Supplier's undertakings.

7.4 A final report regarding the scope of the Industrial Cooperation and Local Subcontracting as actually implemented and the nature thereof shall be submitted by the Supplier, along with the approval of Supplier's auditor to such report, no later than 30 days after the end of the Industrial Cooperation Period.

8. BREACH BY SUPPLIER

8.1 Breach by Supplier of the provisions of Sections 2.1, 3, 4.2, 5.1, 6.2, 6.3, 7.1 or 7.4 of this Undertaking shall be considered as fundamental breach of this Undertaking.

8.2 Any other breach by Supplier of this Undertaking, which is not cured within 30 days of ICA's written demand (or an extended cure term as defined by the ICA, at its sole discretion) shall become a fundamental breach.

9. LIQUDATED DAMAGES

9.1 During the Industrial Cooperation Period, the ICA will determine the following parameters, as at the end of each calendar year ("**Evaluation Date**"):

9.1.1 The Supplier's accumulated obligations for Industrial Cooperation under this Undertaking from the commencement of the Industrial Cooperation Period until the Evaluation Date.

9.1.2 The Supplier's accumulated volume of Industrial Cooperation performed by Supplier and approved by ICA, from commencement of the Industrial Cooperation Period and until the Evaluation Date.

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

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

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

10. INDUSTRIAL COOPERATION COORDINATOR

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

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

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

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

11. **LAW AND JURISDICTION**

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

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

12. **MISCELLANEOUS**

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

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

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

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

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

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

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

Foreign Supplier [Company name]:

Name:

Title:

Signature:

Date:

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

Importer [Company name]:

Name:

Title:

Signature:

Date:

Appendix B

Implementation Plan

Related to Tender/RFP No. ……

Issued by .....…… Dated …….

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

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

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

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

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

3. Following is our prospective Fulfillment Program:





Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Industrial Cooperation Category	Transaction Description	Estimated Timeframe		Local Subcontractor Yes/No	Names of Israeli Entities Involved	Transaction Value (in USD/EUR)	Israeli entity's Contact Person info.
		Start Date	Due Date				
					Total Fulfillment Value		
					Total Local Subcontracting value		

Ministry of Economy and Industry
86 Menachem Begin Rd., P.O.B 36049, Tel Aviv 6136001, Israel
Tel. 972-3-7347513/4, www.ica.gov.il





Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

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

Name (Supplier): …… Title: ……..……...…….

Signature (Supplier): …… Date: ……..……...…

Name (Importer): *……..…..…… Title:*……

Signature (Importer): *……..... Date:*...……

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

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Appendix C

Annual Claims Submission Form

To:
ICA Israel
86 Menachem Begin Rd.
P.O. Box 36049
Tel-Aviv, 67138
ISRAEL

E-mail: Rashpat@economy.gov.il

Re: Annual Claims Report - Undertaking File [FILE #]

Dear Sir/Madam,

Please see attached our annual report for the period _____to _____.

Total claims for this period, as attached, are US$ _____. Each of the claims is supported by a signed Claim for Industrial Cooperation Credit.

Thank you,
Company Name: _____
Name: _____
Title: _____
Signature: _____ Date: _____

#	Israeli supplier name	Description of goods purchased	Nature of the industrial cooperation (Acquisition, Investment, R&D etc.)	Value (US$/EUR)	Local subcontracting (US$/EUR) (Industrial cooperation directly related to the Contract/Project)	POC
1						
2						

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Auditor's Opinion letter

(Industrial Cooperation)

Date _____

To:
The Industrial Cooperation Authority
Menachem Begin Road,
PO Box 36049, Tel Aviv 67138
by email: rashpat@economy.gov.il

Re: Auditor's Opinion letter regarding Industrial Cooperation

As Accountants and Auditors of_____, duly registered in _____ under Registration No. _____ (hereinafter: "**the Foreign Supplier")** and upon his request, we have audited the financial statements in the declaration of the Foreign Supplier as detailed in the attached Implementation Report (marked with our seal for purposes of identification) for _____ [year]. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the said declaration. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements in the declaration referred to above, present fairly, in all material respects, the financial statements included in it, according to the audited financial reports/unaudited financial reports and the supporting books they are based on.

Yours truly

_____, CPA
Registration/License No: _____

Notes:

- ✓ This version was drafted in consultation with the Institute of Certified Accountants and with its consent.
- ✓ To be printed on the Charted Accountant's firm's letter head

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Appendix C1

Claim for Industrial Cooperation Credit

For the calendar year ……..

1. Name of Foreign Supplier ("**Supplier**"): ……..
2. Name and address of the Israeli provider or manufacturer: ……

   Preferences:

   ☐ SME ☐ Preferred Zone

3. Goods or services provided during the above mentioned Calendar year: ……
4. Industrial Cooperation Category[1]:
   a) **Direct** - Industrial Cooperation directly related to project/contract :

      Ref: ….……..

      ☐ Local Subcontracting

      ☐ Acquisition of Israeli Products, Work or Services

      ☐ R&D Orders

      ☐ Investments

      ☐ Know-How transfer

      ☐ Other ….……..

   b) **Indirect**

      ☐ Local Subcontracting

      ☐ Acquisition of Israeli Products, Work or Services

      ☐ R&D Orders

      ☐ Investments

      ☐ Know-How transfer

[1] Please mark the relevant category. If it is a direct industrial cooperation, please fill out the name and a short description of the project.

☐ Other ……..

5. We hereby warrant and confirm that the Israeli content of each one of the goods and services detailed in Section 3 above constitutes at least 35% of its value.
6. The total Value of Goods or services provided (US$) (calculated in accordance with the US$ exchange rate published by the Bank of Israel at the date of invoice): ……

I, the undersigned……., Passport Number ……., an authorized signatory of ....., hereby warrant and confirm that the above Claim for Industrial Cooperation is true and correct, and in full compliance with the Regulations and the Industrial Cooperation Undertaking by Supplier.

Foreign Supplier [Company name]:

……..

Name:

……..

Title:

……..

Signature: ……Date: ……...

The Israeli supplier's declaration

I, the undersigned, an authorized signatory of ……. [Name of Israeli supplier] registration No…. .....hereby warrant and confirm that the information set forth under section 3 through 5 of the above Claim for Industrial Cooperation Credit by Supplier is true and correct.

Israeli supplier [Company name]:

……..

Name:

……..

Title:

……..

Signature: ……Date: ……...

Email: ……..

Tel: ……Cell: ……..…

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

<u>דו"ח רו"ח מיוחד בגין שת"פ תעשייתי</u>

תאריך: _____

לכבוד,
הרשות לשיתוף פעולה תעשייתי
דרך מנחם בגין 86
ת.ד. 36049, תל-אביב 67138
באמצעות דוא"ל: rashpat@economy.gov.il

הנדון: <u>דוח מיוחד בגין שת"פ תעשייתי</u>

כרואי החשבון של התאגיד _____ ח"פ _____ (להלן: "**ספק החוץ**") ולבקשתו, ביקרנו את הנתונים הכספיים המפורטים בהצהרת ספק החוץ הכלולה בדו"ח המימוש המצ"ב והמסומנת בחותמתנו לשם זיהוי, לשנת _____ (להלן: "**ההצהרה**"). ההצהרה הנ"ל הינה באחריות ספק החוץ. אחריותנו היא לחוות דעה על הנתונים הכספיים המפורטים בהצהרה זו בהתבסס על ביקורתנו.

ערכנו את ביקורתנו בהתאם לתקני ביקורת מקובלים בישראל. על פי תקנים אלה נדרש מאיתנו לתכנן את הביקורת ולבצעה במטרה להשיג מידה סבירה של בטחון שאין בהצהרה הצגה מוטעית מהותית. ביקורת כוללת בדיקה מדגמית של ראיות התומכות בהצהרה הנ"ל. אנו סבורים שביקורתנו מספקת בסיס נאות לחוות דעתנו.

לדעתנו, הנתונים הכספיים הכלולים בהצהרת הספק הנ"ל משקפים באופן נאות, מכל הבחינות המהותיות, את הנתונים הכלולים בה בהתאם לדוחות הכספיים המבוקרים/הבלתי מבוקרים/ וספרי העזר עליהם הם מבוססים [יש להתאים בהתאם לנסיבות].

בכבוד רב,

_____ רואי חשבון

הערות:

- ✓ נוסח דיווח זה נקבע בהסכמת לשכת רואי החשבון בישראל.
- ✓ יודפס על נייר לוגו של משרד הרו"ח.

טופס ד' (FORM D)- חוות דעת רואה חשבון לענין ספק המצהיר שאינו ספק חוץ

תאריך: _____

לכבוד,
הרשות לשיתוף פעולה תעשייתי
דרך מנחם בגין 86
ת.ד. 36049, תל-אביב 67138
באמצעות דוא"ל: rashpat@economy.gov.il

הנדון: שיעור מחיר המרכיב הישראלי בהצעה המוגשת על ידי חברת _____
בע"מ עבור מכרז פומבי מספר _____

לבקשת _____ בע"מ (להלן: "**החברה**") וכרואי החשבון שלה, ביקרנו את הצהרת החברה מיום _____ עבור מכרז _____ כמפורט בנדון, בקשר לשיעור מחיר המרכיב הישראלי ברכיב הטובין ממחיר ההצעה במכרז, המצורפת בזאת והמסומנת בחותמת משרדנו לשם זיהוי בלבד (להלן "**ההצעה**"). הצהרה זו הינה באחריות הדירקטוריון וההנהלה של המציע. אחריותנו היא לחוות דעה כי בהצהרה הנ"ל בהתבסס על ביקורתנו "מחיר המרכיב הישראלי" ברכיב הטובין בהצעה שווה או עולה על 35% מ"מחיר ההצעה".

לעניין זה - "מחיר המרכיב הישראלי" ו-"מחיר ההצעה" כהגדרתם ב**תקנות חובת המכרזים (חובת שיתוף פעולה תעשייתי),** התשס"ז-2007 ובתקנות **חובת המכרזים (העדפת תוצרת הארץ),** תשנ"ה-1995.

ערכנו את ביקורתנו בהתאם לתקני ביקורת מקובלים בישראל, על פי תקנים אלה נדרש מאיתנו לתכנן את הביקורת ולבצעה במטרה להשיג מידה סבירה של בטחון שאין בהצהרה הנ"ל הצגה מוטעית מהותית. הביקורת כוללת בדיקה מדגמית של ראיות התומכות בהצהרה הנ"ל, (בעיקרן ביקורת במסמכי החברה לגבי מוצרים המיוצרים/מיובאים על ידה וכן הצהרות מספקי המשנה ו"דוחות מיוחדים" של רואי חשבון של ספקי משנה לביקורת הצהרות אלה). אנו סבורים שביקורתנו מספקת בסיס נאות לחוות דעתנו.

לדעתנו, ההצהרה הנ"ל משקפת באופן נאות, מכל הבחינות המהותיות, את המידע הכלול בה.

בכבוד רב,

_____

רואי חשבון

הערות:

- ✓ נוסח דיווח זה נקבע בהסכמת לשכת רואי החשבון בישראל.
- ✓ יודפס על נייר לוגו של משרד הרו"ח.

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

"Form H"

Industrial Cooperation Undertaking (for UICA)

Date: _____

Reference: _____

To:

ICA Israel

86 Menachem Begin Rd.
P.O. Box 36049
Tel-Aviv, 67138, ISRAEL
Fax +972-3-5634-177

Dear Sir,

Re: Umbrella Industrial Cooperation Agreement No. _____ ("UICA")

signed on _____ by and between The Government of Israel, represented by the Industrial Cooperation Authority, with offices located at 86 Menachem Begin Rd., Tel-Aviv 67138, Israel ("**ICA**") and [_____][Name] a corporation duly incorporated and existing under the laws of [_____] [Place of incorporation], company number [_____] with address at _____ ("**Supplier**").

This Binding Undertakings Instrument ("**Undertaking**") is made as of [_____][Date], by Supplier, in relation to a procurement process number [____] [Tender No.] issued by [_____] [Issuer of the Tender] (the "**Buyer**") for the supply of _____ [____] [Name of Tender] (the "**Tender**").

Under the Regulations, should Supplier be awarded with the Tender, the scope of Industrial Cooperation obligations to be assumed by Supplier in relation to the Contract (as such term is defined below) shall be at an amount of at least _____% of the Contract Value (as such term is defined below)_____ [Contract Value], i.e. a total amount of _____US$ [the scope of Industrial Cooperation][1], while an amount of at least _____% of the Contract Value shall be performed by means of Local Subcontracting or New Business i.e. a total amount of _____US$ [the scope of Local Subcontracting][2] ("**New Industrial Cooperation Obligation**").

[1] *shall be completed by the successful tenderer after contract award*
[2] *shall be completed by the successful tenderer after contract award*

We hereby ask the ICA to include the above New Industrial Obligation in the UICA, in accordance with the following:

☐ Deduct an amount of US$_____ out of our existing credit under the UICA, which will encompass the total scope of the New Industrial Obligation.

☐ Deduct an amount of US$_____ out of our existing credit under the UICA, and include the balance of the New Industrial Obligation at an amount of US$ _____ within the Implementation Plan of the UICA.

☐ Add the New Industrial Obligation to our obligations under the UICA and UICA Implementation Plan.

Attached, as Appendix "**H_1**" of this Undertaking is an updated Implementation Plan for approval by the ICA. Upon approval by ICA, such Implementation Plan shall be binding upon Supplier, shall be attached as an inseparable part of the UICA and shall replace the current existing Implementation Plan of the UICA.

Definitions:
"**Contract**" – shall mean the procurement contract between the Buyer and the Supplier which shall be entered into between Buyer and Supplier should the Supplier be awarded in the framework of the Tender, or otherwise, for the purpose of acquisition by Buyer from Supplier of goods, equipment, services or work.
"**Contract Value**" - the total considerations to be paid to Supplier in the framework of the Contract or in relation thereto, including taxes, levies, fees, insurance and transportation costs, and - in respect of imported goods - their CIF price in an Israeli port, including taxes, levies, fees, insurance and transportation costs, all - without giving effect to any deductions, set-offs or fines. Contract Value includes, without limitation – (1) any payment which, under the Contract, the Buyer is required to pay to Supplier and Supplier is required to transfer to another; (2) any payments which any third party is required to pay to Supplier, by virtue of the Contract; (3) any payments, including payments as stated in paragraphs (1) or (2) above included in any option of Buyer under the Contract; (4) any follow-on procurement in excess of USD 500,000 that is made within a period of 5 years from the date of the Contract; and (5) any acquisition of spare parts, training activities, maintenance, technical assistance, guarantees etc. procured in the framework of the Contract or in relation thereto.
"**Local Subcontracting**" - the execution by Supplier of Contract to purchase Israeli Made Goods or to procure Works or Services in Israel (as such term is defined under

the Regulations or the UICA), all - for executing Supplier's undertakings under the Contract.

New Business" - any purchase of product or service placed with an Israeli entity, that the Foreign Supplier had no business activities with, in five (5) years prior to that purchase or any purchase for a new product or service placed with an Israeli entity, whether or not the Foreign Supplier has ever had business relations with. "New Business" will be defined as such for a period of three (3) years from the relevant order placement.

IN WITNESS WHEREOF, Supplier has caused its authorized representatives to execute and deliver this Undertaking as of the date first above written.

Signed By: _____

For and on behalf of the Supplier

_____

Print Name

_____

Title

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

"Form H1"

Updated Implementation Plan

Related to Tender/RFP No. ……

Issued by .....…… Dated …….

We [full company name] …… ……..……..……..……, hereby submit our detailed updated Implementation Plan, aimed at the satisfaction of our a.m. new undertaking, as follows:

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

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

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

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

3. Following is our prospective Fulfillment Program:

Ministry of Economy and Industry
86 Menachem Begin Rd., P.O.B 36049, Tel Aviv 6136001, Israel
Rashpat@Economy.gov.il
www.ica.gov.il

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

Industrial Cooperation Category	Transaction Description	Estimated Timeframe		Acquisition of Israeli Products Site of Production		Local Subcontractor/ New Business	Names of Israeli Entities Involved	Transaction Value (in USD/EUR)	Israeli entity's Contact Person info.
		Start Date	Due Date	Country	City				
						☐ LS ☐ NB			
						☐ LS ☐ NB			
						☐ LS ☐ NB			
						☐ LS ☐ NB			
						☐ LS ☐ NB			
						☐ LS ☐ NB			

Please fill the attached EXCEL

Total Fulfillment Value	
Total Local Subcontractor/ New Business value	

Ministry of Economy and Industry
86 Menachem Begin Rd., P.O.B 36049, Tel Aviv 6136001, Israel
Tel. 972-3-7347513/4, www.ica.gov.il

Ministry of Economy and Industry
Industrial Cooperation Authority, ICA

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

Name (Supplier): ……. Title: ……...

Signature (Supplier): …… Date: ……..……

Name (Importer): *……Title:*……

Signature (Importer):*……..Date:*……..……..

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

Ministry of Economy and Industry
86 Menachem Begin Rd., P.O.B 36049, Tel Aviv 6136001, Israel
Tel. 972-3-7347513/4, www.ica.gov.il