


1	1.6.2022	Final	GH	YR		Tenders Committee
REV	Date	Description	Prepared	Checked	Approved	
			<b>Agreement for Engineering Consultancy Services for NG/H<sub>2</sub>/CO<sub>2</sub> Underground Storage Projects</b>			
Company Representative : Yair Rubinstein						
Document Originator : Gil Hagay, Adv.						
			Rev. <b>1</b>			

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Appendices

Subject

A                                      The ITB and Annexes

**THIS AGREEMENT** is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2022.

**By and Between**

**ISRAEL NATURAL GAS LINES COMPANY LTD.**, whose registered office is at Kiryat Atidim, Atidim Tower, 33<sup>rd</sup> floor, 6158101 Israel.  
(hereinafter: "**INGL**" or "**Company**")

of the one part

**And**

\_\_\_\_\_ whose registered office is at \_\_\_\_\_.  
(hereinafter: the "**Consultant**")

of the other part

**WITNESSETH THAT WHEREAS:**

INGL is a company which was established in 2004; operates under the auspices and regulation of the Israeli Natural Gas Authority, in accordance with the Israeli Natural Gas Market Law, 2002 (the "**Natural Gas Law**"); is fully owned by the Government of the State of Israel, and is authorized, licensed (until 31.7.2034) and responsible for erecting and operating the national gas transmission System; and

Following the Invitation to Bid issued by INGL (INGL/TENDER/2022/27) (the "**ITB**"), in which the Consultant has placed its bid (the "**Consultant's Proposal**") and was selected as the awarded bidder, INGL desires to engage the Consultant, and the Consultant agrees to be so engaged, in the provision of consulting services, all in accordance with and subject to the terms and conditions specified in this Agreement, the ITB and all the documents ancillary thereto, including the Consultant's Proposal.

**NOW, THEREFORE**, in consideration of the premises and of the mutual promises, obligations and covenants herein contained, the Parties hereby agree as follows:-

1. **Recitals & Appendices**

The Recitals to this Agreement and the Appendices thereto form an integral part of this Agreement.

2. **Definitions**

2.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the respective meanings assigned to them below:

<b>Agreement</b>	This document including the Appendices thereto and any other document(s) or part(s) thereof expressly made by the parties hereto (in this document or elsewhere) an integral part of this Agreement.
<b>Commencement Date</b>	The date of the award of the Services by INGL.
<b>Fee or Fees</b>	The Consultant's remuneration for its Services, payable pursuant to <b><u>Annex 3</u></b> of the ITB and this Agreement
<b>Intellectual Property</b>	Copyrights, patents, inventions, design rights, know-how data and all other similar rights which may subsist in any part of the world including any registration thereof and applications and rights to apply for such registrations.

<b>Key Personnel</b>	Means the essential key personnel to be employed by the Consultant in the execution of the Services, as proposed and approved by the Company during the Tender or approved by the Company in compliance with the ITB.
<b>Law</b>	Means all applicable laws, ordinances, regulations, orders, including municipal by-laws, procedures and permits, directives, specifications, safety requirements, and decisions of any Ministry of the Government of Israel and all rules, applicable standards and administrative orders in effect in the State of Israel, including, without limitation, the Natural Gas Law, the Gas Law (Safety and Licensing) – 1989, the Gas Order (Safety and Licensing) (Facilities for Transporting Natural Gas) – 1997, the Building and Planning Regulations (Licensing Natural Gas Facilities) – 2003, the Hazardous Substances Law, 1993 and the License for the Construction and Operation of a Transmission System in the form granted to INGL, and all as may be amended and updated from time to time, that are relevant to this Agreement.
<b>Parties</b>	The Company and the Consultant.
<b>Project</b>	The Services to be carried out hereunder by the Consultant.
<b>Project Manager or Team Leader</b>	Shall mean the designated representative of the Consultant, managing the Services rendered to the Company, as approved by the Company. As long as not agreed otherwise by the Company the Senior Executive Engineer approved by the Company in the Tender shall serve as the Project Manager.
<b>Services</b>	Consultancy services according to the Scope of Work attached as <b><u>Annex 4</u></b> of the ITB.
<b>System</b>	The national gas transmission system in Israel, owned by the Government of Israel, and erected, operated and maintained by INGL, which includes, inter alia, inter-alia, onshore and offshore pipeline and facilities, LNG buoy, receiving terminals, block valve stations and PRMSs, spread all over the State of Israel.
<b>Tender or ITB</b>	Tender for Consultancy Services and Suitability Study for Reassigning the Israeli NG network for Hydrogen Transmission (INGL/TENDER/2022/27).

2.2 Words importing the singular shall include the plural and vice versa.

2.3 In any case of contradiction between the provisions of this Agreement and any of the provisions included in the Appendices attached hereto, the provisions of this Agreement shall prevail. The Appendices attached hereto shall not derogate any of the ITB or any of its Annex's provisions. In any case of contradiction between the provisions of the Appendices, the last to be written chronologically shall prevail.

### 3. **The Parties' Warranties & Representations**

3.1 The Consultant hereby warrants, represents, and undertakes that:

3.1.1 The Consultant is a corporation duly organized, validly existing and in good standing in the country of its incorporation and is qualified to do business in Israel and has the

corporate power to execute and perform this Agreement, which will be legally binding on it in accordance with its terms, without requiring any further authorization.

- 3.1.2 There is no prohibition, restriction and/or prevention whatsoever, including but not limited to any law, contract, or the corporation's documents of association, preventing the Consultant from engaging in the Agreement and carrying out its undertakings pursuant hereto.
  - 3.1.3 The Consultant undertakes its services in accordance with a Quality Management System complying with ISO 9001.
  - 3.1.4 The Consultant has the experience, expertise, qualifications, equipment, skill, professional personnel, facilities, and commercial and legal know-how necessary to implement the Project with the required skill, care, efficiency and diligence.
  - 3.1.5 It has been presented with the Company's Ethical Code for Contractors and Suppliers available at all times on the Company website ([www.ingl.co.il](http://www.ingl.co.il)) and undertakes to comply with it.
- 3.2 The Company hereby warrants, represents, and undertakes that:
- 3.2.1 The Company is a corporation duly organized, validly existing and in good standing in the country of its incorporation, is fully owned by the Government of the State of Israel, and is qualified to do business in Israel, and has the corporate power to execute and perform this Agreement, which will be legally binding on it in accordance with their terms, without requiring any further authorization.
  - 3.2.2 As of June 2018, part of INGL bonds are traded in the Israeli Stock Exchange. More about the Company can be viewed at its website: [www.ingl.co.il](http://www.ingl.co.il).

#### 4. **Engagement & Provision of the Services**

- 4.1 INGL hereby confirms the engagement of the Consultant under this Agreement for the purposes of the Project, and the Consultant hereby confirms to be so engaged under this Agreement and to act as such Consultant and provide INGL with all the Services in relation to the Project, all in accordance with and subject to the terms and conditions of this Agreement, the ITB and all the documents ancillary thereto including the Consultant's Proposal.
- 4.2 The Commercial Manager of INGL is INGL's representative for this Agreement (hereinafter, the “**Representative**”). INGL may, by way of further written notice to the Consultant, revoke or amend the authority of the Representative or appoint a new Representative, and all at its sole discretion. Subject to any limitations imposed by the Company, the Representative may, from time to time, delegate all or any part of his authority to an assistant or assistants.
- 4.3 The Consultant shall carry out its obligations and provide the Services set out in this Agreement in accordance with instructions given from time to time by INGL.
- 4.4 The Consultant appoints the Project Manager as its representative (the “**Consultant Representative**”) who shall have authority to act on behalf of the Consultant on such matters in connection with the Agreement. The Consultant may with the prior written consent of the Company, which shall not be unreasonably withheld, change the identity of the Consultant Representative.
- 4.5 It is expressly understood and agreed by the Parties that this is not an exclusive Agreement. Nothing in this Agreement shall be construed as creating any exclusive arrangement with Consultant or as prohibit the Company from either acquiring similar, equal, or like Services or from executing additional contracts with other entities for the provision of the Services.

#### 5. **Standard of Quality**

- 5.1 All Services performed by the Consultant will be according to the best consulting practices customarily implemented in international projects.
- 5.2 The Consultant shall perform the Services under this Agreement in accordance with the Law and with any lawful order and/or instruction given by any competent Israeli Authority.
- 5.3 The Consultant will, in every respect, perform the Services, as a reasonable and prudent Consultant, in accordance with the methods, regulations and to the standards which are customarily exercised by experienced consultants carrying out similar services.
- 5.4 Where implementing the Project hereunder the Consultant is required to exercise discretion, it shall exercise such discretion in a manner which will best serve the interest of INGL.
- 5.5 Where INGL notifies the Consultant of any deficiency in the Services, which in the reasonable opinion of INGL is attributable to the Consultant, the Consultant shall, without prejudice to INGL's other rights, promptly remedy the deficiency in the Services as required by INGL. All costs of such remedy shall be borne by the Consultant. If the Consultant fails to remedy the deficiency promptly in accordance with the notice of the Company, the Company may, without derogating from its other rights or remedies hereunder, including, without limitation, the right to terminate the Agreement, remedy or cause to be remedied any such deficiency at the Consultant's expense.
- 5.6 The Consultant shall, for the duration of the Agreement, cooperate with the Company, any representative or affiliate of the Company, and all contractors, sub-contractors and affiliates with whom the Company has contracted for the performance of all works connected with the Services.

6. **Consultant's Personnel**

- 6.1 Unless otherwise specifically stated in **Annex 4** of the ITB or requested by INGL in writing, the Consultant shall perform the Services under this Agreement, in Israel and in \_\_\_\_\_ [*The Consultant's country of operation*].
- 6.2 The Consultant shall perform the Services with the team of Key Personnel which shall include the Project Manager and the Team Members as approved by the Company in the ITB. The Key Personnel shall be fluent in the English language. The Consultant shall not make any changes in the personnel, who will be performing the Services specified in **Annex 4** of the ITB, without the prior expressed written consent of INGL. Such consent shall not be unreasonably withheld or delayed.
- 6.3 The Consultant shall be responsible for acquiring, at its own expense, any permits, licenses and/or visas, as may be required for the performance of the Services by its personnel, in Israel, and INGL will assist the Consultant, in acquiring any such permits, licenses and/or visas from the applicable authorities, but in no event shall be responsible or liable in any way in connection with the above.
- 6.4 The Consultant shall, itself and at its own expense, be liable for the remuneration, employment terms, conditions, and social security of its employees, and shall itself and at its own expense, bear the income tax, social insurance, national insurance, health insurance, employee's funds and pension payments and any other payments for which an employer is liable in respect of its employees.
- 6.5 The Consultant shall itself and at its own expense be liable in accordance with the Law for any and all damages of any kind caused to any of its employees and/or to any other person and/or entity and/or property due to or in connection with any action or omission by the Consultant or by any of its employees or by any one on its or their behalf, while performing the Services hereunder or in connection therewith.
- 6.6 INGL shall have the right at any time and from time to time, by written notice to the Consultant stating its reasons, to demand the removal and replacement of any person carrying

out the Project hereunder, due to incompetence, negligence, nonconformance with the Agreement's provisions, breach of safety procedures, etc., and the Consultant and/or such employee shall have no claims and/or demands whatsoever against INGL in connection with the exercise of such right and shall remove such person immediately and use its best efforts to replace such person as soon as reasonably possible.

- 6.7 The Consultant undertakes to obey and comply with and to cause that its employees obey and comply with all the instructions of the Company or anyone on its behalf regarding work safety, as given from time to time.
- 6.8 The Consultant shall, itself and at its own expense, be liable for the remuneration, employment terms of any of its consultants.

7. **'Modus Operandi' (Consultations, Approvals & Reports)**

Within the framework of the Project, the Parties shall mutually agree on the "modus operandi" necessary for the due and efficient progress and implementation of the Project hereunder, and for achieving in time the targets set out by INGL for the Project.

8. **Remuneration (Fees, Expenses, VAT, Accounts, Etc.)**

8.1 In consideration for performing the Services in accordance with ITB and this Agreement, the Company shall pay the Consultant the Fee, which shall be payable in accordance with the terms of payment contained herein. The Fee shall be composed and include, but not be limited to, cost of all labor, supervision, management, all related equipment, general administrative costs of the Consultant's operation to include home office, all insurance requirements and coverage, financing costs, and all other costs or expenses of any kind which directly or indirectly relate to the provision of the Services and not elsewhere set forth in this Agreement as a reimbursable expense and in full compliance with all the terms and conditions of the Agreement with respect to the provision of the Services.

8.2 Unless otherwise expressly set forth hereunder, all Fees hereunder are (i) inclusive of all expenses and disbursements; and (ii) exclusive of Value Added Tax which shall be added at the prevailing rate (see Clause 8.5 below).

8.3 The Fee shall become payable in the following manner:

8.3.1 The Fixed Fee as provided in **Annex 3** shall be invoiced upon the occurrence of the following milestones with respect to each of applicable stages in **Annex 4** to the ITB (if and to the extent the Company shall order the provision of services from the Consultant):

- (a) A payment in the amount of 20% of the Fixed Fee for the relevant stage ordered by the Company shall be invoiced by the Consultant upon the Commencement Date.
- (b) A payment in the amount of 50% of the Fixed Fee for the relevant stage ordered by the Company shall be invoiced by the Consultant upon completion of the draft report/product to the full satisfaction of the Company in compliance with the requirements of the Agreement.
- (c) A payment in the amount of 30% of the Fixed Fee for the relevant stage ordered by the Company shall be invoiced by the Consultant upon completion of final report to the full satisfaction of the Company in compliance with the requirements of the Agreement.

8.3.2 If and to the extent the Company shall order the provision of services from the Consultant in accordance to Company's options as provided in **Annex 4** and to the extent ordered by the Company - the Daily Rates / Hourly Rates (as provided in **Annex 3**) or a fix fee to be agreed by the Parties for an assignment shall be invoiced as

follows: on the tenth day of each calendar month, the Consultant will submit to INGL a performance report signed by the Project Manager, detailing the days or hours of work as applicable executed by each key person and the Services provided during the preceding calendar month, with respect to which payment is requested.

- 8.3.3 The Representative shall, within ten (10) Days from receipt of the above-mentioned invoices, either approve in writing such invoices or take exception thereto, giving his reasons in writing for such exception, in which event the Consultant shall take all action necessary to obtain the Representative's approval of such invoices.
- 8.3.4 Within thirty (30) days from the issuance of the Representative's approval as mentioned above, INGL shall arrange for the payment requested in the Consultant's applicable invoice.
- 8.4 All invoices for Fees hereunder shall be submitted in Euros and shall be paid (in the same currency) by bank transfer to the Consultant's designated bank account. The Fees shall not be linked to any other currency or index. After 24 months from the Commencement Date the Fees shall be updated according to the European Harmonized Consumer Prices Index (HCPI). Such update shall occur once a year, starting as of the date following 24 months from the Commencement Date.
- 8.5 Value Added Tax ("**VAT**"), if any, payable with respect to any Fees or expenses payable hereunder shall be for the account of INGL, and INGL shall, at its election in each case, either add such VAT to the amount payable against a VAT Invoice/Receipt ("**Cheshbonit Mas**") as required by Law, or pay and discharge such VAT liability by direct payment to the VAT authority on a Self- Issued - VAT Invoice ("**Cheshbonit Atzmit**").
- 8.6 The Consultant confirms that it has acquainted itself and is fully aware of the Israeli tax Laws and regulations applicable to it with respect to its operations pursuant to this Agreement. Company does not make any representations to the Consultant regarding the Israeli taxation and the Consultant alone shall be responsible to pay and discharge all the tax liabilities it may have in Israel.
- 8.7 The Company shall deduct any Israeli withholding tax at source from all sums stated on the Consultant's invoices, transfer such sums to the applicable tax authorities, and provide the Company with all official documentation related thereto, unless the Consultant submits to the Company an official exemption certificate from the Israeli Tax Authorities.
- 8.8 In the event that INGL disputes or takes exception to any item in any invoice submitted by the Consultant hereunder, the disputed item will be set aside and INGL will proceed to pay the undisputed part of the invoice in accordance with the procedures provided herein. The parties will, in parallel and without undue delay, discuss and attempt to clarify and solve the disputed item. If following the resolution of a disputed item any amount becomes due to the Consultant or to the Company, it shall be paid together with or deducted from (as applicable) the first invoice payable after the resolution of the dispute.
- 8.9 The Consultant shall, from the Commencement Date and until two (2) years after the termination of this Agreement, keep and maintain proper and accurate accounts and records with respect to the Services, and allow the representative(s) of INGL periodically, to have access to, inspect and make copies of such accounts and records. The Consultant shall, if so requested by INGL, submit such accounts and records to audit by auditors acceptable to both parties. The cost of any such audit shall be borne by the parties hereto in equal shares.
- 8.10 Flights and accommodation – INGL shall provide the Consultant's Personnel in their visits to Israel as provided in the Scope of Work with accommodation customary for this type of Services, at INGL's expense, and shall pay for the flights of each such personnel to and from Israel, as may be required in connection with the performance of the Services according to INGL's sole discretion. It is hereby clarified that INGL shall bare costs for standard economy class flights only. Should Consultant choose to upgrade his Personnel flights, Consultant shall



pay for the increment of the upgrade.

9. **Intellectual Property**

- 9.1 Intellectual Property in all items in which Intellectual Property is capable of subsisting, which are prepared by or for the Consultant in connection with or as part of this Agreement or the Project, and in any designs contained in and works executed from these items shall, subject to the payment of the applicable Fees in accordance with this Agreement, unless otherwise agreed, automatically become, vest in and remain the sole property of INGL, and the Consultant shall not have any legal or moral rights therein or thereto nor shall it have the right to use it or any part thereof for any purpose other than for the Services hereunder. The Consultant shall provide full documentation and unfettered title to allow INGL to alter or develop its Intellectual Property acquired here in above.
- 9.2 Where any Intellectual Property or moral rights subsisting in any items as aforesaid are owned by third parties, then the Consultant shall (in each case with the prior express written approval of INGL) procure a royalty-fee, unlimited in time license to use such Intellectual Property for the Project and in connection therewith, and shall use any practicable efforts to cause such third parties to include in the said license rights to alter or develop the intellectual property as may be required by INGL.
- 9.3 The Consultant shall not, in implementing the Project hereunder, infringe or otherwise violate the Intellectual Property rights of any third parties. The Consultant shall, immediately upon its first request, indemnify Company for and hold it harmless from and against any and all claims, demands, suits, actions, damages, losses and liabilities of any kind (including reasonable legal costs) arising out of any claim for such infringement or violation.

10. **Confidentiality**

- 10.1 All data, information, documentation and reports collected, delivered or brought to the knowledge of the Consultant pursuant to this Agreement, and all documentation, reports, data and information developed by the Consultant in the course of the Project hereunder (herein collectively - "**Data and Information**"), are and shall be treated at all times as secret and confidential, and the Consultant shall not, without the prior express written approval of INGL, during the term of this Agreement and thereafter, disclose the said Data and Information or any part thereof to any person or entity, or utilize or make any use thereof, other than within and as part of the Project pursuant to this Agreement. Such prohibition does not apply to Data and Information which is required to be published as part of the Project or if the Data and Information became public knowledge without a breach of this section or if disclosure is required by applicable law.
- 10.2 Upon completion of the Project, the Consultant shall turnover to INGL all Data and Information, including all copies thereof.
- 10.3 The Consultant shall be responsible for the observance by its directors and employees and by its contractors and sub-contractors (and their respective directors and employees), of the confidentiality provisions of Clauses 10.1 and 10.2 above.
- 10.4 The restrictions on the disclosure of Data and Information hereunder shall survive the termination of this Agreement and shall continue to apply, without limitation in time, unless and until, with respect to each part of the Data and Information, such part comes properly into the public domain through no fault of the Consultant.

11. **Termination & Suspension and Option to expand the Scope of Work**

- 11.1 The Consultant may not terminate its engagement hereunder except in the event of a material breach by the Company of its obligations under this Agreement which is irremediable or, where remediable, which the Company shall have failed to remedy (or to commence to remedy) within a reasonable time (but not less than 30 days) after receiving notice in writing

from the Consultant specifying the breach and requiring its remedy, in which case the Consultant shall be entitled forthwith by written notice to the Company to terminate its engagement.

- 11.2 In the event that Consultant shall breach any material provision of this Agreement, INGL may, at its sole discretion and without derogating from any of its rights under this Agreement and/or the applicable Law, cancel the Agreement.
- 11.3 Company may terminate this Agreement, at any time and from any reason whatsoever, by giving the Consultant a 30-day prior notice in writing of its intention to so terminate this Agreement.
- 11.4 Save as otherwise set out hereunder, under no circumstances shall the Company be liable to the Consultant for or in respect of any loss of profit, loss of contracts or other claims, losses or expenses of any kind whatsoever, including in connection with any termination of the Consultant's engagement or termination of this Agreement howsoever arising, whether under this clause or otherwise.
- 11.5 Upon any termination under this Clause 11, the Consultant shall immediately take steps to cease the execution of the Services, and it shall forthwith deliver to INGL all Data and Information and all of the documentation (including computerized data) in its possession, custody or control (whether in the course of preparation or completed) in connection with the Project.
- 11.6 Upon termination under this Clause 11, the Company shall pay to the Consultant such proportion of the Fee as is commensurate with the Services properly performed by the Consultant up to the date in which the termination became effective.
- 11.7 The provisions of Clauses 1, 2, and 10 to 20 shall survive and continue to have effect notwithstanding termination of this Agreement.
- 11.8 Termination on Account of Force Majeure

11.8.1 Neither Party shall be liable for any delay in the performance of the Agreement if such delay is due to Force Majeure and without fault or negligence of the Party. Force Majeure shall mean an occurrence which is beyond the reasonable control of either of the Parties to the Agreement, constituting an exceptional and/or unforeseen circumstance and which, despite the exercise of diligent efforts by the affected Party to prevent, limit, or minimize the same, materially delays the scheduled time of completion of all or any material portion of the Services.

For the avoidance of doubt, the following events shall be specifically excluded from the definition of the term Force Majeure:

- 11.8.1.1 Shortage of materials or employees, except a national general shortage declared by order of the Government of Israel.
- 11.8.1.2 Strikes, labour disputes, lockouts, boycott, or other similar occurrence declared directly against the Consultant or any of its Sub-Contractors or caused because of an act or omission of the Consultant or any of its Sub-Contractors; and
- 11.8.1.3 Suspension, termination, interruption, denial, or failure to obtain or renew any permit, license, consent or approval which is required for the carrying out of the Consultant's obligations under this Contract.
- 11.8.1.4 War invasion, insurrection, riot and/or any other violent conflict, including acts of terror.
- 11.8.1.5 Covid-19, breakage or accident to machinery or equipment or any other cause or causes beyond such Party's reasonable control.

11.8.2 Party affected by an event of Force Majeure shall (a) promptly notify the other Party in writing of any such event, the expected duration thereof, and its anticipated effect on the Party affected in terms of the performance required hereunder; and (b) make reasonable efforts to promptly remedy any such event of Force Majeure. Any supply delayed due to an event of Force Majeure shall be extended for such time as the event shall continue.

11.8.3 Either of the Parties may terminate the Agreement if the completion of the Services is made impossible on account of Force Majeure which lasted for a period of more than 45 consecutive Days, as evidenced by the Party claiming such event as occurred, and a corresponding notice has been served to the other Party. If the Agreement is so terminated, Consultant shall be paid the remaining unpaid balance in accordance with Clause 11.6 above.

12. **Conflict of Interests**

For as long as the Consultant executes the Project and for 1 year thereafter, in the event that there may arise a conflict of interests between the Consultant and the Company with respect to the Consultant activities, the Consultant shall be obligated to immediately inform the Company in respect thereof, shall have to receive the Company's written approval to continue its Services in spite of such conflict/possible conflict, and shall use its best efforts to resolve such conflict in a manner which shall be satisfactory to the Company. In any event, within the above-mentioned time period, the Consultant shall be responsible and liable to ensure that its personnel and anyone on its or their behalf, employed by the Consultant in connection with the performance of the Project, shall not be, under any circumstances, in a position which may lead to or which leads to or which creates a conflict of interests vis a vis the Company, and accordingly, shall not be employed by the Consultant in any other task and/or project in Israel, in the field of natural gas.

13. **Liability and Indemnity**

13.1 The Consultant shall be liable in accordance with the Law, for any loss or damage caused by it or any person acting on its behalf in the performance of the Services.

13.2 In the event that INGL and/or the State of Israel and/or anyone acting on their behalf and/or any third party shall be obliged to pay any amount, for any matter under the Consultant's scope of liability in accordance with this Agreement, Consultant shall reimburse and compensate INGL and/or the State of Israel and/or anyone acting on their behalf and/or any third party the in full for such expense, immediately following INGL's first demand provided that: (i) the Company has promptly notified Consultant of such claim and if possible granted Consultant an opportunity to handle and defend itself; and (ii) Company will not settle such legal dispute without the prior consent of Consultant. Such reimbursement and compensation shall include any legal expenses INGL shall incur.

14. **Limitation of Liability**

14.1 Notwithstanding anything contained elsewhere in this Agreement (except as specified in Clause 14.2 below), Consultant's total aggregate liability howsoever arising in connection with Consultant's performance or non-performance of this Agreement regardless of whether the cause of action be formulated under the express or implied terms of this Agreement, at common law or in any other way, shall be limited to an amount equal to the consideration due to the Consultant under this Agreement.

14.2 The limitation of liability specified in Clause 14.1 above shall not apply in case of gross negligence or willful misconduct on the part of the Consultant or any person acting on its behalf in performing the Services and shall not affect the Consultant's liability for damage to any third party caused by negligence, fraudulent misrepresentation or anything else which cannot be excluded or limited by Law.

15. **Insurance**

- 15.1 Throughout the period of provision of the services, the Consultant shall take out and maintain in effect the insurance policies specified hereunder and will provide Certificate of the Consultant's insurance ("**Certificate of insurance**"). The aforesaid notwithstanding, the Consultant shall maintain in effect the professional liability insurance also after the conclusion of this agreement, as long as he bears liability pursuant to law for the services. The retroactive date in the professional liability insurance shall be no later than the date of commencement of provision of the services by the Consultant.
- 15.2 The Consultant, at its cost, shall maintain the following insurance (hereinafter, collectively: "**Service Provider's Insurance**"):
- 15.2.1 **Employers Liability Insurance** - Covering the Consultant's liability towards its employees engaged in the performance of the Services, due to death and/or injury of any employee as a result of an accident or illness while or during the execution of the Services to a limit of liability of \$5,000,000 (one million U.S. Dollars) for an injured party, an event and in the aggregate for the period of insurance.
- 15.2.2 **Professional Liability Insurance**— Covering the Consultant's legal liability that derives from a professional act and/or omission and/or breach of a professional obligation and/or an error that originated in negligence, an omission or oversight on the part of the Consultant in connection with the performance of the Services with a limit of liability of \$2,000,000 (two million U.S. Dollars) for any one occurrence and \$5,000,000 (five million U.S. Dollars) in the aggregate for the period of insurance. In the event that the insurance is cancelled other than as a result of non-payment of the premiums and/or in the event that the said insurance policy is not renewed, the policy shall include an extended reporting period of 12 months after the date of expiry of the insurance period.
- 15.2.3 **Third Party Liability Insurance**—Covering the Consultant's legal liability for any injury and/or loss and/or damage that is caused to any person and/or property of any individual and/or body whatsoever as a result of and/or in connection and/or due to the Services for a limit of liability of \$1,000,000 (one million U.S. Dollars) for any one occurrence and \$2,000,000 (two million U.S. Dollars) in the aggregate for the period of insurance.
- 15.3 The insurance coverages stipulated above are extended to indemnify the Client, their shareholders, and the directors, officers and employees of each of the above (collectively, the "**Indemnified Parties**") in respect of their liability for the acts and/or omissions of the Consultant and/or anyone on the Consultant's behalf, subject to a cross liability clause, pursuant to which the insurance will be deemed to have been effected separately for each individual additional insured.
- 15.4 In addition to the insurance coverages specified in the insurance certificate, the Consultant will be held, in person or through subcontractors on its behalf, to take out and maintain car insurance as required by law and liability insurance for third party damage due to the use of a vehicle in a standard limit of liability.
- 15.5 General conditions for the policies stipulated in Section 15.2 above:
- 15.5.1 The insurance policies are primary to any other insurance procured by the Client, as well as the Indemnified Parties, and the insurer hereby waives any claim or demand, which it may have with respect to the participation of their insurance.
- 15.5.2 Include the insurer's waiver of the right to subrogation against the Client and the Indemnified Parties.
- 15.5.3 The policies shall not be detrimentally changed or cancelled, without 60 days' prior written notification by the Consultant, sent to Client via registered mail.

- 15.5.4 Include a clause according to which noncompliance with the duties imposed upon the Consultant in good faith, and/or a breach of any of the policy conditions in good faith will not prejudice the rights of the Client and the Indemnified Parties, to obtain indemnity under the policy.
- 15.6 The Consultant shall submit to the Client, by no later than the beginning of the execution of any of the Services, an insurance certificate evidencing that the insurances stipulated in clause 1.2 above are maintained, signed by the Consultant's insurer evidencing that all of said insurance contain all of the terms and conditions required under this Agreement. In addition, and prior the expiry date of the previous Insurance Certificate, which was submitted to the Client, the Consultant shall submit an updated Insurance Certificate, in accordance with the period on which the Consultant is required to maintain the insurance policies pursuant to the terms of this Agreement.
- 15.7 The Client and/or anyone on its behalf may examine the Insurance Certificate and/or any other document submitted by the Consultant, and the Consultant undertakes to make any change or amendment that will be required in order to make it conform to the Consultant's undertakings under this Agreement.
- 15.8 Without derogating from the aforesaid, the Consultant undertakes that in all its engagements with contractors and/or subcontractors on its behalf for the purpose of performing the services and/or performing the work and/or supplying the products that are the subject of this agreement, the requirements stated in this section and the Insurance Certificate will appear in full.
- 15.9 The Consultant represents and undertakes that it shall not have any claims, demands and/or actions against the Client and/or anyone on its behalf, concerning damage with respect to its property and concerning any damage for which it is entitled to receive indemnification under its insurance policies; and the Consultant hereby relieves the Client and/or anyone on its behalf of any liability for such damage. The foregoing shall not apply for the benefit of any one who caused damage with malicious intent.
- 15.10 The Consultant undertakes to fulfill the conditions of the insurance policies affected by it, fully and punctually pay the insurance premiums, arrange for and ensure that the Consultant's Insurance coverage is in effect according to the Consultant's undertakings. the Consultant shall pay all deductibles set forth in the Consultant's Insurance policies.
- 15.11 Breach by the Consultant of any of the provisions regarding responsibility and/or insurance borne on the Consultant shall constitute a fundamental breach.

16. **Warranty**

The Consultant warrants the due performance of the Services. The warranty obligations of the Consultant shall be limited to remedying deficiencies or defects in the Services rendered by the Consultant, for which the Consultant is responsible, free of charge to the Company. The warranty obligations of the Consultant shall terminate 24 months from the issuance of the Termination of the Agreement by the Company or 24 months after the Completion of the Consultant's Services as certified by the Company. If the Consultant fails more than twice to remedy one and the same deficiency in its Services, as claimed by the Company within the above-mentioned period, the Company shall be entitled to have the said deficiency or defect remedied at the Consultant's cost by an independent Consultant or shall be entitled to a reasonable deduction of the Agreement Fee. Any other warranty obligations of the Consultant shall be excluded.

17. **Company - Consultant Relations**

The relationship between the Company and the Consultant shall be that of independent contracting parties. Nothing herein shall be construed to create the relationship of employer and employee or any other relationship other than as explicitly specified herein. During the Consultant's performance of the Project, neither the Consultant's employees nor the employees of its subcontractors, if any, shall be considered employees of the Company for any purpose whatsoever.

18. **No Conflict**

The execution and the fulfillment of the provisions of the Agreement in their entirety, on time and precisely, do not conflict with, create legal impediments under, and/or breach the terms of any other interest, contracts and/or any applicable law binding upon the Consultant as set out in **Appendix B** hereto.

19. **Assignment & Sub-contracting**

19.1 The Consultant shall not, without the prior written express consent of INGL, assign its rights and/or obligations under this Agreement, or any part thereof, to another or others, nor shall it sub-let the performance of the Services hereunder to any sub-contractor or sub-consultant, without INGL's prior express written consent. For the avoidance of any doubt, such consent, if any, shall in no way relieve the Consultant of any of its obligations and liabilities hereunder towards INGL and INGL shall not be liable or accountable in any way in connection with such parties and their performance of the Services.

19.2 The Company shall have no liability or obligation whatsoever to the Consultant's assignees or subcontractors and the Consultant shall indemnify INGL, immediately upon its first demand, and hold INGL free and harmless from and against any and all claims, demands, suits, actions, damages, losses and liabilities of any kind (including legal costs) or related to any of its assignees or subcontractors.

19.3 INGL shall have the absolute right to assign its rights and obligations under this Agreement, in whole or in part, to any party (including any Government Agency or any other entity) which Government may, at its sole discretion, appoint to be in charge of this Agreement.

20. **Law & Jurisdiction**

20.1 This Agreement shall be governed by the Laws.

20.2 The competent courts of the State of Israel, District of Tel-Aviv, shall have exclusive jurisdiction in all matters arising out of or in connection with this Agreement.

20.3 The Consultant hereby irrevocably submits to the exclusive jurisdiction of the Israeli courts, and irrevocably appoints the Project Manager as an agent for the purpose of receiving service of legal process in Israel, on behalf of the Consultant.

21. **Addresses & Notices**

21.1 The addresses of the parties hereto for the purposes of this Agreement (subject to any notice of a change of address which one party may give to the other) are:

of Company: **ISRAEL NATURAL GAS LINES COMPANY LTD.**  
Kiryat Atidim, Atidim Tower, 33<sup>rd</sup> floor  
Tel-Aviv, Israel 6158101

of the Consultant: \_\_\_\_\_  
\_\_\_\_\_.

21.2 All notices under this Agreement shall be in writing, properly addressed as above and duly stamped, and they shall be deemed to have been delivered—

21.2.1 If delivered by hand or e-mail or transmitted by Fax - on the first working day following the day on which the notice was so delivered or transmitted; and

21.2.2 If sent by mail - five (5) days after it was posted by registered mail properly addressed, postage prepaid.

22. **Miscellaneous Provisions**

22.1 **Headings**

The descriptive headings of the Clauses and paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

22.2 **Entire Agreement**

This Agreement and all documents ancillary thereto include the entire agreement between the parties hereto with respect to the transactions contemplated thereby.

22.3 **Amendment**

This Agreement shall not be amended except by an instrument in writing duly signed by the parties hereto.

22.4 **The Consultant's Obligations Under the Consultant's Proposal**

The Consultant agrees, that all of the declarations, warranties, commitments, obligations and undertakings (herein collectively - "**Obligations**") contained in the Consultant's Proposal attached hereto as **Appendix A** are and shall be considered the Consultant's Obligations under and pursuant to this Agreement, as if they were expressly repeated herein, Except That, in the event of any contradiction or inconsistency between the provisions of the Consultant's Proposal and the provisions of this Agreement or the ITB, the provisions of this Agreement and the ITB shall prevail.

22.5 **Term**

This Agreement shall enter effect on the Commencement Date, and shall terminate one year thereafter, unless terminated earlier in accordance with clause 11 above.

22.6 The Company shall have the option to extend the Term of the Agreement by up to 3 additional periods, two years at a time, and/or until the completion of all the Services under the Agreement (the "**Option**"), by issuing a written notice to the Consultant, at least 30 days before the termination of the Agreement term or any of the Option terms.

22.7 **Time Schedule**

22.7.1 The Services shall be provided by the Consultant in accordance with the time schedule and required approvals detailed in **Annex 4** to the ITB.

22.7.2 The provision of Services is subject to the Company's right to adjust the steps in accordance with its needs and/or terminate and/or suspend the Agreement and/or to the Company's options to the extent the Company shall order such optional Services from the Consultant.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed on its behalf by its officers duly authorized, all as of the day and year first above written.

**FOR ISRAEL NATURAL GAS LINES COMPANY LTD.**

**FOR** \_\_\_\_\_

\_\_\_\_\_  
Shmuel Turgeman  
CEO

\_\_\_\_\_  
Daniel Szobel  
CFO

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ITB Documents**

**[To be attached following the conclusion of the ITB]**



**Bid's Price**

**[Annex 3 to the ITB to be attached following the conclusion of the Tender]**

**Scope of Work**

**[Annex 4 to the ITB]**

**Non-Disclosure Agreement**  
**[Annex 7 to the ITB]**

**Affidavit Regarding Non-Payment of "Brokerage Fees" and Non -Employment of Company  
Consultants**

**[Annex 8 to the ITB]**

**No Conflict of Interests, No Personal Affinity and Ethical Code Compliance Declaration and Undertaking**

**[Annex 9 to the ITB]**