Israel Electric Corporation Ltd.

Invitation for Pre-Qualification

To Participate In A Tender for the Submission of Bids to Purchase the Alon Tavor Production Site

November, 2018
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2. **Appendices and Forms**

The following Appendices and Pre-Qualification Forms are attached to this Invitation and constitute an integral part hereof:

2.1 **Appendix 1** – Definitions and Interpretation.

2.2 **Appendix 2** – General Description of the Properties Being Sold.

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3. **Invitation for Pre-Qualification**

3.1 **Introduction and general description of the Site**

On June 3, 2018, the Government of Israel, approved a broad reform of the activity and structure of the Israel Electric Corporation Ltd., as part of Government Resolution No. 3859 (hereinafter: the “Government Resolution” and the “Reform” the “Company” or the “IEC” respectively). For the purpose of implementation of the Reform, the Ministers of Finance and Energy, among others, were charged with the implementation of amendments to legislation in the Electricity Sector Law, and those amendments were approved by the Knesset in July 2018 (Electricity Sector Law (Amendment No. 16 and Temporary Provision), 5778-2018). As part of the Reform, it was agreed and resolved, *inter alia*, that the Company would sell all of the Alon Tavor Properties as a single block.

In accordance with the foregoing, the Tender Committee hereby invites any Entity (other than Israeli Government Corporations) that is interested in participating in the Sale Procedure to participate in the Pre-Qualification Procedure, all as set forth in this Invitation and pursuant and subject to its provisions.

3.2 The Company reserves the right to contact additional Entities at its own initiative, in any way as it will see fit, to notify them of its intention to sell the Alon Tavor Properties, and to invite them at any time to participate in the Sale Procedure pursuant to this Invitation.

3.3 **The Properties Being Sold**

3.3.1 A general description of the Alon Tavor Power Plant and of the Properties Being Sold is attached as Appendix 2 to this Invitation. The Site Diagram is attached as Appendix 3 to this Invitation.

3.3.2 Without derogating from the description of the Properties Being Sold, as set forth in Appendix 2 to this Invitation, it is hereby clarified that the Properties Being Sold on the Site include all of the constructed on the Site, including buildings, fixtures, movable property and equipment, including the fuel tanks and the fuel system, water piping, spare parts and inventory, provided that all these are directly used for the operation of the Power Plant, and all subject to the terms of the Sale Contract. In addition, the Properties Being Sold will also include engagement agreements in connection with the Site that will be assigned to the Buyer, all as will be set forth in the Sale Contract. It is further clarified that the block of land that is used for substations, as marked on the Site Diagram (which is attached as Appendix 3 to this Invitation), is not included in the area of the Site or among the Properties Being Sold, and the rights to that block of land, with everything that is constructed thereon and attached thereto (including buildings, fixtures and equipment) will remain under the ownership of the IEC.

3.3.3 The Alon Tavor Properties are being sold exclusively as a “going concern”, for the purpose of the continued operation and maintenance of the Site and for the purpose of the generation of electricity and the sale thereof to the system operator, in accordance with new generation licenses that will be issued to the Buyer by
the Electricity Authority under the Electricity Sector Law, along with appropriate regulation, and provided that the Buyer obtains all of the Required Approvals, as this term is defined in Section 3.5.1 below.

Without derogating from the generality of the foregoing, it is hereby clarified that the regulation that will apply in connection with the Sale Procedure (and, as is relevant, in connection with the operation of the Site by the Buyer) will be, inter alia, in accordance with: (a) an Electricity Authority resolution dated September 3, 2018 (Authority Resolution No. 1 (1284) from Meeting 547) with respect to initial principles for competitive regulation for the Alon Tavor Site, and an Electricity Authority draft resolution for a hearing – regulation of the activity of the Generation Units on the Alon Tavor Site following their sale by the IEC (Meeting 548 dated October 15, 2018), as they will be amended and/or updated from time to time, including the Electricity Authority resolution with respect to regulation that will apply to the Generation Units that will be sold on the Alon Tavor Site; (b) the document of principles for advice on sector-wide competition in the sale of the generation sites, which was published by the Antitrust Commissioner on September 27, 2018, and the document of principles for advice on sector-wide competition in the sale of the generation sites, which was published by the Committee for the Promotion of Competition and Reduction of Centralization on October 4, 2018, as they may be amended and/or updated from time to time; and (c) the procedures of the Israel Lands Authority with respect to the conferral of rights in real estate upon a “Foreign Entity” (as this term is defined in the Israel Lands Law), including Professional Procedure No. 05.02M of the Israel Lands Authority.

3.3.4 The Alon Tavor Properties will be sold in their condition, including from the legal, regulatory, accounting, economic, tax-related, physical, environmental, technical and engineering standpoints, as it will be (“as is,” “where is”) at the time of their sale (hereinafter: “As Is”), and without any representations whatsoever having been made to the Buyer with respect to the Alon Tavor Properties, other than as expressly set forth in the Sale Contract, and all pursuant and subject to the conditions and provisions that will be set forth in the Sale Contract, including the appendices thereto and the documents associated therewith.

3.3.5 On the date of completion of the Sale Procedure, upon the transfer of possession of the Site to the Buyer, for the purpose of the continued regular operation of the Site, employees who are intended for secondment to the Site, will be seconded to the Buyer (the "Seconded Employees") for a period of five (5) years. The assigned employees as stated, both permanent and temporary, will be determined by the Israel Electric Corporation, all pursuant and subject to the conditions and provisions that will be set forth in the Sale Contract, Sales and Purchase Agreement- SPA.
3.3.6 It is hereby clarified that the operation and maintenance of all of the Alon Tavor Properties, following the completion of the sale, will come under the exclusive responsibility of the Buyer.

3.4 **The Selection Procedure**

The Tender Committee intends to choose one Bidder, which will purchase the Alon Tavor Properties, in a two-stage procedure, as follows:

3.4.1 **The Pre-Qualification Stage**

In this Pre-Qualification Stage, the Participants will be requested to submit Pre-Qualification Submissions in order to demonstrate their compliance with all the Pre-Qualification Requirements, including professional experience and financial robustness, all in accordance with the conditions set forth in this Invitation below (hereinafter: the “Pre-Qualification Procedure” and the “Pre-Qualification Stage”). The Tender Committee will examine Pre-Qualification Submissions submitted by the Participants and their compliance with the Pre-Qualification Requirements.

The Tender Committee will select, from among the Participants that submit Pre-Qualification Submission and that comply with the Pre-Qualification Requirements, as set forth in this Invitation, the Eligible Participants that will be entitled to participate in the Tender stage, all according and subject to the provisions of this Invitation.

3.4.2 **The Tender Stage**

A Tender for the selection of the winning Bidder, with which the IEC will engage in an agreement for the sale of Alon Tavor Properties, from among the Eligible Participants that will be declared at the end of the Pre-Qualification Stage, and on the basis of the Tender Documents that the IEC intends to publish (hereinafter respectively: the “Tender Stage” and the “Tender Documents”).

It is hereby clarified that, due to the unique characteristics of the Sale Procedure, and due to the uncertainty involved in the Sale Procedure and changes that may take place during the various stages of the Sale Procedure, the Company reserves the right, at any point in the Tender Stage, to make changes in the Sale Procedure, including substantive changes in the wording of the Sale Contract, including the appendices thereto and the documents associated therewith and/or related thereto (including a PPA Agreement and the other relevant agreements, including a meter agreement and a substation operation and maintenance agreement), whether at its initiative or pursuant to requests from an Eligible Participant and/or changes in regulation, and no Participant and/or Eligible Participant and/or a Bidder and/or person or Entity on their behalf will have any complaint, claims or demands in connection therewith.
In addition, the Company reserves its right to conduct negotiations with the Bidders, in whole or in part, and to conduct an additional competitive procedure (Best & Final) among the Bidders, who will be ranked by the Company in the Final Stage as the optimal bids for the Company, all at the Company’s discretion and pursuant to the provisions of applicable law.

3.5 *Receipt of approvals from the Competent Authorities*

3.5.1 The Bidders are required to take measures in order to obtain all of the approvals, consents and licenses required under any Law for the purpose of engaging in the Sale Contract, the purchase of the Alon Tavor Properties (including the acquisition of the rights to the Site real estate) and the operation of the Site, including with respect to the assignment to the Buyer of agreements and contracts between the Company and third parties in connection with the Site, and to obtain the required consents, if any, from those third parties, and, in so doing, to comply with all of the conditions for eligibility for obtaining electricity generation licenses pursuant to the provisions of the Electricity Sector Law and the regulations enacted thereunder, from the Electricity Authority, to obtain approval from the Israel Lands Authority (including compliance with the provisions of the Israel Lands Law and the procedures of the Israel Lands Authority, and including with respect to the conferral of rights in real estate upon a “Foreign Entity” (as this term is defined in the Israel Lands Law), and, if and as necessary, to obtain approval from the Antitrust Commissioner, and to comply with the conditions set forth in the Promotion of Competition and Reduction of Centralization Law, 5774-2013 (including, to the extent required, after having fulfilled the duty of consultation with the Antitrust Commissioner with respect to sector-wide centralization and, as is relevant, consultation with the Committee for the Promotion of Competition and Reduction of Centralization with respect to economy-wide centralization) (all of the approvals, consents and licenses required as set forth above will hereinafter be referred to jointly as: the “*Required Approvals*”).

By the final deadline for the submission of bids in the Tender, the Bidders will be required to obtain, under their own responsibility and at their own expense, pre-rulings from the Israel Antitrust Authority (including, to the extent required, after having fulfilled the duty of consultation with respect to economy-wide and sector-wide centralization, with the Committee for the Promotion of Competition and Reduction of Centralization and with the Antitrust Commissioner as is relevant) and from the Electricity Authority, with respect to the Bidders’ eligibility in principle for the receipt of the Required Approvals from those Competent Authorities (as is relevant and respectively).

Without derogating from the foregoing, the Company will be entitled (but not obligated) to forward the bids that will be received in the Pre-Qualification Stage to the following authorities for examination: the Israel Antitrust Authority (the Antitrust Commissioner and the Committee for the Promotion of Competition and
Reduction of Centralization), the Electricity Authority and the Israel Lands Administration (hereinafter: the “ILA”) (including the Ministry of Defense and the Ministry of Foreign Affairs, which advise the ILA with respect to the conferral of rights upon a “Foreign Entity”).

It should be clarified that, even in cases where the Company takes measures in order to obtain the position of the above-referenced Competent Authorities with respect to the eligibility in principle of the Bidders for the receipt of the Required Approvals from those Competent Authorities as stated, it is the Bidder's obligation and responsibility, at its own expense, to take measures vis-à-vis the relevant Competent Authority for the production of the preliminary approval required from that Competent Authority for the purpose of submitting its bid in the Tender, by the final deadline to be determined for the submission of bids in the Tender.

A bidder that has not obtained all of the preliminary approvals from the Israel Antitrust Authority and the Electricity Authority as stated above will not be entitled to submit a bid in the Tender, and if a bid is submitted without its being in possession of an approval as stated, it will be disqualified ab initio, and it will not be entitled to continue to participate in the Sale Procedure, and it will have no complaint and/or demand and/or claims against the Company.

3.5.2 Without derogating from the generality of the foregoing, by submitting the Pre-Qualification Submission, each Participant confirms that it is aware that the conferral of rights in the Site real estate upon a “Foreign Entity” (as this term is defined in the Israel Lands Law) is subject, inter alia, to obtaining the approval of the CEO of the Israel Lands Council, pursuant to a recommendation by a subcommittee of the Israel Lands Council and after consultation with the Minister of Defense and the Foreign Minister, and is further subject to the provisions of Professional Procedure No. 05.02M of the Israel Lands Authority.

The approval by the Israel Lands Authority for the conferral of rights in the Site real estate upon a “Foreign Entity” as stated above, to the extent that this is relevant with respect to the Bidder, will be produced by the Bidder by the signing date of the Sale Contract in the schedules that will be determined by the Company, and if it is not produced by that date, as it will be determined, the Company will be entitled to cancel the notice of award of the Tender that was given to the Bidder as stated and to engage in a contract with another Eligible Bidder.

3.5.3 Without derogating from the provisions of Section 9.8 below, it is hereby expressly clarified that the non-receipt of the preliminary approvals from the Competent Authorities as stated above, for any reason whatsoever, does not and will not confer upon a Participant / a Member of a Participant / a Bidder / a Member of a Bidder and/or upon any person or entity on their behalf, a right to
any remedy vis-à-vis the Company, of any type and kind whatsoever, and any such Participant / Member of a Participant / Bidder / Member of a Bidder and/or any person or Entity on their behalf will be precluded from, and will be considered to have waived in advance, any right and/or remedy vis-à-vis the Company in connection therewith, including the right to apply to the court with a motion for the issuance of an injunction and a stay of the proceedings of this Invitation and/or the Tender Procedure and/or the Sale Procedure, or any other remedy, the significance of which, whether directly or indirectly, is a delay in the promotion of the procedures in this Invitation and/or the Tender Procedure and/or the Sale Procedure.

For the avoidance of doubt, the foregoing will not derogate from the Buyer’s responsibility for obtaining all of the Required Approvals from the relevant Competent Authorities.

3.5.4 It is hereby clarified that the Participants will be required to make and to perform, by themselves and at their own expense, all of the examinations required in connection with the receipt of the Required Approvals (including the possibility of obtaining them). In addition, the Buyer will be required to take measures, itself and at its own expense, in order to obtain all of the Required Approvals, and all the licenses and/or approvals required by Law for operation and maintenance of the Power Plant, immediately upon receipt of the notice of award.

3.6 Anticipated Schedule

3.6.1 Without derogating from the Tender Committee’s right to postpone and/or to modify any of the following dates, at the Tender Committee’s exclusive discretion, at any time (including in proximity to the dates set forth below), the planned schedule for the Sale Procedure is as follows:

<table>
<thead>
<tr>
<th>Date of publication of this Invitation</th>
<th>November 28, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final date for the submission of Requests for Clarification with respect to this Invitation</td>
<td>December 20, 2018</td>
</tr>
<tr>
<td>Pre-Qualification Submission Date</td>
<td>January 10, 2019</td>
</tr>
</tbody>
</table>

3.6.2 Notwithstanding any other provision in the Invitation Documents, the Tender Committee will be entitled, but not obligated, from time to time, at its absolute and exclusive discretion, to modify the dates that are set forth in the Invitation Documents or by virtue thereof, or the dates that will be determined later in the Sale Procedure, or to modify the Sale Procedure pursuant to this Invitation or by virtue hereof, including the holding of an additional selection process for Participants/Bidders in the Sale Procedure.
3.7 Governing Law and Jurisdiction

3.7.1 The Pre-Qualification Procedure and the Pre-Qualification Documents shall be governed and construed in accordance with the provisions of all applicable Laws, and especially the provisions of the Mandatory Tenders Law, 5752-1992, and the Mandatory Tenders Regulations, 5753-1993.

3.7.2 The Invitation Documents and the interpretation and implementation thereof will be governed by Israeli Law, and the sole and exclusive jurisdiction to hear any matter resulting therefrom will rest with the competent courts of the State of Israel in Tel Aviv.

4. Preparation for Submitting the Pre-Qualification Submission

4.1 Participant’s responsibility for examining the information

4.1.1 The descriptions that are included in the Invitation Documents, including with respect to the Site and the Alon Tavor Properties, are intended exclusively for the purpose of providing a general background, they should not be viewed as a declaration or an undertaking by the Company or anyone on its behalf, and are not intended as a substitute for an examination on behalf of the Participants in the Sale Procedure and do not purport to be exhaustive.

4.1.2 The information that is included in the Invitation Documents, including with respect to the Site and the Alon Tavor Properties, are to the best of the Company’s knowledge only, and neither the Company nor anyone on its behalf (including the Company’s advisors) is liable in any way whatsoever for the correctness, accuracy and/or completeness of the information that is included in the Invitation Documents and/or for any other information that will be provided to a Participant and/or to a Bidder and/or to anyone on its behalf in the framework of the Sale Procedure.

4.1.3 Each Participant is responsible for performing its own independent examination (including through advisors on its behalf) of the Invitation Documents.

4.1.4 By filing the Pre-Qualification Submission, the Participant declares that it has performed all of the examinations with respect to the Invitation Documents as set forth above, including examination of all of the data, factors and considerations pertaining thereto and all of the aspects involved, from its point of view, in participation in the Pre-Qualification Procedure, and that it has performed any other or additional examination as it sees fit to perform in this context, and it hereby finally and absolutely waives any right, argument, demand and/or claim with respect to error and/or flaw and/or unsuitability and/or right of choice that is conferred upon it under Law, in connection with any of the matters set forth above.
4.2 **The Invitation**

4.2.1 The Pre-Qualification Documents include this Invitation for Pre-Qualification, its Appendices, the Pre-Qualification Forms and any other document that issued by the Tender Committee during the Pre-Qualification Procedure, including any Addendum to this Invitation (hereinafter: the “Invitation Documents” or the “Pre-Qualification Documents”).

4.2.2 In any case of lack of clarity and/or an ambiguity and/or a contradiction and/or an incompatibility between the provisions of the Pre-Qualification Documents, those provisions will always apply and reference will always be made to those interpretations that give the Company the most rights, and the interpretation that is for the good of the Company under the circumstances of the matter will always apply. The provisions of the referenced documents will always be interpreted as being intended to add to the Company’s rights and not to derogate therefrom.

4.2.3 The Tender Committee will be entitled, at any time, to amend and/or to update the Invitation Documents, including make changes before the Pre-Qualification Submission Date, and between the Pre-Qualification Stage and the end of the Tender Stage, all at the Tender Committee’s exclusive discretion, and the Participants and/or the Bidders will have no complaint in connection therewith.

4.3 **Severability**

If it is determined that any of the provisions of the Invitation Documents is illegal or unenforceable, then, unless the illegality or inability to enforce is a fundamental characteristic of this Invitation, this will not detract from the remaining provisions of the Invitation Documents, which will continue in effect. Without derogating from the foregoing, in any case in which it is determined that any provision of the Invitation Documents is illegal or unenforceable, then the provision with respect to which the foregoing was determined will be replaced by a legal and enforceable provision, the content, purpose and outcome of which are as close as possible to those of the provision with respect to which the foregoing was determined.

4.4 **Access to Documents and Participation Fee**

4.4.1 Any Entity wishes to participate in the Pre-Qualification Procedure may view the Pre-Qualification Documents at the offices of the IEC and on the IEC website.

4.4.2 As a pre-condition for the participation in the Pre-Qualification Procedure and submitting requests for clarification is the payment of a Participation Fee in the amount of 15,000 NIS (in words: fifteen thousand New Israeli Shekels), including VAT (the “Participation Fee”), which will be paid to the IEC via bank transfer to the Company’s bank account, which is maintained at the Postal Bank (“Bank Ha-Doar”), Account No.194-5314543 under the name of “Israel Electric Corporation Ltd.” This amount also includes payment for the generation of the Tender Documents, when they are distributed.
4.4.3 The Participation Fee will not be refunded to Participants, other than in cases of cancellation of the Pre-Qualification Stage and provided that the cancellation does not result from circumstances related to the procedure itself (such as the Submissions, the acts or the omissions of the Participants, in whole or in part).

4.4.4 It is hereby clarified that, an Entity who did not provide Participation Fee can submit a Pre-Qualification Submission, provided that the right thereto was transferred to it by another. It should further be clarified that the payment of the Participation Fee through another is permitted, provided that only one Pre-Qualification Submission will be submitted for one payment. For the avoidance of doubt, it is hereby clarified that, in the case of a Participant that is a Group, the payment of one Participation Fee (by the Participant or one of the Members or any person or Entity on their behalf) is sufficient.

4.4.5 As a condition for the examination of its Pre-Qualification Submission, each Participant will attach to its Pre-Qualification Submission a copy of the receipt for the payment of the Participation Fee.

4.5 **Authorized Representative**

4.5.1 Each Participant is required to appoint a representative on its behalf, who will be competent to approach the Tender Committee on behalf of the Participant, and to receive notices and/or guidance for it and on its behalf and on behalf of all of its Members (hereinafter: the “Authorized Representative”).

4.5.2 Participants shall submit to the IEC a Notice of the appointment of an Authorized Representative on **Pre-Qualification Form F**, no later than the Final date for the submission of Requests for Clarification with respect to This Invitation, simultaneously with the payment of the Participation Fee.

4.5.3 Notices to the Participants during the Pre-Qualification Procedure will be given in accordance with the contact details of the Authorized Representative.

4.5.4 The risk resulting from a lack of updated details of the Authorized Representative that were given to the Tender Committee will be borne by the Participant. Without derogating from the generality of the foregoing, the IEC will not be liable in any way whatsoever for any damage and/or malfunction, of any type and kind whatsoever, that were caused to the Participant and/or to anyone on its behalf, as a result of any error and/or omission in connection with the provision of the Authorized Representative’s details.

4.5.5 Notices and inquiries from the Tender Committee to the Authorized Representative, at the address or the email address that was provided in **Pre-Qualification Form F** will be considered, for all intents and purposes, as an inquiry to the Participant, and if the Participant is a Group, also to each of the Members— this, without derogating from the Tender Committee’s right to contact them directly. Delivery to the Authorized Representative will be deemed to constitute delivery to the Participant and to all of the Members, as required by
Law (including cases in which a Participant as stated will be declared to be an “Eligible Participant” that will be entitled to participate in the Tender Stage).

4.5.6 Each Participant is entitled to replace the Authorized Representative by submitting a request in writing, approved and signed by all of the Members, to the Tender Committee. The appointment of an Authorized Representative will not be canceled other than by appointing another Authorized Representative to replace him.

4.6 **Language**

The binding language for the Invitation Documents and the Tender Documents (including the Sale Contract) is English. The Pre-Qualification Submission will be submitted in English, unless expressly otherwise stated in the Invitation Documents. The binding language for licenses, permits and official approvals that are related to the activity of the Site and/or the Properties Being Sold is Hebrew (this, for the avoidance of doubt, even if translations into English of licenses, permits and/or approvals as stated are appended for the sake of convenience).

4.7 **Requests for Clarification of This Invitation**

4.7.1 Participants that have paid the Participation Fee may raise questions and requests for clarifications or interpretations with respect to the Invitation Documents, in writing, by no later than the final date for the submission of Requests for Clarifications as set forth in Section 3.6.1 above ("Requests for Clarifications"). Such Requests shall be addressed in writing only to the following email address: barak_project@iec.co.il. The Requests for Clarifications will be accompanied by a reference document with respect to the payment of the Participation Fee.

The Request for Clarifications will be submitted exclusively by the Authorized Representative on behalf of the Participant, whose details are submitted to the Tender Committee on Pre-Qualification Form F, and will include the following details: the details of the Participant submitting the Request, an email address, the name of the Invitation, the name of the document from the Invitation Documents, the page number and the section number to which the Request refers, and the details of the Request. The Requests for Clarifications will be submitted in a Word file and, in addition, as a scanned copy in a PDF file, in the following format:

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Name of Document and Page No.</th>
<th>Section</th>
<th>Details of the question</th>
</tr>
</thead>
</table>
4.7.2 Without derogating from the remaining provisions of the Invitation, the Tender Committee reserves the right to ignore Requests for Clarifications that are not submitted in accordance with the provisions regarding the submission of Requests for Clarifications as set forth above.

4.7.3 As the Tender Committee sees fit, Requests for Clarifications will be answered in writing, and the answers will be sent by the Tender Committee to all of the Participants that provided the details of the Authorized Representative on their behalf, pursuant to the provisions of Section 4.5 above, without exposing the identity of the Participant submitting the Request for Clarification.

4.7.4 Answers to questions, as set forth in Section 4.7.1 above, and amendments and/or addenda and/or updates to the Invitation Documents, will constitute an Addendum to this Invitation, as an integral part of the Invitation Documents (hereinafter: “Addendum to This Invitation”). Each Addendum to This Invitation will be given a separate number by the Tender Committee and will be sent by the Tender Committee to all of the Participants by email (to the email address of the Authorized Representative on behalf of each Participant).

4.7.5 Each Participant shall acknowledge receipt of any Addendum to This Invitation, if any Addenda as stated are sent, by having the Authorized Representative sign a “Confirmation of Receipt of Notice from the Company” form with respect to the Addendum to the Invitation Documents, attached to the Addenda, and sending the form by email to barak_project@iec.co.il.

4.7.6 The Company’s demand for the sending of a signed “Confirmation of Receipt of Notice from the Company” form as above will not derogate from each Participant’s complete and exclusive responsibility for monitoring the publications on the Company’s website, as set forth in Section 4.8.3 below, and ascertaining that the publications relevant to the Sale Procedure were received by the Authorized Representative on its behalf.

4.7.7 A Request for Clarification that was not answered by the Tender Committee shall be deemed rejected.

4.7.8 The Tender Committee reserves the discretion as to whether to reply to a Request for Clarification as set forth in this section that is submitted after the deadline for the submission of Requests for Clarification, as set forth in Section 3.6.

4.7.9 A Participant who did not approach the Tender Committee with a Request for Clarification pursuant to this section will be precluded from raising any argument in the future with respect to a lack of clarity, contradiction or incompatibility in the Pre-Qualification Documents.

4.8 Addenda

4.8.1 The Tender Committee will be entitled, at any time and at any stage of the Sale Procedure, to modify, revise, amend, clarify, add, eliminate or otherwise change
the Invitation Documents, including the making of changes in the format of the procedure, and to update the information and data with respect to the Generation Site, all at the exclusive discretion of the Tender Committee, and the Participants and/or the Bidders will have no complaint in connection therewith.

4.8.2 The Tender Committee reserves the right to postpone and/or to change the Pre-Qualification Submission Date at any time before the date that was set for the submission thereof, at its discretion. The Tender Committee will have no obligation to postpone the Pre-Qualification Submission Date at the request of this or that Participant, for any reason whatsoever. In any case of postponement of the Pre-Qualification Submission Date, an appropriate notice of this will be sent by the Tender Committee by email to the Participants (to the email address of the Authorized Representative on behalf of each Participant). An update notice will be published on the Company’s website.

4.8.3 Notices of changes in the terms of the Invitation and the Invitation Documents following the last deadline for the submission of Pre-Qualification Submissions as stated will be sent in writing to the Participants by the Company, by email to the email address of the Authorized Representative on behalf of each Participant. Each Participant is responsible for ongoing monitoring of the publication of update notices on the Company’s website and for ascertaining that they were received by the Authorized Representative on its behalf.

4.9 Advisors to the Tender Committee

4.9.1 Appendix 4 of this Invitation contains a list of the advisors to the Tender Committee, Subject to the provisions of any and all applicable Laws, the Tender Committee may exercise its right under this Invitation through its advisors.

4.9.2 The Advisors listed in Appendix 4, are not permitted to participate in the Pre-Qualification Procedure and/or the Tender Procedure and/or the Sale Procedure, other than as advisors to the Tender Committee, without the prior written approval of the Tender Committee.

4.9.3 The Participant shall notify the Tender Committee of any connection that it has, or that the other entities participating on its behalf in the Procedure have, with any of the advisors to the Tender Committee, and will act in accordance with its instructions.

4.9.4 The Tender Committee will be entitled, at its exclusive discretion, to disqualify Participants and/or Bidders who do not comply with the provisions of this Section 4.9.
5. **General provisions Relating to Participants**

5.1 **The Participant**

5.1.1 The “Participant” is a single Entity, or a Group that is a joint venture (JV), which is composed, at the very most, of four members that have joined together into a single Group (hereinafter: “Group”) (each of the members of the joint venture will be hereinafter referred to as a “Member”), the purpose of which is to submit a joint bid in the framework of the Sale Procedure – at first, in the Pre-Qualification Stage, and, subsequently, to participate jointly (as a single Group) in the Tender Stage. Any Pre-Qualification Submission and any bid that is submitted in the name of or by a Group, and any other document that will be signed or submitted in the name of a Group as part of the Sale Procedure, will be binding upon each and all of the Members and/or the Members of the Bidder (as is relevant), jointly and severally, vis-à-vis the Company.

5.1.2 In cases where the Participant is a single entity, that Entity will also be considered as a “Member” for the purposes of this Invitation, and the provisions that apply to a “Member” will also apply to it, mutatis mutandis.

5.1.3 Each of the Members of the Participant must be a corporation, which is lawfully incorporated in its country of incorporation. For the avoidance of doubt, private individuals cannot serve as a Participant or as a Member.

5.2 **Formation of a Single-Purpose Company**

5.2.1 Following completion of the Pre-Qualification Procedure, in order to participate in the Tender Procedure and submit a bid, each Eligible Participant that is a Group will be required to form a new company, incorporated under the Laws of Israel (also known as a Special-Purpose Vehicle, or SPV), the sole purpose of which shall be the participation in the Tender Procedure.

For the avoidance of doubt, it is hereby clarified that there is no impediment that precludes the Participant from incorporating as a single-purpose corporation as stated, for the purpose of submitting the Pre-Qualification Submission and before submitting the Pre-Qualification Submission as stated.

5.2.2 It is hereby clarified that an Israeli Eligible Participant that is not a Group will not be required to be incorporated as a single-purpose corporation as stated, as a condition for submitting its bid in the Tender Stage (if it is declared as an Eligible Participant that is entitled to submit its bid in the Tender Stage).

5.3 **Members of the Participant**

The provisions of this Invitation that apply or refer to the Members will also apply, to the extent relevant and mutatis mutandis, to the Controlling shareholders, the directors and the position holders in the Member, and to the Controlling shareholders, the directors and the position holders in the Bidder in the Tender Stage.
5.4 **Major Subcontractor**

A legal Entity with which the Participant engages in an agreement, in the framework of which the Major Subcontractor as stated undertook to provide the Participant with all of the operation and maintenance services required in the framework of the operation and maintenance of all of the Alon Tavor Properties, following the completion of the sale (if the Participant is declared to be the Buyer and the winner of the Tender) (hereinafter: the “Major Subcontractor”).

For the avoidance of doubt, a Major Subcontractor does not have to be a Member.

5.5 **Compliance with the provisions of the Transactions with Public Entities Law**

Each Participant and each Member is required to comply with the following requirements pursuant to the Transactions with Public Entities Law:

5.5.1 To hold a valid certificate, issued by a tax assessing officer or an accountant, with respect to keeping account books as required by Law pursuant to the provisions of the Income Tax Ordinance [New Version] and the Value-Added Tax Law, 5736-1975.

5.5.2 To hold a valid certificate, issued by an assessing officer or an accountant, with respect to reporting to the assessing officer on its income and to the Director of VAT on transactions that are subject to tax under the VAT Law, 5736-1975.

5.5.3 To comply with the requirements of Section 2B of the Transactions with Public Entities Law, with respect to the payment of minimum wage and employment of foreign workers.

5.5.4 To comply with the requirements of Section 2B1 of the Transactions with Public Entities Law, with respect to the Equal Opportunities for Persons with Disabilities Law, 5758-1998.

The conditions of this Section 5.5 apply exclusively to a corporation that is a “resident of Israel,” as this term is defined in the Income Tax Ordinance [New Version].

5.6 **Absence of connection to Countries With Which Israel Has No Diplomatic Relations**

The Participant, each Member and each Controlling shareholder, and director, and position holder of the Participant and/or of any of the Members will not be a citizen or a resident of a Country With Which Israel Has No Diplomatic Relations, or a corporation that is incorporated in such a country.

In this regard, in the case of a Participant or a Member that is a Private Investment Fund, the compliance of the general partner/the managing Entity of the fund and each of its principals with the condition set forth above will be examined (without examining the limited partners/the investors in the fund).
5.7 **Absence of a criminal record**

The Participant, the Members and each of the Controlling shareholders, the directors and the other officers of the Participant and of each of the Members has not been convicted in a criminal case (and, to the best of its knowledge, no proceedings for the conviction of any thereof are under way) of an offense that involves moral turpitude and/or of any other offense that is capable of preventing and/or limiting the receipt of the Required Approvals by the Participant, including the receipt of the generation licenses required for the generation of electricity in the framework of the Site operation, according to Electricity Sector Regulations (Conditions and Procedures for Granting a License and Obligations of a Licensee), 5757-1997.

5.8 **Undertaking to Maintain Confidentiality**

The Participant and each of the Members are required to sign an Undertaking to Maintain Confidentiality, in accordance with Pre-Qualification Form G of this Invitation, and to submit it as part of the Pre-Qualification Submission.

5.9 **Participation in One Pre-Qualification Submission**

5.9.1 Each Participant may submit only one Pre-Qualification Submission.

5.9.2 Each Member and each Guarantor may participate in only one Participant.

5.9.3 Each Major Subcontractor may participate in only one Pre-Qualification Submission.

5.9.4 For the purposes of this Section 5.9, the terms “Member,” “Guarantor” and “Major Subcontractor” shall be deemed to include every Related Entity, as this term is defined below, of every Member, Guarantor and Major Subcontractor.

In this Invitation:

“Related Entity” – will mean, with reference to any Entity: any Entity that Controls the referenced Entity, any Entity that is under the same Control as the referenced Entity, and any Entity that is controlled by the referenced Entity.

5.9.5 That set forth in this section will also apply to an Eligible Participant and/or a Member thereof that participates in the Tender Stage, and to a Bidder and/or a Member of the Bidder that submits a bid in the Tender, all *mutatis mutandis*.

5.10 **Changes in a Participant and/or in an Eligible Participant**

5.10.1 The Company will be entitled, until the final deadline for the submission of bids in the Tender, to allow changes with respect to a Participant and/or an Eligible Participant, as is relevant, and with respect to each of the entities participating on its behalf in the Procedure (including a Major Subcontractor), including the replacement, addition, change in or deletion of any such Entity, or a change in the joint Percentages of Holdings for each such Entity, pursuant to a request in
writing that will be submitted to the Company by the Participant and/or the Eligible Participant, as is relevant.

5.10.2 For the avoidance of doubt, the Company will be entitled to accept or to reject the request by the Participant and/or the Eligible Participant, at its absolute and exclusive discretion, which will be exercised, *inter alia*, in light of the stage of the Sale Procedure at the time.

5.10.3 Without derogating from the generality of the foregoing, the Company will reject a request by a Participant and/or an Eligible Participant to make changes in the Participant and/or the Eligible Participant, as is relevant, or in the composition of its Members or in the identity of a Guarantor as set forth above, if, as a result of the change requested:

5.10.3.1 **The Participant and/or the Eligible Participant, as is relevant, does not comply with any of the Pre-Qualification Requirements, including the required threshold conditions;**

or –

5.10.3.2 **Subject to provisions of Clause 8, and 10.1 the new scoring that would receive the Participant as a result of such change is lower, in such a way that the low score as stated is not sufficient for the purpose of the Participant’s compliance with the conditions required for its declaration as an Eligible Participant.**

5.10.4 For the avoidance of doubt, it is hereby clarified that the Participant and/or the Eligible Participant will not be entitled to make any change in the composition of its Members and/or in the identity of a Guarantor (if relevant) and/or in the Percentages of Holdings in the Participant (if the Participant is a Group), unless it has received the approval of the Company therefor, in advance and in writing. The Company will be entitled to disqualify the Pre-Qualification Submission by a Participant and/or its declaration as an Eligible Participant (as is relevant), with respect to a Participant and/or an Eligible Participant that, notwithstanding the foregoing, made changes as stated without having obtained the approval of the Company as required.

5.10.5 In any case in which the Company approves a request by a Participant and/or an Eligible Participant to make changes in the Participant and/or in the Eligible Participant, as is relevant, or in the composition of its Members or in the identity of a Guarantor as stated above, after one or more of the Required Approvals have been obtained, the Participant and/or the Eligible Participant will be required to contact the relevant authority, that issued the approval that was obtained, at its own expense, and to obtain from the relevant authority, as stated, within a period of time that the Company will determine for this purpose, in the framework of the Tender that will be published at a later stage, and, in any event, no later than the final deadline that will be set for the submission of bids in the Tender, a new
approval with respect to the new composition of the Participant and/or the Eligible Participant, as is relevant. It is hereby clarified that the foregoing applies only to the Approvals of the Electricity Authority and the Antitrust Commissioner, and does not apply to the approvals of the Israel Lands Authority.

5.10.6 In addition and without derogating from that set forth in this Section 5.10 above, the Company will be entitled, but not obligated, at any time during the Sale Procedure, at its absolute and exclusive discretion, including at the request of any of the Competent Authorities, and without this conferring upon any Participant/Bidder a right to delay the Sale Procedure, to allow a Participant/Bidder to join the Sale Procedure or to add one or more new or existing Participants/Bidders to another Participant/Bidder, and upon the granting of approval as stated, the Participant/Bidder that was added will be deemed to have been a party to the application as it was filed, for all intents and purposes. An approval as stated may be made contingent upon conditions. It is hereby clarified that the termination of the participation, including the suspension of the continued participation, of the Participants and/or the Bidders in the Sale Procedure, the addition of new entities to the Procedure, or a change in the composition of the Participants/the Bidders in the Procedure, will require the approval of the Company, which will decide in the matter at its absolute discretion.

5.11 Participation of Israeli Government Company

An Israeli Government Company are not permitted to participate in the Sale Procedure, either as a Participant, as a Member, as a Guarantor, nor as a Major Subcontractor.

5.12 Demonstration of compliance with the requirements

5.12.1 In the framework of the Pre-Qualification Submission Letter (Pre-Qualification Form A of this Invitation), each Member will specify its share in the Participant, including its anticipated holdings in the single-purpose corporation (hereinafter: the “Percentage of Holdings in the Participant”). The share of the Members in the single-purpose corporation as stated will be precisely in accordance with the Percentage of Holdings in the Participant as stated, subject to changes that will be approved by the IEC, at its discretion.

5.12.2 In order to demonstrate compliance with the provisions of Section 5.1 (“The Participant”), the Participant shall submit Pre-Qualification Form B, duly completed and signed. In addition, each Participant that is a corporation will append a certified copy of an updated certification attesting to its existence as a corporation.

5.12.3 In order to demonstrate compliance with the provisions of Section 5.3 (“The Member”), each Member shall submit Pre-Qualification Form C, duly completed and signed. In addition, each Participant that is a corporation will
append a certified copy of an updated certification attesting to its existence as a corporation.

5.12.4 In order to demonstrate compliance with the provisions of Section 5.4 (“The Major Subcontractor”), the Participant shall submit Pre-Qualification Form E, duly completed and signed. To this form, it will append a copy of the agreement signed by the Participant and the Major Subcontractor. In addition, the Major Subcontractor shall submit Pre-Qualification Form E1, duly completed and signed.

5.12.5 In order to demonstrate compliance with the provisions of Section 5.5 (“Compliance with the Requirements of the Transactions with Public Entities Law”), the Participant and each Member shall submit Pre-Qualification Form L, duly completed and signed.

6. Professional Pre-Qualification Requirements

The Participant, whether itself or through a Related Entity (as this term is defined in Section 5.9 above), is required to comply, at the very least, with two of the four Professional Pre-Qualification Requirements, as set forth in this Section 6 below (Entrepreneurial Experience, Operation and Maintenance Experience, Construction Experience and Ownership Experience). Without derogating from the foregoing, the Participant’s compliance with the Pre-Qualification Requirement set forth in Section 6.2 below (operation and maintenance experience), and this Requirement only, can also be proved by engaging in an agreement with a Major Subcontractor that is not a Member, as defined and set forth in Section 6.2 below, whereby the Major Subcontractor holds the relevant experience.

Notwithstanding the foregoing, in cases where the Participant is a Group, it is also possible to fulfill the Professional Pre-Qualification Requirements through compliance, at the very least, with two of the four requirements with respect to the Professional Pre-Qualification Requirements, as set forth in this section below, by up to two Members (at the very most), whether themselves or through a Related Entity (as this term is defined in Section 5.9 above) (and, with respect to operation and maintenance experience, also by means of a Major Subcontractor, that is not a Member, as defined and set forth in Section 6.2 below), whereby each of them (other than the Major Subcontractor as stated) will itself hold at least 25% (twenty-five percent) of the Holdings in the Participant.

6.1 Entrepreneurial Experience

6.1.1 The Experience Provider is required to demonstrate proven Entrepreneurship Experience in the Last 7 (Seven) Years in at least one of the following:

6.1.1.1 Entrepreneurship of Power Plant(s) for the generation of electricity, provided that they are not Renewable Energy Power Plants (hereinafter: “Power Plants”), with a cumulative installed power that appears in the generation license(s) of at least 200 (two hundred) megawatts (MW), or
6.1.1.2 Entrepreneurship of one or more Infrastructure Projects, that is, a project in the transport, energy (including Renewable Energy) and/or water sector and/or in the construction of Public Buildings, for a Government Institution (hereinafter: “Infrastructure Project”), with a construction cost for only one Infrastructure Project of at least NIS 500,000,000 (five hundred million New Israeli Shekels) (not including VAT), or a cumulative construction cost for, at the very most, up to 4 (four) Infrastructure Projects, of at least NIS 1,000,000,000 (one billion New Israeli Shekels) (not including VAT).

For the purposes of this section, Entrepreneurial Experience “in the Last 7 (Seven) Years” refers to the financial close of a project (and in the case of self-financing – winning a tender/procedure/signing an engagement contract/obtaining a license/concession for the implementation of the project), between December 1, 2011 and the Pre-Qualification Submission Date.

It is possible to demonstrate a project that was held as a joint venture or as a jointly held company, provided that the Participant or the relevant Member or its Related Entity held, at the very least, 25% (twenty five percent) of the share capital of the joint venture or (as is relevant) the held company. In such a case, the Participant/the relevant Member o will accordingly be credited with Holding of the entire amount of the experience attributed to the joint venture or (as is relevant) the held corporation.

In this Invitation, “Public Buildings” will refer to hospitals, courts, military bases or training schools for the defense and security forces, prisons, office buildings, educational institutions and universities. For the avoidance of doubt, it is hereby clarified that buildings that are used for residential purposes or for industry will not be considered as “Public Buildings” in this regard.

In this Invitation, “Government Institution” will refer to any Israeli Government Corporation (as this term is defined in This Invitation), and, with respect to a non-Israeli Entity, an Entity that is similar to any of the entities listed among the entities included in the definition of the term “Israeli Government Corporation” in This Invitation, according to the relevant Law in the country of incorporation of the non-Israeli Entity as stated.

In this Invitation, “Renewable Energy” will refer to energy, which its source for the generation of which is sun, wind, water, waste or biomass, but does not including fossil fuel, as set forth in the. It is hereby clarified that a Power Plant that runs on thermo-solar energy (CSP) or a Power Plant using pumped storage technology will not be considered as a Renewable Energy Power Plant for the purposes of this Invitation.

6.1.2 In cases where the construction cost in the entrepreneurship of Power Plant(s) and/or Infrastructure Project(s) as set forth above is stated in foreign currency, the construction cost as set forth above will be converted into New Israeli Shekels.
according to the rate of exchange that was published by the Bank of Israel as of the date of financial close of the project (and in the case of self-financing – the date of winning a tender/procedure/signing an engagement contract/obtaining a license/concession for the implementation of the project, whichever is earlier). In cases where no rate of exchange as stated was published on the date of financial close, the construction cost will be converted as stated into New Israeli Shekels according to the last rate of exchange that was published by the Bank of Israel before the date of financial close.

6.2 **Operation and Maintenance Experience**

The Experience Provider is required to demonstrate proven Operation and Maintenance experience in the last 7 (seven) years with respect to the **Operation and Maintenance** of Power Plants, provided that they are not Renewable Energy, with a cumulative installed power that appears in the generation license of at least 200 (two hundred) megawatts (MW).

For the purposes of this section, **Operation and Maintenance Experience “in the Last 7 (Seven) Years”** refers to the operation and maintenance of Power Plant(s) throughout a continuous period of at least two years, between December 1, 2011 and the Pre-Qualification Submission Date.

For the purpose of proving the Participant’s compliance with the Operation and Maintenance Experience Requirement as stated above, the Participant is entitled to present a Major Subcontractor, as this term is defined in Section 5.4 above, which complies with the requirement as stated in this Section 6.2 above.

**It is hereby expressly clarified that a Major Subcontractor, and its Related Entity, are entitled to participate in the Sale Procedure on behalf of only one Participant and no more.**

For the purpose of proving the compliance of the Entity with operation and maintenance experience requirements of this section, it is possible to cite a project that was held as a joint venture or as a jointly held corporation, provided that the Participant or the relevant Member or its Related Entity held, at the very least, 50% (fifty percent) of the share capital of the joint venture or (as is relevant) the held corporation and its liability was joint and several. In such a case, the Participant/the relevant Member will accordingly be credited with Holding of the entire amount of the experience attributed to the joint venture or (as is relevant) the held corporation.

6.3 **Construction Experience**

6.3.1 The Experience Provider is required to demonstrate proven Construction Experience in the Last 7 (Seven) Years with respect to at least one of the following:

6.3.1.1 Construction or EPC (Engineering, Procurement and Construction) contracts of Power Plant(s), provided that they are not Renewable
Energy, with a cumulative installed power that appears in the generation license of at least 200 (two hundred) megawatts (MW); or

6.3.1.2 Construction or EPC (Engineering, Procurement and Construction) contracts of Infrastructure Projects, with a construction cost for only one Infrastructure Project of at least 500,000,000 NIS (five hundred million New Israeli Shekels) (not including VAT), or a cumulative construction cost for, at the very most, up to 4 (four) Infrastructure Projects, of at least 1,000,000,000 NIS (one billion New Israeli Shekels) (not including VAT).

For the purposes of this section, Construction experience “in the last 7 (Seven) Years” refers to the completion of the Construction of Power Plants or (as is relevant) one or more Infrastructure Project(s) as stated above and turning them over to the client (after receipt of “Form 4”/approval of occupancy/Certificate of Completion, Including in accordance with the provisions of the Planning and Building Law, 5725-1965 and its regulations), which occurred between December 1, 2011 and the Pre-Qualification Submission Date.

For the purpose of proving the compliance of the Entity with Construction Experience requirements of this section, it is possible to cite a project that was held as a joint venture or as a jointly held corporation, provided that the Participant or the relevant Member or its Related Entity held, at the very least, 50% (fifty percent) of the share capital of the joint venture or (as is relevant) the held corporation and its liability was joint and several. In such a case, the Participant/the relevant Member will accordingly be credited with Holding of the entire amount of the experience attributed to the joint venture or (as is relevant) the held corporation.

6.3.2 In cases where the construction cost in the Construction of Power Plant(s) and/or Infrastructure Project(s) as set forth above is stated in foreign currency, the construction cost as set forth above will be converted into New Israeli Shekels according to the rate of exchange that was published by the Bank of Israel as of the signing date of the construction agreement/the EPC agreement for the project (and in cases where no rate of exchange as stated was published on that date, according to the last rate of exchange that was published by the Bank of Israel before the signing date of the construction agreement/ the EPC agreement).

6.4 Ownership Experience

6.4.1 The Experience Provider is required to demonstrate proven Ownership Experience in the Last 7 (Seven) Years with respect to at least one of the following:

6.4.1.1 Ownership of active Power Plant(s), provided that they are not Renewable Energy, with a cumulative installed power that appears in
the generation license of at least 200 (two hundred) megawatts (MW),
for at least two continuous years; or

6.4.1.2 Ownership of one Infrastructure Project, the construction cost of which
is at least 500,000,000 NIS (five hundred million New Israeli
Shekels) (not including VAT), or with a cumulative construction cost
for, at the very most, up to 4 (four) Infrastructure Projects, of at least
1,000,000,000 NIS (one billion New Israeli Shekels) (not including
VAT).

For the purposes of this section, Ownership Experience “in the Last 7 (Seven)
Years” refers to the start of ownership of Power Plant(s) or (as is relevant) one or
more Infrastructure Project(s) as stated above, during the period between
December 1, 2011 and the Pre-Qualification Submission Date.

In this regard, the “Starting Date of Ownership” will be considered as the date
on which the property was recorded in the books of the Entity with Ownership
Experience, as will be set forth in an accountant’s certificate that will be
appended to the Pre-Qualification Submission, or the date of receipt of a
permanent generation license for the private generation of electricity under the
Electricity Sector Law, or the date of creation of a reference document with
respect to the start of commercial operation of the project – whichever is earlier.

For the purpose of proving the compliance of the Entity with ownership
experience requirements of this section, it is possible to demonstrate a project that
was held as a joint venture or as a jointly held corporation, provided that the
Participant or the relevant Member or its Related Entity held, at the very least,
25% (twenty five percent) of the share capital of the joint venture or (as is
relevant) the held corporation. In such a case, the Participant/the relevant Member
will accordingly be credited with Holding of the entire amount of the experience
attributed to the joint venture or (as is relevant) the held corporation.

In cases where the construction cost in the construction of Power Plants and/or
Infrastructure Project(s) as set forth above is stated in foreign currency, the
construction cost as set forth above will be converted into New Israeli Shekels
according to the rate of exchange that was published by the Bank of Israel as of
the Starting Date of Ownership of the project by the Entity with the Ownership
Experience (and in cases where no rate of exchange as stated was published on
that date, according to the last rate of exchange that was published by the Bank of
Israel before the Starting Date of Ownership of the project as stated).

6.5 Demonstration of compliance with the Professional Pre-Qualification Requirements

6.5.1 In order to demonstrate compliance with the Professional Pre-Qualification
Requirements as set forth above, the Experience Provider shall submit Pre-
Qualification Form H₁ (for demonstration of Entrepreneurial Experience) and/or
Pre-Qualification Form H₂ (for demonstration of Operation and Maintenance
Experience) and/or **Pre-Qualification Form H** (for demonstration of Construction Experience) and/or **Pre-Qualification Form H** (for demonstration of Ownership Experience), duly completed and signed.

6.5.2 In case that the Experience Provider is a Related Entity as set forth in Section 6.2, the Participant and the Related Entity shall submit **Pre-Qualification Form D**, duly completed and signed. In case that the Experience Provider is a Major Subcontractor as set forth in Section 6.2 above, the Participant and the Major Subcontractor shall submit **Pre-Qualification Form E and Pre-Qualification Form E1**, duly completed and signed. The engagement agreement between the Participant and the Major Subcontractor as set forth in Section 6.2 above will be attached to the Pre-Qualification Forms.

7. **Financial Pre-Qualification Requirements**

The Participant, and each Member, will have the relevant financial robustness as required below, whereby, for the purpose of illustrating it, their compliance with the conditions set forth in this Section 7 below will be presented.

In this Invitation –

**“Financial Entity”** – Including a Banking Corporation, an Institutional Entity or a Private Investment Fund.

**“Institutional Entity”** – This refers to any of the entities that are listed in Sections 1-3 of the First Addendum to the Securities Law; in the case of foreign entities – entities that are similar to them, pursuant to the relevant Law in their country of incorporation.

**“Banking Corporation”** – This refers to any of the entities that are listed in Section 4 of the First Addendum to the Securities Law; in the case of foreign entities – entities that are similar to them, pursuant to the relevant Law in their country of incorporation.

**“Private Investment Fund”** – This refers to a private investment fund, Israeli or foreign, the majority of the investors in which (more than 50%) are Institutional Entities (Israeli or foreign), which is after the first closing, and which is not listed for trading.

**“Last Fiscal Year”** – This means, with respect to any corporation (which constitutes the Participant or a Member), the latest period with respect to which the latest audited consolidated (if relevant) annual Financial Statements have been drawn up according to the rules of generally accepted accounting practice (as set forth in Section 7.8 below), for the corporation, and provided that it will not be earlier than 2017 (so that the Financial Statements for the last three fiscal years will be for the years 2015, 2016 and 2017).

7.1 **Equity**

7.1.1 Each Member that is not a Financial Entity is required to demonstrate equity of not less than 6,000,000 NIS (six million New Israeli Shekels) for each 1% (one percent) of Percentages of Holdings in the Participant in the Participant. The Equity will be examined on the basis of the Financial Statements of the Entity.
under examination for the **Last Fiscal Year**, as certified in the Auditor’s Certification of the Entity under examination.

For the purposes of this Invitation – “**Equity**” refers to “equity capital exclusive of rights that do not confer control”, “equity capital exclusive of minority rights”, “total capital attributed to the owners of the corporation”, or any section with identical significance in the Financial Statements.

7.1.2 If the Participant is an Entity that is submitting a Pre-Qualification Submission in its own name (and not as a Group), the calculation of the minimum Equity with respect to it will be performed according to a percentage of Holdings of 100% (one hundred percent).

7.2 **Weighted Turnover**

7.2.1 Each Participant is required to demonstrate that the Participant's Weighted Turnover (or attributed to the Participant, if the Participant is a Group, as set forth in Section [link to page below]) is not lower than the Minimal Turnover Required (as such term is defined in Section 7.2.5 below).

7.2.2 **Participant's Weighted Turnover**

The Participant's Weighted Turnover shall be calculated in the following manner:

**Participant Turn Over** = \( \sum_{i=1}^{n} ATO_i \times HS_i \)

Where:

\( ATO_i \) = Member (i)'s Average Turnover (as such term is defined in Section [link to page below])

\( HS_i \) = the Percentage of Holdings of Member (i) in the Participant.

\( n \) = the number of Members in the Participant.

("**Participant's Weighted Turnover**")

7.2.3 **Member's Average Turnover**

7.2.4 The Weighted Annual Turnover of each Member will be calculated as follows:

7.2.4.1 For each Member, for which the Percentage of Holdings in the Participant is less than 10% (ten percent), the Weighted Annual Turnover will be deemed to be 0 (zero).

7.2.4.2 For each Member, for which the Percentage of Holdings in the Participant is 10% (ten percent) or more, the Weighted Annual Turnover will be calculated as follows:

\[ WTO = \frac{(3 \times TO_t + 2 \times TO_{t-1} + 1 \times TO_{t-2})}{6} = \text{Weighted Annual Turnover} \]

Where:
WTO = Participant’s Weighted Turnover

\[ TO_t = \text{income turnover in year } t \]

\[ t = 2017 \]

("Member's Average Turnover")

### 7.2.5 Minimal Turnover Required

The Minimal Turnover required of the Participant is:

**7.2.5.1** In the event that all Members are not Financial Entities – not less than NIS 500,000,000

**7.2.5.2** In the event that one or more of the Members is a Financial Entity – the Minimal Turnover Required of a Participant shall be as follows:

\[ X = A \times 500,000,000 \]

Where: \( A \) = the total Percentage of Holdings of the Members that are not Financial Entities.

### 7.3 Weighted Average Operating Cash Flow

Each Member who is not a Financial Entity, and who's Percentages of Holdings in the Participant exceeds 10%, is required to demonstrate its compliance with one of Sections 7.3.1, 7.3.2or 7.3.2below:

**7.3.1** The Member’s Weighted Operating Cash Flow in the last three fiscal years is not negative (either positive or equal to zero).

For the purposes of this section, the Weighted Operating Cash Flow will be calculated as follows:

\[ WCF = \frac{(3 \times CF_t + 2 \times CF_{t-1} + 1 \times CF_{t-2})}{6} \]

where:

\( WCF \) = Participant’s Weighted Operating Cash Flow

\( CF_t \) = cash flow from current activity in year \( t \)

\( t = 2017 \)

**7.3.2** In the event that the Weighted Operating Cash Flow of a Member who is not a Financial Entity, is negative, the Member is required to demonstrate that:

The ratio between the absolute value of (a) and (b) below is less than 20%:

(a) its Weighted Operating Cash Flow in the last three fiscal years and

(b) its Equity as at the end of the Last Fiscal Year
ABS[(3*CF_t + 2*CF_{t+1} + 1*CF_{t+2})-6] / E_t < 20%

Where:

CF_t = the Member's Operating Cash Flow of the relevant year, based on its Financial Statements for that year

E_t = Equity at the end of the year t

t = 2017

ABS = absolute value

7.4 **No “Going Concern Notice”**

The most recent audited Financial Statements of each Participant and/or Member and/or each Guarantor (if relevant) shall not contain a “Going Concern Notice”. The Financial Statements for the Last Fiscal Year as stated refers to the most updated audited Financial Statements that were published by the Participant, provided that those statements refer to the Last Fiscal Year.

7.5 **Financial robustness –Financial Entity (other than a Private Investment Fund)**

Any Member who is a Financial Entity, other than a Private Investment Fund, is required to demonstrate its compliance with one of Sections 7.5.1 or 7.5.2 below:

7.5.1 its equity (excluding minimal equity required by Law, to the extend relevant) was not less than 10,000,000 NIS (ten million New Israeli Shekels) for each 1% (one percent) of its Percentage of Holdings in the Participant based on the Member's Financial Statements for the Last Fiscal Year, as certified in the Auditor's Certification;

Or,

7.5.2 For each 1% (one percent) of its Percentage of Holdings in the Participant, an amount of Assets under Management with a net worth of not less than 100,000,000 NIS (one hundred million New Israeli Shekels), as at the end of the Last Fiscal Year.

7.6 **Financial robustness –Private Investment Fund**

Any Member, who is a Private Investment Fund, required to demonstrate its cumulative compliance with both of the sections below:

7.6.1 For each 1% (one percent) of its Percentage of Holdings in the Participant, the amount of Unutilized Commitments under its management is at least 6,000,000 NIS (six million New Israeli Shekels), as of 14 days prior the Pre-Qualification Submission Date; and
7.6.2 For each 1% (one percent) of its Percentage of Holdings in the Participant, the Fund manages an amount of assets which is not less than 10,000,000 NIS (ten million New Israeli Shekels), as at the end of the Last Fiscal Year.

In this Invitation –

“Unutilized Commitments” refers to the total commitments, less the fund invested the fund committed to be invested by the Private Investment Fund.

7.7 Reliance on a Guarantor

7.7.1 Each Participant/Member may demonstrate compliance with the Financial Pre-Qualification Requirements by relying on a legal Entity that Controls the respective Participant/Member (hereinafter: “Guarantor”), provided that the Guarantor itself complies with all of the Financial Pre-Qualification Requirements in their entirety and cumulatively. In such a case, the Guarantor shall sign Pre-Qualification Form K. In the event that the Guarantor is also a Member, then, for the purpose of determining its financial robustness, the Guarantor’s Holdings in the Participant will be deemed to also include all of the Holdings in the Member seeking to rely on such Guarantor.

7.7.2 The provisions of this section will also apply, mutatis mutandis, to a Member that seeks to rely on more than one Guarantor, whereby the referenced Guarantors are also Members. In such a case, the Percentage of Holdings of each of the referenced Guarantors in the Participant will be deemed to also include the percentage of Holdings of the Member seeking to rely on such Guarantor, which will be calculated proportionately (pro rata) to the relevant Guarantor’s percentage of Holdings in that Member.

7.8 Demonstration of compliance with the Financial Pre-Qualification Requirements

7.8.1 In order to demonstrate compliance with the Financial Pre-Qualification Requirements, as set forth in this Section 7 above, the Participant, each Member and each Guarantor (if and as relevant) shall submit Pre-Qualification Form I₁, duly completed and signed.

7.8.2 With respect to a Member of the Participant that is a Financial Entity (other than a Private Investment Fund), in order to demonstrate the compliance with the requirements set up in Section 7.5 above, the Financial Entity shall submit Pre-Qualification Form I₂, duly completed and signed.

7.8.3 With respect to a member of the Participant that is a Private Investment Fund, in order to demonstrate the compliance with the requirements set up in Section 7.6 above, the Fund shall submit Pre-Qualification Form I₃, duly completed and signed.

7.8.4 In order to demonstrate its financial robustness, the Participant shall submit a certification from an auditor, certifying the Participant’s compliance with all of
the Financial Pre-Qualification Requirements, in accordance with that set forth in this Section 7 above, in the wording that is attached as **Pre-Qualification Form J**, in accordance with the consolidated (if relevant) audited Financial Statements of the Participant. If the Participant is a Group, all the Members shall submit such a certification. In addition, in case of reliance on a Guarantor, as set forth in Section 7.7 above, the Guarantor shall also submit such a certification.

### 7.8.5 The referenced Financial Statements, duly prepared and presented in accordance with one of the following sets of accounting rules:

- **7.8.5.1** The rules of generally accepted accounting practice in Israel as published by the Israel Accounting Standards Board, including the guidelines for disclosure of the cash flow statement as published in Opinion No. 51 – Statement of Cash Flows.

- **7.8.5.2** The rules of generally accepted accounting practice in Israel (US GAAP) as published by the Financial Accounting Standards Board (FASB) in the United States, including the guidelines for disclosure of the cash flow statement as published in ASC 230 Statement of Cash Flows.

- **7.8.5.3** The International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), including the guidelines for disclosure of the cash flow statement as published in IAS 7 – Statement of Cash Flows.

An Entity whose Financial Statements are based on the rules of generally accepted accounting practice in the country of origin, which are not listed above, is required to submit a specific request to the Tender Committee to approve reliance and submission of a certification by an auditor in accordance with such Financial Statements, at least thirty (30) days prior to the Pre-Qualification Submission Date. The Tender Committee will decide on a request as stated at its exclusive discretion.

### 7.8.6 In cases where the Participant or a Member relies on the financial robustness of a Guarantor, the Guarantor shall submit the Letter of Guarantee (**Pre-Qualification Form K**).

### 7.9 Conversion of currencies

- **7.9.1** All of the financial data that are included in the Pre-Qualification Forms will be submitted in New Israeli Shekels (NIS). In any case where the data in the Financial Statements are not presented in New Israeli Shekels, the relevant Entity will convert the financial data in accordance with that which has been set forth below:
7.9.2 The Turnover and the Operating Cash Flow will be converted into New Israeli Shekels according to the average rate of exchange for that year, as it appears in the following table:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate of exchange (NIS) for conversion of financial data for the year:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
</tr>
<tr>
<td>1 US dollar (US$)</td>
<td></td>
</tr>
<tr>
<td>1 euro (€)</td>
<td></td>
</tr>
</tbody>
</table>

7.9.3 The Equity will be converted into New Israeli Shekels according to the rate of exchange as at December 31, 2017, as it appears in the following table:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate of exchange (NIS) for conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 US dollar (US$)</td>
</tr>
<tr>
<td></td>
<td>1 euro (€)</td>
</tr>
</tbody>
</table>

7.9.4 An Entity for which the financial data are presented in currencies other than US dollars (US$) or euros (€), is required to submit a specific request to the Tender Committee for other currency conversion to US$, at least thirty (30) days prior to the Pre-Qualification Submission Date.

7.9.5 An Entity whose fiscal year, according to the Law of its domicile, ends on a date other than December 31, is required to submit a specific request to the Tender Committee in advance and to obtain its instructions with respect to the fiscal years relevant to the examination, and for the purpose of obtaining the conversion rates in accordance with other rates of exchange, at least 30 (thirty) days prior to the Pre-Qualification Submission Date. The request must specify all of the relevant information, including the tables of exchange rates upon which that Entity wishes to rely. The Tender Committee will decide on an inquiry as stated at its exclusive discretion.

8. **Ranking of the Eligible Participants (Optional)**

8.1 In cases where more than 8 (eight) Pre-Qualification Submissions are submitted in the Pre-Qualification Stage by Participants that are found to comply with the Pre-Qualification Requirements set forth in this Invitation, the Tender Committee will be entitled, but not obligated, to examine the quality of the Participants and to rank them in accordance with the Criteria set forth in this Section 8 below. It should be clarified, for the avoidance of doubt, that, at its exclusive discretion, the Tender Committee will be entitled, *inter alia*, to decide not to rank the Participants that comply with the Pre-Qualification Requirements, even if there are more than 8 (eight) of them, and declare that all of them are Eligible Participants.
8.2 The Criteria for ranking of the Participants that comply with the Pre-Qualification Requirements pursuant to this Invitation will be in accordance with the following formula:

$$TS = 0.6 \times FR + 0.4 \times E$$

Where:

<table>
<thead>
<tr>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR</td>
<td>60%</td>
</tr>
<tr>
<td>E</td>
<td>40%</td>
</tr>
<tr>
<td>TS Participant’s total weighted quality score</td>
<td>100%</td>
</tr>
</tbody>
</table>

8.3 **Criteria for scoring – financial robustness**

The financial robustness of the Participants that comply with the Pre-Qualification Requirements pursuant to this Invitation will be scored by the Tender Committee according to that set forth in the following table.

For the sake of illustration, examples of calculation of the scoring with respect to the Criterion of financial robustness are attached as Appendix 5.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Criterion</th>
<th>Maximum score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Equity</td>
<td>With respect to a Member that is not a Financial Entity:</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(a) Equity of a Member in the amount of 9,000,000 NIS (nine million New Israeli Shekels) and up to the amount of 12,000,000 NIS (twelve million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 50 points;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– or –</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Equity of a Member in the amount of 12,000,000 NIS (twelve million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 100 points.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For the avoidance of doubt, in the case of Equity as set forth in this subsection (b), no additional points will be given with respect to that set forth in subsection (a) above, so that the maximum score of that Member will be only 100 points.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The score that are given to the Participant will be equal to the total score that was conferred upon every relevant Member as stated, multiplied by that Member’s Percentage of Holdings in the Participant.</td>
<td></td>
</tr>
</tbody>
</table>
With respect to a Member that is a Financial Entity (other than a Private Investment Fund):

(a) Equity of a Member in the amount of 15,000,000 NIS (fifteen million New Israeli Shekels) and up to the amount of 20,000,000 NIS (twenty million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 50 points;

– or –

(b) Equity of a Member in the amount of 20,000,000 NIS (twenty million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 100 points.

For the avoidance of doubt, in the case of Equity as set forth in this subsection (b), no additional points will be given with respect to that set forth in subsection (a) above, so that the maximum score of that Member will be only 100 points.

The score that will be given to the Participant will be equal to the total score that was conferred upon every relevant Member as stated, multiplied by that Member’s Percentage of Holdings in the Participant.

Or, in the alternative:

(a) Managed Assets in the amount of 150,000,000 NIS (one hundred fifty million New Israeli Shekels) and up to the amount of 200,000,000 NIS (two hundred million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 50 points;

– or –

(b) Managed Assets in the amount of 200,000,000 NIS (two hundred million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 100 points.

For the avoidance of doubt, in the case of Managed Assets as set forth in this subsection (b), no additional points will be given with respect to that set forth in subsection (a) above, so that the maximum score of that Member will be only 100 points.

The score that are given to the Participant will be equal to the total score that was conferred upon every relevant Member as stated, multiplied by that
With respect to a Member that is a Private Equity Fund:

(a) Unutilized Commitments in the amount of 9,000,000 NIS (nine million New Israeli Shekels) and up to the amount of 12,000,000 NIS (twelve million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 50 points;

– or –

(b) Unutilized Commitments in the amount of 12,000,000 NIS (twelve million New Israeli Shekels) for each 1% (one percent) of Holdings in the Participant, will entitle the relevant Member to 100 points.

For the avoidance of doubt, in the case of Unutilized Commitments as set forth in this subsection (b), no additional points will be given with respect to that set forth in subsection (a) above, so that the maximum score of that Member will be only 100 points.

The score that are given to the Participant will be equal to the total score that was conferred upon every relevant Member as stated, multiplied by that Member’s Percentage of Holdings in the Participant.

It is hereby clarified that the maximum score that can be cumulatively attained with respect to the above parameters is 100 points, even in the cases where the Participant’s cumulative score in all of the sections is more than 100 points.

8.4 Criteria for scoring – professional experience

The professional experience of the Participants that complies with the Pre-Qualification Requirements pursuant to this Invitation will be scored by the Tender Committee in such a way that each such Participant that demonstrates compliance with the Professional Pre-qualification requirements in any additional requirements, beyond the two requirements in Section 6 above, will receive 50 additional points (up to a maximum score of 100 points, in the case of a Participant that proves compliance with all the Professional Pre-Qualification Requirements set forth in Section 6 above).

8.5 Each Participant’s total weighted quality score will be obtained by multiplying the cumulative quality score in the professional experience section (as set forth in Section 8.4 above) by 40%, and adding the product of the cumulative quality score in the financial robustness section (as set forth in Section 8.3 above) by 60%, and the order of
ranking of the Participants will be determined in accordance with that total weighted score.

9. **Method of Submission**

9.1 **Compliance with the Requirements of the Pre-Qualification Documents**

9.1.1 The Participant will submit the Pre—Qualification Submission exclusively on the original Invitation Documents in their entirety, without making any amendment, change, omission, reservations, stipulation or addendum to their printed formulation.

9.1.2 Each Participant will submit, in the manner set forth below, a Pre—Qualification Submission, which will include a demonstration of its compliance with the Pre-Qualification Requirements in accordance with that set forth in this Invitation, including the submission of details with respect to the Professional Pre-Qualification Requirements and Financial Pre-Qualification Requirements (hereinafter: the “Submission Documents”).

9.1.3 Each Participant may submit only one Pre—Qualification Submission, and each Member will be entitled to hold Means of Control in only one Participant that is participating in the Sale Procedure, as set forth in Section 5.9 above.

9.1.4 The Participant will complete, in the Invitation Documents, all of the details that are intended to be completed by it, in printed letters only. The Invitation Documents, and all of the other approvals and documents that are to be attached to the Pre-Qualification Submission, must be signed by the Participant and (as is relevant) certified by an attorney-at-law, all as required according to the Invitation Documents. Pages on which a place has been set aside for signature will be signed with a full name, and also (if the Participant is a corporation) by the representative(s) who is/are competent to bind the Participant with his/their signature. Pages on which no place has been set aside for signature will be signed with initials only, along with a stamp.

9.1.5 In addition, the Participants are entitled to append to the their Pre-Qualification Submission additional relevant details and documents, for the purposes of clarification, additional detail and verification of the data reported and for any other purpose that, in the Participant’s opinion, is required in order to ensure an optimal presentation of the its Pre-Qualification Submission on its behalf. The submission of additional reference documents does not exempt the Participant from submitting the information on the documents that are to be submitted pursuant to the provisions of this Invitation. The examination of additional documents that will be submitted in the framework of its Pre-Qualification Submission will be performed at the exclusive discretion of the Tender Committee.
9.2 **No Unauthorized Modification**

9.2.1 The Participants shall not modify or supplement the Pre-Qualification Documents and shall not make the Submission contingent upon conditions that were not expressly allowed pursuant to them.

9.2.2 The Tender Committee will be entitled to disqualify any Pre-Qualification Submission that is not submitted in accordance with that set forth in this Invitation, including a Pre-Qualification Submission that contains any amendment, change, omission, reservations, stipulation or addendum to the wording of the Invitation Documents, or a Pre-Qualification Submission that is deficient, unclear or ambiguous.

9.2.3 Without derogating from the generality of the foregoing, the Tender Committee will be entitled, at its discretion:

9.2.3.1 To make the weighing of the Pre-Qualification Submission contingent upon the cancellation of any amendment, change, omission, reservations, stipulation or addendum and/or (as is relevant) the completion and rectification of any deficiency, lack of clarity or ambiguity as stated, within a period of time to be determined by the Tender Committee; and/or

9.2.3.2 To examine the Pre-Qualification Submission while ignoring any amendment, change, omission, reservations, stipulation or addendum as stated.

9.3 **Language of the Pre-Qualification Submission**

The Pre-Qualification Forms that will be submitted in the Pre-Qualification Submission will be completed in English only. Additional documents, including supporting documents that are intended to substantiate, to clarify or to support the Pre-Qualification Submission, will be in Hebrew or English only, and if they were originally drawn up in a different language – they will be submitted in translation into Hebrew or English, certified by a notary.

9.4 **Signing of the Pre-Qualification Submission**

9.4.1 Each Participant is required to confirm, with its signature in the margins of this Invitation, its consent to act in accordance herewith. If the Participant is a Group, each of the Members is required to confirm, with its signature in the margins of this Invitation, his consent as stated.

9.4.2 The submission of a Pre-Qualification Submission in accordance with this Invitation and/or the signing of the Pre-Qualification Submission by the Participant will constitute an undertaking and a declaration by the Participant that it has understood this Invitation including the appendices hereto, including any amendment and/or addendum to the Invitation, has consented to them, and
undertakes to act in accordance with them, and that all of the certifications, declarations and undertakings by the Participant, each Member and anyone on their behalf (including any Guarantor) in the Pre-Qualification Stage will be valid and effective and will bind the Participant, each and anyone on their behalf as stated, with respect to the entire length of the stages of the Sale Procedure, including the Tender Stage (if and to the extent that the Participant is declared by the Company to be an Eligible Participant that will be entitled to participate in the Tender Stage).

9.5 **Number of Pre-Qualification Submission Copies**

9.5.1 The Pre-Qualification Submission must be submitted in 4 (four) printed copies, as follows: one original copy, which will be clearly marked with the words “Original Copy;” 2 (two) identical copies; and an additional copy that includes marking and redaction of confidential details in the Pre-Qualification Submission as set forth in Section 10.7.2 below. Each of the copies will be submitted in two separate envelopes, as set forth in Section 9.6 below.

9.5.2 In addition, together with the original copy of the Pre-Qualification Submission, each Participant will also submit to the Company a mobile storage device (USB flash drive), which will include: (1) files in a PDF format, both original (without signatures) and scanned (including signatures), of all of the Pre-Qualification Submission; and (2) files of the forms attached to this Invitation in Word format (editable), including all of the details filled in by the Participant (in accordance with the files that will be delivered to the Participants by the Company). The distribution of the mobile storage devices in the various envelopes will be as set forth in Section 9.6.1 below.

9.5.3 In any case of contradiction or incompatibility between the printed copy and the copy delivered on magnetic media as stated, the printed copy will prevail. In any case of contradiction or incompatibility between the printed copies, the copy marked as “Original Copy” will prevail.

9.6 **Sealing and Marking of the Pre-Qualification Submissions**

9.6.1 The Participants shall submit each of the copies of the Pre-Qualification Submission in two separate envelopes, as set forth below:


A mobile storage device containing only Pre-Qualification Form I₁, Pre-Qualification Form I₂, Pre-Qualification Form I₃ (if and as
relevant), and **Pre-Qualification Form J** will be attached to Envelope No. 1.

It is hereby clarified that, in order to prevent the IEC and/or any of its managers and/or employees from being exposed to financial data of private electricity producers and suppliers in Israel, the above-referenced **Pre-Qualification Forms (Pre-Qualification Forms I₁, I₂, I₃ and J)** will be examined by external consultants of the IEC, and not by employees of the IEC; and

9.6.1.2 **Envelope No. 2** – an envelope that contains all of the other Invitation Documents, signed by the Participant (including confirmation by the Participant of notices of clarification and addenda to this Invitation), and all of the other Invitation Documents and documents attesting to the Participant’s compliance with all of the Pre-Qualification Requirements, as set forth in Section 9.1 above, except **Pre-Qualification Forms I₁, I₂, I₃ and J**, and the following will be written on the envelope: “Envelope 2 – The its Pre-Qualification Submission (Without Financial Data).”

A mobile storage device containing all of the other Invitation Documents, except **Pre-Qualification Form I₁, Pre-Qualification Form I₂, Pre-Qualification Form I₃** (if and as relevant), and **Pre-Qualification Form J**, will be attached to Envelope No. 2.

The two separate envelopes will be inserted into an additional envelope, on which the following will be written: “Response to the Pre-Qualification Procedure in the Framework of a Tender for the Sale of the Alon Tavor Properties,” and the copy number will be designated – this, with respect to each of the four copies of the Pre-Qualification Submission. The word “Original” will be written on the envelope containing the Original Copy.

9.6.2 All of the envelopes containing the four copies of the Pre-Qualification Submission will be inserted into an additional envelope or into a box, which will also be sealed, and the following will be written on it: **“Response to the Pre-Qualification Procedure in the Framework of a Tender for the Sale of the Alon Tavor Properties.”** No other details shall be indicated on the outer envelope or box. The Pre-Qualification Submission will be delivered, no later than the Pre-Qualification Submission Date, at 15:00, by way of **delivery by hand**, to the Tender Box no. 12, in room no. 9 at the lobby, at the address: IEC, 1 Netiv Ha-Or Street, Haifa.

9.6.3 Pre-Qualification Submissions are not to be sent by mail, by facsimile or by email.
9.7 Pre-Qualification Submission Date

9.7.1 Pre-Qualification Submissions should be submitted at the address provided in Section 9.6, on the date designated for such submission, as set forth in Section 3.6, no later than 15:00 (hereinafter: the “Pre-Qualification Submission Date”). A Participant that wishes to submit the Pre-Qualification Submission before the date of the Pre-Qualification Submission Date is entitled to do so, on Sundays through Thursdays (other than holidays and the eves of holidays), between 8:00 a.m. and 3:30 p.m. only, and following advance coordination of its arrival at the offices of the Company for the purpose of submitting the Pre-Qualification Submission stated above, with the Representatives of the Israel Electric Corporation, at the following telephone number: 076-8637423.

9.7.2 The Tender Committee will be entitled to immediately disqualify Pre-Qualification Submissions that will be submitted after the Pre-Qualification Submission Date.

9.7.3 The Tender Committee is entitled, at its exclusive discretion, to postpone or to put forward the Pre-Qualification Submission Date, pursuant to that set forth in Section 3.6 above.

9.7.4 It is hereby clarified that the exercise of the powers that are conferred upon the Tender Committee in the framework of this section is at the exclusive discretion of the Tender Committee, and that the Participants or any other Entity will have no complaint or claim against the Company in connection with the exercise or non-exercise thereof.

9.8 Injunctions

9.8.1 It is hereby expressly clarified that any Participant who files a Pre-Qualification pursuant to this Invitation, and any Member, Related Entity with respect to any thereof and/or any Entity on their behalf, will be deemed to have waived in advance any argument in connection with the terms of this Invitation and the right to file with any court a motion for the issuance of an injunction to delay the procedures of this Invitation and/or the Pre-Qualification Procedure and/or the Sale Procedure, or any other remedy, the meaning of which, whether directly or indirectly, will be a delay in the promotion of the procedures of this Invitation and/or the Sale Procedure and/or the Pre-Qualification Procedure and/or the Tender Procedure.

9.8.2 The foregoing does not derogate from the obligation of any Participant, any Member, any Related Entity to the Participant and anyone on their behalf to contact the Tender Committee in writing with respect to any detailed individual claim or demand.

9.9 Undertakings by the Participant
9.9.1 By submitting a Pre-Qualification Submission, the Participant undertakes to provide the Company and the Competent Authorities with any document and/or information that will be required by them, including for the purpose of receiving clarifications and/or additional details with respect to its Pre-Qualification Submission, and to fully assist and cooperate with the Company and anyone on its behalf and with the Competent Authorities, in any matter that pertains to the performance of clarifications as stated. Without derogating from the generality of the foregoing, the Company and the Competent Authorities are entitled to demand additional information or documents from any Participant, at their absolute and exclusive discretion, as a condition for handling the Pre-Qualification Submission or (as is relevant) for the purpose of examining its compliance with the conditions required for the receipt of the Required Approvals.

9.9.2 It is hereby clarified that the Pre-Qualification Submission and any certification, declaration and undertaking by the Participant, each Member and any Entity on their behalf (including any Guarantor), which were provided in the Pre-Qualification Stage, will be fully valid and binding upon the Participant, each Member and any Entity on their behalf as stated, with respect to the entire Sale Procedure, including the Tender Stage, if and to the extent that the Participant is declared by the Tender Committee as an Eligible Participant that will be entitled to participate in the Tender Stage.

10. Examination of the Pre-Qualification Submissions

10.1 Examination of the Pre-Qualification Submissions by the Tender Committee

10.1.1 The opening of the Pre-Qualification Submissions will be documented in minutes.

10.1.2 The Tender Committee will examine and evaluate the Pre-Qualification Submission for the purpose of determining whether each of the Participants complies with the Pre-Qualification Requirements, including the Professional Pre-Qualification Requirements and Financial Pre-Qualification Requirements and all of the other requirements set forth in the Invitation Documents, and is entitled, for this purpose, to avail itself of consultants and experts external to the IEC. The financial data that will be submitted by the Participants in a separate envelope, as stated in Section 9.6.1.1 above, will be examined and scored (if a ranking of the Eligible Participants is performed as stated in Section 8 above) exclusively by consultants external to the IEC. The results of the examination and scoring as stated and the recommendations by the consultants external to the IEC pursuant thereto will be presented to the Tender Committee.

10.1.3 It is hereby clarified that, during the examination of the Participants’ compliance with the Pre-Qualification Requirements, the Tender Committee will not score or rank the Participants; rather, it will merely give them a grade of “Pass” or “Fail.”

10.1.4 Notwithstanding that set forth in Section 10.1.3 above, in any case where, more than 8 (eight) Participants will be found to comply with the Pre-Qualification
Requirements (and will receive a grade of “Pass” as set forth in Section 10.1.3 above), the Tender Committee will be entitled to rank and score those Participants in accordance with the conditions set forth in Section 88 above. If the Tender Committee has exercised its powers pursuant to Section 8 above, the qualitative scoring will not be carried over to the Tender Stage and, in any event, will not affect and will not have implications for qualitative scoring in the Tender Stage.

10.1.5 In addition to the Criteria set forth above, the Tender Committee will also be entitled to consider Criteria of:

10.1.5.1 Absence of conflict of interest between the business and the affairs of the Participant and the Member (if the Participant is a Group) and the affairs of the State of Israel and of the Company; and

10.1.5.2 Any other consideration that results from the requirements of the Competent Authorities and/or that is relevant to the Sale Procedure, at the exclusive discretion of the Company, including with respect to each Participant’s chances of obtaining the Required Approvals.

10.1.6 In the examination of the Pre-Qualification Submissions, and at any stage in the Sale Procedure, the Tender Committee will be entitled to consult with the Competent Authorities and/or any other relevant Entity, at the exclusive discretion of the Tender Committee, and to convey to the Competent Authorities, upon demand by them, any relevant information that will be in the Company’s position with respect to a Participant, including all of the Participant’s Pre-Qualification Submission and all of the supplementary information that will be provided by it.

10.1.7 If the Tender Committee has exercised its powers as set forth in Section 10.1.4 above, then, from among the Participants that were found to comply with the Pre-Qualification Requirements as stated, the 5 (five) Participants that received the highest score will be selected, and they will be the ones to be declared as Eligible Participants and will be entitled to participate in the Tender Stage. Notwithstanding the foregoing, it is hereby clarified that the Company will be entitled, at its exclusive discretion, to add to the five Participants as stated above up to three additional Participants, which receive the highest weighted score after the scores of the five Participants as stated above (that is, to choose up to three additional Participants from among the Participants that were ranked sixth, seventh and eighth, which will also be entitled to participate in the Tender Stage).

10.2 **General**

With respect to the manner of examining compliance with the Pre-Qualification Requirements:

10.2.1 The Tender Committee distinguishes between the substantive Pre-Qualification Requirement, the deadline for the fulfillment of which is up to the Pre-
Qualification Submission Date (or up to an earlier or later date, if so stated in the Pre-Qualification Requirement and pursuant to the terms thereof), and the manners of proof of compliance with the Pre-Qualification Requirement.

10.2.2 Without derogating from the generality of the foregoing, the Tender Committee is entitled to also allow proof of compliance with any Pre-Qualification Requirement in a different way from that which was defined in the Invitation or in the Pre-Qualification Submission, at the discretion of the Tender Committee. In addition, proof of compliance with any Pre-Qualification Requirement can be implemented, inter alia, in the following ways:

10.2.2.1 Presenting data or documents, including after the Pre-Qualification Submission Date, including information and documents that were generated or prepared after that date.

10.2.2.2 Different Data from those that were originally presented to the Tender Committee, such as Power Plants or Infrastructure Projects other than those that were originally presented in the Pre-Qualification Submission.

10.2.2.3 All of the data that have been placed before the Tender Committee, including data that were presented to it with respect to other conditions.

10.2.2.4 All of the data that have been placed before the Tender Committee, including data that are in its possession or that came into its hands other than in the framework of this procedure or the Pre-Qualification Submission.

10.2.2.5 Data that refer to any of the entities participating on behalf of the Participant in the procedure, even if they are not the data on which it initially sought to rely.

10.2.3 In cases where the manner of proof of compliance with a condition was not specified, the Participants will be entitled to base the proof on various means, as they see fit. The Tender Committee will consider whether compliance with the condition was proved to its satisfaction, without derogating from its right to demand additional details and reference documents for the purpose of examining compliance with the Pre-Qualification Requirement.

10.2.4 The Tender Committee will be entitled to exchange a Pre-Qualification Requirement for another equivalent Pre-Qualification Requirement that fulfills the purpose of the original Pre-Qualification Requirement, or to waive and to forgive minor Deviations or immaterial Deviations from the Pre-Qualification Requirements, if they have no substantive effect on the Participant’s ability to purchase the Alon Tavor Properties; all without derogating from the remaining powers of the Tender Committee as set forth in the Pre-Qualification Documents.
10.3 **Requests for clarifications**

10.3.1 The Tender Committee may request a Participant to clarify any detail contained in the Pre-Qualification Submission and to provide any additional information and documents that are required by the Tender Committee for the purpose of clarifying the Pre-Qualification Submission and or for the purpose of making a decision in the Pre-Qualification Procedure, including by way of meetings with (all or some of) the Participants (separately or together).

10.3.2 The Tender Committee is authorized, at any time, to demand from the Participants undertakings, proof of capability, and any other relevant information as it sees fit and as required by it, with respect to the Participants and the Members thereof, their principals and anyone on their behalf. If the Participant is a Group, the Tender Committee will be also entitled to demand such details from the Members and their principals and officers. This information may be transferred, _inter alia_, to the Competent Authorities for the purpose of consultation, coordination and promotion of the Sale Procedure, all at the discretion of the Tender Committee and to the extent required for the purpose of the Sale Procedure.

10.3.3 The Tender Committee is authorized to perform any examination and investigation, as it sees fit, in any matter related to the compliance of any Participant with the conditions that appear in the Invitation Documents. For that purpose, the Tender Committee will be entitled, _inter alia_, to demand that any Participant provide it with any certification or document or information as it sees fit. The Tender Committee is authorized to disqualify Pre-Qualification Submission of a Participant that, in its opinion, did not cooperate with it.

10.3.4 The Participants will act in accordance with the instructions by the Tender Committee and will submit the clarifications, documents and information that are requested of them, in the manner required, in the framework of the schedules that the Committee will determine.

10.3.5 The Participants’ response to the Request for Clarifications will be considered as an integral part of the Pre-Qualification Submission and will bind them for all intents and purposes. The response to the Request for Clarifications will be considered to prevail over parts that contradict that set forth therein, in the framework of the Pre-Qualification Submission as they originally stood, all subject to the rules of interpretation and to any Law.

10.3.6 The Tender Committee is authorized to request clarifications as many times as it sees fit for the purpose of making a decision in the Pre-Qualification Procedure.

10.3.7 In cases where a Participant did not provide the documents required in this procedure in a timely manner, or did not provide them in complete form and signed as required, the Tender Committee will be entitled, at its exclusive discretion, after having issued a warning in writing, to disqualify the Participant's
Pre-Qualification Submission. Without derogating from that set forth above, if the Representatives of the Company terminated the participation of a Participant as stated, they will be entitled to again invite that Participant to participate in the Sale Procedure. The invitation of a Participant as stated will be governed by all of the provisions of this Invitation.

10.4 Announcement of Eligible Participants

10.4.1 Upon the completion of the examination of the Pre-Qualification Submissions, the Tender Committee will announce those Participants which the Tender Committee deemed to have successfully complied with the requirements of this Invitation, including with all Pre-Qualification Requirements, as “Eligible Participants” that will be entitled to participate in the Tender Stage, and they, and only they, will be entitled to submit a bid in the Tender Stage (each such Participant will hereinafter be referred to as an “Eligible Participant”). Each one of the Eligible Participants as stated that files a bid in response to the Tender will be consider as a “Bidder” in the Tender Stage.

10.4.2 The Tender Committee is entitled to determine conditional compliance with the conditions of the Pre-Qualification Procedure, and to specify the conditions for compliance therewith and the deadline for fulfilling them.

10.4.3 For the avoidance of doubt, it is hereby clarified that the Pre-Qualification Submission and any certification, declaration and undertaking by the Participant, each Member and anyone on their behalf (including any Guarantor) in the Pre-Qualification Stage will be fully valid and will bind the Participant, each Member and anyone on their behalf as stated, with respect to the entire Sale Procedure, including the Tender Stage, if and to the extent that the Participant is declared by the Tender Committee to be an Eligible Participant as stated above.

10.4.4 A Participant that is declared as an Eligible Participant as stated above will receive a notice in writing from the Company (hereinafter: the “Notice of Approval”). A participant who receives a Notice of Approval as stated undertakes not to publish a notice with respect to its selection as stated and/or with respect to the content of its Pre-Qualification Submission.

10.4.5 The Company reserves the right to cancel an approval/a Notice of Approval that was given as stated in Section 9.7.1 above – that is, in addition to any other remedy that is available to the Company pursuant to the Invitation Documents and/or under any Law, in any one (or more) of the following cases:

10.4.5.1 Information is received by the Company with respect to the Participant, its Pre-Qualification Submission or the content thereof, whereby the referenced information would have influenced the Company’s decision if it had been available to it before its decision with respect to the Participant or its Pre-Qualification Submission.
10.4.5.2 There is a reasonable doubt as to whether the Participant will be able, or will be prepared in a timely manner, to purchase the Alon Tavor Properties in accordance with its Pre-Qualification Submission.

10.4.5.3 The Participant, in the course of the Sale Procedure, exhibited devious or deceptive behavior, with a lack of good faith or with unclean hands.

10.4.5.4 The Participant provided the Company with delusive information or significantly inaccurate information.

10.4.5.5 Liquidation proceedings, bankruptcy proceedings or a stay of proceedings was/were initiated against the Participant and/or any of its Members; a receivership order was issued with respect to any thereof; a temporary or permanent receiver was appointed for any thereof; and/or the Participant and/or any of its Members was/were convicted in a criminal case.

10.4.5.6 Any other case in which the Company is entitled to cancel the Sale Procedure pursuant to the terms of the Invitation Documents and/or under any Law.

10.4.6 The Company will not be liable for the payment of any compensation to the Participants and/or to anyone on their behalf with respect to any damage that was caused through reliance on or in connection with Notices of Approval that were canceled as stated.

10.4.7 The right of cancellation that is set forth in this section will be available to the Company up to the date on which the Sale Contract is signed by the Company and the Buyer. For the avoidance of doubt, after the signing of the Sale Contract, the right of cancellation, at the level of the relationship between the Company and the Buyer, will be pursuant to the provisions of the Sale Contract.

10.5 **Issuance of the Tender Documents**

The IEC intends to publish the Tender for the Participants that were declared as Eligible Participants in the Pre-Qualification Stage and that are entitled to submit a bid in the framework of the Tender.

The Pre-Qualification Submissions will be considered as an integral part of the bid in the Tender, if such a bid is filed.

10.6 **Updates Statement**

10.6.1 Without derogating from the remaining provisions of This Invitation, each of the Participants in the Pre-Qualification Procedure will provide the Tender Committee with a notice in writing, without delay and no later than seven (7) days after first having been apprised thereof, and, in any event, no later than the
Pre-Qualification Submission Date, of any change that occurs in information that it submitted to the Company.

10.6.2 The Tender Committee is entitled, on the basis of the change in the information as stated, or on the basis of any new information concerning the Participant that reached the Company in any way whatsoever, or if the Company believes, at its absolute and exclusive discretion, that an act or an omission by the Participant in the Sale Procedure may be detrimental to the Sale and/or to its outcome, to notify it of the termination of its participation in the Sale Procedure, and such a Participant and/or anyone on its behalf will have no complaint in this regard and no right of claim against the Company and/or anyone on its behalf in this regard.

10.7 Disclosure of Documents

10.7.1 Subject to the provisions of the Mandatory Tenders Regulations, 5753-1993, any Participant will be entitled, within 30 (thirty) days of the date of publication of the results of the Pre-Qualification Stage, to review the minutes of the Tender Committee, its correspondence with the Participants, the professional expert opinions that were prepared at its request, the position by the Legal Advisor to the Tender Committee, and the other Pre-Qualification Submissions submitted by other Eligible Participants, and to receive copies of those documents, with the following exceptions:

10.7.1.1 The parts of the decision or of the Pre-Qualification Submission that were filed by the Participant, review of which, in the opinion of the Company, might expose a trade secret or a professional secret, or might be harmful to the security of the State, its foreign relations, its economy or public security.

10.7.1.2 A legal opinion that was prepared in the framework of legal advice to the Tender Committee, including an examination of various possible alternatives to an action or to a decision by the Tender Committee, or an evaluation of opportunities and risks that result from making such decisions in future legal proceedings.

10.7.2 In light of the right of review that is conferred upon the Participants in the Sale Procedure by Law, a Participant that objects to granting a right of review of its Pre-Qualification Submission, in whole or in part, to other Participants, due to a trade secret or professional secret that belongs to it and that, in its opinion, is included in the Pre-Qualification Submission, is required to mark the confidential parts of its Pre-Qualification Submission and to state the justifications relevant to privilege. In addition, the Participant will specify the privileged details in its Pre-Qualification Submission Letter that is attached as Pre-Qualification Form A. A Participant will be precluded and estopped from arguing that it is entitled to review those parts of the Pre-Qualification Submissions of another Participant that are parallel to the parts that were marked as confidential in its Pre-Qualification Submission.
10.7.3 It is hereby clarified that the marking of privileged parts of a Pre-Qualification Submission by the Participant as stated will not derogate from the Tender Committee’s right, at its exclusive discretion, to transfer the Pre-Qualification Submissions, in their entirety, including parts of a Pre-Qualification Submission that were marked as privileged, to any Competent Authority.

10.7.4 Parts of a Pre-Qualification Submission that are not marked by the Participant as privileged and/or with respect to which the justifications for privilege are not set forth will be deemed to constitute parts with respect to which, from the standpoint of the Participant, review is permissible. The Company is not obligated to contact a Participant in order to clarify whether parts of its Pre-Qualification Submission are privileged and/or the justifications for privilege, if they were not stated in its Pre-Qualification Submission.

10.7.5 It is hereby clarified that, in any event, the decision with respect to the exposure or privilege of parts of a Pre-Qualification Submission is within the authority of the Tender Committee, which is also entitled to expose parts that the Participant has designated as privileged.

10.7.6 The granting of a right of review as stated will be contingent upon the payment of 350 NIS, including VAT, to the Company.

11. **Prerogatives of the Tender Committee**

11.1 **General Prerogatives (cancellation/termination of a procedure/non-selection of Eligible Participants)**

11.1.1 The Company will be is authorized, at its absolute and exclusive discretion, to renounce its intention of selling the Alon Tavor Properties, or to terminate the Sale Procedure at any time, including after the submission of bids in the Tender Stage, or not to approve the participation of any of the Participants in the Sale Procedure, or not to select Eligible Participants from among the Participants, or not to select any bid, or not to conduct negotiations with any of the entities participating in the Sale Procedure, and none of the Participants/the Bidders in the Sale Procedure, and no one on their behalf (including their Members and their principals), will have any complaint with respect thereto, and furthermore, they (or any thereof) will have no right of claim against the Company and/or anyone on its behalf in connection therewith.

11.1.2 The termination of the Sale Procedure, for any reason whatsoever, will not be deemed to constitute a breach of This Invitation and will not confer upon Participants/Bidders and/or anyone on their behalf any remedy against the Company and/or anyone on its behalf.

11.2 **Waiver of compensation and restitution with respect to the Sale Procedure**

It is hereby clarified that the Participants, the Bidders and anyone on their behalf in the Sale Procedure will have no right to the restitution of expenditures or to indemnification
for their damage, of any type and kind whatsoever and for any reason or cause, from the Company or from any Entity on its behalf, including from any of its employees, its agents, its consultants or its representatives with respect to or in connection with This Invitation and/or the Sale Procedure, including their existence, their termination, the modification of their terms or their cancellation.

11.3 **No undertaking by the Company to sell the Alon Tavor Properties**

This Invitation, or any contact and invitation pursuant hereto, or any discussion with any of the Representatives of the Company, will not be deemed to constitute an invitation to the public to purchase the Alon Tavor Properties; they will not constitute an undertaking or an offer by the Company to sell the Alon Tavor Properties, or an undertaking in connection with the terms of the sale, or an undertaking to sell the Alon Tavor Properties by way of an invitation to bid or a tender.

11.4 **This Invitation will not constitute a basis for engaging in an agreement**

For the avoidance of doubt, it is hereby clarified that This Invitation, the appendices hereto and any other document or information that will be provided in the framework of the Sale Procedure will not constitute a reference or a basis for engaging in any agreement whatsoever and will not be deemed to constitute any representation whatsoever on the Company’s part. No Entity that participates in the Sale Procedure will have any argument of reliance or any similar argument in this regard, and each such participating Entity is required to perform its examinations independently, as it sees fit. The Company’s undertakings will be included and exhausted in the Sale Contract only, and that which has been set forth in This Invitation (or in the remaining Invitation Documents) will not be deemed to constitute part of the Sale Contract.

11.5 **No liability for the Company with respect to Bidders’/Participants’ damage and expenses**

The Company will not bear any liability whatsoever for any expenditure and/or damage that will be caused to a Participant, a Member and/or anyone on their behalf in connection with their participation in the Pre-Qualification Procedure and/or as a result of their not having been selected as Eligible Participants in a manner that confers upon them eligibility to participate in the Tender Stage in the continuation of the Sale Procedure, and/or (as is relevant) as a result of their bid not having been determined as the winning bid in the Tender Stage. Each Participant, each Member and anyone on their behalf as stated will bear, themselves and at their own expense, all of the expenditures involved in their participation in the Procedure and the preparation and submission of its Pre-Qualification Submission, and, in any event, will not be entitled to any compensation and/or indemnification and/or any payment whatsoever from the Company with respect to those expenditures, including in cases involving the cancellation of the Procedure, the disqualification of the Pre-Qualification Submission on behalf of the Participant for any reason whatsoever, or a change in the terms of the Procedure. Each Participant and each Member hereby waives, in its own name and in the name of anyone on its behalf, any
demand and/or complaint and/or claim for compensation from the Company with respect to the foregoing and/or as a result thereof.

11.6 **Confidentiality**

Without derogating from the provisions of the Document of Undertaking to Maintain Confidentiality that will be signed by each Participant and each Member as set forth in This Invitation, by the very act of submitting the Pre-Qualification Submission, each Participant undertakes to maintain absolute confidentiality with respect to all of the information, data and documents pertaining to the Company and/or to the Properties Being Sold, which were given to it in the framework of This Invitation and/or the Sale Procedure, including the Invitation Documents and all of the other documents and data that were and/or will be given to Participants in the Sale Procedure. The foregoing does not apply to information that is in the public domain, provided that it did not come into the public domain as a result of the breach of a duty to maintain confidentiality, or information that was lawfully known to the recipient of the information before it was given to it in the framework of the Sale Procedure as set forth above, provided that the recipient of the information has proof in writing with respect to such knowledge.

11.7 **Additional Prerogatives of the Company**

Without derogating from the generality of the foregoing and the powers of the Company’s Tender Committee under any Law and/or pursuant to that which has been set forth in the Invitation Documents, the Company’s Tender Committee will be entitled to act as follows:

11.7.1 To appoint, and/or to exercise its powers under any Law and/or pursuant to the provisions of the Invitation Documents by means of one or more subcommittees that will be appointed by it and/or by means of teams and/or professional entities that will be appointed by it, at its exclusive discretion.

11.7.2 To make it possible to contact a Participant or a member that did not produce, along with its Pre-Qualification Submission, a document, permit, approval, license or any other document that constitutes a prerequisite pursuant to this Invitation, *inter alia*, for the purpose of providing clarifications and/or supplements, with a request to receive clarifications with respect to its Pre-Qualification Submission or with a request to receive additional data and documents for the purpose of examining its Pre-Qualification Submission, all as it sees fit.

11.7.3 To contact any third party (including recommending entities and/or other third parties that the Participant mentioned in its Pre-Qualification Submission), as it sees fit, for the purpose of clarifying and verifying details in connection with information provided by the Participant.

11.7.4 To use its existing information with respect to the Participant and with respect to the Members, whether that information was created before or after the submission
of its Pre-Qualification Submission, for the purpose of examining its Pre-Qualification Submission.

11.7.5 To cancel the Sale Procedure and/or to initiate any other procedure for the receipt of bids, the purpose of which is to engage in an agreement that constitutes the object of the Sale Procedure, *inter alia*, in light of the absence of an approval or another permit that is required under any Law for the performance of the Sale Procedure, or in light of considerations of efficiency and other public interests.

11.7.6 To reject or to disqualify the Pre-Qualification Submission on behalf of the Participant, including in cases where it transpires that it does not actually have the financial robustness and/or the financial capacity to purchase the Alon Tavor Properties, including under circumstances in which liquidation proceedings, bankruptcy proceedings or a stay of proceedings was/were initiated against the Participant; a receivership order was issued with respect to it; a temporary or permanent receiver was appointed for it; any insolvency proceeding, of any type and kind whatsoever, was initiated against it, and the like.

11.7.7 To reject or to disqualify the Pre-Qualification Submission on behalf of the Participant, including in cases where criminal proceedings or investigations are being conducted against it, or against a principal or an officer of the Participant, in connection with an offense that significantly pertains to the Sale Procedure, and/or in any case where a Participant, or a principal or an officer of the Participant, has been convicted in the past of an offense as stated.

11.7.8 To reject or to disqualify the Pre-Qualification Submission on behalf of the Participant, including in cases involving the occurrence of an exceptional event, which, at the discretion of the Tender Committee, is capable of having a significantly negative impact on the Participant’s ability to participate in the Sale Procedure and to fulfill its undertakings therein, and to reject its bid in any case where the Participant has submitted mendacious, deceptive or erroneous information to the Tender Committee, or in any case involving the discovery of an event or information that, had it been discovered at an earlier time, would have affected the approval of the Participant.

11.7.9 To reject or to disqualify the Pre-Qualification Submission on behalf of the Participant, including in cases of any other impediment under any Law.

12. **Rules and procedures**

12.1 **Intellectual Property Rights**

All of the Pre-Qualification Documents, including the appendices thereto, are the sole property of the Company. The documents are lent to the Participant for the purpose of preparing and submitting the Pre-Qualification Submission. The Participant is not entitled to copy them and/or to use them for any other purpose whatsoever. For the avoidance of doubt, it is hereby clarified that these documents are the property of the Company even after they have been completed by the Participant, and the Company will
be able to use them and the data that have been completed in the Participants’ bids in any way whatsoever, at its exclusive discretion, whether or not the Participant is selected to be an Eligible Participant, and the Participant will not have any complaint and/or claim and/or demand in connection therewith.

12.2 **No conflict of interest**

12.2.1 Each Participant in the Sale Procedure undertakes to abide by the rules and limitations with respect to the prohibition against conflict of interest.

12.2.2 The Participant undertakes that it does not have, and that it will not have throughout the period of the Sale Procedure and/or the Sale Contract, any conflict of interest and/or suspicion of conflict of interest, of any type and kind whatsoever, in connection with the purchase of the Alon Tavor Properties. If any such conflict of interest arises, the Participant undertakes to notify the Company to that effect immediately.

12.2.3 The Participant undertakes to bring to the attention of the Company any information that may be relevant to the Company’s determination as to whether the Participant has or is suspected of having a conflict of interest as stated above.

12.2.4 It is hereby clarified that the decision as to whether the Participant is in a state of conflict of interest, or a determination pursuant to which it is suspected of being in a state of conflict of interest, is subject to the Company’s sole authority and at its exclusive discretion.

12.2.5 The Company reserves the right not to select the Participant, even if its Pre-Qualification Submission is found to be appropriate and optimal for the Company, and/or not to engage in an agreement with it and/or to terminate the agreement with the Participant at any time, if the Participant is or may be found to be, directly or indirectly, in a state of conflict of interest as set forth above.

12.2.6 The provisions of this section will apply to any Entity that is part of the Participant, and any such Entity will fulfill the provisions of this section separately.

12.3 **No assignment**

A Participant is not entitled to assign to another any right or duty that results from the Invitation Documents and/or from the Sale Procedure, unless the Company has given its explicit consent thereto, in advance and in writing, subject to the exclusive discretion of the Company. If the Company’s consent has been given as stated, this will not release the Participant from any undertaking, liability and/or duty that is binding upon it pursuant to the Invitation Documents and/or as a result of the Sale Procedure or under any Law.
Certification by the Participant

I hereby certify that I have read the Invitation to Participate in the Pre-Qualification Procedure, including the appendices thereto. I consent to its provisions and I will act in accordance therewith.

The signers of the Invitation to Participate in the Pre-Qualification Procedure on behalf of a corporation certify, by their signature, that they are competent to act on behalf of the corporation.

Date ___________ Participant’s signature ______________________
Participant’s name ______________________
Identity/Company No. ___________
By ___________ Position ___________
By ___________ Position ___________

Certification

I the undersigned, Adv. ___________, License No. ___________, of [address] _________________, do hereby certify that the above signatures are those of Messrs. ___________ and ___________, who identified themselves by means of Identity No. ___________ / who are known to me personally, and their signatures are binding upon the Entity on behalf of which they signed, for all intents and purposes.

________________________
Attorney’s signature and stamp