

ANNEX B1

FORM OF THE PERFORMANCE GUARANTEE

Bank _____

Date:

To: Israel Natural Gas Lines Ltd.

Atidim Tower, Kiryat Atidim

Tel-Aviv 6158101, Israel

Re: Letter of Guarantee No....

1. Pursuant to the request of _____ (the "**Contractor**"), the undersigned, _____ [Insert name of the Bank] (the "**Guarantor**"), having its official address at _____, hereby guarantees, by this guarantee (the "**Guarantee**"), to pay Israel Natural Gas Lines Ltd. (the "**Company**") any and all amounts, up to the aggregate amount of _____ [insert 5% of the Contract Price including VAT] (the "**Guaranteed Amount**"), that the Company may demand in connection with the Contract for the Execution of High Pressure Vessel Integrity Assessment (the "**Assessment**").
2. This Guarantee is irrevocable, independent, autonomous and unconditional. Within 7 days of the receipt by the Guarantor of a written request setting forth the amount demanded and signed by the Company or the Company CFO (the "**Letter of Demand**"), sent by messenger or registered mail, we shall pay the Company the full amount demanded in such Letter of Demand up to the Guaranteed Amount. Prior to sending such Letter of Demand or payment of the Guaranteed Amount the Company shall not have to (i) prove or substantiate its demand; or (ii) demand such amount from the Contractor; or (iii) start with legal proceedings against the Contractor. The Guarantor shall have no claim of whatsoever nature against the Company that the Contractor could have had against it and shall not assume any such claim.
3. Any amendments or changes to the Contract shall not affect the Guarantor's obligations hereunder and the Guarantor shall have no right to annul this Guarantee on whatsoever ground.
4. The Company may drawdown on this Guarantee in installments, provided that all payments made in such installments shall not exceed the Guaranteed Amount. The amount of this Guarantee shall be reduced by the amount of any payments made by the Guarantor to the Company hereunder. Forfeiture of any part of this Guarantee shall not impair the validity of the part which has not been forfeited.
5. This Guarantee is effective as of the date set forth above and shall remain valid and in full force and effect until _____ (included) [insert 12 months as of the date of the Work Commencing Order]. At the Company's written request, from time to time, we shall extend the validity of this Guarantee as shall be necessary in order for it to be valid until the Guarantor's receipt of a written confirmation signed by the Company or the Company CFO confirming that the final report for Survey was submitted by the Contractor and approved by the Company, but in any event not later than _____ [insert date of 12 months as of the date of the Work Commencing Order].
6. At the Company's or the Company's CFO written request, from time to time, we shall extend the validity of this Guarantee as shall be necessary in order to comply with the provisions of Section 5 above, but in any event not later than _____.



7. Any demand under this Guarantee shall be submitted to the address set forth above during regular working hours.
8. The benefit of this Guarantee may be assigned by Company to the State of Israel whether in whole or in part. A notice of such assignment shall be provided to Guarantor.
9. This Guarantee shall be governed by the Laws of the State of Israel and any proceedings in connection to this Guarantee shall be brought before the competent courts of the Tel Aviv District, Israel.

IN WITNESS WHEREOF, we have caused this Guarantee to be executed by one or more of our officers thereunto duly authorized on this ___ day of _____, 202_.

[_____] [Insert complete name of Bank]

By: _____

Name: _____

Title: _____

ANNEX B2
RELEASE FORM

(To be annexed to the Final Invoice)

To:
Israel Natural Gas Lines Company Ltd.
(the “**Company**”)

All the expressions herein shall have the meanings attributed to them in the Agreement for the Execution of High Pressure Vessel Integrity Assessment dated _____, (doc. no. 432814) and the General Terms and Conditions for the Contract for the Execution of High Pressure Vessel Integrity Assessment dated _____ (doc. no. 432810) (together with all annexes thereto, the “**Contract**”), unless expressly provided otherwise herein

Pursuant to the Contract, the undersigned, hereby submit the attached Final Invoice to the Company for execution of the Assessment.

We hereby declare and confirm on behalf of the Contractor as follows:

1. That upon payment of the Final Invoice to which this Release Form is annexed, the undersigned and/or anyone on our behalf shall not have any claims, demands or pleas against the Company and/or its directors, managers, shareholders, employees and officers, in connection with the Contract and the Works performed by us pursuant thereto, directly or indirectly, including any claims regarding to court and/or legal representation expenditures in connection with the Contract and the Tender process to the selection of a contractor to execute the Assessment.
2. In any case in which, notwithstanding the foregoing, any claim and/or demand as aforesaid is raised on behalf of anyone who acted on our behalf and/or on behalf of our sub-contractors, the undersigned hereby undertakes to indemnify and compensate the Company and/or anyone mentioned above, pursuant to their first demand and without them being required to give grounds for their demand, in respect of any damage or loss and/or expense caused to them in consequence of any claim and/or demand as aforesaid.
3. Nothing in this Release Form shall: (i) derogate from any of the Guarantees under the Contract, or; (ii) release us from the performance of any of our remaining obligations under the Contract.
4. The foregoing does not prejudice our claim for payment of the annexed Final Invoice in the amount of _____ [Insert the amount in the Final Invoice].

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	

ANNEX B3

CONTRACTOR'S OBLIGATIONS PURSUANT TO INGL'S LICENSE AND ITS FINANCING AGREEMENT WITH THE STATE

WHEREAS Pursuant to the License that was granted to Israel Natural Gas Lines Ltd. (INGL), as well as the financing agreements between INGL and the State, INGL is required to include certain provisions in its agreements with subcontractors engaged in performing works on its behalf; and

WHEREAS INGL wishes to include such provisions in the Contract entered into with the Contractor for the Execution of High Pressure Vessel Integrity Assessment;

Therefore, the Contractor warrants and agrees as follows:

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Contract.
2. The Contractor confirms that it is highly skilled, has a vast experience and expertise in executing projects requiring works similar to the Works, and that it, as well as the employees and subcontractors engaged for the purpose of the Works, have the appropriate training as well as the certifications required by the Law for the purpose of the Works.
3. In the performance of the Works, Contractor hereby undertakes:
 - a. To act in a manner that reduces, to the extent reasonably possible, hazards to the public, nuisances, damage to infrastructures and to nearby property.
 - b. To avoid, to the extent reasonably possible, causing damage to sites of historical or national value and to tourist and landscape attractions, all in coordination with the relevant authorities according to the Antiquities Law, 1978.
 - c. To keep the sites where the Works are being executed, clean and ensure the removal, on its own expense and responsibility, of any leftovers, materials, equipment, slime and the like, resulting directly or indirectly from execution of the Works.
 - d. To take all reasonable measures required in order to avoid causing damage to infrastructure facilities and/or property.
 - e. To coordinate with the Shipping Division of the Ministry of Transport in matters relating to shipping and in accordance with the instructions of the Director of the Natural Gas Authority provided to it by INGL.
4. The Contractor confirms that it was brought to his attention that the transmission system is fully and solely owned by the State and that INGL was only granted a right to use the system facilities.
5. The Contractor and its subcontractors shall adopt and maintain procedures for quality assurance and quality control and any other procedure under "good industry practice" used by contractors performing works of similar nature to the Works and in a manner a prudent and accountable contractor would act in order to prevent accidents and damages to any person, property or the environment. INGL shall be entitled to take any reasonable actions to ensure the compliance of the Contractor with such procedures and to assure the performance of precise and reliable works.

6. The Contractor shall enable the Director Natural Gas Authority under the Natural Gas Sector Law, 2002 and the Commissioner of Safety under the Gas Law (Safety and Licensing), 1989 (hereinafter, together "**Inspectors**"), or anyone duly empowered by any of them in advance and in writing, to supervise and review all the actions of the Contractor in connection with building and operating the transmission system or any part thereof. The contractor shall enable the Inspectors access to the sites where the Works are being performed and to the employees engaged in performing the Works and shall cooperate with the Inspectors for this purpose. The Contractor shall include such provision in its agreements with subcontractors on its behalf.
7. The Contractor shall purchase all insurances necessary for its activities in accordance with the provisions of the Contract and as common for performing projects of similar nature. The Contractor shall demand such insurances from the subcontractors performing the Works on its behalf.
8. The Contractor acknowledges that it is aware that INGL and/or the State will be the owners of all copyrights with respect to the Works. In carrying out the Works, the Contractor shall not violate intellectual property rights, including copyright, of any entity.
9. The Contractor acknowledges that it is aware that upon the expiration of the License and subject to License and any applicable Law, INGL is obliged to transfer the transmission system to the State or to whom the State shall instruct, including assignment of the Contract.

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Title: Date:	
	By: Title: Date:	

ANNEX B4

DECLARATION REGARDING CONFLICT OF INTERESTS

To:

Israel Natural Gas Lines Ltd.
Atidim Tower, Kiryat Atidim
Tel-Aviv 6158101, Israel

We the undersigned: _____ (hereinafter the “**Contractor**”) hereby declare, warrant and undertake, jointly and severally, to the Company as follows:

1. We hereby undertake to act loyally and professionally and to avoid any and all conflict of interest in the execution of our duties under the terms of the Contract, and shall undertake that all of our employees, subcontractors and representatives will refrain from any activity or association that might involve such a conflict of interest, directly or indirectly.
2. We hereby undertake to notify the Company in any event when the Works involve or may involve any conflict of interest with other work that we have performed, are performing and/or intends to perform, we shall notify the Company immediately of any such conflict with connection to the Works and/or any personal interested of us and/or the like and we will act in accordance with the instructions of the Company in connection with any such conflict of interest.
3. We hereby declare that we are not a shareholder/holder of other convertible securities and/or officers (including but not limited to directors in any of corporation involved in the natural gas market and/or energy and/or infrastructure and/or any related area which competes with the Company's business) is/may become the Company's client.
4. Our positions and/or other occupations do not create and are not liable to create any conflict of interest whatsoever, whether directly or indirectly, whether professional or business, with our duties under the terms of the Contract.
5. We hereby declare that there are no conflicts of interest between any of our prior or current engagements or activities and/or those of our employees and/or subcontractors.
6. We hereby declare that neither we nor any of our subcontractors are connected with the Company or its employees.
7. We hereby undertake to report to INGL'S CEO, immediately upon our becoming aware of a possible conflict of interest with regards to our duties under the terms of the Contract. Furthermore, we undertake to take all necessary and reasonable measures under the circumstances to remove the conflict of interest and to act in regard to the Services in accordance with the instructions of the Company.
8. We are aware that a change of the details provided hereto and/or about any matter included in this statement may occur following signing this statement that may result in a conflict of interest. For example, providing services under agreements signed with new customers after issuing this statement may create a conflict of interest with the services provided to INGL. We undertake to

give immediate notice to the Company about any change of the details provided hereto and/or about any matter included in this statement and to provide you with an updated statement, following your demand .

9. We hereby declare that we have reviewed this declaration and all parts thereof. We declare that we have understood its content and we undertake to abide by and fulfil all its instructions.

In witness hereof:

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	

ANNEX B5

ETHICAL CODE

Israel Natural Gas Lines Ltd.

The Ethical Code for Contractors and Suppliers

1. Introduction

Israel Natural Gas Lines Ltd. (hereinafter: "**the Company**") is a governmental company holding the license to construct and operate the national natural gas transmission system, a project of great importance to the Israeli economy due to its vast contribution to economics, industry and quality of the environment.

The Company acknowledges the importance of the relation and partnership with its contractors and suppliers, and regards them as essential factor to achieving its goals.

The purpose of this ethical code is to delineate the basic principles for the Company's contractors' and suppliers' behaviour, in relation to integrity, fairness, respect, avoiding concern for conflict of interests and confidentiality. Operating in accordance with the ethical code shall strengthen the business relationships between the Company and its contractors and suppliers and shall contribute to the parties' collaboration as well as the success of the task at hand.

For the avoidance of doubt, it is hereby clarified that the code applies to anyone acting on behalf of the Company's contractors and suppliers, including their employees and subcontractors, vis-à-vis the Company, its employees and anyone acting on the Company's behalf. Accordingly, the Company's contractors and suppliers shall be responsible for bringing the content of the code to the attention of anyone acting on their behalf and for taking all the measures required in order to ensure that they shall carry out the provisions of the code.

The ethical code applies in addition to the provisions of the contract between yourselves and the Company and shall not be interpreted as derogating therefrom. It is additionally clarified, that certain matters specified in the ethical code are regulated by statutory provisions, the violation of which carries severe penalties.

2. Integrity, Fairness and Respect

In order to establish trust and partnership with the Company, you are hereby required: to act towards the Company with personal and professional integrity as well as morality; to act with a fair, transparent and practical manner towards the Company; to treat the Company's representative with whom you are in professional contact, respectfully, create a fair and deferential dialogue and operate to resolve disagreements in a manner agreed upon the parties.

It is hereby clarified that the Company shall deem any deviation from the rules of integrity and morality as acute and severe, and shall use all legal measures against anyone who shall be found acting in such deviation.

3. Conflict of Interests

- 3.1 You are hereby required to avoid any conflict of interests with respect to the services provided by you to the Company, and to avoid any contact which could potentially create concern for conflict of interests.
- 3.2 Should you become aware of the existence of concern for possible conflict of interests, you are hereby required to inform the Company immediately in order for the Company to examine its nature.
- 3.3 Without derogating from the generality of the foregoing, you are hereby required to divulge to the Company, prior to entering into contractual relations with the Company and during the term of these relations, any information concerning -
- a. Your being holders of securities, directors, role holders or having a business relation with a corporation that is a client, supplier, competitor, supervisor or other entity related to the Company, in a manner creating or might create concern for conflict of interests;
 - b. Other positions and/or duties of yours, which might harm your ability to perform your duty of providing services to the Company.
- 3.4 You are hereby required to avoid soliciting and/or collaborating, directly or indirectly, with anyone on behalf of the Company and/or any other party, in order to -
- a. Receive information regarding a preliminary process for entering into a contract with the Company and/or any agreement and/or an order deriving therefrom, other than in the manner stipulated in the procedure of request for offers or in the instructions for contracting with the Company;
 - b. Set prices in an artificial and/or non-competitive manner.
- 3.5 You are hereby required to avoid representing any party against the Company and/or in a proceeding of any kind which the Company is involved in, pertaining the particular matter in relation to which you performed services for the Company, unless you shall receive the Company's prior and written consent, which may, at its sole discretion, decide whether your doing so does or does not entail a conflict of interest.

4. Benefits

- 4.1 You are hereby required to avoid offering / giving / receiving / requesting, directly and/or indirectly, prior to, during or after the conclusion of your contractual relationship with the Company, for yourself and/or for another person and/or for your businesses and/or the business of other party, any benefit, including recommendation and/or decision and/or right and/or money and/or anything valuable in relation to the Company and/or anyone on its behalf.
- 4.2 Notwithstanding the foregoing, an offer or benefit shall be permitted in the following cases or events, provided that they shall not be given in order to influence integrity, incorruptibility and good governance: an infrequent, minor / symbolic gift which its worth is up to NIS 200, such as: a calendar given on a national holiday, a retirement gift or a meal at a conference you have organized.

5. Job Offers to the Company's Employees

As long as you are engaged with the Company, you are required to avoid offering to the Company's employees to work for you or for a third party. Should you nevertheless do so, any former employees of the Company employed by yourself shall be withheld from executing services related to the Company for at least a year, and the Company shall additionally be entitled to terminate its contract with you immediately, according to the circumstances and subject to the law. The Company shall take severe measures in cases where such an offer is made in order to influence the employee's discretion.

6. Kinship

- 6.1 You are hereby required to divulge to the Company all the information in your possession regarding any kinship of anyone on your behalf and any of the Company's employees and/or anyone on its behalf.
- 6.2 Should you have kinship to any of the Company's employees and/or anyone on its behalf, you must avoid acting directly in conjunction with your relative when an agreement is being negotiated with you or during the provision of your services.

7. Confidentiality

- 7.1 You are required to keep confidential and not to transfer, pass on or bring to the attention of any person, directly or indirectly, at any time, including after the conclusion of your contractual relationship with the Company, information and documents relating to the Company and the contractual relationship with it (hereinafter: "**the Confidential Information**"), that shall come into your possession, unless the aforementioned information and/or documents are common knowledge or were given to you in order for you to pass them onto a third party for the purpose of providing the services specified in your contract with the Company.
- 7.2 The provision of your services for the Company may not be publicized without the Company's prior written authorization.
- 7.3 Since the Confidential Information belongs exclusively to the Company, you may not duplicate it in any manner without prior written authorization.
- 7.4 Upon termination of your contractual relations with the Company or immediately upon receiving the Company's initial demand, you must return to the Company any information, document and material in your possession and/or in the possession of anyone on your behalf, which belongs to the Company and/or contains the Confidential Information, regardless of whether it had been prepared by the Company and/or anyone on its behalf and/or by yourselves.
- 7.5 No information, document or material containing the Confidential Information may be removed from your premises without the Company's prior written authorization and subject to the conditions specified in the aforementioned authorization.

8. Reporting a Breach of the Ethical Code

If you wish to report a possible breach of this code, you may apply to your main contact person in the Company, to the Company's CEO, Internal Auditor or Legal Advisor. Insofar as possible under the circumstances, the Company shall keep the confidentiality and anonymity of the reporting person.

In witness hereof:

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	

Annexes C1-C2 - Technical Volumes
(Provided separately)

C1 Specification for Integrity Assessment of Pressure Vessels

C2 Example Drawings of PRMS Gezer Pressure Vessels & 18" PIG trap

We hereby declare that we have reviewed these annexes and all parts thereof. We declare that we have understood its content and we undertake to abide by and fulfil all its instructions.

In witness hereof:

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	

Annex D1 - Terms of Payment

1. **General**

1.1. Unless otherwise defined herein, all capitalized terms shall have the same meaning set forth in the General Terms and Conditions (the "**GTC**") signed between the Company and the Contractor, following the Tender for the execution of High Pressure Vessel Integrity Assessment (INGL/Tender/2020/25) (the "**Tender**").

1.2. **Definition of the Contract Price**

1.2.1. The Contract Price Means the payment which is payable by the Company to the Contractor for the execution of the Works, consistent with the stipulated consideration in the Contractor's Bid, as approved by the Company.

1.2.2. For the performance of the Works, the Contractor shall receive the following consideration:

1.2.2.1. The rate for the performance of the Works as quoted by the contractor for carrying out the Assessment.

1.2.2.2. Amounts resulting from any Change Orders approved by the Company.

1.2.3. The Contract Price and all prices stated in this document shall conform to the following provisions concerning taxes, customs duties, penalties and fines.

1.3. **Taxes, Penalties and Fines**

The Contractor has taken into account, when establishing the unit rates, lump sum rates and other rates and fees set out in the Bill of Quantities, all taxes, including withholding taxes, if any, fees, levies, imposts, duties, customs, stamp duties, charges and the like (including all direct and indirect expenses to discharge same and any and all penalties and fines pertaining to the above), for which it is liable with no exception whatsoever, unless expressly otherwise specified in this document or its attachments.

1.4. **Indemnification against Tax Claims**

The Contractor shall indemnify and hold harmless the Company against any and all liabilities, claims, charges in relation to the foregoing whether assessed or levied on profits, corporate income, dividends, salaries, benefits, personal income of his employees or otherwise charged in relation to operations performed under the Agreement and which may be assessed or levied on the Contractor, sub-Contractors, vendors, it/their affiliates and all their employees, by any and all authorities whatsoever, including all fines and penalties pertaining to any of the above, arising from or as a result of any act or omission of any of the foregoing.

1.5. **Non-Reimbursable Items**

Notwithstanding any provision to the contrary, the Contractor shall bear at its sole cost, risk and liability, and Company shall not reimburse, any customs duties, import taxes and other charges whatsoever relating to the importation and exportation / re-exportation of:

1.5.1. Contractor's Equipment including consumables and parts.

1.5.2. Any replacement of items for which replacement the Contractor is liable due to any act, omission or default of the Contractor, any Sub-contractors, vendors, suppliers, or pursuant to the Liability and Insurance provisions.

1.5.3. Personal effects of employees of the Contractor and any Sub-contractors.

1.6. Penalties and Fines

The Contractor shall have full and sole responsibility for the payment of any and all penalties, fines, fees and the like, imposed on the employees of the Contractor, Subcontractors, vendors, for failure to pay in due times customs duties and similar charges or to comply with applicable laws or import procedures.

2. Prices and Rates

The prices given in the Commercial Proposal are expressed in Euro.

3. Payments

3.1. Conditions Precedent to Effecting Payments

3.1.1. Notwithstanding anything to the contrary provided for herein or the Contract, the Company shall not make any payments to the Contractor prior to the receipt of a tax invoice (Heshbonit Mas) in respect of the amount of any such payment to be made.

3.1.2. The Company shall deduct Israeli Income Tax at source, unless it receives an official exemption certificate from the Israeli Income Tax Authorities.

3.1.3. The Contractor shall furnish to the Company the documentation, and abide by the provisions set forth in the Agreement, including, without limitation, the provisions of Clause 23 of the GTC [Payment to the Contractor], as a condition precedent to receiving any payments hereunder.

3.2. Payment by Milestones

3.2.1. The payment of the Contract Price to the Contractor shall be upon the completion of milestones, as follows (the "Milestones"):

3.2.1.1. Upon successful completion of the Assessment not more than 50% of the quoted rate.

3.2.1.2. Upon submitting to Company complete reports of the UT and RT results and all other deliverables the remaining 50%.

3.2.1.3. The Contractor may request and receive the whole payment, 100% at upon the successful completion of all his duties.

3.2.2. Latest on the 5th day of each month following of the completion of each of the Milestone(s) the Contractor shall issue and submit a pro-forma invoice (excluding VAT) for the milestones completed during the previous month. in accordance with the provisions below:

3.2.2.1. The invoice shall be supported by a progress calculation based on the progress achieved and approved by Company in the preceding month.

3.2.2.2. The invoice will be approved or disputed by the Company within **30 days of receipt** (excluding concerning the final payment).

3.2.3. After the receipt of the Company approval of the pro-forma invoice the Contractor will submit an invoice & tax invoice representing the amount of VAT (Value Added Tax) associated with the approved invoice.

3.2.4. **The Final Payment**

Without derogating from the provisions of the Contract, the Final Payment according to Clause 24 of the GTC, shall be made **within 120 days from the date of receiving of the Contractor's pro-forma invoice** to such payment, subject to the fulfilment of all the provisions of Clauses 24 [Final Payment] and 23.2 [Terms of Payment] of the GTC and to all applicable laws.

3.3. **Adjustments to Contract Price due to Change Orders**

The Contractor shall apply to each Change Order, the invoicing and payment conditions specified in the said Change Order.

3.4. **Payment currency and Linkage**

The Contract Price shall be paid in Euro and shall not be linked to any other currency or index.

4. **Invoicing Schedule**

All invoices shall:

- (a) State the Contract reference number.
- (b) Clearly indicate the Milestone for which payment is requested.
- (c) Be supported by all necessary documents to enable the Company to check it.
- (d) Clearly state the bank details and account number to which the payment(s) are to be made.
- (e) Be made out in the name of the Contractor.

The Contractor shall submit 1 original (clearly stamped ORIGINAL) and 1 copy, including all necessary attachments to:

Israel Natural Gas Lines Company Ltd.
Atidim Tower, Building no. 8, 32nd floor,
Kiryat Atidim
Tel Aviv, Israel 6158101
Att. CFO

Another copy of each invoice and all attachments thereto shall be submitted simultaneously to the management Company designated by the Company, for its review.

5. **Disputed Invoices**

If the Company questions or disputed any invoice, it shall return the invoice in question to the Contractor, specifying in writing the items to which Company objects and the reasons for such objections.

6. **Lead times for Payments**

6.1. Payment of monthly invoices

The Company shall pay the invoices of the Contractor (undisputed parts) as follows:

- 6.1.1. Pro-forma Invoices – in the 1st or the 15th of the relevant month, following 60 days from the date the pro-forma invoice was received (the earlier of both) to the bank account as the Contractor shall specify on invoices to Company.
- 6.1.2. The Contractor shall submit to the Company only one bank account to which the Company shall pay all payments during the Agreement period.
- 6.1.3. Tax Invoices - 1 day before the due date of the tax payment to such bank account as the Contractor shall specify on invoices to Company, subject to applicable laws, the Company shall give payment instructions with value and date and furnish the Contractor with a copy of such instructions.

6.2. Sums due to the Contractor

At any time during the performance of the Contract, the Company shall have the right, after notifying the Contractor, to deduct from any sums due to the Contractor all and any sums due to Company by the Contractor for whatsoever reason, including:

- 6.2.1. Payments incorrectly made to the Contractor
- 6.2.2. Materials sold or services furnished to the Contractor
- 6.2.3. Additional Company costs resulting from the Contractor's failure to perform any part of the Works in accordance with the provisions of the Contract related to suspension, cancellation and termination due to the Contractor's default.
- 6.2.4. Claims and/or proceedings of third parties against the Company in relation to the Contractor's performance of the Contract and resulting in payment or commitment to pay by the Company pursuant to a court order or applicable laws (unless the Contractor's liability has been expressly excluded under the Agreement).
- 6.2.5. Any amounts deemed necessary to indemnify and/or hold harmless the Company against any lien created in connection with the Contractor's performance of the Works (unless the Contractor immediately shows appropriate evidence proving that such lien is not valid)

Should sums owed by the Contractor exceed the amount of sums owed by the Company, the Contractor shall immediately pay the difference to the Company.

Annex D2 - Commercial Proposal
(as submitted by Bidder and approved by Company and
to be annexed to the Agreement)

ANNEX E1 (A)
SECURITY CONDITIONS

1. All terms under this document shall have the meaning attributed to them in the Contract, unless otherwise expressly written herein. For the purpose of this document, this document shall be read as "**Security Conditions**".

2. Works and information of sensitive nature and Security authorities directives

2.1. The Contractor hereby declares and confirms that the Works include components (including documentation or digital media) that are sensitive from a security standpoint and, as a result is required to abide to the requirements and directives of any of the following Authorized Security Authorities - The Israel Police, the Company's Chief Security Officer, the Ministry of Defense, the Israeli Defense Force, the Israeli Security Agency, the Israel National Cyber Directorate, and any other Authority or authorized body as shall be instructed by the Company's Security Department Manager etc.

2.2. The Contractor shall abide, fully and without delay, to all directives of such Authorized Security Authority and, shall allow and cooperate with any inspection, if any, by such functionaries, to review the compliance with the provisions of this Security Conditions.

3. Reporting on Unusual activity/Guarding failures/Deviations from Security Conditions

The Contractor shall report to the Company's Security Department, on any of the following:

3.1. Unusual activity which may have direct security implications on the Company.

3.2. Any guarding failures.

3.3. Any deviation from the provisions of this Security Conditions. No deviations from this Security Conditions are allowed unless the express written approval of the Company's Security Department Manager.

4. Confidentiality obligation and handling Classified information

4.1. The Contractor undertakes that it, its personnel, labourers, sub-contractors and any other party working on its behalf shall comply with all provisions as follows:

4.1.1. Shall keep Confidential and shall prevent access, copying, distribution, publishing and cause to any of such, regarding to all and any information relates to the performance of the Works (including executing of works for the Company), unless expressly allowed in writing by the Company's Security Department Manager and to the extent allowed only. Notwithstanding the above, disclosure of information to the minimum extent as reasonably needed, is allowed for:

- a) People that have been approved in advance to be engaged in the Works according to the provisions of this Security Conditions and,
- b) For 3RD parties on behalf of the Contractor or the Company, performing works or services which are directly related to the Works under the Contract;

4.1.2. Shall keep confidential all information (including documentation and digital media) characterized as Classified or Security Sensitive, that may be in their possession concerning the Works (including the Contract and its appendices) and copies thereof, whether prepared by the Company or the Contractor or on their behalf or indirectly received by the Contractor or anyone on its behalf. The Contractor undertakes to take on its sole expense, the security measures appropriate for handling Classified or Security Sensitive information, during and at the end of each working day, as prescribed by the relevant Authorised Security Authority. Such measures shall be a locked cabinet or a safe as a minimum requirement, including applying any additional directives, if any, as may be issued by the Company's Security Department Manager;

4.1.3. Upon the completion of the Works or their termination of whatever reason, shall return to the Company (including destroying of all copies) of all classified or security sensitive documentation, digital media and drawings

etc. received or produced during and in connection with the performance of the Works.

- 4.2. The obligations in Clause 4 above shall be brought by the Contractor to the attention of its personnel and anyone on its behalf who providing any works or services relating to the Contract or the Works.
- 4.3. The Contractor shall be responsible to verify and to cause that such obligations are followed, including by having express obligations in such matters in agreements made with anyone on its behalf.
- 4.4. Nothing in the above obligations derogates from any obligation and liability of the Contractor regarding confidentiality according to the Contract.

5. Personnel detailed and passing Security Checks before participating in the Works

- 5.1. The Contractor shall perform the Works by using only people and sub-contractors who have received in advance a security approval by the Security Department of the Company, after passing the Security Checks of the Company. The type and manner of the Security Checks shall be determined by the sole discretion of the Company and in accordance with directives of the Authorized Security Authorities. Personnel approval may be attained only by meeting all the following conditions by each member:
 - 5.1.1. Submission of duly completed forms containing their personal information;
 - 5.1.2. Submission of executed undertaking of confidentiality in a form and conditions acceptable to the Company

It is hereby clarified that only people who have successfully passed the security check may be approved.

- 5.2. In order to allow a full security check, the Contractor shall provide the Company's Chief Security Officer with a full and detailed list of all personnel, labourers and sub-contractors or who will perform the Works, including a copy of the Israeli I.D. or for foreigners – a copy of the Passport. Such people shall be required:
 - 5.2.1. To complete forms as may be requested by the Company's Security Department, including the Israel National Cyber Directorate and any Authorized Authority, depending on the type of work and its security classification and,

- 5.2.2. Signing on disclaimers on medical secrecy and obtaining information from the criminal record (See the following Annex DD2 – 1 & 2 Criminal records' disclaimer and request for information to be provided by the Contractor for Israeli workers) and,
- 5.2.3. Comply with other provisions is so directed by the Authorized Security Authority.
- 5.3. All expenses attributed the above security checks or further security checks as may be necessary, including but not limited to individual security questioning, shall be on the sole expense of the Contractor.
- 5.4. Timetable and place for submission of details for Security Checks
- 5.4.1. All abovementioned information regarding the personnel, labourers and sub-contractors shall be submitted to the Company's Security Department in the Company's headquarters - **at least 14 days in advance before the intended starting date of the Works. It is recommended to precede such submission date, soon after signing on the Contract.**
- 5.4.2. In exceptional circumstances of enlarging the staff who participate in the Works or replacement of such personnel, the submission of information shall take place of - **at least 14 days in advance to their starting working date.**
- 5.4.3. In order to complete the security check forms, attendance in the Company's headquarters of each staff member may be required, as shall be decided by the Company's Security Department.
- 5.5. The Company or the Company Security Department Manager, shall have sole discretion from security reasons or requirements, to approve, withhold such approval or withdraw previously given approval for all staff members, personnel and labourers on behalf of the Contractor, without being required to explain such decision. The Contractor shall not have any claims or demands concerning the above matters and accordingly, it hereby waives any claims and demands concerning costs and expenses, if any, related to the above.

6. Supplying of Identity cards for workers

At the request of the Company Security Department Manager, the Contractor shall supply, at its sole expense, identity cards (in the form and type coordinated in advance with the Company's Security Department Manager) for each of its personnel and anyone working

on its behalf in the Works. All such identity cards shall be returned by the Contractor to the Company's Security Department Manager at the earliest of either: (i) immediately upon such person ceasing to provide services to the Contractor relating to the Works or, (ii) upon demand by the Company's Security Department Manager.

7. Passing of security guidance before participating in the Works

The Contractor, its personnel and anyone performing any works or providing any service relate to the Contract, shall have to pass security guidance before participating in the Works and during the Works if so instructed. Such guidance shall be at the request of the Company's Security Department Manager at any time and, if applicable, by any other officer in charge on a place where the Works has to be carried out. The Contractor shall forthwith comply with such request. The obligation in this Clause 7 does not derogate from any obligation liability of the Contractor regarding security according to the Contract.

8. Security plan

- 8.1. The Company's Security Department Manager may request the Contractor to present him or to the Authorized Security Authorities with the Contractor's security plan of the Site and the Works (i.e. effective planning and implementation of protective methods of security) and the Contractor shall forthwith comply with such request. To remove doubts, the Contractor shall remain at all times fully responsible to the security as specified in the Contract. Presenting of the security plan shall not be deemed in any way as assuming any type of responsibility and extent on behalf of the Company and anyone on its behalf including any of the Authorized Security Authorities.
- 8.2. For the purpose of planning and implementing security and protective methods of security, the Contractor shall employ, as may be needed, at its sole expense, a security expert who shall have to be approved by the Company's Security Department Manager and pass the Security Checks, in advance.

9. Using the Site, Sleeping area and Security Oriented Facilities

- 9.1. Some of the components of the Works may take place in certain territories and facilities categorized as "Security Oriented Facilities". In such locations, anyone

engaged in the Works on behalf of the Contractor shall be only in the location where the Works are being performed.

- 9.2. No one on behalf of the Contractor shall sleep at the location where the Works or any portion thereof, are taking place. Notwithstanding, security guards who have received the prior written approval of the Company Security Department Manager, may sleep in the place designated by the Contactor for this purpose at the work place (except during guarding hours).
- 9.3. The Contractor's personnel and other labourers retained to perform the Works shall sleep at a specified dwelling area approved by the relevant Authorised Security Authority.

10. General

It is hereby clarified that the Contractor is solely responsible for the security, safekeeping and confidentiality according the provisions of the Contract. Nothing in this Security Conditions document shall derogate from any provisions of the Contract regarding security, safekeeping and confidentiality.

In witness hereof:

Name of Contractor / Members (if Applicable)	Contractor's / Member's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	
	By: Position: Date:	

Annex E1 (B)

מוסף 1 - הסכמה למסירת מידע מהמרשם הפלילי
עפ"י חוק המרשם הפלילי ותקנות השבים, תשמ"א 1981

אני החתום/ה מטה _____ מס' תעודת זהות _____

מועמד/ת לעבודה /מועסק/ת, מיועד/ת לתת שירותים לחברת נתיבי הגז הטבעי לישראל בע"מ (להלן "נתג"ז") מצהיר/ה בזאת שידוע לי כי לצורך קבלתי לעבודה ו/או לצורך המשך העסקתי, עלי לעבור בדיקה על ידי מחלקת הביטחון.

הואיל וכך, הנני נותן/ת בזאת את הסכמתי מראש, על פי סעיף 12 ב (3) לחוק המרשם הפלילי ותקנות השבים תשמ"א 1981, כי משטרת ישראל תעביר לנציג המוסמך בנתג"ז כל מידע המצוי אודותיי במרשם הפלילי כמשמעותו בחוק זה, בהיקף שהוא זכאי לקבלו עפ"י חוק.

כמו כן, ולמען הסר ספק, ידוע לי כי הסכמתי, כאמור לעיל, פוטרת את המשטרה ואת מקבל המידע ממשלוח הודעה אלי בדבר מסירת המידע אודותיי.

כתב זה יעמוד בתוקפו בתהליכי בדיקת התאמתי לעבודה במסגרתכם ואם אתקבל לעבודה, וכל עוד אהיה מועסק/ת בתפקיד המחייב את הבדיקה או כל עוד אתן שירותים לחברה.

_____ תאריך
_____ חתימה

נחתם בפני נציג מחלקת הביטחון:

שם פרטי ומשפחה _____ מס' זהות _____ תאריך _____ חתימה _____

למועמד/ת שהינו/ה קטין/ה (כלומר, מתחת לגיל 18 ביום החתימה) חתימת הורה/אפוטרופוס נדרשת בנוסף לחתימת הקטין/ה.

תאריך _____ שם מלא של ההורה/אפוטרופוס _____ חתימה _____

ANNEX E1 (C)

Provisions in Connection with Activities and Work in Security Areas and Firing Zones

For the purpose of this annex:

- "**The Company**" means: Israel Natural Gas Lines Ltd.
- "**The M.O.D.**" means: The Ministry of Defense / Israeli Defense Force
- "**Firing Zone**" means: firing ranges, security areas and training areas and areas in which limitations of the MOD applies
- "**Arrangements**" means: Deeds of Undertaking by the Company to the MOD and/or agreements with it.

1. The Obligation to Vacate Firing Zones

- 1.1 The Contractor covenants, pursuant to the requests of the MOD and in accordance with the instructions of the Company, to immediately remove from the site and at its expense, any object found in the possession of the Contractor and/or any person employed by it. Said above removal is included within the framework of the consideration in the Agreement.
- 1.2 If and to the extent the Contractor is required to vacate the work areas by a third party, including by the MOD, then the period of the works will be extended pursuant to the directions that will be given by the Company in accordance with the need, and the Company will not make any claims against the Contractor for said extension of the period of the works.
- 1.3 It has been brought to the knowledge of the Contractor that the Company has a procedure to coordinate works in the Firing Zones approved by the MOD and the Contractor must act in accordance therewith and in accordance with the instructions of the Company's Chief Security officer. It is clarified that this procedure may be changed by the Company and/or the MOD in their sole discretion, and in the event of such a change, a notice thereof will be given to the Contractor, who undertakes to update itself of said change as an integral part of its obligations pursuant to the Agreement.

2. Exemption from Responsibility for Damage and Loss due to Activities in the Firing Zone

2.1 Without derogating from what is stated above and under any law, the Contractor hereby exempts the Company and the MOD for any liability for damage to body and/or property and/or loss of any kind whatsoever, directly or indirectly, including economic consequential damages that is caused to any third party, including the Contractor, its employees, contractors, and other contractors of the Company and those acting on their behalf, but without derogating from the generality of what is stated above in connection with and/or during the course of the Contractor's works, as a result of an act or omission of the MOD and/or someone acting on its behalf in connection with and/or as a result of its activities in the Firing Zones, as defined above.

So as to avoid doubt, it is hereby clarified that, with regard to this subsection, the MOD, its employees and soldiers shall not be deemed to be a third party. The undertaking of the Contractor in this subsection shall not apply to war activity damages as defined in the Civil Torts Law (State Liability), 5713-1952.

2.2 Without derogating from the generality of what is stated above, the Contractor covenants that the exemption in Section 2.1 above shall apply also with regard to any damages caused to any third party, including to the Contractor and/or to its employees and/or to its contractors and/or to other contractors of the Company and/or to anyone acting on their behalf as a result of the handling or explosion of ammunition drops of any kind and/or as a result of removals.

2.3 The Contractor hereby covenants that it will not have any contention and/or demand and/or claim against the State of Israel and/or the MOD and/or the I.D.F. and/or the Company and/or anyone acting on their behalf in connection with the activities of the MOD and/or the Contractor and/or anyone acting on their behalf in the Firing Zones for any one of the following:

2.3.1 Any damage and/or loss and/or monetary loss of any kind whatsoever as a result of what is stated in Sections 2.1 and 2.2 above;

- 2.3.2 Any damage, direct and/or indirect, and/or loss and/or expense caused to the Contractor and/or anyone acting on its behalf, and/or to a third party in connection with the Contractor's works in the Firing Zone;
- 2.3.3 Any demand and/or claim that shall be filed against the MOD and/or the Company by any third party, without derogating from the generality of what is stated above, by someone acting on behalf of the Contractor;
- 2.3.4 The removal of the Contractor and/or someone acting on its behalf from the sites where the work is carried out.

3. Indemnification and Compensation for Activities at the Firing Zone

The Contractor shall compensate the MOD and/or the Company for the full costs that any of them bore for any one of the following:

- 3.1 Any damage to the MOD and/or the Company for which the Contractor is liable pursuant to the provisions of the law;
- 3.2 Any costs caused to the MOD in the event that the Contractor did not carry out the removal as stated in Section 1.1 above. In such a case, the Contractor shall bear the cost of the removals that shall be performed by the MOD and/or the Company in its stead, and without imposing on any of them responsibility for said removal in lieu of the Contractor.
- 3.3 Any damage and/or cost caused to the MOD and/or the Company pursuant to a court decision and/or with the consent of the Contractor, by filing of a lawsuit, including by the Contractor and/or someone acting on its behalf, toward the MOD and/or the Company in connection with the cessation of the works of the Contractor and/or someone acting on its behalf due to security needs, and provided that the MOD or the company notified the Contractor upon the receipt of the lawsuit and/or demand that are served against them in connection with what is stated in this subsection for which the Contractor is responsible and permit the Contractor to defend against the lawsuit as stated above.
- 3.4 Indemnification for any demand and/or claim and/or contention of the Contractor, including by someone acting on its behalf (including therein its employees and contractors) for damages as stated in Section 2.1 above.

3.5 Any damage, cost, payment or loss that the MOD shall bear as a result of its activities and/or their removal to another area as a result of the performance of the Contractor's works that are not in accordance with the directions and/or instructions of the Company and/or the MOD. It is agreed that what is stated in this subsection with regard to the cessation and/or removal of the activities of the MOD shall not apply with regard to the period in which a permit was granted by the MOD to perform the works but other than if during the course thereof immediate vacation is required.

4. Insurance Provisions

The Contractor shall make the following supplements to its insurance policies concerning the works:

4.1 In Professional Liability Insurance and Liability toward Third Party – the MOD and the Company shall be included, including their employees, shareholders and the members of the Boards of Directors as additional insureds, and likewise, the insurance shall be broadened to include the liability of the foregoing for an act and/or omission of the Contractor and all who come in its stead subject to the cross liability section according to which the insurance shall be deemed as if it was written separately for each one of the insured units as if it were issued solely in its name. Liability insurance toward third parties expanded to include the MOD shall not cover the liability of the MOD for liability that shall be imposed upon it that is not in connection with and/or as a result of the Arrangements.

4.2 In Employer's Liability Insurance – The policy shall include the MOD and the Company, including their employees, shareholders and the members of the Boards of Directors as additional insureds, if there is imposed upon them liability as employers or as employers of the injured party.

4.3 In Property Insurance and in Insurance in Sections 4.1 and 4.2 above – The insured will waive the right of subrogation (including the right to sue) the MOD, the Company, including their employees, shareholders and the members of the Boards of Directors and/or anyone acting on their behalf, as well as any person or entity from which a reasonable insured would not claim compensation, as well as against any person and/or entity to which the insureds have an affinity or that the insureds

undertook in writing to indemnify or to waive the right of subrogation toward him prior to the occurrence of the insured event.

4.4 All the above insurances -

4.4.1 shall include an express provision according to which they take precedence to any insurance prepared by the MOD and/or the Company and that the insured waives any contention and/or demand and/or claim to participate in the insurances of the MOD and/or the Company and any section in a policy (if there is such) that expropriates or narrows or limits in any way the liability of the insureds, where another insurance exists, shall not be operated against the MOD and/or the Company.

4.4.2 shall include a term according to which the insurer covenants that the insurances of the Contractor shall not be narrowed or cancelled unless a written notice is given thereof by registered mail to the MOD and/or the Company at least 60 days in advance.

4.4.3 shall include a term that in any case of an event as a result of which insurance proceeds shall be paid by the insurers of the Contractor for damage to the property of the Company, the Company and/or the MOD shall first be compensated for any damage and/or loss caused to any of them, and/or that any of them may be obligated for pursuant to a court, arbitration or other decision. In the event that the matter will be required in order to ensure the rights of the Company and/or the MOD or with regard to the indemnification of any of them with regard to any damage with regard to which such insurance was issued, the Contractor covenants immediately upon the first demand of the Company and/or the MOD, to provide the insurance company with a notice to the satisfaction of the Company in order to ensure the rights of the Company pursuant to this section.

4.5 Should the Company request it, and/or in the event of a lawsuit at the request of the MOD, the Contractor shall be obligated to present, at their first request, the insurance policy specified in the " Insurance Certificates ".

4.6 The Contractor is aware that the taking out of its insurances and/or the Company's insurances or those of anyone on its behalf, in the presentation of certificates of

insurance and/or the presentation of copies of its policies and/or of the Company shall not impose any liability on the MOD and/or constitute an approval of their being appropriate to what is stated in the Arrangements in order to exempt the Company and/or the Contractor from liability pursuant to these Arrangements and/or pursuant to any law.

- 4.7 The Contractor covenants to cooperate with the MOD and the Company in any legal proceeding, claim and/or demand that is taken against the MOD and/or the Company in connection with the undertakings of the Company pursuant to the Arrangements, and provided that the MOD or the company shall notify the Contractor upon the receipt of the lawsuit and/or demand that are served against the MOD and/ or the Company and for which the Contractor is responsible and permit the Contractor to defend against the lawsuit as stated.
- 4.8 The MOD covenanted to present, in the case of damage, and pursuant to the request of the Company, data, documents, reports and the like regarding the damaging event and all, subject to the approval of the Head of Information Security Department in the IDF and the approval of the Security Officer at the MOD and pursuant to the law. Likewise, the MOD covenanted to cooperate with the Company in any legal proceedings, claim and/or demand taken against the MOD and/or the Company.

5. Secrecy and Information Security

- 5.1 The Contractor covenants that it and anyone acting on its behalf have an appropriate security clearance to work in the Firing Zones and according to the Contract and that they will maintain the secrecy of all information, details, data, documents and the like that relate to the Company and/or the MOD, that they and/or anyone acting on its behalf shall obtain, directly and/or indirectly, during the course of the fulfilment of their function in connection with the performance of its obligations pursuant to this Contract, including in the Firing Zones, as well as in connection with the undertakings of the Company to the MOD in connection with activities in the Firing Zones as shall be brought to the attention of the Contractor by the Company from time to time. The provisions of this subsection shall remain in effect also after the conclusion of the performance of the works and the Contract.

- 5.2 Upon the execution of the Contract between the Company and the Contractor, the Contractor – and anyone on behalf of the Contractor employed by it and/or on its behalf in the performance of the works and/or the undertakings of the Contractor pursuant to the Contract – shall execute an Undertaking to preserve secrecy and non-use annexed to this Contract and shall and shall transmit it to the Company at the latest five working days after the execution of this Contract or after the commencement of his employment in any matter relating to the Company, whichever is later. Likewise, the Contractor covenants that should there be a need therefor, it will sign, including those employed by it as stated above in works pursuant to the Contract, an addendum to maintain confidentiality in a format required by the MOD from the Company and shall be transmitted to the Company as stated above.
- 5.3 The Contractor is responsible for bringing the contents of the obligations in Section 5 above to the attention of all its employees and/or those acting on its behalf, including the damage that may be caused to the Company and/or to the MOD and/or to the State of Israel due to a failure to comply with the undertakings as stated in this Section 5.

In witness hereof:

Name of Contractor / Members (if Applicable)	Contractor's / Member's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	
	By: Position: Date:	

ANNEX E2
SAFETY CONDITIONS
(Attached separately)

1. MAS-MAS-COI-0001-4 (5th revision)
2. דרישות בריאות בטיחות וסביבה נתגז
3. Pre task Planning – PTP Health, Safety and Environmental Requirement (HSE) for the Natural Gas System
4. INGL - Risk Management Template (En – Heb)
5. כללי בטיחות בכניסה למתקני נתגז

We hereby declare that we have reviewed these annexes and all parts thereof. We declare that we have understood its content and we undertake to abide by and fulfil all its instructions.

In witness hereof:

Name of Contractor	Contractor's authorized representative	Signature & Stamp
	By: Position: Date:	
	By: Position: Date:	