

**THE ISRAEL ELECTRIC CORPORATION LTD.
ANNEXURE "A7"**

**GENERAL CONDITIONS FOR EQUIPMENT REPAIR AND UPGRADE
(SHORT VERSION UP TO US 30,000)
07.02.2023**

1. DEFINITIONS

- a. 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 Equipment from the Supplier.
- b. "Equipment" - shall mean all or part of the equipment described in the order/contract.
- c. "IEC", "Purchaser" - shall mean the Israel Electric Corporation Ltd.
- d. "Order/Contract" - shall mean the Order/Contract issued, or a framework contract comprising of draw orders, including this annexure, Supplier's revised proposal and any other attachments or annexures thereto, by which the Purchaser purchases the Equipment from the Supplier.
- e. "Repair" - shall mean reinstating the Equipment to its former normal working condition, fully functional in accordance with the requirements of the specification, or performing all the actions and services, and providing all the parts and materials, necessary to fulfill the requirements, set out in the specification, including those intended to update or ameliorate the Equipment, and all steps necessary to ensure that the repaired Equipment shall fit its original place and purpose, except for the modifications specifically set out in the specification.
- f. "Supplier"- shall mean the party, whose offer in the tender/ RFP has been accepted by the purchaser.
- g. "Work" or "Works" includes, unless the context clearly indicates otherwise, all labor, methods, material, equipment and other facilities and services which the Supplier is required to furnish in order to conduct and to complete the Repair and normally considered part of the type of project covered by the Order, whether or not fully detailed in Supplier's revised proposal or in the specification.

2. DELIVERY, RISK AND TITLE

- (a) Unless otherwise specified, IEC shall, on its account, be responsible for delivery of the Equipment to the Supplier's workshop until such time as it is placed at the disposal of the Supplier. The Supplier shall, on its account, be responsible for unloading the Equipment from the inland carrier at its workshop. The Supplier shall acknowledge receipt of the Equipment to be repaired by furnishing IEC with a duly signed delivery note.
- (b) In all other cases, or if otherwise specified, the delivery and risk distribution shall comply with the relevant INCOTERMS (2020), as specified in the Order.
- (c) Notwithstanding anything to the contrary in this Order, or in any other document, title to the Equipment shall remain with IEC at all times.
- (d) Upon delivery of the Equipment to Supplier's workshop and until re-delivery to Israel, the Supplier shall store the Equipment separately and distinctly from other equipment, shall mark and designate the Equipment as being that belonging to IEC and, in its capacity as bailee, shall perform such acts as are required by the law of the Supplier's country to care for the Equipment and to ensure that IEC's title to the Equipment is protected.
- (e) The Supplier hereby waives any lien, security interest or other charge or encumbrance upon or with respect to the Equipment.
- (f) Upon receipt of the Equipment by the Supplier and until its delivery to IEC, or IEC's representative, In accordance with these General Conditions, the Supplier shall assume all responsibility for loss or damage to the Equipment due to any cause whatsoever.

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- (g) The Supplier shall deliver the Equipment 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 Equipment shall be accompanied by three (3) copies of delivery certificates bearing IEC's order and catalogue numbers to which the Equipment refer to.

Delivery will become effective only upon the actual delivery of the Equipment to IEC and receipt

- (h) 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 Equipment and/or compliance with the terms of the Contract.

3. CHANGES IN THE WORK

The Supplier shall not alter any of the Work except as set forth or agreed to in writing by IEC's Procurement Division. IEC shall have the right, from time to time during the period of performance of the Contract, by notice in writing (hereinafter referred to as a "Change Order") to direct the Supplier to alter any of the Work, and the Supplier shall carry out such variations, and be bound by the same conditions as far as applicable, as though the said variations were originally stated in the Contract.

The Change Order shall be issued pursuant to the following procedure:

- (a) IEC shall notify Supplier in writing of the desired change (hereinafter referred to as: "the Notice of Change").
- (b) Within fifteen (15) working days Supplier shall respond to the Notice of Change. If Supplier fails to respond within such fifteen-day period, IEC shall be entitled to issue a Change Order in accordance with the terms specified in the Notice of Change.
- (c) In any case in which the Supplier has received a Notice of Change which will, in the opinion of the Supplier, involve either an increase or decrease in the Order Price and/or a change in the period of delivery of the Equipment and/or any other change to the Order, the Supplier shall advise IEC in writing within the fifteen-day period indicating the required amendments to the Order, if any.
- (d) The difference in the Order price payable by IEC shall be ascertained and determined In accordance with the unescalated and unadjusted base rates specified in the Order so far as the same may be applicable, if any. Where rates are not contained in said Order or are not applicable, such amounts shall be agreed between IEC and the Supplier having regard to Supplier's actual proven costs incurred plus an amount for reasonable profit which shall not exceed ten percent (10%).

For the removal of doubt, any change in the Work not according to the abovementioned procedure shall not entitle the Supplier to any payment, for the unauthorized portion of the Work.

- (e) Upon reaching an agreement regarding the scope of the change and its implications, or further to Sub article (b) above, IEC shall issue the Change Order and the parties shall implement the change.
- (f) In the event Supplier is of the opinion that an amendment to any of the technical and engineering Codes and standards which are part of this Contract requires an amendment to any of the provisions of the Order, Supplier shall be permitted to require IEC to consider such changes. IEC shall have thirty (30) working days to respond to Supplier's request. In the event IEC fails to respond within such thirty day period or IEC rejects Supplier's request, the matter shall be determined by mutual negotiations of the parties, or at last resort by recourse to a mutually agreed upon third party.

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4. QUALITY ASSURANCE, INSPECTION AND TESTING

- (a) IEC or its duly authorized representative shall have the right to inspect or observe the Repair, inspection and testing of the Work at any facilities where Work is performed. The Supplier shall provide IEC with preliminary notification of readiness for testing and inspection of each major hold point as reflected on the GANT chart, at least four weeks prior to such readiness.

Final notification of readiness and inspection of each part of the Work for testing shall be provided to IEC two (2) weeks prior to such readiness. In the event IEC's representatives fail to attend the tests or inspections as scheduled, the Supplier may proceed whilst properly recording the test procedures and all the test results for timely submission. The witnessing of the Supplier's tests and inspection(s) by IEC shall in no way whatsoever relieve the Supplier of any of its responsibilities or liabilities under the Order, nor shall it be interpreted in any way as implying acceptance of the Work.

- (b) The Supplier shall conduct, at its responsibility and expense, all tests and inspections required in the Order. The Supplier shall repair and replace, without cost or delay, anything found defective by tests, inspections and shall also conduct, at its own responsibility and expense, any re-inspection and re-testing to ensure that the defects have been corrected and no additional defects have been introduced. Any inspection required by statutory authority, governmental regulation or other similar authority of the codes or standards shall be carried out by Supplier under its sole responsibility and at its sole expense.
- (c) In the event Supplier fails to provide IEC with reasonable facilities and access for inspection and, if in the opinion of IEC, it is necessary to dismantle the Equipment for such inspection, then Supplier shall dismantle and reassemble such Equipment and bear the expense thereof.
- (d) If Supplier fails to promptly repair the part, IEC reserves its right to repair the part on the Supplier's account.
- (e) The Supplier shall provide IEC with a copy of the factory test certificate immediately upon the completion of the tests, and of any other tests completed according to the specification or otherwise.
- (f) The Supplier shall by no later than 14 days after completion of factory tests submit to IEC a quality control certificate in accordance with Form 5 attached to the Order.
- (g) Should there be any discrepancy between the results of the factory tests (in accordance with Form 5 and/or the factory test certificate) and the site tests conducted by IEC, the Supplier shall at its expense bear all costs, including retesting, redelivery of the Equipment to the Supplier for further repairs, additional repairs and thereafter, redelivery to the Purchaser
- (h) IEC may reject any part of the Work found to be defective or not in accordance with the Order, regardless of the stage of its completion or the time or place of discovery of such defects or any other errors, and regardless of whether IEC's inspector has previously accepted it.
- (i) 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.

5. SHIPPING AND HANDLING OF EQUIPMENT AFTER COMPLETION OF REPAIR SERVICES (if not specified in Annexure "R")

- (a) Unless otherwise specified, the repaired Equipment and all components thereof shall be shipped as agreed between the parties, either EXW at the Supplier's premises or FCA at the designated port or airport in the Supplier's country (Incoterms 2020), In both cases fully loaded onto inland transportation by the Supplier at Supplier's risk and expense and in co-ordination with IEC's duly appointed freight forwarder.
- (b) Supplier shall be responsible for all export/import and any and all other licenses required for the shipping and

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delivery of the Equipment to and from Supplier's country (including any renewals). The Supplier shall assist IEC in obtaining any licenses of any non-Israeli export authorities, if any.

- (c) Prior to shipment, at the cost of Supplier, the Equipment is to be preserved, packaged, crated, loaded and braced in good and workmanlike manner, in accordance with the best commercial export practices.
- (d) Packaging shall also be suitable for open storage at IEC's designated site taking into consideration high humidity and salty atmosphere. 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. For Equipment which is not suitable for open storage or if the repaired Equipment requires special storage conditions, the Supplier shall provide IEC with the appropriate written storage instructions.
- (e) Shipping packing, marking and documentation shall be effected in accordance with the following provisions:
 - (i) All correspondence and enclosures in connection with the Equipment shall be sent by Supplier to IEC in triplicate.
 - (ii) All Equipment must be packed and described in relevant documents in such manner as to ensure the lowest freight rate.
 - (iii) All correspondence and enclosures in connection with the Equipment shall be sent by Supplier to IEC in triplicate.
 - (iv) 10 days before shipment, the Supplier shall advise the IEC of the following:
 - (1) Supplier's full name and address of manufacturer's plant/warehouse;
 - (2) IEC's Order Number;
 - (3) Power Station Unit Number;
 - (4) Number of items to be shipped;
 - (5) Number of packages;
 - (6) Exact weight (gross) of consignment;
 - (7) Date on which Equipment due to leave manufacturer's plant;

(f) Packing Lists:

One copy of packing list shall be enclosed in each case or package. Packing lists shall have a detailed description of all items.

If full details of contents, weights and measures of each case or package are shown on the invoice and description is as required in the above paragraphs, invoices supersede packing lists.

(g) Order Number:

Order Number must be quoted in full on the invoices and packing lists.

(h) Marks:

- (1) The Equipment itself or the cases in which it is placed, must be marked consistent with the numbering on the invoices and packing lists. Each case/package shall also bear the correct Order number and unit number with consecutive number of package, as follows:

*(insert Specification No.; i.e. ABC1234 and Order number)

+ (insert unit and package nos.; e.g. 1/3 for units Number 1, package number 3)

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I.E.C.

Haifa/Ashdod, depending on designated port of destination or Ben Gurion International Airport

- (2) The above marking and IEC's Order number, unit number, and package number must be shown on the Equipment itself or on the outside of packages together with weights and measurements.
- (3) Contents of cases/packages are to be clearly marked and labeled for easy identification.
- (i) Commercial Invoices:

The Supplier shall deliver detailed and certified invoices confirming the actual value of the Equipment and containing the under-mentioned particulars as required by the Israeli Customs Authorities. Such invoices shall be made out in the name of IEC and shall include:

- (1) Detailed description of the Equipment (as fully itemized per component as possible) including IEC's internal computer number and catalogue number IEC's internal computer number and catalogue numbers shall be advised to the Supplier by IEC at least two (2) weeks prior to shipping;
- (2) Quantity of each item in the metric system of weights and measures;
- (3) The value of each component, where possible;
- (4) Package number, gross and net weights and measurements of each package, and the volume of each container;
- (5) The total gross and net weights of the consignment;
- (6) State clearly the Repair cost (Order Price), or that the Repair cost shown is "no charge"
- (7) The country of origin of the Goods;
- (8) The invoice must be signed and witnessed 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 Equipment and all charges thereon. We further declare that the goods are of origin.

Declarant	Witness
Title or Qualification	Title or Qualification".

- (j) Distribution of Shipping Documents, Commercial Invoices and Packing Lists:

Five (5) copies each of the above are to be airmailed to IEC as above, and further copies to be distributed as per IEC's instructions.

6. PAYMENT

- (a) Mode of Payment

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

- (b) Terms of Payment:

- 1. One hundred percent (100%) pro rata per shipment of Order/Contract price or Draw Order price shall be paid 45 days from receipt and approval of invoice by Purchaser.

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2. Payment shall be conditioned upon delivery of the Equipment in accordance with the agreed term of supply defined in Incoterms 2020 and receipt of the invoice.
3. The Supplier awarded the tender shall be obliged to submit all tax invoices through a uniform computerized platform (hereinafter referred to as: "**Digital Invoice**").
All costs in connection with submitting the Digital Invoice through this computerized system, shall be borne by the Supplier awarded the tender/procurement procedure and shall be paid directly to the platform provider.
4. Upon Supplier's connection to the computerized platform, the Purchaser shall render the computerized platform operator any and all relevant data regarding the Purchaser's agreement with the supplier, such as price, total value of agreement, terms of payment, supply dates and so on, all in order to enable accurate and controlled submission of invoices.
5. During the first phase of operation of the computerized platform, and until Supplier is notified otherwise by the Purchaser, orders or contract will be valid only once **issued directly** by the Purchaser, whereas the fact that an order/contract is updated on the computerized system is insufficient for indicating its validity.
6. It is hereby emphasized that submission of the invoice, as applicable, shall be a prerequisite for any payment, Purchaser shall make to the Supplier under the Contract/Order.
7. Payment and VAT thereon, as required by law, shall be made within 45 days from Purchaser's receipt of an invoice. Payment shall be conditioned upon delivery of the Equipment in accordance with the agreed terms of supply as defined in Incoterms 2020/ completion of service as applicable.
8. Terms of payment for down payment, where applicable
In the event that down payment applies under the Contract/Order, the down payment shall be paid net 45 days from signature of the Contract/Order, subject to receiving Down Payment Guarantee and Supplier's request for payment.
Each invoice shall be paid within 45 days from its submission, subject to receipt of the Goods and in a sum reflecting the balance of the invoice after deducting down payments applying to it under the terms of Contract/Order.
9. Terms of payment for retention, where applicable
In the event that retentions apply under the Contract/Order, the retention component will be deducted from the payment for each invoice submitted.
The retention payments shall be effected against Supplier's request for payment net 45 days from provisional acceptance.

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 Supplier under the Order/Contract in the event of the occurrence of any of the following:
 - breach of Contract in whole or in part by the Supplier,
 - failure to provide a required guarantee on the date stipulated in the Order/Contract, as set forth under the terms of the Order/Contract,
 - lawsuits filed against Purchaser and/or in the event of damages (including but not limited to re-occurring defects in the Equipment) caused to Purchaser and/or any other person as a result of the Order/Contract,
- (b) In the event Purchaser cancels the Order/Contract due to breach by the Supplier, Purchaser shall be entitled at its sole discretion to withhold sums due to the Supplier, until such time as the scope of damages incurred to Purchaser by the Supplier's breach has been determined and Purchaser shall have the right, at its sole discretion, to set-off its damages from the sums withheld from the Supplier (without derogating from Purchaser's right to recover amounts due to Purchaser not included in the said sums set-off) or from any other contract/order entered into with the Supplier.
- (c) The Supplier shall have no right of lien over Purchaser's Equipment for any reason whatsoever, during the

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Contract/Order period or during the option period (where exercised) or thereafter, regardless whether the Equipment has been supplied to him by Purchaser for repair or supplied to Supplier by anyone else.

8. INSURANCE

As per Annexure "L" attached to the Tender/RFP documents.

The Supplier shall sign the Insurance Annexure attached as Annexure "L", and return a certificate of insurance signed by his insurer to Purchaser within 5 (five) calendar days from receipt of notice of award.

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9. DELAYS IN PERFORMANCE

In every case of delay or anticipated delay, due to whatever cause, in fulfillment of the Order by the Supplier, which is likely to postpone performance dates provided therein, the Supplier will advise IEC immediately in writing within 48 hours of the event, of its being apprised thereof. Such notification however, does not in any way absolve the Supplier from making every endeavour to overcome the delay and shall not release the Supplier from its obligations.

10. FORCE MAJEURE

- (a) Neither party shall be responsible to the other for loss or damage due to circumstances directly affecting the performance of the Contract/Order beyond such parties' control - which could not have been prevented by reasonable foresight at the time of signature of the Contract/Order. Such circumstances shall include but not be limited to 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 disasters, embargo (any or all of which are in this Order referred to as "Force Majeure"). Upon occurrence of any such circumstances, the party affected shall notify the other in writing by the fastest means possible within seven (7) days of the occurrence and the parties shall promptly thereafter consult with one another for the purpose of finding a solution to the Force Majeure problem.
- (b) Any delays resulting from any such cause shall extend performance time of that part of the Work so affected by the period of such delay, unless it shall become impossible to perform the Order in whole or a substantial part thereof, in which event this Order may be cancelled in writing by either party. In the event of notice of cancellation of the Order, the parties shall immediately consult with one another for the purpose of agreeing upon the basis for settlement of respective claims and obligations and shall try to reach an amicable agreement between the parties, failing which the matter shall be subject to the provisions relating to dispute settlement below.

Notwithstanding that stated in this article, the parties hereby agree that in the event that due to COVID-19 Pandemic, fulfillment of the Order/Contract by the Supplier and/or IEC shall become impossible or materially different from what was agreed in the Order/Contract, including with regard to the obligation to comply with the time schedule specified under the Order/Contract and/or the quantities thereunder, the party failing to comply with its obligations under the Order/Contract, will be required to immediately give notice of such, in writing, to the other party.

IEC shall be entitled, at its discretion, to terminate the Order/Contract or alternatively, to extend the time schedule under the Order/Contract and/or to permit a change of the contract provisions, in a manner which will allow its fulfillment, all in accordance with the circumstances of the case and IEC's needs.

In the event that the Supplier provides IEC with such notice, when reaching its decision, IEC shall take into consideration, inter alia, the measures the Supplier has taken in order to fulfill its obligations under the Order/Contract and mitigate IEC's damages, including the alternatives which have been examined.

Where IEC 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.

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11. WARRANTY

(a) The Supplier warrants that:

Replacement parts, and all parts or equipment to be integrated to IEC's Equipment, shall be the best of their respective kind, shall be new and unused in all cases.

the design, workmanship and skill of the repair shall be of the best quality, satisfactory to IEC and shall be in accordance with the Specification;

the Work shall be performed by skilled and experienced personnel;

(b) Supplier's failure to comply with the aforesaid warranty provisions shall be remedied as follows:

(i) Defective replacement parts as well as any other part of the Equipment damaged as a result of the repair, shall be promptly repaired or replaced by the Supplier on its account.

(ii) Such services as may be required to remedy defective design, workmanship and skill, shall be rendered by the Supplier, promptly and at its own expense.

(iii) In the event of repairs conducted at IEC's site in Israel, any costs associated with the aforesaid remedies, including dismantling, shipping, insurance, handling and re-assembly of the Equipment to be repaired shall be borne by the Supplier.

In the event of repairs conducted at the Supplier's works, outside Israel, any costs associated with the aforesaid remedies, excluding dismantling and re-assembly of the Equipment to be repaired (which shall be for IEC's account) but including shipping, insurance and handling of the repaired Equipment shall be borne by the Supplier.

(iv) Should the IEC have dutifully notified the Supplier of a necessary change or remedy to be brought to a defective design in or execution of the Work, and the Supplier have failed to fulfill its duty within a reasonable period of time under the circumstances, then IEC shall be entitled to execute by itself or have executed by an independent Supplier such actions, as are necessary to remedy the abovementioned defects, and to claim full reimbursement of the costs incurred thereby from the Supplier.

(c) Warranty period: 18 months from delivery, or 12 months from installation, whichever occurs first, unless stated differently in the Tender/RFP documents. In such event, the period set forth in the Tender/RFP documents, shall prevail..

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.

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12. 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.
5. A Foreign and Israeli Supplier for tax purposes, awarded the Contract/Order, shall, within 5 working days from receipt of notice of being awarded the Contract/Order, submit to the Purchaser, the following documents:
 - i. Certificate of residency.
 - ii. A declaration stating that it has or does not, as the case may be, have a permanent establishment in Israel.
 - iii. If the Foreign Supplier for tax purposes, is registered as a foreign company in Israel, the Foreign Supplier for tax purposes must present a certificate from the Israeli tax authority.
 - iv. The supplier required to fill a tax questionnaire provided by the purchaser, if applicable.
 - v. Any other document / declaration as requested by the purchaser

Failure to submit the above documents within the time period stipulated above, Purchaser might deduct any tax rate up to the maximum according to Israeli law and/or cancel the Contract/Order.

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

13. ASSIGNMENT

13.1 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.

13.2 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.

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

14. 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:

<https://www.iec.co.il/en/content/suppliers/filespages/general-terms-conditions-and-annexures> version 14.7.2022

15. WAIVER:

The agreement of either of the parties to waive any of the conditions contained in the Order or to deviate from them in any particular case shall not constitute a precedent nor shall such waiver be construed in any other case. The failure of either party to exercise any of its rights granted to it under this Order shall not be construed as a waiver thereof.

16. GOVERNING LAW AND SETTLEMENT OF DISPUTES:

16.1 This Order shall be governed by and construed solely under the laws of the State of Israel Notwithstanding the above, Article 35 of the Schedule to the Law of Sale (International Sale of Goods), 5760-1999 shall not apply.

16.2 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 and/or Products and/or 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.

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

16.4 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 Haifa to have the dispute settled, and such court shall have exclusive jurisdiction.

17. 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 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.
- c. The Supplier hereby acknowledges that the Purchaser is a regulated body as such term is defined under the State Comptroller Law – 5758-1958 and has been made aware of chapter 7 of the Penal Law - 5737-1977, in particular sections 117, 118 and 119.

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18. TERMINATION

18.1. 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 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.

15.1 Nothing in this article shall derogate from the Purchaser's right to terminate the Order/Contract immediately in the event of breach by the Supplier, which entitles the Purchaser the right to cancel such Order/Contract and 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, claim compensation for damages incurred, deduct and or retain sums, exercise a performance guarantee.

18.2. Without derogating from the abovementioned, in the event of breach of Contract/Order by the Supplier,, the Purchaser shall be entitled to terminate the Contract/Order with immediate effect, or after providing the Supplier a prior written notice of 7 days (seven days), during which the breach was not remedied 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:

18.2.1. 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.

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

19. WORK SAFETY ON IEC'S PREMISES

It is hereby clarified that if any works are to be performed on IEC's premises, the terms of the attached "General Safety Appendix" will apply.

20. EFFECT OF UNSIGNED ORDER/CONTRACT:

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

End.

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Order/Contract:
Supplier:

Form 5

[In accordance with Article 4 of Annexure #A3#]

Quality Control Certificate

Order/Contract: _____
Invoice No: _____
Description of (partial) delivery: _____
Manufacturer/Supplier: _____

We hereby confirm that in accordance with the Quality Control / Quality Assurance program of Order/Contract _____:

- a. The repaired/upgraded Equipment and materials forming part of the present (partial) delivery have been repaired in accordance with the Order/Contract specifications; and
- b. The repaired/upgraded Equipment forming part of the present (partial) delivery has been factory inspected and tested in accordance with the agreed upon Test and Inspection Plan and found to meet the respective quality requirements; and
- c. The contents of packages of this (partial) delivery are those described above; and
- d. The respective quality records were submitted to the Purchaser in accordance with the Order/Contract on _____ (date).

The inspections and tests included:

[Description of inspection / test 1]:	date:	witnessed by:
[Description of inspection / test 2]:	date:	witnessed by:
.		
.		

Signed by: [Full name and Title] Date:

-Final-

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General Safety Appendix

1. Terms and Definitions

1.1 The Supplier shall mean: the Offeror

1.2 The Company shall mean: the Israel Electric Corporation Ltd. ,

1.3 The Contract shall mean: the Contract/Order

1.4 Work

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

1.5 The beginning of the works

The time of commencing of carrying out the Contract

1.6 The Supplier's representative

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

1.7 The company's representative

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

1.8 Obstacle

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

2. General

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

3. Responsibility

3.1 The Supplier or anyone on his behalf is the sole responsible for the matter of safety and health of his employees. The Company will not be liable to any damage that will be caused to the Supplier's employees and/or his emissaries and/or anyone on his behalf and/or in his service, arising from an accident or damage, which will be caused during and as result of carrying out the Works.

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

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

4. Familiarity with the Work and its Vicinity

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

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

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

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

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

6. Training / Certifying Supplier Employees

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

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

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

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

7. Safety Training

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

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

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

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

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

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

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

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

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- 7.4 An employee shall not be employed in a work place, unless he received safety training, as detailed in the instructions of this clause.
- 7.5 Every day, before commencing the work:
- 7.5.1 The Supplier's representative will be briefed on the risks in the location in which that day's work will be carried out, Company's representative / the safety commissioner, **except** cases of works that are carried out the Company' premises.
- 7.5.2 The Supplier's representative shall carry out safety training to his employees, in accordance with the Work that they will carry out and the location of the employees' work and shall confirm, in writing, in the work log carrying out this training.

8. Preparation of Safety Management Plan

The Supplier shall submit to the Company's representative / the safety commissioner, prior to commencing the works, a plan of management of safety, in accordance and subject to the regulations of the Organization of Supervision of the Work (Plan of Management of the safety)) – 2013 (including the chapter of risk management, in respect to all the works that will be carried out by the Supplier). The plan shall be updated in accordance with the works that will be carried out by the Supplier.

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

- 9.1 The Supplier takes upon himself to supply to all his employees tools, personal protective equipment and rescue means, in accordance with the regulations of safety at work (such as: work clothes, standard work shoes, boots, all types of gloves, glowing vest, hearing protection, protective goggles, protective helmet, breathing protection, protective equipment for works at height, protective equipment for work in surrounded location, including air monitoring appliance, etc.) which are fit for carrying out the works and in accordance with the specified in the Contract / specifications and/or as will be requested by the Company's representative.
- 9.2 No Work will be carried out without the personal protective equipment / tools/ materials/ machines that fit the type of Work.
- 9.3 The Supplier takes upon himself to keep inventory of personal protective equipment, as required for the matter of carrying out the works. Items of personal protective equipment and/or tools will not be supplied to the Supplier by the Company. The Supplier's usage of the Company's equipment / tools shall be done only after receiving the explicit written consent of the Company.
- 9.4 The Supplier takes upon himself that the personal protective equipment, the equipment, machines, vehicles, materials and tools that he will supply to his employees shall be serviceable, standard and shall pass periodic inspections as required, in accordance with the manufacturer's instructions, the acceptable professional rules and in accordance with the required by any law and circumstances of the Work.
- 9.5 The Supplier shall care that the equipment, tools, the materials and the waste shall be concentrated in the place that was assigned for this in the work site and shall be placed in a manner and location that shall prevent any possible obstacle or damage to persons or property.
- 9.6 The Supplier shall take care that of the mechanical – engineering equipment, vehicles, lifting machines, lifting accessories, etc. shall be serviceable and shall have valid inspection survey and/or valid license, as required by any law.
- 9.7 The Supplier takes upon himself that every operator of mechanical – engineering equipment, operator of lifting machine and anyone who drives another vehicle shall have the required certification and valid license, as required by any law.
- 9.8 The Supplier shall supervise the fitness and adaptation of the equipment at all the time of carrying out the work and shall present the inspection certificates to the Company's representative.
- 9.9 In the case the Supplier carries or transports food, the Supplier shall present the required certifications for the vehicles that are allowed to carrying and transport food.
- 9.10 The Company shall have the right to inspect, at any time, the safety of the Supplier's equipment and/or oblige the Supplier to present to the Company any license, certificate and any other permit of equipment, machines, materials and tools that the Supplier uses for carrying out the Works, without this inspection imposing any liability on the Company and without derogating the responsibility of the Supplier.

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

10. Environmental Inspections – Occupational and Health Booklets

- 10.1 The Supplier is responsible to carry out environmental – occupational inspections to his employees (hereinafter: "**Inspections**"), in accordance with the conditions and instructions of the Regulations of Safety at Work (Environmental Monitoring and Biologic Monitoring of Workers in harmful conditions) – 2011 and/or the regulations of safety of work in connection with unique harmful agents (hereinafter: "**The Health Regulations**"), in every location in which inspections are obliged according to the health regulations.
- 10.2 The Supplier shall present to the Company's representative the results of the inspections, upon receiving them and at any time, upon the demand of the Company's representative and shall act in accordance with the results of the inspections and in accordance with the instructions of the health regulations, including carrying out repeated inspections and medical inspections to his employees where needed.
- 10.3 For the purpose of fulfilling his obligation as said, the Supplier can carry out the inspections through the Company or in the framework of the connection that the Company has with a certified laboratory, at the Supplier's cost. In order to avoid any doubt, it is clarified that the said does not derogate the Supplier's responsibility to carry out the inspections.
- 10.4 The Supplier takes upon himself to carry out medical inspections to his employees in a certified location (occupational clinic) and to keep health booklets of all his employees, who are occupied in works for the Company, in accordance with the instructions of the health regulations. The Supplier takes upon himself to present to the Company's representative / the safety commissioner, the health booklets prior to commencing the Works and at any time, upon the Company's representative demand.
- 10.5 The Supplier and his employees shall cooperate at the time of carrying out environmental occupational inspections, which shall be carried out in the site in which they work.

11. Coordination and Approval of Carrying out Works / Changes

- 11.1 The Supplier shall begin carrying out each new Work (both in the Company's sites and outside them), only after coordination (in all in respect to the character of the activity, the time, the location of the work, etc.) and obtaining the Company's representative's approval.
- 11.2 Any change in the Work or in carrying out any activity that is not included in the framework of the Work, which was approved in advance, requires the new approval of the Company's representative.

12. The work site and Removal of Obstacles

- 12.1 The Supplier takes upon himself to keep the vicinity of the location of carrying out the Work in clean, organized and safe manner, in order to prevent safety obstacles. The Supplier also takes upon himself to arrange (if such do not exist) adequate and safe access and evacuation ways in the area of the location of carrying out the Works, in coordination and upon the approval of the Company's representative and to keep them clear of any obstacle, material or equipment.
- 12.2 The Supplier takes upon himself to clean immediately any spilling of material, food, etc. and to handle immediately any obstacle that will be found by him or by the Company's representative.
- 12.3 Vehicles shall not be entered to the work sites, but upon the advanced approval of the Company's representative. Vehicles that are entered to the site shall not be parked close to cranes or other tools and shall not block access ways or passages or the access to facilities, elevators, etc.
- 12.4 The Supplier shall carry out his works with maximum caution, in order to not damage facilities, structures, cable systems, etc., which exist in the work area or close to it.
- 12.5 Carrying out the various works, at any stage, shall not interrupt the correct proceeding of activities of the existing facility and the Supplier shall avoid any action that may interrupt the correct activity of the facility.
- 12.6 The Supplier shall inform the Company's representative on any failure in any system and shall stop the Work in this area, until receiving instructions for the required handling.
- 12.7 Following the completion of carrying out his Works, the Supplier shall take upon himself to remove any temporary structures, equipment, facilities or waste of any kind and to leave the work site with all the required safety means, which are required by any law and in accordance with the demand of the Company's representative / the safety commissioner are present in it, located in it.

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13. Fencing, Signs, Lighting and Warning Means

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Works at Height

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

The Supplier takes upon himself to carry out the Work in accordance with the regulations of Work at Heights and also not to employ a worker in work at heights, who does not have valid qualification, as required by any law. The Supplier takes upon himself to present to the Company's representative valid qualifications of his employees, who are intended to Work at Heights, upon the Company's representative demand. The Supplier takes upon himself to follow up the validity of the qualification of

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his employees for Work at Heights and to carry out refreshment training to his employees, in accordance with the regulations. Work in sliding shall be carried out only if it was found that this is the necessary and safe method to carry out the Work and there is no permanent facility / system to carry it out. If carrying out the Work by the sliding method is decided, the Work shall be carried out in accordance with The Regulations of Safety at Work (Work at Heights).

16. Work in Surrounded Location

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

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

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

17. Work with Exposed Fire

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

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

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

In this Clause:

- **Hazardous Material (HAZMAT)**

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

- **Hazardous Waste**

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

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

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

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

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

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

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

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

19. Appointing a Safety Commissioner

19.1 In any case in which the number of the Supplier's employees exceeds 50, the Supplier shall take upon himself to appoint, prior to commencing the Works, a safety commissioner, with qualification certificate, in accordance with the

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conditions and instructions of The Regulations of Organization of Supervision of the Work (Safety Commissioners) – 1996 (hereinafter in this clause: "**The Regulations**").

- 19.2 The Supplier takes upon himself to present to the regional work supervisor on behalf of The Ministry of Economy, on the form that is intended for this, a notice with the name of the safety commissioner and to send a copy of the notice to the Company's representative.
- 19.3 The safety commissioner on behalf of the Supplier shall act to maintain the plan of safety management for the Supplier and shall operate in accordance with the instructions of the regulations.
- 19.4 The safety commissioner on behalf of the Supplier shall prepare a monthly report, in which the actions he took for raising the level of safety and prevention of risks in the Works shall be recorded and also any additional report that shall be demanded by the Company on the issues of safety and health. The said report shall be submitted to the Company's representative upon demand.

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

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

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

- 21.1 The Company's representative / the safety commissioner shall have the authority to stop immediately the Works in a work site in which severe safety defects were found, among others in the following cases:
- 21.1.1 In cases in which it seems to the Company's representative / the safety commissioner that there are severe safety defects and not stopping the works immediately may cause an accident.
- 21.1.2 There are severe safety defects on-site and the Supplier's representative or anyone on his behalf do not act immediately and in the adequate manner to improve the safety situation on-site.
- 21.1.3 Not keeping safety instructions or an instruction of the instructions of this appendix.
- 21.2 In a work site in which the Work was stopped, it shall be renewed only after the situation was repaired and a written report was received from the Supplier's representative on fixing the defects, which caused the stopping of the Work.
- 21.3 All the implications that arise out of the stopping of the Work as said shall be on the Supplier.

22. Investigation and Reporting Safety Events

- 22.1 The Supplier shall report immediately, in writing, to the Company's representative and to the various authorities, as obliged by any law, any case of an accident as result of which a bodily damage was caused to a worker and/or to third party and/or to property. Or case of "Almost Accident" (hereinafter: "**Safety Event**").
- 22.2 Any safety event shall be investigated and inspected by the Supplier and/or entities on his behalf, to review the factors that caused the occurrence of the event and in order to take conclusions and steps to prevent repetition of similar events in the future.
- 22.3 Any investigation of a safety event shall be summarized and documented in a written report, which shall be submitted to the Company's representative / the safety commissioner.
- 22.4 Any information to external entities on the progress of the investigation, conclusions, results, etc. shall be submitted only by the authorized entities on behalf of the Company. Notwithstanding the said above, as much as the Company will investigate the safety event on its own, the Supplier shall cooperate with the Company as much as required, in order to carry out the inspection.

23. Selling Goods

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

24. Delivery of Goods

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

25. Speed of Driving in the Company's Sites

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 speed of driving in the Company's sites shall be in accordance with the traffic signs that are installed on-site. Upon lack of traffic signs, the maximum speed on-site shall be 30 kmh.

26. Providing First Aid

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

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

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

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

27.2 Notwithstanding the Company's right to receive compensation according to the agreement and/or in accordance with any law, in the event the Supplier breached one of the instructions of this appendix and after he received a warning from the Company's representative / the safety commissioner, the Supplier shall pay the Company an advanced agreed and fixed compensation of 1,000 NIS for each breach as said. Supplier, who was fined and breached again one of the instructions of this appendix, shall pay the Company, for any additional breach, Company an advanced agreed and fixed compensation of 5,000 NIS.

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

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

28. The Supplier's Declaration

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

Name of the Supplier

Supplier's Signature

Date

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Appendix 1

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

Reference: The instructions of The Organization of Supervision the Work
(Providing Information and Training of Employees) - 1999

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

The name of the Supplier: _____

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

The name of the Trainer / Instructor: _____

The topics of the safety training:

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

Details of the Employees who were Trained and the Declaration

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

No.	First and Last Name	ID Number	Language of the Training	Employee's Signature
01				
02				
03				
04				
05				
06				
07				
08				
09				
10				
11				
12				

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.

No.	First and Last Name	ID Number	Language of the Training	Employee's Signature
13				
14				
15				

The trainer's signature _____

Cc:

The supervisor on behalf of the appointed department

The Safety Commissioner

The site's manager

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