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		 General Conditions of Contract for PRMS INGL/TENDER/2023/53			
		Company Representative : Ms. Shosh Yaacoby			
		Document no.			
		466203			
		Rev. 2			

Project Title: Israel Gas Transmission Project

Document Title: General Conditions of Contract PRMS (updated version)

Document No.: 466203

Revision: 2 Date: 26/3/2024

General Terms and Conditions of an Agreement
Made and entered into this ___ day of _____, 2024

Between

ISRAEL NATURAL GAS LINES COMPANY LTD.

Atidim Tower (building No.8), 2184 St., Floor 32

Kiryat Atidim

Tel-Aviv, Israel 6158101

(the "**Company**")

of the first part

And

(the "**Contractor**")

("**Member**")

("**Member**")

Jointly and Severally

of the other part

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1 Introduction and General Provisions

1.1 Introduction

- 1.1.1 These General Conditions (the "**General Conditions**" or "**GTC**") are being executed by and between the Contractor and the Company, following the announcement of the Contractor as one of the Approved Contractors of the Company under the Tender.
- 1.1.2 These General Conditions shall be in force for the Company Option Period and shall define the general terms and conditions for the execution of Projects, should the Company order Projects from the Contractor under the Company Option, either by way of RFQ or in any other way, subject to any additional specific terms and conditions that shall be included in the Agreement for the execution of a Project.
- 1.1.3 It is hereby clarified for the removal of any doubt, that the execution of these General Conditions is not an undertaking of the Company to order from the Contractor the execution of any Project or Works and that they are only meant to serve as the legal framework for the execution of future Projects, should the Company decide to order such Projects from the Contractor, in its discretion and in accordance of the provisions of the Tender and applicable Law.

1.2 Definitions

In the Contract (as hereinafter defined), with the exception of the Technical Volume, the following words, terms and expressions shall have the following meaning:

- 1.2.1 **Advance Payment Guarantee**
Shall have the meaning set forth in Clause 7.3.1 below and shall be in the form attached hereto as **Exhibit H**.
- 1.2.2 **Agreement**
Means the instrument of Agreement that shall be entered into by the Company, the Contractor and the Constituting Entities (if applicable) for the execution of a Project, to which these General Conditions shall be attached as an annex.

1.2.3 Approved Contractors

Shall have the meaning set forth in the Instructions to Bidders.

1.2.4 Approved Financial Entity

One of the following: (i) a commercial Israeli bank or Israeli financial rated with at least an AA local rating (or an equivalent rating); or (ii) a foreign bank in a country having full diplomatic relations with the State of Israel and rated with at least a BBB- rating by a reputable international rating agency, acceptable by the Company.

1.2.5 Bill Of Quantities

Means the Bill of Quantities attached to any Request for Quotations Procedure that shall be held by the Company under the Tender.

1.2.6 Breakage Amount

Means the amounts to be paid by the Company to the Contractor pursuant to Clause 26.5.2 as a result of the termination of the Contract by the Company.

1.2.7 Cancellation Notice

Shall have the meaning set forth in Clause 10.7.1 hereof.

1.2.8 Change

Means an alteration, amendment, omission, addition or other Change to any part of the Works requested by the Company or proposed by the Contractor pursuant to Clause 16.

1.2.9 Change Order

Means any written order, identified as such, issued to the Contractor by the Company under Clause 16 hereof.

1.2.10 Company

Means the Israel Natural Gas Lines Company Ltd. and/or its legal successors, having its registered office at:

Israel Natural Gas Lines Company Ltd.

Atidim Tower (Building No. 8), 2184 St.,

Floor 32, Kiryat Atidim

Tel Aviv

Israel

1.2.11 Company Cure Notice

Shall have the meaning set forth in Clause 26.2.

1.2.12 Company Default

Shall have the meaning set forth in Clause 27.1.

1.2.13 Company Option

Means the right of the Company, at any time during the Company Option Period, to enter into an Agreement with any of the entities that shall be included in the list of Approved Contractors for the performance of a Project.

1.2.14 Company Option Period

Means the period of 5 years commencing on the date the Company shall announce the Bidders to be included in the List of Approved Contractors, in which the Company may exercise the Company Option.

1.2.15 Company Representative

Means the person or persons who may be appointed by the Company from time to time to act for and on behalf of the Company within the powers delegated by the Company. Unless expressly stated otherwise herein, any reference to Company shall be deemed to include the Company's Representative.

1.2.16 Company Risks

Means those risks as defined in Clause 21.1 hereof.

1.2.17 Completion Certificate

Means the certificate to be issued by the Company or by the Company's Representative to the Contractor in accordance with Clause 13.10 hereof and in the form attached hereto as **Exhibit B**, as may be amended at the sole discretion of the Company.

1.2.18 Completion Deadline

Means the time stated in the Frame Schedule for completing the Works and for passing the Tests calculated from the Effective Date unless extended under Clause 11.2 hereof.

1.2.19 Constituting Entities

Means, if applicable, the entities that constitute the Contractor.

1.2.20 Construction Contract

Shall mean the Construction Contract for the construction of the PRMS structure (shed), or other part of the natural gas transmission system for the transport of natural gas at high pressure levels in Israel, if applicable.

1.2.21 Construction Contractor

Shall mean either the joint venture chosen for the purpose of constructing the natural gas transmission system for the transport of natural gas at high pressure levels in Israel, and all as set forth in the Construction Contract or, where relevant, an alternative contractor which the Company has engaged for the construction of the above transmission system, as set forth in the Construction Tender Documents.

1.2.22 Contract

Means the Agreement that shall be entered into for the execution of a Project together with the General Conditions and all other Contract Documents that shall be listed in the Agreement as have been concluded between the Company and the Contractor.

1.2.23 Contract Documents

Means the Agreement that shall be executed for the execution of a Project, together with these General Conditions and all other documents that be listed in the Agreement as part of the documents according to which the Project shall be executed.

1.2.24 Contract Period

Means the period between the Effective Date and the end of the Defect Liability Period for the Project included in the relevant Purchase Order and/or the Installation Order if applicable.

1.2.25 Contract Price

Means the Contract Price for a PRMS included in the relevant Purchase Order and which is payable by the Company to the Contractor and as may be adjusted pursuant to the Contract.

1.2.26 Contractor

Means the Bidder whose tender offer has been accepted by the Company pursuant to the tender process, and which has signed the Agreement, as well any legal successors in title thereto.

1.2.27 Contractor Cure Notice

Shall have the meaning set forth in Clause 27.2 hereof.

1.2.28 Contractor All Risk Policy or Car Policy

Shall have the meaning set forth in Clause 24.1 hereof.

1.2.29 Contractor's Equipment

Means all equipment, machines, appliances, tools or any other materials or material of whatsoever nature (other than the PRMS itself) which are required for the purposes of execution and completion of the Works.

1.2.30 Contractor's Personnel

Shall have the meaning set forth in Clause 32.5.2.

1.2.31 Contractor's Risks

Means all risks that are not Company Risks, as stated in with Clause 21.2.

1.2.32 Costs

Means reasonable costs directly incurred by the Contractor in the performance of its obligations under this Contract and duly evidenced by receipts, as approved by the Company. To remove all doubts, such costs shall not include loss of profit, loss of use, loss of production, or any other indirect or consequential loss or damage howsoever and whatsoever caused, with the exception of such cases, if any, whereby the Contractor is expressly entitled to profit, as specifically provided for under this Contract.

1.2.33 Cure Period

Shall have the meaning set forth in Clause 27.2.

1.2.34 Default

Shall have the meaning set forth in Clause 26 hereof.

1.2.35 Defect Liability Period

Shall have the meaning set forth in Clause 15.1.1 hereof.

1.2.36 Defect Liability Period Expenses

Shall have the meaning set forth in Clause 26.5.2 hereof.

1.2.37 Defect

Means any and all disadvantageous deviations from the Contract, errors and/or miscalculations and/or imperfections in the Works including any legal Defects attributable to the Contractor.

1.2.38 Delay

Shall have the meaning set forth in Clause 11.2.1 hereof.

1.2.39 Detailed Schedule

Shall have the meaning set forth in Clause 7.4 hereof.

1.2.40 Effective Date

Means the date of signature of the Agreement by both parties.

1.2.41 Company Representative

Means company(ies) or person(s) appointed by the Company to carry out the duties set forth in Clause 2 hereof and in the other Contract Documents, and any replacement appointed by the Company from time to time.

1.2.42 Company Representative Assignee/s

Means any representative(s) of the Company Representative appointed from time to time by the Company Representative under Clause 2.2 hereof. Unless expressly stated otherwise herein, any reference to Company Representative shall be deemed to include the Company Representative Assignee.

1.2.43 Final Breakage Amount

Shall have the meaning set forth in Clause 26.5.2.

1.2.44 Force Majeure

Shall have the meaning assigned to it under Clause 25 hereof.

1.2.45 Foreign Member

Means the foreign legal entity that is one of the Constituting Entities comprising the Contractor.

1.2.46 Frame Schedule

Means the general schedule for the performance of the Works of any Project.

1.2.47 Gross Misconduct

Means any act or omission of the Contractor in violation of the elementary rules of care and diligence which a skilled Contractor in the same position and the same circumstances would have followed.

1.2.48 Insurance Certificate

Means the confirmation of the Contractor's insurance agent in the form attached hereto as **Exhibit D**.

1.2.49 Installation Advance Payment Guarantee

Shall have the meaning set forth in Clause 7.3.3.3 below and shall be in the form attached hereto as **Exhibit M**.

1.2.50 Installation Option

Shall mean the right of the Company, at its sole discretion, to order the installation of a PRMS from the Contractor.

1.2.51 Intallation Order

Means an order issued by the Company to the Contractor for the installation of a PRMS[s], if issued, as may be amended from time to time pursuant to the terms of this Contract, and substantially in the form attached hereto as **Exhibit L**.

1.2.52 Installation Price

Means the installation price of each PRMS as quoted in each respective Installation Order.

1.2.53 Intellectual Property Rights

Means all patents, patent applications, registered designs, trademarks, copyrights and other similar rights, including trade secrets and know-how, of actual or potential commercial value, not generally made available to the public.

1.2.54 Israeli Member

Shall have the meaning attributed thereto in the Instructions to Bidders.

1.2.55 Joint Venture Agreement

Means, if applicable, the agreement by and between the Constituting Entities for the purposes of the Agreement and attached to the Agreement as **Annex E** thereto.

1.2.56 Law

Means all 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 Market 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 Transmission System in the form granted to the Company, and all as may be amended and updated from time to time.

1.2.57 Main Israeli Sub Contractors

Shall have the meaning set forth in Clause 3.3 hereto.

1.2.58 Notified Body

Certification, inspection or testing body designated by a notifying authority of an EU Member State to perform the Attestation of Conformity of

products. The services of the Notified body shall be engaged by the Contractor to certify its Workshop Tests (as defined in Clause 12.1 hereof).

1.2.59 Operation and Maintenance Manual

Means the manual submitted by the Contractor pursuant to the provisions of the Technical Volumes.

1.2.60 Performance Guarantee

Shall have the meaning set forth in Clause 7.3.2 and in the form attached hereto as **Exhibit E**.

1.2.61 Plans

Shall have the meaning set forth in Clause 7.16.1.

1.2.62 Preliminary Breakage Amount

Shall have the meaning set forth in Clause 26.5.2.

1.2.63 Price Schedules

Means the completed and priced schedules for the PRMS, or any part thereof, submitted by the Contractor with his Bid for any future RFQ and forming part of the Contract Documents or any amendment or supplement thereto and attached to the Bill of Quantities of the RFQ.

1.2.64 PRMS

Means a pressure regulating and metering station and all equipment and materials ancillary to and incorporated therein, as further specified in the Technical Volumes.

1.2.65 Proceedings

Shall have the meaning set forth in Clause 22.2.

1.2.66 Project

Shall mean the detailed design, manufacture, delivery, and supervision of the installation (or installation if determined by the Company at its sole discretion pursuant to its Installation Option) and commissioning of a PRMS for the natural gas transmission system in Israel, all as further specified in the

Technical Volumes, and the provision of other related services, all as set forth in the Contract.

1.2.67 Project Manager

Means a project manager with applicable capabilities and past experience approved by the Company at its sole discretion.

1.2.68 Purchase Order

Means an order issued by the Company to the Contractor, if issued, as may be amended from time to time pursuant to the terms of this Contract, and substantially in the form attached hereto as **Exhibit A**.

1.2.69 Quality Assurance and Quality Control Manual

Means the plans submitted by the Contractor for the approval of the Company Representative.

1.2.70 Release Form

Means the form of release to be executed by the Contractor as a condition to receipt of final payment from the Company and in the form attached hereto as **Exhibit F**.

1.2.71 RFQ

Means an invitation of the Company to any or all of the Approved Contractors to submit a Quotation for one or more Projects during the Company Option Period.

1.2.72 Risk Transfer Date

Means the date when the risk of loss of or damage to the Works passes from the Contractor to the Company in accordance with Clause 21.4 hereof.

1.2.73 Site

Means the area where the natural gas pipeline will be constructed, as more fully defined in the Construction Contract.

1.2.74 Specifications

Means the specifications of the Works included in the Technical Volumes of the Contract and any modification thereof or addition thereto made under Clause 16 hereof.

1.2.75 Subcontractor

Means any person or persons (other than the Contractor) named in the Contract for any part of the Works or any person or persons to whom any part of the Works has been subcontracted with the prior consent, in writing, of the Company and the Subcontractors' legal successors in title. Notwithstanding the above, if the Contractor is a joint venture, the Israeli Member may act in lieu of any or all of the main Subcontractors in the field of Electricity and Control Systems and in the field of Mechanical Installation, provided that it meets the applicable threshold requirements for such Subcontractors as specified in Clause 3.3 hereof subject to the Company's prior consent, in writing, at the Company's sole and exclusive discretion. Nothing herein shall be deemed to impose upon the Company an obligation to grant such an approval.

1.2.76 Take Over Certificate

Means the Certificate to be given by the Company to the Contractor in accordance with Clause 14.2 hereof and in the form attached hereto as **Exhibit G**.

1.2.77 Technical Volumes

Means all of the technical documents attached as **Annex C** of the Agreement.

1.2.78 Tender

Means the Contractor's priced offer to the Company for the execution of the Works and the rectifying of any Defects therein, in accordance with the terms and provisions of the Contract.

1.2.79 Tender Documents

Means the documents issued by the Company, on the Tender Issuance Date set forth in the Instructions to Bidders, as part of the tender process for the selection of a contractor to implement the Project.

1.2.80 Termination Notice

Shall have the meaning set forth in Clause 26.5.

1.2.81 Tests

Means the tests specified in the Technical Volumes, and in any applicable standards or otherwise designated or required by the Company which will be performed before the Works or any specified PRMS is taken over pursuant to the terms of this Contract, including, without limitation, the Commissioning and the Performance Tests (all as defined in Clause 13).

1.2.82 VAT

Shall have the meaning set forth in Clause 31.3.1.

1.2.83 Works

Means any and all works in connection with the detailed design, manufacture, delivery, supervision of installation, testing and commissioning of the PRMS, which is to be provided and/or performed by the Contractor. In the event that the Company and the Contractor agree on installation of all or any one of the PRMS by the Contractor pursuant to Clause 0 hereof, the Works shall be deemed to include such installation works by the Contractor.

1.2.84 Headings and Titles

The heading and titles contained herein are used for convenience and reference only and shall not be deemed to be part thereof or be taken into consideration in the interpretation thereof.

1.2.85 Interpretation

Words importing persons or parties shall include firms and corporations and any organization having legal capacity.

Words importing the singular only also include the plural and vice versa where the context requires and words importing any one gender shall include both genders.

1.2.86 Written Communication

Wherever in the Contract provision is made for a communication to be "written" or "in writing" this shall mean any hand written, type written or printed communication, including facsimile transmission.

1.2.87 **Notices, Consents, Approvals, Certificates, etc.**

Wherever in the Contract provision is made for the giving of notice, consent, approval, certificates by any person, such consent or approval shall be made in writing and the words "notify", "certify" and "determine" shall be construed accordingly.

1.2.88 **Periods**

"Day" means a calendar day upon which business is conducted in the State of Israel and "year" means 365 or 366 days, as the case may be, according to the Gregorian calendar.

2 **The Company Representative**

2.1 **Duties of the Company Representative**

2.1.1 The Company shall appoint the the Company Representative who shall carry out duties and/or exercise authorities assigned to the Company in the Contract as specified in or necessarily to be implied from the GTC.

2.1.2 Without derogating from any other provisions of this Contract granting authority to the Company Representative, the Company Representative's duties shall include, inter alia, the following:

2.1.2.1 Provide the basic design criteria.

2.1.2.2 Monitor the implementation of the Schedule and Frame Schedule by the Contractor.

2.1.2.3 Review and approve the Quality Assurance Manual and the Quality Control Manual which shall both be prepared pursuant to the provisions of the Quality Plan and Quality Control Program included in

the Technical Volumes and monitor the implementation of the quality system by the Contractor and the Subcontractors.

2.1.2.4 Review and approve the methods of design and the assembly/manufacturing methods proposed by the Contractor and identify any areas which he considers would not achieve the requisite standard or workmanship or would not meet the Schedule and Frame Schedule or would affect other contractors adversely.

2.1.2.5 Supervise and survey the quality of the Works as supplied by the Contractor and the progress calculations (as referred to in the Terms of Payment attached to the Agreement).

2.1.2.6 Review all requested reports issued by the Contractor in accordance with the procedures to be agreed upon between the parties hereto.

2.1.2.7 Provide instructions to the Contractor at Site.

2.1.2.8 Issue and agree on Change Orders pursuant to the provisions of Clause 16.

2.1.2.9 Settle contractual claims with the Contractor on behalf of the Company.

2.1.2.10 Conduct any inspections and instruct the Contractor to conduct tests and oversee such tests, during the Works, all as the Company Representative shall deem necessary.

2.1.2.11 Coordinate the activities of the Contractor with the Construction Contractor and other contractors, engineering companies, and the Company.

2.1.2.12 Recommend the issuance of a Completion Certificate and a Take Over Certificate.

2.1.2.13 Provide instructions in accordance with the requirements of governmental authorities, including without limitation the Israeli Ministry of Defense and the Israeli Antiquities Authority.

2.1.3 Except as expressly stated in the Contract the Company Representative shall have no authority to relieve the Contractor of any of his obligations or

responsibilities under the Contract and under any applicable Law, including without limitation the general obligations regarding construction of the Project and performance of the Works as set forth in the Contract and no inspection, test, review, approval or comment by the Company Representative, or absence thereof, shall in any way derogate from the obligations and responsibilities of the Contractor pursuant to this Contract and pursuant to any applicable Law.

2.2 Company Representative Assignee/s

- 2.2.1 The Company Representative may from time to time assign duties and delegate authority to assistants, and/or may also revoke such assignment or delegation ("**Representative's Appointee**"). Any such delegation or revocation shall be in writing and shall not take effect until a copy thereof has been delivered to the Company and the Contractor.
- 2.2.2 Any communication given by the Representative's Appointee to the Contractor shall have the same effect as though it had been given by the Company Representative. However any failure of the Representative's Appointee in issuing a timely non-acceptance of any materials, Works and/or PRMS does not prejudice the Company Representative in non-acceptance thereof.
- 2.2.3 Should the Contractor wish to receive confirmation of any communication made by the Company Representative's Representative, he may refer the matter, in writing, to the Company Representative who shall confirm, reverse or vary the contents of such communication at his sole discretion.

2.3 Company Representative's Decisions and Instructions

- 2.3.1 The Company Representative shall make his decisions in accordance with the Contract Documents. In the absence of reference, the Company Representative shall make its decision in accordance with the accepted professional principles and standards in the field of engineering.
- 2.3.2 The Contractor shall proceed with the decisions and instructions given by the Company Representative in accordance with the Contract without delay, including, without limitation, where the Contractor believes that the Company Representative has not acted in accordance with Clause 2.3.1

and/or 2.1.2.9 above, and all such decisions and instructions given by the Company Representative shall be final and binding on the Contractor.

2.4 Confirmation in Writing

- 2.4.1 Instructions given by the Company Representative shall be in writing, except where the Company Representative considers it necessary to give any such instruction orally, in which case such oral instruction shall become binding upon provision, by the Company Representative, of written confirmation of such oral instruction within 2 working days of the date on which such instruction was given. Nevertheless, in circumstances of safety or emergency nature such oral instruction by the Company Representative shall be binding immediately and shall be followed by a writing communication after such circumstances are over.
- 2.4.2 The provisions of this Clause 2.4 shall apply, *mutatis mutandis*, to instructions issued by the Representative Assignee and any assistants of the Company Representative appointed pursuant to the provisions of this Contract.

2.5 Company Representative's authority regarding safety and security

- 2.5.1 If, in the opinion of the Company Representative, an emergency or unplanned or unexpected circumstance arises or occurs endangering the safety and/or security of persons or of the Works, the PRMS, or any part thereof, the Company Representative may without relieving the Contractor of any of its duties, obligations and/or responsibilities pursuant to the Contract or pursuant to any applicable Law, instruct the Contractor to take all such actions, or to refrain from taking all such actions as may be necessary, in the opinion of the Company Representative, to reduce or eliminate the risk.
- 2.5.2 The Contractor shall forthwith comply with the instructions of the Company Representative. The Company Representative shall determine an addition to the Agreement Price, in respect of such instruction, in accordance with Clauses **Error! Reference source not found.**16.2 and 19 (excluding to the extent of any instruction required as result of non-compliance with the

Contractor's responsibility), and the Company Representative shall notify the Contractor accordingly.

2.6 Company Representative Approval

2.6.1 Any response by the Company Representative to a Contractor's request, except as otherwise expressly specified in the Agreement Documents, shall be given to the Contractor in writing within 28 days of receipt of such request.

2.6.2 The Company Representative must obtain the specific approval of the Company before taking action under the following actions:

2.6.2.1 Agreeing or determining an extension of time and/or additional payment.

2.6.2.2 Instructing/approving a variation, except in an emergency situation as determined by the Company Representative.

2.6.2.3 The Company shall promptly inform the Contractor if the Company Representative is required to obtain the approval of the Company before exercising a specific authority and of any change to the authority attributed to the Company Representative. However, whenever the Company Representative exercises a specific authority for which the Company's approval is required, then (for the purposes of the Contract) the Company shall be deemed to have given such approval.

3 Assignments and Subcontracting

3.1 Assignment of Contract

3.1.1 Neither the Contractor nor any of the Members (if applicable) shall assign the Contract or any part thereof or any benefit therein or there under, without the prior written consent of the Company, which consent shall be at the sole discretion of the Company, including for the purposes of any substitute entity and/or merger or reconstruction on terms approved in advance and in writing by the Company, provided, however, that prior to exercising any of its rights pursuant to this Contract in such event, the Company shall be

entitled to review all undertaking presented by the surviving entity for continuing to perform all obligations pursuant to the Contract, and the Company may decide, at its sole discretion, whether to accept such an undertaking, demand changes or amendments thereto, or reject such request and exercise any of its rights pursuant to this Contract; Any assignment against the above shall be regarded as void without the need to terminate such assignment.

- 3.1.2 If required by the government of the State of Israel, the Company may assign the Contract or any part thereof to a third party, provided it ensures that any assignee shall be bound by all of the relevant terms and provisions of the Contract. In such event, a written notice shall be delivered to the Contractor.

3.2 Subcontracting

- 3.2.1 The Contractor shall not subcontract the Works, whether in whole or in part without the prior written consent of either the Company or the Company Representative.
- 3.2.2 Where practicable, the Contractor shall give a fair, equal and reasonable opportunity to Israeli contractors to be appointed as Subcontractors.
- 3.2.3 The Company Representative or the Company may withhold such consent or withdraw its previously given consent to the retention of any Subcontractor, where the Company Representative or the Company concludes, in its sole discretion that such action is desirable for the proper and timely execution of the Works in accordance with the provisions of the Contract.
- 3.2.4 Nothing in this Clause 3 shall release the Contractor from its undertakings and liabilities to the Company as specified in this Contract, and the Contractor shall be responsible for the acts, defaults and neglects of any Sub Contractor, and such Subcontractor's agents or employees as fully as if they were the acts, defaults or neglects of the Contractor, its agents, or employees and the approval of a Subcontractor by the Company or by the Company Representative shall in no way derogate from the Contractor's liability nor

create any liability or responsibility on the part of the Company Representative or the Company.

- 3.2.5 Each subcontracting Agreement shall include provisions which would entitle the Company to require that the Agreement shall be assigned in favour of the Company in the event of termination of this GTC and/or if a Subcontractor's obligations extend beyond the expiry date of the relevant Defect Liability Period. Unless otherwise stated in the assignment, the Contractor shall have no liability to the Company for the work carried out by the Subcontractor if and after such assignment takes effect. Such assignment to the Company shall not release the Contractor from its undertakings and liabilities as specified in Clause 3 above, and the Contractor shall be responsible for all of the Subcontractor's acts, omissions and defaults until such assignment. The Contractor shall ensure that its obligations under this GTC shall be binding, as applicable, upon each Subcontractor.

3.3 Main Israeli Subcontractors

- 3.3.1 Without derogating from Clause 3.2 above, The Contractor warrants and represents that it has entered into an Agreement with Israeli subcontractor(s) for **(i)** the performance of all mechanical installation Works and the supply of all relevant Goods, a copy of which is attached hereto as **Exhibit O-2**; and **(ii)** the performance of all control systems Works and the supply of all relevant Goods, a copy of which is attached hereto as **Exhibit O-3**; and that its Main Israeli Subcontractors comply with all the requirements specified in Section 10.3 of the Instructions to Bidders of the Tender and Clause 3.3.4 below.

- 3.3.2 Alternatively, a JV Contractor having an Israeli Member which complies with all the requirements specified in Section 10.3 of the Instructions to Bidders of the Tender, undertakes, warrants and represents that its Israeli Member shall act in lieu of any or all of such Main Israeli Subcontractors, subject to the Company's prior written approval.

3.3.3 Subcontractor in the Field of Control Systems

- 3.3.3.1 The whole control systems system including HMI and PLC software will be programmed configured activated commissioned integrated

and tested by specialized and certified programmers for the products proposed by the subcontractors.

3.3.3.2 The field and control should employ at least two (2) programmers and two (2) control and automation project managers (either as employees or as free-lancer) each with at least five (5) years of experience in the operation of the above systems.

3.3.3.3 Unless provided otherwise in the RFQ, for each PRMS RFQ the bidders will submit for approval of INGL the professional curriculum vitae of at least two Control programmers and two Control and Automation project managers that are intended for the specific PRMS project.

3.3.4 Subcontractor in the Field of Electricity

3.3.4.1 Without derogating from Clause 3.2 above, The Contractor undertake that the performance of all electricity Works and the supply of all relevant Goods shall be carried out by an Israeli Subcontractor that meets at least the following requirements: (a) the subcontractor is registered with the Israeli Registrar of Contractors pursuant to the Contractors Registration Law, 1969, and classified as at least level 2 in the 160 Category; and (b) the subcontractor can provide service and maintenance all over Israel twenty four (24) hours a day; and (c) within the last five (5) calendar years prior to an RFQ or the award of the Project as determined by the Company the subcontractor has executed and completed at least three (3) projects with the contract value of at least two (2) million NIS (not inclusive of Israeli Value Added Tax) each, in the field of electrical systems for heavy industry or process industry.

3.3.4.2 The Company may set the above conditions as a threshold for the participation of the Contractor in a RFQ and also require that the Contractor entered into a subcontractor Agreement with such Main

Subcontractor, which shall enter into effect in case that the Bidder is awarded any Project.

4 Contract Documents

4.1 Ruling Language

- 4.1.1 The Contract Documents are drafted in the English language and all correspondence between the parties to the Contract shall be in the English language.
- 4.1.2 Notwithstanding the above, some of the GTC Annexes shall be drafted and/or provided in the Hebrew language. In such cases, the Hebrew version of the documents shall be the governing version and the translation of such documents into English shall be carried out by the Contractor at its sole expense.
- 4.1.3 Translation into the Hebrew language of documentation produced by the Contractor (when necessary) shall be made by the Contractor and at the expense of the Contractor (including but not limited to all contact with state, local and other authorities).

4.2 Day to Day Communication

The English language shall be used in all phases of the Works. Translation into the Hebrew language of documentation produced by the Contractor shall be made by the Contractor and at the expense of the Contractor when necessary including but not necessarily limited to all contacts with state, local and any other authorities.

4.3 Documents of the Bidding Phase

- 4.3.1 After the execution of the Contract, with the exception of the Tender Documents submitted by the Contractor or as herein specified, no other text, documents or data existing prior thereto, shall have any force or effect whatsoever, or may, in any way whatsoever, be taken into consideration in the interpretation of the terms and conditions of the Contract.
- 4.3.2 The Contractor is obligated to carry out the Works in accordance with all the terms and conditions of the Tender and the RFQ and with other documents

it has prepared within the framework of the Tender and the RFQ which were formally approved by the Company. Wherever the Contractor's Bid in the Tender or in the RFQ is more stringent in relation to provisions of the GTC, then such provisions in the Contractor's Bid shall be binding upon the Contractor and executed by it.

- 4.3.3 Where the Contractor's obligation within the framework of its Bid in the Tender and in the RFQ is more favourable to the Company than the requirements of the Tender and/or the RFQ and/or this GTC and/or the Agreement, the Contractor's undertaking within the framework of its Bid shall be binding, but in any event, the obligation of the Contractor shall not be less than the obligations in accordance with the GTC and/or the Tender and/or the Agreement and/or the RFQ.
- 4.3.4 The provisions of this GTC shall apply to each Project and/or Part of a Project separately. i.e. wherever in this GTC, the terms such as Contract Price, Payment, Costs, Guarantee, Bill of Quantities, Tests, Workshop Tests, Takeover etc. are mentioned, all shall apply to the relevant Project and/or part of a Project with respect of which a Purchase Order was issued by the Company, unless otherwise specified by an explicit provision in the Agreement.
- 4.3.5 With the exception of the Contractor's Bid as approved by the Company, after the Signature Date, no other text, document, oral understandings or data existing prior thereto, shall have any force or effect whatsoever, or may, in any way whatsoever, be taken into consideration in the interpretation of the terms and conditions of the GTC.

4.4 **Silence of Technical Volumes**

- 4.4.1 The apparent silence of Technical Volumes included in the Contract as to any detail, or the apparent omission therefrom of a detailed description concerning any point, shall be regarded as meaning that only the best industry practice is to be used as set forth in Clause 9.1.2 All interpretations of the Technical Volumes shall be made by the Company Representative on this basis.
- 4.4.2 The Contractor shall take no advantage of any apparent error or omission in the Technical Volumes. In the event that the Contractor discovers such an error or omission he shall immediately notify the Company Representative.

The Company Representative shall then make such corrections and interpretations, as may be deemed necessary, for fulfilling the intent of the Technical Volumes.

4.5 Performance of the Works

Any Works required by one single document shall be executed to the same extent and purpose as thought required by all documents, even though such requirements are not repeated in any of other documents. The misplacement, addition, or omission of a word, sentence or character shall not change the intent of any document(s) from that indicated by a reasonable interpretation of the Contract Documents as a whole.

4.6 Contradiction and Interpretation

- 4.6.1 The headings and titles contained herein are used for convenience and reference only and shall not be deemed to be part thereof or be taken into consideration in the interpretation thereof.
- 4.6.2 All appendices to this GTC constitute an integral part of the GTC hereof and part of its terms.
- 4.6.3 Words importing persons or parties shall include firms and corporations and any organization having legal capacity. Words importing the singular only also include the plural and vice versa where the context requires and words importing any one gender shall include both genders.
- 4.6.4 Wherever in the GTC a provision is made for the giving of notice, consent, approval, certificates by any person, such consent or approval shall be made in writing and the words "notify", "certify" and "determine" shall be construed accordingly.
- 4.6.5 The documents forming the GTC are to be taken as mutually explanatory of one another.
- 4.6.6 The apparent silence in the GTC as to any detail, or the apparent omission there from of a detailed description concerning any point, shall be regarded as meaning that the Best Industry Practice is to be used.
- 4.6.7 The Contractor shall take no advantage of any apparent error or omission in the GTC. In the event that the Contractor has become aware of such

contradiction, ambiguity or discrepancy, he shall immediately notify the Company Representative of same and act according to his instructions.

4.6.8 The Company Representative shall then make such corrections and interpretations, as may be deemed necessary, for fulfilling the intent of the GTC, as set forth below:

4.6.8.1 The GTC shall be interpreted in such a manner pursuant to which the Contractor shall be bound by the more stringent provision, as determined by the Company, unless the Company determines otherwise.

4.6.8.2 In the case of a contradiction between the RFQ documents and the GTC documents (including a contradiction between various provisions in one document), or in any case of a contradiction or lack of conformity or dual meaning regarding any provisions in the various documents that constitute the RFQ or the GTC or the exhibits thereto that cannot be reconciled, and in the absence of another express determination as to the order of precedence above or in one of the RFQ or GTC documents, the order of precedence among the provisions shall be in declining order of importance (each provision in the prior document on the list below takes precedence over the provision in the document following it on the list below).

Order of precedence regarding the performance of the Works	Order of precedence regarding payments
NEN 3650 and other specifications related to this standard	Bill of Quantities
Drawings approved by the Company for construction	Special Specifications for Performing the Works
Written instructions of the Company or Company Representative/s	Drawings Approved for Construction and Typical Drawings
Technical Volumes	RFQ documents
RFQ documents	Tender & GTC

Tender & GTC	Israeli and International Standards
Israeli and International Standards	Contractor's Bid for the RFQ and/or for the Tender
Contractor's Bid for the RFQ and/or for the Tender	

4.6.8.3 For scheduling issues, the orders of the Special Specifications for Scheduling shall prevail over the orders of the Detailed Schedule approved by the Company.

4.6.8.4 If the Contractor believes that there exists a contradiction or lack of conformity or dual meaning between any of the provisions of the GTC and other provisions or if the Contractor is in doubt as to the correct interpretation, the Contractor shall act according to the instructions of the Company Representative whose professional determination shall be final. So as to avoid doubt, a dispute in connection with what is stated shall not constitute grounds to delay the performance of the Works by the Contractor and/or by anyone acting on his behalf.

5 Drawings and Documentation

5.1 Contractor's drawings and documentation

5.1.1 The Contractor shall submit, at its own expense and in accordance with the Technical Volumes, all drawings and documentation to the Company Representative for review and approval as well as any such additional drawings and/or documentations which the Company Representative shall reasonably request.

5.1.2 Where, during the Company Representative's review there are any doubts as to the adequacy of the Contractor's drawings and documentation, the Company Representative may request, and the Contractor shall be obligated to make any changes to such drawings and documentation, as the

Company Representative shall request, and all at the Contractor's sole expense.

- 5.1.3 Where the Contractor is asked to perform any actions as contemplated in sub-clause 5.1.1 above, the fourteen (14) day period set forth in Clause 5.1.6 below, shall begin as of the date of resubmission of such drawing and/or documentation.
- 5.1.4 The Contractor's drawings and documentation shall not specify any Works or materials that are in any way inferior to or different than those specified in the Technical Volumes.
- 5.1.5 All submissions for Company Representative review and approval must be made in full compliance with the Schedule and Frame Schedule and the Contractor shall be fully responsible for ensuring that all drawings and documents of the Works are submitted in a timely manner to ensure total Contract continuity.
- 5.1.6 Should the Company Representative have any comments to drawings and/or documentation submitted by the Contractor, such comments shall be conveyed within fourteen (14) days of the date of submission thereof.

5.2 Copies of Contractor's drawings and documentation

One copy of all drawings and documents shall be kept by the Contractor in all places where the Works are in progress and the same shall be at all times available for inspection by the Company or the Company Representative. Unless otherwise specified, four (4) copies of all drawings and documents which are required pursuant to the Contract shall be transmitted to the Company Representative, one of which should be addressed for the attention of the Company.

5.3 Information regarding the Works

The Contractor shall provide the Company Representative within the periods stated in the Schedule, with any sketches, drawings, calculations any information which is necessary for the complete depiction of all details of the Works (including calculations, descriptions, and construction methods that are necessary to support the

construction plans) and of any provisional structures affected by the construction and operation of the PRMS. Any costs related to this shall be borne by the Contractor.

5.4 Operation and Maintenance Manuals

The Contractor shall submit to the Company Representative six (6) copies of the Operation and Maintenance Manuals, in the English language in accordance with the requirements of the Technical Volumes and two (2) transparencies, one electronic copy, and six copies of all "As Built" drawings, in accordance with the Technical Volumes. All these shall be supplied free of charge to the Company Representative.

5.5 Company Use of Contractor's drawings and documentation

The Contractor's drawings may be used by the Company solely for purposes of the Works.

5.6 Contractor use of Company drawings and documentation

5.6.1 The Company drawings, specifications and other information included in the Technical Volumes or otherwise submitted by the Company or the Company Representative to the Contractor shall remain the property of the Company. They shall not, without the prior written consent of the Company, be used by or copied to or communicated to any third party except for procurement/purchasing matters related to the Works.

5.6.2 Upon issue of the Take Over Certificate, the Contractor shall return to the Company Representative all drawings, documentation, and other materials, in any format whatsoever, provided to the Contractor by the Company or the Company Representative pursuant to the Contract and confirm that all copies of such drawings, documentation, and other materials made by the Contractor have been destroyed.

5.7 Errors in Contractor's drawings and documentation

5.7.1 The Contractor shall be solely responsible for any errors or omissions in the Contractor's drawings and documentation unless Contractor proves to the satisfaction of the Company Representative that such errors or omissions

are due to incorrect Specifications or other information supplied, in writing, by the Company or the Company Representative. Review by the Company Representative of any Contractor's drawing and documentation does not and shall not relieve the Contractor from any responsibility under the Contract nor does it constitute acceptance of the adequacy and accuracy of any part or the whole of the drawings and documentation.

5.7.2 The Contractor shall bear any costs that may arise as a result of delay in providing Contractor's drawings or documentation or other information or as a result of errors or omissions for which the Contractor is responsible.

5.7.3 The Contractor shall at its own cost carry out any alteration or remedial works necessitated by such errors or omissions for which he is responsible.

5.8 Errors by Company or Company Representative

The Company shall be responsible for the Specifications and for other written information supplied by the Company or the Company Representative pursuant to the Contract. Where such drawings and documentation or other written information proves incorrect and necessitates alteration of the Works, the Contractor shall be entitled to make a claim for extension of the Completion Deadline and/or Costs pursuant to Clauses 11.2 and 16.3, as applicable.

6 Representations and Warranties of the Contractor

The Contractor and as applicable, each of the Members hereby represents, jointly and severally to the Company as follows:

6.1 Corporate Structure

The Contractor is a corporation duly organized and validly existing under the laws of its place of registration as specified in the Agreement /a joint venture by and between the Constituting Entities and each of the Constituting Entities has all requisite power and authority to carry out its obligations under the Contract. In case of a Contractor which is a joint venture or which has established a sole purpose Company (SPC) duly registered in Israel, the Contractor's sole purpose as a joint venture or as an SPC is to observe and fulfill the undertakings imposed on it and to accept the

rights granted to it under this Contract and other activities directly connected thereto.

6.2 Binding Effect

This Contract is legally valid and binding on each of the Contractor and the Constituting Entities (if applicable), in accordance with each of the Contractor's and the Constituting Entities' constitutional documents and any of their other undertakings, and does not require any further approval in any form in order to give full effect thereto.

6.3 No Conflict

6.3.1 The execution and the fulfillment of the provisions of this Contract in their entirety, on time and precisely do not conflict with, create legal impediments under, or breach the terms of any other Agreements, Law or other applicable law binding upon the Contractor and the Constituting Entities (if applicable).

6.3.2 Each of the Contractor and the Constituting Entities (if applicable), shall refrain from any activity that might constitute a conflict of interest in the execution of its duties under the terms of the Agreement and shall undertake that all of its employees, Subcontractors and Representatives will refrain from any activity or association that might involve such a conflict of interest, directly or indirectly and shall notify the Company immediately should such a conflict of interest develop or arise or may potentially develop or arise, either for itself or for any of its employees, Subcontractors or representatives, and act in accordance with the Company's instructions in order to avoid the conflict. All as provided for in **Exhibit R**.

6.4 Familiarity with the Project and the Works

6.4.1 Each of the Contractor and the Constituting Entities (if applicable) has fully familiarized itself with all aspects of the Project and the Works and has all the knowledge, experience, qualifications and ability including, without limitation, the financial qualifications and ability to carry out the Project and

the Works in accordance with the terms of these General Conditions and any Laws.

Without derogating from the foregoing, the Contractor hereby warrants and represents that the Contractor or, in case of a JV Contractor, the Constituting Entities or any one of them, as the case may be, complies and shall comply, throughout the Contract Period, with all the terms, conditions and requirements set forth in the Tender Documents without exception, enabling it to adequately perform all design, consulting, supervision and other engineering Works necessary for the execution of the Project and the Works.

- 6.4.2 The Contractor further warrants and represents that it is capable and shall provide (by itself and/or by its subcontractors) suitable nationwide coverage for service and maintenance: (a) during the Defect Liability Period.

6.5 Technical Aspects.

- 6.5.1 Each of the Contractor and the Constituting Entities (if applicable) has reviewed and checked, as an expert, the Contract Documents, including all Technical Volumes, plans and data provided in the framework of this Contract, and is fully familiar with the terms of all Laws relevant to the Project and the Works and all aspects thereof. Pursuant to such review and examination each of the Contractor and the Constituting Entities (if applicable) finds the Project and the Works and this Contract fit and suitable for its aims and for the fulfillment of all its obligations and undertakings under this CONTRACT, including without derogating from the generality of the foregoing, compliance with all statutory procedures.

- 6.5.2 Each of the Contractor and the Constituting Entities (if applicable) further acknowledges its willingness to enter into this Contract with full awareness and knowledge of, inter alia, the Project and the Works, and the provisions of this Contract and it is able to fulfill all of its obligations under this Contract precisely and in a timely manner. Consequently, each of the Contractor and

the Constituting Entities (if applicable) hereby waives any claim of defect or non-compliance with regard to all the above stated.

6.6 Intellectual Property.

6.6.1 Each of the Contractor and the Constituting Entities (if applicable) has conducted a full review and Project examination of all aspects of the intellectual property involved in executing the and Works to its satisfaction, and accordingly accepts responsibility for the fact that the execution of the Project and the Works, or any part thereof, shall not involve an infringement of any Intellectual Property Rights of any third party.

6.6.2 The above-mentioned responsibility shall not extend to infringement of any Intellectual Property Right and/or other right belonging to any third party arising out of the use, for the implementation of the Project and the Works, of that part of the Contract Documentation furnished to the Contractor by the Company solely for the purpose for which it was furnished.

6.7 Familiarity with Risk.

Each of the Contractor and the Constituting Entities (if applicable) has independently acquired, reviewed and evaluated by itself, and with the assistance of experts and consultants on its behalf, all factors and data that may reasonably be deemed to affect the carrying out of its obligations under this Contract including, but not limited to, technical risks, financial risks, design and construction risks and any other risk involved in the execution or completion of the Project and the Works in accordance with the terms of this Contract.

6.8 Bring Down.

6.8.1 All representations, warranties, information and data concerning the Contractor, contained in any written statement or in any other document delivered in the framework of the Tender Documents (including pursuant to its pre-qualification process) and/or in connection with this Contract, shall be

true and accurate on and as of the date of signing this Contract, except where expressly agreed otherwise.

6.8.2 All such representations, warranties, information and data concerning the Contractor and each of the Members, if applicable, contained in the GTC, the Agreement or in any other document delivered and/or to be delivered in the framework of the Tender and/or RFQ, are true and accurate on and as of the date of signing this GTC, and shall be true and accurate on the date of signing of the Agreement for the execution of any Project and throughout the Agreement Period.

6.8.3 At any time during the Company Option Period the Company may instruct the Contractor to validate all of the above representations, warranties, information and data, as well as any other information (such as financial statements) that was provided by the Contractor as part of its Bid for the Tender and/or RFQ.

6.9 Company Option.

6.9.1 Company Option

Each of the Contractor and the Constituting Entities (if applicable), is aware of the Company Option and that, as may be required by the Company in the future, it may be chosen from among the list of Approved Contractors by way of RFQ or by any other method to be determined by the Company, at its sole discretion, to execute a Project, as set forth in Section 3 of the Instructions To Bidders, and acknowledges and agrees with the terms and conditions set forth therein.

6.9.2 Company Installation Option

Each of the Contractor and the Constituting Entities (if applicable), is aware of the Company Installation Option as set forth in Clause 7.23 below, and acknowledges and agrees with all of the terms and conditions thereof.

6.10 Sufficiency of Contract Price.

Prior to submitting its Bid to any future RFQ, the Contractor shall be deemed to have satisfied itself as to the correctness and sufficiency of all of the rates and prices included in the Bill of Quantities, all of which shall, except as otherwise expressly set

forth in the Contract, be deemed full, final and sufficient compensation for fulfillment of all of the Contractor's obligations under the Contract. Without derogating from the foregoing, in its Bid to any future RFQ the Contractor shall be deemed to have taken account of the following:

- 6.10.1 All conditions and circumstances affecting the Contract Price, including taxes, duties, etc. (other than VAT payable by the Company for payments by the Company to the Contractor).
- 6.10.2 The necessity of carrying out the Works as described in the Contract.
- 6.10.3 The general and, if any, special conditions and circumstances of the Site.
- 6.10.4 The general labor and political situation at the Site area and in Israel

6.11 Contractor Employees.

- 6.11.1 The Contractor, and each of the Constituting Entities (if applicable) have taken into account all restrictions on the supply of labor in the State of Israel and, especially restrictions regarding employment of foreign labor, including, without limitation, all costs, overhead, expenses, skills, special expertise, availability of personnel, timetables, repatriation, operational, legal and all statutory requirements.
- 6.11.2 The Company encourages the Contractor, to the extent practicable and reasonable and so far as is consistent with the Contractor's obligations under the Contract, to employ Israeli personnel in all aspects of the Project and the Works and to use materials, Contractor's Equipment, PRMS, and supplies from sources within Israel.
- 6.11.3 The Contractor confirms that it is aware that the Government of Israel, by Governmental Decision 642 of 2 September 2001, decided to encourage the possibility of employment of Israelis in the construction industry by means of reducing the permitted extent of the employment of foreign workers. In furtherance of that policy, instructions were issued to Governmental Departments on 1 January 2002 with regard to the employment of foreign workers on Governmental construction projects, and these instructions

have been adopted by the Company with regard to this Project and the Works.

6.12 **Clause 6 Applicability**

The provisions of this Clause 6 shall apply to all contracts with regard to personnel and staff for the carrying out of the Works funded by the Company, including contracts made with third parties. The Contractor shall cause that all such contracts with third parties shall include provisions incorporating the above representations. Further, the contracts with third parties will include a clause relating to remedies for breach of Contract as set out above.

6.13 **Detailed Design**

The Contractor acknowledges and agrees that as part of the Tender Documents received from the Company hereunder, the Contractor will be receiving only basic design parameters for the Project and the Works. Accordingly, the Contractor shall be required to prepare detailed design and manufacturing documents for the review and comment of the Company and/or the Company Representative, and all the provisions of this Contract, including, without limitation, all provisions governing review of Contractor drawings and documentation, shall apply to such detailed design.

6.14 **Purchase Order**

Each of the Contractor and the Constituting Entities (if applicable) hereby acknowledges that (i) nothing in this Contract shall obligate the Company to issue a Purchase Order for any PRMS whatsoever, and that the Company will only issue Purchase Orders for a PRMS at its sole discretion and after receipt of firm commitments from customers of the Company, in language satisfactory to the Company, to purchase natural gas from the Company; and (ii) where the Company decides to issue a

Purchase Order, it may do so for one PRMS station at a time, or for more than one, and all at the Company's sole discretion.

6.15 Acknowledgement

Each of the Contractor and the Constituting Entities (if applicable) acknowledges and is aware that the Company has entered into this Contract on the basis of these representations, warranties, information and data.

7 Obligations of the Contractor

7.1 General Obligations

7.1.1 In case of a JV Contractor the Constituting Entities shall be liable to the Company severally, indivisibly and jointly for every obligation arising from this Contract and from any Law and any obligation of the Contractor in this Contract shall be an obligation of each of the Constituting Entities.

7.1.2 The Contractor shall, with due care and diligence,

7.1.2.1 Design, procure, manufacture and transport the PRMS to the Site or to any other location as directed by the Company and/or the Company Representative,

7.1.2.2 Supervise the installation of the PRMS.

7.1.2.3 Carry out and/or supervise and assist with all Tests, including, without limitation, the commissioning of the PRMS all in accordance with the terms of this Contract and the Technical Volumes;

7.1.2.4 Abide by all provisions of this Contract governing the Company Installation Option; and

7.1.2.5 Carry out all the Works by the Completion Deadline. The Contractor shall also provide all necessary Contractor's Equipment, and all other things, whether of a temporary or permanent nature, including all components of the PRMS and other consumables, as well as any superintendence and labor as shall be necessary or expedient for carrying out all of the Works, maintaining the rate of progress

required by the Contract and the Completion Deadline and remedying any Defects. The purchase, loan, or acquisition of any equipment, materials, tools, or any other goods or services by the Company shall in no way derogate from the responsibilities, obligations and liabilities of the Contractor pursuant to this Clause 7.1.

7.1.2.6 Provide the Company with such written and signed approval/s and/or certificate/s and/or such other documents as may be necessary, even if not specifically indicated or referred to in the Contractor, at any time, at the request of the Company and/or any competent authority, agency or body of the State of Israel, to enable the Company to issue a Take Over Certificate to the Project and the Works and to perform Hot Commissioning tests.

7.1.3 All actions, activities and/or operations of Contractor shall be in full conformity with the express or implied provisions of the Contract as required for the completion of the Works within the scope of the Contract. Without derogating from any other provision of this Contract, the Contractor hereby undertakes to carry out the Works in the highest professional level as customarily carried out by similar, upper tier Contractors in his field, and, in particular, shall:

7.1.3.1 Fully comply with all applicable national, departmental, regional and local laws, rules, codes and regulations related to the Works;

7.1.3.2 Perform the Works in accordance with the most recent, high professional and industry standards, skill and care, using its experience, expertise, know how, qualified man power and resources to perform the Works in the most expeditious manner in order to timely complete the Works to the Company's full satisfaction;

7.1.3.3 Do whatever any other reasonable contractor which is an expert in his field would have reasonably done for the purpose of carrying out the Works and fulfilling its obligations under this Contract;

7.1.3.4 Adopt and exercise, including through sub-contractors on its behalf, quality control and quality assurance policies and procedures and any other policies and procedures as are customarily adopted and exercised by highly qualified contractors engaged in similar fields and as a responsible, skilled and prudent contractor would have

adopted and exercised in order to avoid the occurrence of accidents and/or bodily and/or environmental damages and to ascertain that the Works are and shall be performed in an accurate and reliable manner. The Company may take all reasonable actions to verify the Contractor's compliance with the provisions of this Clause.

- 7.1.4 The Contractor shall bear sole and complete responsibility for the construction of the PRMS and for compliance with the provisions of the Contract, construction standards, and all applicable Laws. In the event that the Contractor discovers any discrepancy between the design of the PRMS as contemplated in the Technical Volumes or anywhere else in the Contract and any Law or statutory plan, it shall immediately notify the Company Representative and the Company thereof, and act according to the instructions of the Company Representative and the Company.
- 7.1.5 The Contractor hereby undertakes to provide the requisite education and training to its personnel located in Israel so as to assure that such personnel will have sufficient technical expertise and will be appropriately certified for provision of the maintenance and repair services required pursuant to the Contract.

7.2 Structure of the Contractor

- 7.2.1 In case of a Contractor that is a joint venture of a non-Israeli Member and an Israeli Member ("JV Contractor"), each of its Members undertakes to be jointly and severally liable to the Company for the performance of the Agreement. The Contractor and each of its Members shall be liable to the Company severally, indivisibly and jointly for every obligation arising from

this GTC and any Agreement and from any Law and any obligation of the Contractor in this GTC shall be an obligation of the Members.

- 7.2.2 The Members hold all requisite authority, license status, financial and professional technical capabilities, necessary to perform and assume the obligations of the Contractor under this GTC.
- 7.2.3 The Members accept all liabilities, obligations and responsibilities of the Contractor under the this GTC and the Agreement.
- 7.2.4 In case of a JV Contractor, the Constituting Entities shall ensure that the Joint Venture Agreement by and between the Constituting Entities shall remain in effect for the duration of the Contract Period.
- 7.2.5 In case of a JV Contractor, the Constituting Entities shall not amend or supplement or otherwise modify any terms of the Joint Venture Agreement, unless otherwise agreed by the Company, in advance and in writing. This provision shall be included in the Joint Venture Agreement. The Company shall respond to a request for an amendment to the Joint Venture Agreement within thirty (30) days of receipt of such request and shall not unreasonably withhold its consent to such request.
- 7.2.6 There shall be no change made to the structure of the Contractor, including, without limitation, any change in the identity of the Constituting Entities (if any) thereof without the express written consent of the Company.
- 7.2.7 It is hereby clarified that in case of a JV Contractor, the Company relies on the professional capabilities and experience of the Israeli Member. Thus, should a Project be awarded to a JV Contractor, the Israeli Member shall be actively involved in all aspects of the execution of the Agreement, shall be available at all times to the Company and to the Project and it shall bear by itself full responsibility for the execution of the Project. Should the Company be of the opinion that the Israeli Member is not fully involved and in control of the execution of the Works, it may terminate the Agreements and/or collect liquidated and other damages from each of the Members.
- 7.2.8 Without derogating from the above, should any of the Key Personnel of the Contractor be part of the professional staff of the non-Israeli Member, such

personnel shall be present in on Site in Israel throughout the execution of the Project.

7.3 Guarantees

7.3.1 Advance Payment Guarantee

7.3.1.1 The Contractor shall be entitled to receive, with respect of each Project for which the Company shall issue a Purchase Order, an advance payment in amount equal to up to 15% of the Agreement Price (without adjustments or linkage) applicable to the Project ordered by the Company (the "**Advance Payment**") against an Advance Payment Guarantee which will be provided by the Contractor to the Company in accordance with the provisions of Clause 7.3.1.3 hereunder.

7.3.1.2 Upon receipt of a Purchase Order for a Project, the Contractor shall be entitled to request from the Company, in writing, an Advance Payment, which will be paid to it within 60 days as of the submission of a tax invoice in accordance with the Terms of Payment (**Exhibit P**), provided that the Contractor has provided to the Company an Advance Payment Guarantee.

7.3.1.3 Prior to, and as a precondition to receiving an Advance Payment for each Project, separately, The Contractor shall within seven (7) days of the Effective Date, provide the Company with an irrevocable, independent, autonomous and unconditional letter of guarantee from Approved Financial Entity, for an amount equal to Advance Payment in the form set forth as **Exhibit H** (the "**Advance Payment Guarantee**").

7.3.1.4 The Advance Payment Guarantee, when issued, shall be in effect for a period 14 months and if requested by the Company, shall be extended from time to time as specified below.

7.3.1.5 The Contractor shall cause the validity of the Advance Payment Guarantee to be extended, from time to time, by such period(s) as the Company shall request, and shall provide the Company with written evidence of such extension. The Contractor shall bear the

costs of extending the validity of the Advance Payment Guarantee. Should the Contractor not provide with written evidence of such extension to the extension, then the Company may drawdown the Advance Payment Guarantee, in whole or in part.

7.3.1.6 The Advance Payment Guarantee shall be returned to the Contractor within 14 Days the Company has paid the Final Invoice in accordance with the provisions of Clause 18 below.

7.3.1.7 Without derogating from any other remedy pursuant to this Contract or pursuant to any Law, where the Contractor by act or omission breaches any provision of this Contract, which has not been remedied by the Contractor within seven (7) days of the receipt from the Company of written notice specifying such breach, the Company may, by provision of prior written notice to that effect to the Contractor, draw down on the Advance Payment Guarantee all or in part, and/or demand monetary compensation from the Contractor and/or enforce any other security given under this Contract and/or set off the sum of the compensation from any payment that the Company pays the Contractor in the framework of the Contract.

7.3.2 Performance Guarantee

7.3.2.1 Within seven (7) days of the Effective Date, the Contractor shall provide the Company with an irrevocable performance guarantee, in the form of an independent, autonomous and unconditional letter of guarantee from Approved Financial Entity, for an amount equal to ten percent (10%) of the Contract Price (provided that an adjustment in the Contract Price pursuant to the Contract shall not cause the amount of such guarantee to be adjusted), in the form set forth in **Exhibit F** (the "**Performance Guarantee**").

7.3.2.2 The Performance Guarantee, when issued, shall be in effect until 30 days after the end of the Defect Liability Period but in no event for less than 39 months and may thereafter be extended from time to time, at the Company's sole discretion until 30 days after the end of the Defect Liability Period at which time the Company shall return

the Performance Guarantee to the Contractor, or Contractor's representative.

- 7.3.2.3 The Company may demand an adjustment of the amount of the Performance Guarantee, where circumstances, including, without limitation, a change in the Contract Price, necessitate, at the Company's sole discretion such adjustment. Upon such request, the Contractor shall provide the Company with a new Performance Guarantee reflecting the adjusted sum and shall bear all costs of such new Performance Guarantee. For the avoidance of any doubt it is hereby clarified that in no event shall the amount of the Performance Guarantee exceed an amount equal to ten percent (10%) of the Contract Price (as adjusted).
- 7.3.2.4 The Contractor shall cause the validity of the Performance Payment Guarantee to be extended, from time to time, by such period(s) as the Company shall request, and shall provide the Company with written evidence of such extension. The Contractor shall bear the costs of extending the validity of the Advance Payment Guarantee.
- 7.3.2.5 Without derogating from any other remedy pursuant to this Contract or pursuant to any Law, where the Contractor by act or omission breaches any provision of this Contract, which has not been remedied by the Contractor within seven (7) days of the receipt from the Company of written notice specifying such breach, the Company may, by provision of prior written notice to that effect to the Contractor, draw down on the Performance Guarantee set forth in this Clause 7.3, in addition to drawing down on the Advance Payment Guarantee, all or in part, and/or demand monetary compensation from the Contractor and/or enforce any other security given under this Contract and/or set off the sum of the compensation from any payment that the Company pays the Contractor in the framework of the Contract.
- 7.3.2.6 The amount of the Performance Guarantee shall be reduced by an amount equal to five percent (5%) of the Contract Price (as adjusted in accordance with the provisions of Clause 7.3.2.3 above) upon the issuance by the Company of a Take Over Certificate for the Works,

provided that all obligations listed in punch lists attached thereto, if attached, have been completed.

7.3.3 Installation Advance Payment Guarantee

7.3.3.1 Should the Company exercise its Installation Option, the Contractor shall within seven (7) days of the Effective Date provide the Company with an irrevocable, independent, autonomous and unconditional bank letter of guarantee from Approved Financial Entity, for an amount equal to fifteen percent (15%) of the Installation Price (provided that an adjustment in the Installation Price pursuant to the Contract shall not cause the amount of such guarantee to be adjusted) in the form set forth as **Exhibit M** (the "**Installation Advance Payment Guarantee**").

7.3.3.2 The Installation Advance Payment Guarantee shall be in effect and/or extended from time to time in accordance with the provisions of sub-Clause 7.3.3.3 below, until such time that the Company has paid the Final Invoice for all Installation Works in accordance with the provisions of Clause 18 below,

7.3.3.3 The Contractor shall cause the validity of the Installation Advance Payment Guarantee to be extended, from time to time, by such period(s) as the Company shall request, and shall provide the Company with written evidence of such extension. The Contractor shall bear the costs of extending the validity of the Installation Advance Payment Guarantee.

7.3.3.4 Without derogating from any other remedy pursuant to this Contract or pursuant to any Law, where the Contractor by act or omission breaches any provision of this Contract, which has not been remedied by the Contractor within seven (7) days of the receipt from the Company of written notice specifying such breach, the Company may, by provision of prior written notice to that effect to the Contractor, draw down on the Installation Advance Payment Guarantee all or in part, and/or demand monetary compensation from the Contractor and/or enforce any other security given under this Contract and/or set off the sum of the compensation from any

payment that the Company pays the Contractor in the framework of the Contract.

7.3.4 **Cost for Compliance**

7.3.4.1 All costs in connection with the compliance with this Clause 7.3 shall be borne by the Contractor.

7.3.4.2 The Contractor shall ensure that all the guarantees are in the required amounts and currencies and valid and enforceable in accordance with the provisions of this GTC.

7.4 **The Detailed Schedule**

Not later than twenty one (21) days following the issuance of a Purchase Order the Contractor shall submit to the Company Representative for his review, comment and approval the Detailed Schedule, which shall be prepared in accordance with and on the basis of the dates set forth in the Frame Schedule, in the form and detail as prescribed by the Company Representative which shall include as a minimum:

7.4.1 The sequence in which the Contractor proposes to carry out the Works, and all parts thereof.

7.4.2 Time for submission and review of Contractor's drawings.

7.5 **Alterations to the Detailed Schedule**

No alterations shall be made to the Detailed Schedule and/or Frame Schedule without the prior written approval of the Company Representative.

7.6 Contractor's Representatives

7.6.1 Project Managers

The Contractor shall appoint two Project Managers:

7.6.1.1 An Israeli Project Manager and a foreign Project Manager for the co-ordination of all Works and to represent the Contractor in all its relations with the Company, the Company Representative and the Construction Contractor throughout the Contract Period. Each one of the Project Managers shall be authorized, in writing, by the Contractor to appoint any additional Representatives, managers and assistants as required by the Project and/or as per the instructions of the Company or the Company Representative.

7.6.1.2 The Project Managers shall be fluent in the English language and hold the required qualifications and at least 5 years experience in construction projects in the field of energy. Their respective names and curriculum vitas shall be communicated to the Company Representative for approval, with a copy to the Company, not later than the Effective Date.

7.6.1.3 The Company Representative may, at its sole discretion, withhold approval or withdraw approval previously granted and request the replacement of the Project Manager/s, provided that Company Representative shall do so only for sound professional, ethical or disciplinary reasons, and the Contractor shall be obligated to comply with such request within reasonable time period as shall be agreed upon between the parties.

7.6.2 The Contractor shall notify the Company, in writing, of the appointments set forth in Clause 7.6.1.

7.7 Contractor Employees - Engagement of Labor

7.7.1 The Contractor shall, unless otherwise provided in the Contract, make its own arrangements, at its sole expense, for the engagement of all staff and labor, local or other, including their salaries, benefits, housing, feeding and

transportation. The Contractor shall provide reasonable and appropriate working conditions, all in full compliance with all Laws.

7.7.2 For the purposes of the execution and completion of the Works the Contractor shall provide, whether at its own premises, on the Site, or at any other location as required by the nature of such Works:

7.7.2.1 only such personnel as are skilled and experienced in their respective callings and such foremen and leading hands as are competent to give proper superintendence of the Works; and

7.7.2.2 such skilled, semi-skilled, and unskilled labor as is necessary for the proper and timely fulfilling of the Contractor's obligations under the Contract.

7.7.3 Foreign Labor

7.7.3.1 The Company encourages the Contractor, to the extent practicable and reasonable and so far as is consistent with the Contractor's obligations under the GTC, to employ Israeli personnel and to use materials, Contractor's Equipment, and supplies from sources within Israel.

7.7.3.2 The Contractor has taken into account all restrictions as may be applicable on the supply of labor in the State of Israel and, especially restrictions regarding employment of foreign labor, including, without limitation, all Costs, overhead expenses, skills, special expertise, availability of personnel, timetables, repatriation, operational, legal and all statutory requirements.

7.7.3.3 The Contractor shall not employ any laborers for whom required permissions, permits or other authorizations have not been obtained or persons who are not citizens or residents of the State of Israel. Notwithstanding the foregoing the Contractor may employ foreign persons who meet all criteria required by applicable Israeli law to be deemed a foreign expert.

7.7.4 The Contractor shall conform to the requirements of the Law concerning working hours. Should the Contractor deem it necessary to work on Friday, Saturday, or national holidays in Israel as defined in the Law, during the

night or general overtime outside of the statutory hours then it shall only do so where it has obtained all necessary permits and licenses from the respective authorities and has notified the Company Representative, in advance, of its intention to increase the hours and the Company Representative has approved such request. All responsibility and costs for all permits, overtime and increases in rates, etc. remain solely with the Contractor.

7.7.5 The Contractor must obtain prior approval from the Company for all staff, personnel and laborers engaged by it or by its Sub-Contractors for the purposes of performing the Works, with regard to qualifications and security clearance requirements.

7.7.6 Security Clearance - The Contractor shall abide by all instructions and directives of the Company, and/or the Company Representative, and/or the competent authorities of the State of Israel with regard to security clearance for its employees, consultants, service providers and other personnel.

7.8 **Objections to Contractor Employees**

With regard to all personnel and employees provided by the Contractor for the purposes of the Project and the Works, and without derogating from the powers of the Company as set forth in Clause 7.7.5 above, the Company Representative shall be entitled for justified reasons at his sole discretion, to withhold approval or withdraw approval previously granted for the employment of a certain person in connection with the Project and the Works and to instruct the Contractor, in writing, to (a) remove any person from the Site forthwith, or within such time period, not to exceed fourteen (14) days, as the Company Representative shall stipulate, and to remove that person from any connection with the Project and the Works or (b) to replace such person, and the Contractor shall be obligated to comply with such instruction.

7.9 **Contractor's Equipment**

7.9.1 The Contractor shall provide, at his own care and expense, all equipment necessary to complete the Works. All the Contractor's Equipment on the Site shall be deemed to be exclusively for the execution of the Works and

the Contractor shall not remove any equipment from the Site without the prior permission of the Company Representative.

- 7.9.2 All sums paid by the Company and all costs incurred by it under any of the arrangements contemplated by this Clause 7.9 shall be deemed to be part of the cost of executing and completing the Works and the remedying of any Defects.
- 7.9.3 Upon entering into any subcontracting Agreement, the Contractor shall ensure that the provisions of this Clause shall be expressly incorporated and shall apply to all Contractor's Equipment, as well as any facilities or materials brought on to the Site by the Subcontractor.
- 7.9.4 Customs Clearance. It is the sole responsibility of the Contractor to verify all requirements of the Customs Authorities of the State of Israel and to abide thereby. No claim for additional costs, or extension of deadlines will be entertained as a result of failure by the Contractor to take into account the conditions under which any and all equipment, materials, components of the PRMS, etc., can be imported into the State of Israel, including payments, guarantees, taxes, charges, levies, harbor charges or any other payments, documents or requirements due to the State of Israel, and various competent authorities therein, including without limitation the Israel Ports Authority.

7.10 Security and Data Protection

- 7.10.1 The Contractor acknowledges and agrees that it is aware of the terms and provisions of **Exhibit J**. The Contractor shall bear sole responsibility for security with regard to performance of all of the Works and all other obligations of the Contractor pursuant to this Contract, at any location where the Contractor fulfills any of its obligations pursuant to this Contract provided, however, that where the Contractor shall be working on the Site or together with the Construction Contractor, the Construction Contractor shall be responsible for security. The Contractor shall, throughout the Contract Period, observe the Law and all applicable regulations with regard to security, and shall execute, comply with and fulfill all of the applicable provisions of **Exhibit J**. Without derogating from the foregoing, the Contractor shall abide by all of the orders, regulations, and instructions, whether written or oral,

of the Israel Police, the Israel Defense Forces, and any other authority, ministry or government office.

7.10.2 Data Protection. The Contractor shall be responsible for ensuring the inviolability of all software and data connected with the PRMS, and, without derogating from the generality of the foregoing, shall comply with all of the terms and provisions of the Law and of **Exhibit J**.

7.11 Environment and Safety

7.11.1 The Contractor acknowledges and agrees that it is aware of the terms and provisions of **Exhibit I**. Throughout the Contract Period the Contractor shall comply with all of the applicable requirements of **Exhibit I** and all applicable Laws and all instructions of the Company and/or the Company Representative and shall be responsible for the execution of the Works and the performance of all of its obligations and undertakings pursuant to this Contract in accordance with the above, including without limitation, the safety of all operations coming under the responsibility of the Contractor in accordance with the provisions of this Contract, whether taking place at the Site or elsewhere as well as for the methods of construction of the PRMS. Additionally, with regard to all Works performed by the Contractor, or by anyone acting on his behalf on the Site, the Contractor shall abide by all environmental and safety provisions which are binding upon the Construction Contractor.

7.11.2 The Contractor shall bear sole responsibility for its compliance with all applicable Laws regarding the requirements set forth in Clause 7.11.1 above during the Contract Period, and shall indemnify and hold harmless the Company from and against any liability for damages due to the aforementioned disturbances or other pollution and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in regard or in relation to such liability.

7.11.3 Where the Company believes that the Works as carried out by the Contractor involve a risk of damage to the surrounding environment or to any surrounding buildings and/or structures, it may order immediate suspension of the Works pursuant to Clause 26.3 and/or order an immediate change in the methods used by the Contractor in executing the Works and the

Contractor shall comply immediately with such orders, without entitlement to any additional costs or extensions of the Completion Deadline.

7.12 The Contractor as Prime Contractor

7.12.1 Without derogation from Clauses 7.11 above and 7.14 herein, the Contractor hereby acknowledges and agrees that if nominated by the Company the Contractor will be regarded and act as a sole "Prime Contractor" and "Executor of Construction" as such terms are defined in the Safety in Works (Construction Works) Regulations, 1988 (the "**Safety Regulations**") (the "**Prime Contractor**") with regards to all works performed at Site, whether performed by the Contractor itself, its SubContractors or any additional Contractor of the Company (the "**Nominated Contractors**") and all the following shall apply:

7.12.1.1 All Subcontractors of the Contractor and the Nominated Contractors of the Company, shall be considered subcontractors of the Contractor and therefore, shall be subordinated to the Contractor and to the Commissioner of Safety appointed by the Contractor in all aspects related to safety and hygiene, coordination of works and in any other aspect required by any applicable law and/or the instructions of the Company Representative regarding safety issues;

The Contractor will be responsible for the safety and hygiene of all Works performed by it and its Subcontractors at Site, for compliance of all the Nominated Contractors with all applicable safety laws and regulations;

7.12.1.2 In the event that there is more than one contractor of the Company performing works at Site, then the Contractor shall be the Prime Contractor unless notified otherwise by the Company according to Clause 7.12.4 herein;

7.12.1.3 The Contractor hereby agrees and irrevocably undertakes upon itself the over-all responsibility to act and perform all the responsibilities and obligations of a Prime Contractor according to any Law and the Safety Regulations and taking all necessary actions to comply with such laws and regulations, all in accordance with the terms of this GTC, for as long as works are being performed at the Site,

including in such cases where the Contractor has completed the Works but other works are still being carried out by Nominated Contractors at the Site. In such an event the Safety Officer appointed by the Contractor shall remain at the Site and continue to carry out its duties until all works at the Site are completed.

The Contractor's signature on the Contract will be considered as the Contractor's undertaking of responsibilities and obligations in accordance with section 6(d) of the Safety Regulations;

7.12.1.4 The Contractor undertakes to notify the relevant authorities and the safety inspectors of his undertaking and nomination as a Prime Contractor and his responsibility for all safety and hygiene requirements with respect to the performance of the works on the Site;

7.12.1.5 The Contractor shall cooperate with the Company including by way of execution of all documents required to comply with all applicable safety laws and regulations as required from the party bearing the responsibility for safety in accordance with such laws and regulations;

7.12.1.6 The Contractor shall fully comply with the requirement of Section 0051 in chapter 5 of the Blue Book (General Specification for construction works, published by the Inter-Ministerial committee for Contract Document Standardization, known as the "**Blue Book**"), and otherwise as required by a Prime Contractor pursuant to any applicable law.

7.12.2 Non Compliance by Nominated Contractors

7.12.2.1 In the event that any Nominated Contractor does not follow the instructions of the Contractor in its capacity as Prime Contractor or the Commissioner of Safety appointed by the Contractor in this respect, the Contractor shall be required to notify the Company Representative and the CEO of the Company as soon as possible, orally and in writing (the "**Non-Compliance Notification**"),

Within seven (7) days of receipt of the Company Representative of Non-Compliance Notification the Company will approach such Nominated Contractor/s and/or any one on their behalf and

demand their full and timely compliance with such safety instructions according to the Law, issued by the Contractor or the Commissioner of Safety appointed by the Contractor and the Company will take measures as it sees reasonable for that purpose, including the inclusion of appropriate provisions in the contracts that the Company enters into with the Nominated Contractors.

- 7.12.2.2 The Contractor may be granted an extension and/or payment of an appropriate compensation in accordance with Clause 11.2 in the General Conditions in the event that: (a) the Company did not approach the Nominated Contractor and did not demand that such Nominated Contractor fulfill its obligations according to Clause 7.12.2.1 above, and/or (b) failure of any of the Nominated Contractors to fulfill the instructions that were given by the Company to comply with the Contractor or the Safety Officer appointed by the Contractor's instructions following a Non-Compliance Notification.

For the avoidance of doubt, the Company will not be responsible for any act or omission of the Nominated Contractors.

7.12.3 Consideration for Nominated Contractors

- 7.12.3.1 If the Contractor is nominated by the Company to act as a Prime Contractor, it shall be entitled to receive from the Company, in consideration for its responsibility as the Prime Contractor for all the Nominated Contractors, additional overhead costs (the "**Overhead Costs**") equal to four percent (4%) of the cost of the works of such Nominated Contractors at the Site.

- 7.12.3.2 The Overhead Costs shall be calculated only on the works performed at the Site by the Nominated Contractors and not from the entire Contract value of the works and supplies provided by such Nominated Contractors, for example: the Overhead Costs shall not take into account the price of the Scada system and/or the prices of other materials, supplies and equipment supplied by the respective Nominated Contractors, but only from the price of the works performed on Site. The Contractor acknowledges and agrees that the Company has the sole discretion to select and determine the identity of the Nominated Contractors and the terms and provisions

pursuant to which the works of the Nominated Contractors shall be provided. The Company shall notify the Contractor the identity of the Nominated Contractors at a reasonable period of time prior to commencement of works of each of such Nominated Contractors.

7.12.4 **Nomination of Other Contractor as the Prime Contractor**

7.12.4.1 Subject to a notice in writing from the Company to the Contractor, the Company may nominate the Construction Contractor or any other contractor named by the Company that is performing works at the Site as the Prime Contractor.

7.12.4.2 Where the Company decides at its sole discretion that the Construction Contractor or any other contractor named by the Company that is performing works at the Site concurrently with the Contractor (the "**Alternative Contractor**") will be nominated as the Prime Contractor as described above then all the following shall apply:

7.12.4.2.1 The Contractor shall be considered a subcontractor of the Alternative Contractor and shall be subordinated to the Alternative Contractor and to the Commissioner of Safety appointed by the Alternative Contractor (as the Prime Contractor) in all aspects relating to safety, hygiene and coordination of works and, in any other aspect required by law and/or the instructions of the Company and/or Company Representative relating to safety matters.

In such an event, the aforesaid in Clause 7.12, will not apply;

7.12.4.2.2 **Non Compliance by the Contractor** In the event that the Contractor does not follow the instructions of the Alternative Contractor in its capacity as the Prime Contractor or the Commissioner of Safety appointed by the Alternative Contractor in this respect, the Contractor will be considered as being in material breach of this Contract and the Company will be entitled to

exercise all its rights in accordance with the Contract and any applicable law (including without limitation, any and all rights and relief in accordance with this Contract).

7.12.4.3 It is hereby clarified that under any and all circumstances the Company shall not be deemed an "Executor of Construction" under the Safety Regulations and shall not be required or instructed to perform any action or any role related to safety.

7.12.4.4 The Company has the right at its sole discretion to exercise its prerogatives to decide between the options described above (whether the Contractor, or the other contractors shall be nominated as Prime Contractor) repeatedly in different forms and/or for different works and/or in different times.

7.13 Clearance of Site

7.13.1 The Contractor shall, from time to time during the execution of the Works clear away and remove all rubbish and surplus materials from the Site and undertake other tasks as set forth in the Technical Volumes concerning the clearance of the Site. On completion of the Works, the Contractor shall remove all Contractor's Equipment and hired Contractor's Equipment, and all other excess materials and equipment, and leave the PRMS and the Site in a clean and workmanlike condition to the complete satisfaction of the Company Representative.

7.13.2 If within fourteen (14) days of receiving written instructions from the Company or the Company Representative, the Contractor does not begin the above mentioned clearance of the Site, such works may be executed by the Company and at the expense of the Contractor.

7.14 Opportunities for other contractors

The Contractor shall in accordance with the Company Representative's instructions, afford to other contractors engaged by the Company and any other persons lawfully

on the Site all reasonable opportunities to carry out their work providing that the same shall not obstruct or disturb the progress of the Works.

7.15 Permits and Licenses

7.15.1 The Contractor shall be obligated to obtain, at its sole responsibility and expense, any and all registrations, permits and licenses, including, without limitation, written approval from the Employment Service of the State of Israel, import permits and licenses, labor permits, entry visas, residence visas or any other required document, permit or approval necessary for the execution of the Works, as provided by the Contract and as required pursuant to the Law.

7.15.2 The Contractor is obligated and undertakes to:

7.15.2.1 Submit an Engineering Plan to the Company for the approval of the NGA. It is the Contractor's sole responsibility to amend and/or change and/or resubmit the Engineering Plan as required by the NGA in order for the Engineering Plan to be approved. All Engineering Plans shall be in accordance with the Technical Volumes as specifically approved by the Company. For the avoidance of any doubt, the Company shall not bear any additional cost in connection with this item.

7.15.2.2 Sign, as PRMS designer (not including civil design) by a certified gas engineer and/or by and authorized Israeli engineer or by any other qualified personnel as required by the relevant authority, the building permit applications and all other necessary documents as required by all relevant laws and regulations for receiving building permits and for receiving Completion Certificate ("**Teudat Gmar**"), all in accordance with the Technical Volumes, as specifically

approved by the Company. For the avoidance of any doubt, the Company shall not bear any additional cost in connection with this item.

7.16 Compliance.

7.16.1 Compliance with the Law

7.16.1.1 The Contractor is deemed to be fully informed of all:

7.16.1.1.1 Laws which are applicable to the Works and the Contract and the Contractor's obligations thereunder; and

7.16.1.1.2 Any and all international conventions and legislation concerning patents and licenses which are relevant to the Contractor's obligations hereunder.

The Contractor shall be fully responsible for ensuring compliance throughout the Contract Period with all of the above.

7.16.1.2 Mandatory Industrial Cooperation

7.16.1.2.1 The Contractor, if a "Foreign Supplier" as this term is defined in the Mandatory Tenders Regulations (Mandatory Industrial Cooperation) 5767-2007 (the "Regulations"), hereby agrees to comply with all requirements of the Regulations regarding industrial cooperation.

7.16.1.2.2 The Contractor shall obtain certification of the Israel Industrial Cooperation Authority (the: "ICA") as required under such Regulations.

7.16.1.2.3 The Contractor undertakes to execute, concurrently with this document a Foreign Supplier's Industrial Commercial Undertaking as required by the ICA in the form attached hereto as **Exhibit N**.

7.16.1.2.4 The Contractor acknowledges that it is solely responsible for compliance with Israeli laws and regulations

regarding industrial cooperation, including the above-mentioned as may be amend or replaced from time to time. Failure by the Contractor to comply with any requirements of the Regulations, ICA or any of the undertakings provided for in this Clause 7.16.1.2, may be cause for termination of the Agreement. Additionally, according to the Law, in such event, the Contractor may be subject to criminal and/or civil penalties and fines, any of which shall be the sole responsibility of the Contractor.

7.16.2 **Compliance with Instructions and Decisions of the Company Representative**

7.16.2.1 The Contractor, and anyone acting on its behalf, shall comply with all directives and instructions of the Company Representative throughout the Contract Period. Where the Company Representative has made any comments or corrections with regard to the Contractor's proposed method of carrying out Works, and any document connected therewith, the Contractor shall be obliged to incorporate such comments or corrections into its construction method and operate accordingly. Without derogating from the foregoing, the Contractor, and anyone acting on its behalf, shall comply with all directives and instructions of the Company Representative with respect to activities in military firing zones, including without limitation, the evacuation thereof. The Company has, and from time to time, is negotiating agreements or undertaking letters, with the Ministry of Defense regarding the execution of Works in a military firing zone. Upon the execution of such agreements/letters, all Works within military firing zones will need to be carried out in accordance with the terms included therein, which the Company will provide to the Contractor. For the removal of doubt, the Contractor, and anyone acting on its behalf, shall comply with all directives of the Company and/or Company Representative with respect to activities in military firing zones, regardless of whether such agreement with the Ministry of Defense is materialized. For the purposes of clarity, Clause 22.1 shall apply with respect to any damages,

losses, liabilities, expenses, costs, penalties, compensation and claims, as a result of

7.16.2.2.1 The failure of the Contractor, or anyone acting on its behalf, to comply with any directives and instructions of the Company Representative with respect to activities in military firing zones, or

7.16.2.2.2 The indemnification obligations of the Company to the Ministry of Defense with respect to the activities of the Ministry of Defense in military firing zones, including without limitation amounts paid by the Ministry of Defense to the Contractor and anyone acting on its behalf.

7.16.3 Compliance with Third Party's Requirements

7.16.3.1 Without derogating from the above, the Contractor acknowledges that the Works, in whole or in part, may be performed in the vicinity of infrastructure owned or leased by utility companies and other third parties (all together "**Third Parties**").

7.16.3.2 The Contractor undertakes to coordinate the Works with Third Parties, to obtain, at its sole responsibility and expense, all permits and authorizations as may be required from time to time by the Third Parties for the execution of the Works and will comply with all Third Parties requirements and demands, including, without limitation, the execution of any undertaking in favor of Third Parties pertaining to the performance of the Works in Third Parties premises or infrastructure, including with regard to liability, supervision, insurances and indemnification, subject to the provisions of this GTC.

7.16.3.3 Should the Company enter into an agreement with a Third Party regarding the performance of the Works in the vicinity of such infrastructure, all Works in Third Parties premises or vicinity will need to be carried out in accordance with the terms included therein, which

the Company will provide to the Contractor who shall counter-sign such agreement.

7.16.3.4 For the removal of doubt, the Contractor, and anyone acting on its behalf, shall comply with all directives of the Company and/or Company Representative with respect to activities in Third Parties premises or vicinity.

7.16.3.5 All the above in this Sub-Clause shall be subject to the Contractor's liability and obligations under the provisions of this Contract.

7.17 Intellectual Property Rights

7.17.1 All the documents, plans, schedules, models, design samples, technical information or data (oral or written) (collectively the "**Plans**") furnished to the Contractor or to any Subcontractor, directly in connection with the Project and the Works, including, without limitation, the Technical Volumes and all other comparable material appearing in the Contract Documents, shall at all times be and remain the sole and exclusive property of the Company. All copies of such Plans in written, graphic or other format shall be delivered to the Company upon its reasonable request. The Contractor and its Subcontractor(s) will use such Plans solely for the purpose of performing their obligations under this Contract and will not use them for any other purpose without the prior written consent of the Company. The Contractor and each one of the Constituting Entities (if applicable) warrants and represents that it never had, do not have and will not claim to have any proprietary, commercial, intellectual property rights and/or any other rights whatsoever in and to the Plans, other than the right to use the Plans as specifically provided in this Contract.

In accordance with the provisions contained in Israeli law relating to intellectual and/or industrial property, title to all plans, Drawings, Specifications, models, samples, or other tangible work product produced by the Contractor or its SUB Contractors or suppliers (the "**Work Products**") shall be and remain the sole and exclusive property of the Company.

The Contractor hereby conveys to the Company definitely and unconditionally any and all rights (if any) of the Contractors and/or any of its affiliated or related entities, employees, agents, representatives and its Sub Contractors, in and to any one or more Work Products.

It is further expressly agreed and accepted by the Contractor that each and every payment made to the Contractor shall constitute confirmation of such conveyance and transfer as aforesaid of any and all rights (if any) of the Contractor and/or any of its affiliated or related entities, employees, agents, representatives and its Sub-Contractor in and to one or more Work Products.

The Contractor shall deliver all such original Work Products to the Company upon the completion, abandonment or early termination of the Works but may retain copies thereof for permanent records provided the same are not used in any manner whatsoever without the Company's prior express written consent.

In the event that the Company uses such Work Products of the Contractor other than in connection with the Project and/or related projects or sub-projects, the Company will release the Contractor from any and all claims and liabilities which may result from such use, subject to Clause 7.16.3 below

7.17.2 License

The Contractor shall ensure at its own expense, that the Company shall have unlimited, perpetual, irrevocable, transferable, and royalty-free licenses (or sub-licenses where the intellectual property being licensed belongs to a third party) to make use, without prior conditions, of any intellectual property, including know-how and all software, related to, incorporated, and/or utilized directly in connection with the execution of the Works and with the PRMS, for the purposes of the Project and the Works and the operation and maintenance of the PRMS.

The Contractor shall ensure that, at all times, the Company shall be able to use all software incorporated into the PRMS at the Site, at its executive offices and at any other location where it conducts its business. In addition, the Company shall have the right to reproduce said software, as necessary, for its use, modification and maintenance.

7.17.3 The Contractor shall be responsible for the fact that the execution of the Project and the Works and all its elements does not involve any infringement by the Contractor or on its behalf of any Intellectual Property Right or other proprietary right belonging to a third party, provided, however, that

such responsibility shall not extend to infringement of an Intellectual Property Right belonging to any third party arising out of the use, for the implementation of the Project and the Works, of that part of the Contract Documents, furnished to the Contractor by the Company under this Contract solely for the purpose for which it was furnished.

7.17.4 The Contractor shall indemnify the Company and the Company Representative against all claims of infringement of any Intellectual Property Rights in respect of any Contractor's Equipment, construction methods and/or materials or PRMS used for or in connection with or for incorporation into the Works except where such infringement results from a circumstance as contemplated in the provisions of sub-Clause 7.16.3 above. The provisions of Clause 22 shall apply to such indemnification mutatis mutandis.

7.17.5 Royalties

The Contractor shall be responsible for all compensation and royalties due in respect of the PRMS. No special payment to the Contractor will be made for the compensation of any such royalties.

7.18 Liaison, Meetings and Coordination.

7.18.1 Following the Effective Date, the parties shall mutually agree upon the times, places, frequency and required attendees for regular meetings to be held between the Parties and other parties, as may be required, concerning the Project and the Works.

7.18.2 The Contractor shall be obligated to participate in the meetings organized by the Company or by the Company Representative for the purpose of reviewing the progress of the Works and exchanging information in order to ensure smooth and efficient implementation of all aspects of the Project and the Works. This includes, but not limited to, the design review meeting (to be held in Israel) in which the Contractor shall present its design and discuss comments/questions as shall be presented by the NGA.

7.18.3 The Contractor shall fully cooperate and coordinate its efforts with all other contractors of the Company, including without limitation, the Construction

Contractor and anyone acting on its behalf, in order to ensure full and efficient execution of the Project and the Works.

7.19 Delivery and Storage

7.19.1 The provisions of the Purchase Order shall apply with regard to delivery and storage terms.

7.19.2 The Contractor shall be responsible for all aspects of delivery of the Contractor's Equipment and all components of the PRMS to the destination and in the manner specified in the Purchase Order.

7.19.2.1 Where the Purchase Order stipulates that delivery of the PRMS shall be directly to the Site, the Contractor shall be responsible for liaison and coordination with the Construction Contractor in order to ensure smooth delivery of such goods and materials to the Construction Contractor.

7.19.2.2 Where the Purchase Order stipulates that delivery of the PRMS shall be to a location other than the Site, the Contractor shall comply with all directives and instructions of the Company Representative with regard to delivery to such location.

7.20 Supervision.

As part of the Works to be performed by the Contractor, it shall be responsible for supervising the installation of the PRMS by the Construction Contractor or, in the event of exercise of the Installation Option, the Contractor shall either install the PRMS or supervise its installation by any alternative contractor or sub-contractor, pursuant to the provisions of Clause 7.23, and shall fulfill all of the terms and provisions of the Technical Volumes with respect thereto.

7.21 Service and Maintenance Requirements.

7.21.1 As part of its responsibilities pursuant to this Contract, in addition to its obligation to provide an Operation and Maintenance Manual, the Contractor shall be responsible for training Company personnel for the day to day

maintenance of the PRMS and providing a list of recommended spare parts for such purpose, and all as more fully set forth in the Technical Volumes.

7.21.2 The Contractor, and each of the Constituting Entities (if applicable), hereby undertakes and agrees that for a period of ten (10) years starting from the date of issuance of the Take Over Certificate, the Company may purchase from the Contractor and each of the Constituting Entities spare parts for the Goods. The prices for such spare parts in the first five (5) years of the above term shall not exceed the prices set forth in the Bill of Quantities for any future RFQ.

7.22 Cancelled.

7.23 The Company Installation Option.

At any time, for the duration of this Contract, where the Company has submitted a Purchase Order to the Contractor for any PRMS, the Company may at its sole discretion exercise the Installation Option and, have the installation of such PRMS, performed by (i) the Contractor, pursuant to the provisions of sub-clause 7.23.1.17.23.1.1 below, including installation of one or more PRMS simultaneously by the Contractor; or (ii) an alternative contractor to be named by the Company (including by the Construction Contractor) pursuant to sub-clause 7.23.1.2 below; or (iii) a sub-contractor to be chosen by the Contractor, pursuant to the provisions of sub-clause 7.23.1.3 below; or (iv) Any other way the Company may see fit at its sole discretion.

7.23.1.1 Exercise by way of the Contractor. Where the Company wishes to exercise the Installation Option by way of instructions to the Contractor to install such PRMS, the terms and provisions of such installation works shall be as stipulated in this Contract including without limitation Sections 7.23.2 to 7.23.4 below. For the avoidance of doubt, the Installation Option may be exercised by way of the provisions of sub-clause 7.23.1.2 or 7.23.1.3 below or any other way the Company may see fit at its sole discretion.

7.23.1.2 Exercise by way of Company sub-contractor. Where the Company wishes to exercise the Installation Option by way of nomination of an alternative contractor to perform such installation works, it shall provide the Contractor with prior written notice thereof, which

written notice shall name the proposed contractor. All other provisions of this Contract, including without limitation, the Contractor's supervisory obligations as set forth in Clause 7.20, will apply. Without derogating from any of the Contractor's obligations pursuant to this Contract, the contractor nominated by the Company for the purpose of exercise of the Company shall be deemed to be acting on behalf of the Company.

7.23.1.3 Exercise by way of Contractor's sub-contractor. Where the Company wishes, it may exercise the Installation Option by way of instructions to the Contractor to choose a sub-contractor, who shall be subject to the prior approval of the Company, at its sole discretion, for the purposes of performing such installation works. In such event, the Company and the Contractor shall agree upon the terms and provisions of engagement of such a sub-contractor, and the Contractor shall be responsible for entering into an agreement with such sub-contractor for the execution of the installation works. The provisions of this sub-clause 7.23.1.3 shall not derogate from any of the Contractor's obligations pursuant to this Contract, and such sub-contractor engaged by the Contractor shall be deemed to be acting on behalf of the Contractor.

7.23.1.4 The exercise, by the Company, of the Installation Option, in any of the ways set forth in sub-sections 7.23.1.1, 7.23.1.2, or 7.23.1.3 above, shall not derogate from the responsibilities of the Contractor pursuant to Clause 7.21.

7.23.2 Where the Company issues an Installation Order for any PRMS pursuant to Clause 7.23.1.1 hereof, the term Purchase Order shall mean the Purchase Order and/or Installation Order as the case may be.

7.23.3 For purposes of Clause 11.4, where the Company issues an Installation Order for any PRMS pursuant to Clause 7.23.3 hereof, the term Contract Price shall mean the sum of the Contract Price (as set forth in the respective Purchase Order issued by the Company for the respective PRMS) and the

Installation Price (as set forth in the respective Installation Order issued by the Company for such PRMS).

7.23.4 The Contractor hereby acknowledges and agrees that the following shall apply with respect to each Installation Order issued by the Company.

7.23.4.1 The Insurance Certificate (**Exhibit D** to the General Conditions) shall also cover the PRMS Installation Works of the respective PRMS station, and the Contractor hereby undertakes to provide the Company with written confirmation duly executed by the insurer to this effect prior to the commencement of such PRMS Installation Works;

7.23.4.2 The Contractor hereby undertakes to provide the Company with the following guarantees: (i) an Installation Advance Payment Guarantee for each PRMS included in the Installation Purchase Order that is issued to it in the form provided as **Exhibit M** in the amount equal to fifteen percent (15%) of the Installation Price as defined in each of such respective Installation Orders (the "**Installation Price**") all in accordance with the provisions of Clause 7.3.2 hereof.; and (ii) a Performance Guarantee for each Installation Order that is issued to it (each an "**Installation Performance Guarantee**") in the form provided as **Exhibit E** to the General Conditions each issued in the amount equal to ten percent (10%) of the Installation Price and the terms of Clause 7.3.2 of the General Conditions shall apply also with respect to each of such Installation Performance Guarantees, taking into account the following:

7.23.4.2.1 The Effective Date in Clause 7.3.2 shall be regarded as the date of execution of the respective Installation Order

7.23.4.2.2 The Contract Price in Clause 7.3.2 shall be regarded as the Installation Price as set forth in the respective Installation Order

7.23.4.2.3 The Performance Guarantee in Clause 7.3.2 shall be regarded as the Installation Performance Guarantee;

- 7.23.5 The Installation Price (as defined in the respective Installation Order) shall include all payments for the PRMS Installation Works of the respective PRMS station, and the Contractor hereby acknowledges that the Installation Price is the full and appropriate consideration for the performance of the works and accordingly, the Contractor will not be entitled to any additional payment with respect to the respective PRMS Installation Works. Without derogating from the above, the Contractor shall not be entitled to any additional payments whatsoever in respect of increase of taxes, escalation of prices, materials, goods, energy, fuel, labor and any other items required for the execution of the respective PRMS Installation Works pursuant to the Contract, and the like, and the Contractor hereby waives all and any claim of whatsoever nature or kind connected with or arising out of the above
- 7.23.6 The invoices for the supply of the PRMS that is installed shall not include any works related to the PRMS Installation Works. The Purchase Order number should be added to all such invoices. The invoices for the PRMS Installation Works will be separate and the Installation Order number should be added to all such invoices. For the avoidance of doubt, the cold and hot commissioning works related to any PRMS will be covered by the Regular Payment for supply of the PRMS and not by the Installation Price;
- 7.23.7 The Contractor warrants that it is fully aware that the commencing of the performance of the PRMS Installation Works may depend on the performance of works by third parties including other contractors of the Company. Consequently, the Schedule for the PRMS Installation Works may be amended by the Company from time to time.

8 Obligations of the Company

8.1 Access to the Site

- 8.1.1 The Company shall, in accordance with the Schedule, ensure that the Contractor is granted access to the Site, free of any obstacles and hindrances which could delay and handicap the progress of the Works.
- 8.1.2 The Company, the Government of the State of Israel, the Company Representative and any of their respective designated representatives may, at any time, enter any part of the Site or the Contractor's workshop for the purpose of inspection, testing and supervision of the Works and in order to ensure

that the Contractor is fulfilling all of its undertakings pursuant to the terms and provisions of this Contract. The Company and the Company Representative shall cooperate with the Contractor in order to minimize disruption to the extent reasonably practicable. Facilities for inspection of the Works shall at all times be afforded by the Contractor to the Company, Company Representative, other designated third parties, authorities or officials.

9 Workmanship and Materials

9.1 Manner of Execution

9.1.1 Commencement of Works. The Contractor shall commence the Works immediately after the issuance of a Purchase Order.

9.1.2 Standard of Execution. The Contractor hereby warrants and undertakes that it shall perform its obligations pursuant to this Contract, including, without limitation, the execution of all of the Works and supply of all materials in accordance with applicable Law, in a highly professional and diligent manner and in compliance with all requirements, instructions and standards set forth in this Contract and in the absence of such requirements, instructions and standards, then in accordance with recognized best industry practice. Any Contractor's Equipment and any goods and materials provided by the Contractor, including, without limitation, the PRMS, and any components thereof, shall be of suitable quality for the purposes and uses intended and free of any defects and deficiencies.

9.1.3 Serviceability of Hardware. All computer hardware to be provided by the Contractor as part of the Project and the Works shall be of a kind that is fully serviceable in the State of Israel including, without limitation, with regard to the availability of spare parts and experienced personnel for the maintenance and repair thereof.

9.2 Inspection and Testing during the Works

Without derogating from the provisions of Clause 12, the Company Representative shall be entitled to inspect and examine all tests of the PRMS and workmanship and

check the quality, progress of preparation of the Works and/or PRMS to be supplied under the Contract.

9.3 Dates for Inspection and Testing

9.3.1 The Contractor, at its sole expense, shall perform, throughout the progress of the Works, such tests of the Works or the PRMS, as are set forth in the Technical Volumes, and or as set forth in any specific instructions of the Company Representative to that effect, including, without limitation, the Workshop Tests, and shall ensure that such tests are conducted in the presence of the Company Representative or any representative thereof, if applicable. The Company Representative shall agree with the Contractor on the date and time for such testing.

9.3.2 The Company Representative, having received a minimum of seven (7) days notice from the Contractor of the intention to test, shall give the Contractor a minimum of one (1) day notice of his intention to undertake or attend the test. No tests shall be conducted without the presence of the Company Representative, if applicable.

9.4 Facilities and Materials for Testing

9.4.1 Where the Contract provides for tests either on the Contractor's premises or any Subcontractors' premises, including, without limitation, the Workshop Tests, the Contractor shall provide all necessary assistance, labor, material, electricity, consumable, apparatus and instruments as may be necessary to carry out the test efficiently. Such costs shall be borne by the Contractor.

9.4.2 Where such tests are being conducted at premises other than those of the Contractor, then the Contractor shall make the necessary arrangements and obtain the necessary permission for the Company Representative or the

appointed independent inspector to carry out such inspection, examination or test.

9.4.3 All samples shall be supplied by the Contractor at his own cost, whenever such supplies are required, intended by or provided for in the Contract.

9.5 **Certificate of Testing**

When the Project and the Works passed the tests referred to in this Clause 9 and the Technical Volumes, the Contractor shall provide the Company Representative certificates confirming the same for the Company Representative's review and approval. In addition, regarding Workshop Tests (excluding FAT as defined in the Technical Volumes) the Contractor shall provide certificate(s) signed by a Notified Body in accordance with the Technical Volumes.

9.6 **Permission to Receive at the Site**

The Contractor shall apply, in writing, to the Company Representative for permission to receive and be responsible for any Contractor's Equipment at the Site. The Company Representative will not withhold permission without due reason.

10 Suspension and Cancellation of Works

10.1 **Order to Suspend**

Without derogating from the Company's right to order a cessation of the Works or any part thereof pursuant to Clause 26.3, hereof, the Company may, at any time, suspend any part of the Works or all remaining Works for any reason whatsoever by giving fourteen (14) days advance notice to the Contractor specifying the part of the Works to be suspended and the effective date of suspension. Contractor shall cease all work on said suspended part of Works on the effective date of suspension. Contractor shall continue to execute the unsuspended part of the Works. Suspension shall not limit or waive the Contractor's responsibilities pursuant to the Contract, including, without limitation, the obligation to properly protect and secure such

suspended Works and to complete such suspended Works upon resumption in accordance with Clause 10.6.

10.2 Cost Pursuant to Suspension

10.2.1 If any part of the Works is suspended, as contemplated in Clause 10.1 above, the Company will issue a Change Order making any required adjustments to scheduled milestones, Completion Deadline and Contract PRICE. Subject to the provisions of Clause 10.2.2 below, the Contract PRICE shall be adjusted only for the additional costs to the Contractor resulting directly from said suspension as follows:

10.2.1.1 Costs connected with the Contractor's employees and field employees which were directly related with the suspended part of the Works. The amount of such Costs shall be based on the unit rates set forth in the Bill of Quantities.

10.2.1.2 Costs and expenses, if any, committed to suppliers of goods required in connection with the suspended Works, provided that the relevant orders were already placed before the day of the order to suspend issued pursuant to Clause 10.1 above and in accordance with the Schedule, which orders cannot be suspended or canceled; and

10.2.1.3 Any other Costs reasonably incurred by Contractor on account of and directly related to the suspension as duly evidenced to and accepted by the Company Representative.

10.2.2 Notwithstanding the foregoing in sub-Clause 10.2.1, the Contractor shall not be entitled to any adjustment of the Contract Price, in cases where the suspension was:

10.2.2.1 Required as a result of a Default or breach of any of the provisions of the Contract by the Contractor or by anyone operating on his behalf as set forth in Clause 26;

10.2.2.2 Required for the proper execution of the Works or for the safety of the Works or any part thereof (except to the extent that such requirement arises from any act or default of the Company

Representative or the Company, or from any of the Company Risks as set forth in Clause 21.1).

10.2.3 Except as expressly set forth in Clause 10.2.1 above, the Company shall not be held liable to Contractor for any other damages or loss of anticipated profits on account of suspension of any part of Works or all remaining Works.

10.2.4 Subject to the provisions of Clause 10.2.2, the procedures set forth in Clause 19 shall apply to the costs incurred pursuant to this Clause 10.2.

10.3 **Alternate Employment During Suspension**

10.3.1 The Company may request that, during any period of suspension of part of the Works, the Contractor employ any personnel and equipment affected by the suspension, in the unsuspended part of the Works. Where such alternate employment is feasible, the Company shall bear any additional Costs of such alternate employment, including, without limitation, any transportation costs, therefor, except where the Contractor is not entitled to any additional costs or adjustment of Contract Price pursuant to Clause 10.2, in which case the Contractor shall bear any costs of such alternate employment.

10.3.2 Subject to the provisions of Clause 10.2.2, where it proves impossible to employ personnel and equipment related to the suspended part of the Works in any unsuspended part of the Works, the Company may ask the Contractor to demobilize such personnel and equipment and the Company shall bear all Costs connected with the demobilization of the said personnel and equipment and with the remobilization thereof, if any.

10.4 **Auditing Pursuant to Suspension**

The Contractor shall provide all audit access required by the Company to verify the costs pursuant to Clause 10.2 above, by independent auditors. The Company shall bear the costs of any such auditing, unless it is found that the Contractor overstated its expenses, in which case the Contractor shall bear such auditing costs.

10.5 Prolonged Suspension and Cut-off

10.5.1 If suspension under Clause 10.1 hereof has continued for more than ninety (90) days, and such suspension is not a result of one of the circumstances contemplated by Clause 10.2.2, the Contractor may by notice to the Company request permission to resume the Works within forty five (45) days of the date of such request.

10.5.2 If permission is not granted within the time period set forth above and the suspension affects the whole of the Works, the Contractor may terminate the Contract as an event of default by the Company, by way of written notice to the Company whereupon the provisions of Clause 27 shall apply.

10.6 Resumption of Works

10.6.1 Subject to the provisions of Clause 10.5 above, the Company may at any time prior to the time period set forth in Clause 10.5 above, authorize resumption of all or any part of the suspended Works by giving fifteen (15) days notice to the Contractor specifying the part of the Works to be resumed and the effective date for resumption of the Works. The Contractor shall begin preparing itself for resumption of the suspended Works immediately upon receipt of such notice.

10.6.2 Suspension, as contemplated under this Clause 10, shall not release the Contractor from any of its obligations pursuant to this Contract, except for the obligation to proceed with work on the Section which has been suspended, and only to the extent, and for the time period during which the Contractor has been so suspended.

10.7 Cancellation of Works

10.7.1 Without derogating from any other right to which it is entitled pursuant to this Contract, the Company may at any time cancel any part of the Works or all remaining Works for any reason whatsoever by giving fifteen (15) days advance notice (the "**Cancellation Notice**") to the Contractor specifying the part of the Works to be cancelled and the effective date of cancellation (the "**Cancellation Date**").

10.7.2 Upon receipt of the Cancellation Notice, the Contractor shall cease all Works, or said cancelled part thereof, by not later than the Cancellation

Date. The Contractor shall continue to execute the surviving part of the Works, if any.

10.8 Cost Pursuant to Cancellation

10.8.1 If any part of the Works is cancelled, the Company will issue a Change Order making any required adjustment to the Completion Deadline for any surviving Works and the Contract Price.

10.8.2 The Contract Price shall be reduced by the amount corresponding to the cancelled part of Works, less the Contractor's actual costs for Works executed from the date of the Cancellation Notice and up to the Cancellation Date, provided, however, that such Works were performed in accordance with the Detailed Schedule and Frame Schedule and were certified and approved by the Company Representative.

10.8.3 The above adjustment of Contract Price shall also take into account:

10.8.3.1 The cost of goods reasonably ordered for the Works which have been delivered to the Contractor or of which the Contractor is legally liable to receive prior to the delivery of the Cancellation Notice, such goods becoming the property of the Company upon such payments being made by him, and provided that Contractor shall present evidence therefore, in writing, to the satisfaction of the Company Representative.

10.8.3.2 The reasonable cost of removal of Contractor's Equipment and, if required by the Contractor, return thereof to the Contractor's main plant yard in his country of registration (or to any other destination at no greater cost) taking into account payments made or to be made for Works executed.

10.8.3.3 The cost as may be reasonable, of repatriation of all the Contractor's staff and workmen employed on or in connection with the Works at

the time of such termination; taking into account payments made or to be made for Works executed.

10.8.3.4 All other reasonable Costs for demobilization of the Contractor, duly evidenced, in writing, by the Contractor and accepted by the Company Representative.

10.8.3.5 The amount of any direct loss or damage (except as loss of profit and loss of business opportunities) arising out of or in connection with or by consequence of such cancellation pursuant to Clause 10.8 hereof, provided, however, that such loss or damage has been duly evidenced, in writing, by the Contractor, and accepted by the Company Representative.

10.8.4 Further to the above, if any part of the Works is so cancelled, the Performance Guarantee shall be reduced accordingly.

10.8.5 Where the Company has elected to cancel the Works in whole or in part, the provisions of Clause 18 shall apply with regard to payment for the cancelled part of the Works, or for the entirety of the Works, as applicable.

10.9 Auditing Pursuant to Cancellation

Contractor shall provide all audit access required by the Company Representative to verify the aforesaid costs, whether by himself or by independent auditors. The Company shall bear the costs of any such auditing; unless it is found that the Contractor overstated its expenses, in which case the Contractor shall bear such auditing costs.

10.10 Documents upon Cancellation

Where the Company so cancels any part of the Works, then with respect to the cancelled part of Works, the Contractor shall execute and deliver to the Company all documents required by the Company and take all steps necessary to fully vest to the

Company the rights and benefits of the Contractor under any existing agreements with third parties concerning such cancelled Works.

10.11 Works Performed Prior to Cancellation

The applicable provisions of the Contract shall continue in full force and effect with regard to all Works performed prior to the Cancellation Date and all Works remaining to be performed, if any, which were unaffected by the Cancellation Notice.

10.12 Effects of Cancellation. Liability upon Cancellation

10.12.1 Effects of Cancellation. Except as provided above in the event of cancellation hereunder, and except for Clauses 7.3, 10.12.2, 22 (and any other Clause concerning indemnification), 30, 31.1, 32.3, and any other clauses which by their nature are intended to survive termination of this Contract:

10.12.1.1 This Contract shall be of no further force and effect with regard to the cancelled part of the Works and the Contractor and the Company shall each be released and discharged from any claims by one against the other in connection with the cancelled part of the Works.

10.12.1.2 The Contractor shall deliver to the Company any drawings, documentation, plans, specifications, materials and tools at the Site or any where else, which are related to the Project and the Works and destroy all copies of such made by the Contractor;

10.12.1.3 The Contractor shall take any other such action as the Company may reasonably request and require in order to give effect to the Cancellation Notice.

10.12.2 Cancellation of all or part of the Works as contemplated in this Clause 10.12, shall not derogate from the right of the Company to step in and resume such Works at another time, whether by itself or by way of any third party or an additional tender, and to take any other action, or to refrain thereof, with

regard to the cancelled part of the Works, and all at the Company's sole discretion and responsibility.

11 Completion

11.1 Completion Deadline

The Works shall be completed and shall have passed the Tests by the Completion Deadline set forth in the Frame Schedule and in the respective Purchase Order issued by the Company for the Project and the Works, as may be extended from time to time pursuant to the terms of this Contract.

11.2 Extension of Completion Deadline

11.2.1 Without derogation from any other express provision of this Contract, where the Contractor has experienced a material delay ("**Delay**") in the progress of the Works for any of the following causes:

11.2.1.1 Extra or additional Works ordered in writing under Clause 16 hereof.

11.2.1.2 Failure by the Company to fulfill its obligations pursuant to this Contract not due to any act or omission of the Contractor.

11.2.1.3 Delay caused by the Construction Contractor or another Contractor employed by the Company.

11.2.1.4 Suspension of the Works, not due to Contractor default, as set forth in Clause 10 hereof.

11.2.1.5 National industrial labor dispute.

11.2.1.6 An event of Force Majeure provided that the provisions of Clause 25 apply thereto.

11.2.1.7 Directives and activities of the Ministry of Defence in military firing zones.

The Contractor shall be entitled to claim an extension of the Completion Deadline as set forth in this Clause 11.2.

For the avoidance of any doubt it is hereby clarified that a delay caused as a result of the Company Representative's request that additional or recurring tests be conducted by the Contractor as specified in Clause 12.2 below, shall not entitle the Contractor to claim an extension of the Completion Deadline as set forth in this Clause 11.2.

- 11.2.2 The Contractor shall give, to the Company Representative in writing with a copy to the Company notice of his intention to claim an extension of time within seven (7) days of the occurrence of a Delay. Such notice shall be followed as soon as possible, and in any event not later than fourteen (14) days thereafter, by a claim detailed with full supporting documentation. Upon receipt of such detailed claim, the Company Representative shall decide (i) on the steps which the Contractor shall be obliged to take to minimize, mitigate, or reduce the effect of the Delay and (ii) on the extension to the Completion Deadline, if any, to which the Contractor shall be entitled on account of such Delay.
- 11.2.3 Such decision of the Company Representative may be appealed pursuant to the provisions of Clause 30, provided however, that where the Contractor wishes to appeal such decision, it shall be obligated to continue the Works during the appeal and pending decision therein, and such appeal shall not release the Contractor from any of its obligations pursuant to this Contract.
- 11.2.4 Duty to Mitigate. The Contractor shall make best efforts to rearrange the Schedule in order to mitigate, minimize and avoid the effects of any Delay described in this Clause 11.2. The extent of any extension to be granted hereunder shall be influenced by the degree to which the Contractor shall have complied with this obligation
- 11.2.5 Where the Contractor has incurred additional Costs as a result of such Delay the provisions of Clause 19 shall apply.
- 11.2.6 Full and Final Remedy. Except as set forth in this Clause 11.2 or in Clause 16, the Contractor shall not be entitled to any relief, compensation, or

extension of deadlines from the Company in connection with the Project and the Works.

11.2.7 Claims not made in accordance with this Clause 11.2 shall be null and void.

11.3 Early Completion

The Company may require completion of the Works earlier than the Completion Deadline, provided, however, that the Company and Contractor first agree on all of the terms and provisions of such early completion and the extra sum to be paid therefor. It is hereby agreed between the Parties that the extra sum for early completion shall be reasonable and as much as possible based upon a ratio inferred from the Contract Price.

11.4 Agreed Upon Late Fee for Delay in Completion of the Works

11.4.1 Late Fee for Delay in Completion the Works. In the event that the Contractor fails to complete the Works, in whole or in part, by their designated Completion Deadline(s), as adjusted pursuant to this Contract, without derogating from any other right of the Company under this Contract or applicable law, it is hereby agreed as compensation for such delay, the Contractor shall pay to the Company an agreed upon late fee in an amount equal to one percent (1%) of the Contract Price for every week which elapses between the Completion Deadline of the Project and the Works, respectively, and the actual completion thereof. For the avoidance of any doubt it is hereby clarified that the above provisions shall apply should the Contractor fail to meet the Completion Deadline set for the supply and delivery of the Project and

the Works, respectively, and/or for the installation and commissioning thereof, as the case may be.

11.4.2 Notwithstanding anything to the contrary in this Clause 11.4, a delay of up to fourteen (14) days shall not be deemed a delay under this Clause 11.4 and no late fee shall be paid with respect to such fourteen (14) day period.

11.4.3 All sums payable by the Contractor pursuant to this Clause 11.4 shall be paid as an agreed upon late fee and not as a penalty.

11.4.4 The total amount of agreed upon late fees in respect of the Project and the Works, respectively, under this Clause, shall not exceed the amount of ten percent (10%) of the Contract Price.

11.4.5 The Company may set off the amount of any agreed upon late fee becoming due and payable under the provisions of this Clause 11.4 from any sums due or which become due to the Contractor under the terms of this Contract.

12 Testing during the Works.

12.1 Without derogating from the provisions of Clause 13 and from any other provisions governing testing of the PRMS, the Contractor shall be required, at its sole expense, to perform certain tests during manufacture and assembly of the PRMS (the "Workshop Tests") as will be more fully set forth at a kick-off meeting to be held between the Contractor and the Company prior to the commencement of the Works. The Company Representative shall be entitled to be present at, inspect and examine all tests of the PRMS and workmanship and check the quality, progress of preparation of the **Works** and/or PRMS to be supplied under the Contract. The date of all such Workshop Tests shall be coordinated with the Company Representative .

12.2 Rejection.

12.2.1 If, as a result of the Workshop Tests, or as a result of any other Tests or inspections, the Company Representative decides that any of the Works and/or the PRMS is defective or otherwise not in accordance with the Contract, he may reject such PRMS and shall notify the Contractor immediately. Such notice must stipulate, in writing, the Company Representative's reasons for the rejection.

12.2.2 Minor Defects which, in the sole discretion of the Company Representative, do not affect the commercial operation of the PRMS or the safety and

security thereof (the "**Minor Defect**"), and do not prevent the receipt of all approvals and permits required under any applicable Law and/or by any competent authority, agency or body in the State of Israel may not be deemed by the Company Representative as reasons for rejection; provided, however, that where such Minor Defects are not repaired by the Contractor pursuant to its obligation to do so as set forth in Clause 15.1, the Company may deduct the cost of repairing such minor Defects from the Contract Price as set forth in Clause 18

- 12.3 The Contractor shall, with all speed, make good any Defects and ensure that any rejected PRMS comply fully with the Contract requirements. The Company Representative shall be entitled to require such PRMS to be retested and the tests shall be repeated under the same terms and conditions as set forth in this Clause 12 and all costs, including those of the Company which are incurred thereby shall be borne solely by the Contractor.

13 The Tests

- 13.1 The Contractor hereby undertakes to perform all of the Tests, (and to assist to the Company with the performance of the Hot Commissioning) all in accordance with the requirements of the Technical Volumes and all applicable standards, which shall include the following tests:

13.1.1 The cold commissioning to be performed by the Contractor at his sole expense and responsibility, pursuant to the provisions of this Clause 13, the Technical Volumes, and any applicable standard.

13.1.2 The whole metering system including GC, FC, Turbine meters and Ultrasonic meters will be configured activated commissioned integrated and tested by specialized and officially certified (by the equipment manufacturers) technicians on behalf the Contractor.

As a part of the RFQ, the bidders will submit valid official certificates of the equipment manufacturers for the specialized technicians who are intended to configure, activate, commission, integrate and test the whole metering

system in full compliance with the INGL metering department requirements.

13.1.3 The hot commissioning to be conducted by the Company, and the Company Representative, with the assistance of Contractor, pursuant to the provisions of this Clause 13, the Technical Volumes and any applicable standard ("Hot Commissioning").

13.1.4 The performance tests to be performed under operational conditions.

13.2 Notice of Tests

13.2.1 The Contractor shall give the Company and the Company Representative twenty one (21) days notice of the date upon which the Contractor will be ready to undertake the Tests. Unless otherwise agreed in writing between the parties hereto, the Tests will take place within fourteen (14) days of the date set forth in such notice, as stipulated by the Company to the Contractor. A Tests may not be performed unless either the Company or the Company Representative is present.

13.2.2 Without derogating from the foregoing, with regard to the Hot Commissioning the Company shall give the Contractor and the Company Representative fourteen (14) days notice of the date upon which the Company will be ready to undertake the hot commissioning.

13.3 Delayed Tests

If any of the Tests are being unduly delayed by the Contractor then, without derogating from the other remedies to which the Company is entitled pursuant to this Contract, then the Company Representative may proceed with the tests on his own. All such Tests shall be at the risk and expense of the Contractor and the cost thereof shall be deducted from the Contract Price. The Tests conducted in the circumstances contemplated in this Clause 13.2 shall be deemed to have been made in the presence of the Contractor and the results of the Tests shall be deemed to be accepted by the Contractor as accurate.

13.4 Facilities for Tests

Except where otherwise specified, in this Contract, or in any directives of the Company Representative, the Contractor shall provide all labor, materials, electricity, fuel, water, stores, apparatus etc. as may be required to carry out the Tests.

13.5 Retesting

If the PRMS fails to pass the Tests, the Contractor shall promptly make good any Defects and ensure said Works comply fully with the Contract requirements, including without limitation, all of the Specifications set forth in the Technical Volumes. The Contractor shall inform the Company accordingly, following which there will be a retest under the same conditions as the original Tests and all the provisions of this Clause 13 shall apply to such retesting. All costs concerned with any retests shall be at sole expense of the Contractor.

13.6 Disagreement as to Results of Tests

A dispute over the results of the tests may be referred to a mutual agreed technical expert in an attempt to resolve the dispute by mutual understanding, provided, however, that the Contractor shall be required to implement all of the instructions of the Company Representative with regard to the Works and the PRMS during the time in which the matter is in dispute.

13.7 Consequences of Failure to Pass Tests

If the Works fail to pass the Tests on repetition thereof under Clause 13.5 hereof the Company in its sole discretion shall be entitled to:

- 13.7.1 Order up to one (1) further retest as per Clause 13.5 above; or
- 13.7.2 Reject the Works in which event the Company shall be entitled to the remedies set forth in Clause 15.6 below; or
- 13.7.3 Subject to the provisions of this Contract, to Issue a Completion Certificate or a Take Over Certificate, as the case may be, notwithstanding that the

Works are incomplete. In such event, the Contract Price shall then be reduced by any amount determined by the Company Representative;

13.7.4 Suspend or cancel the Works in accordance with Clause 10; or

13.7.5 Terminate this Contract pursuant to the terms of Clause 26.

13.8 Use by the Company

In considering the results of any Tests carried out in the circumstances contemplated by Clauses 14.3 and 15.6 hereof the Company Representative shall make allowances for the effect on the performance of the PRMS, or any part thereof, of its use by the Company prior to the Tests.

13.9 Interference with TESTS

If the Contractor is prevented from carrying out the Tests by any cause which is not attributable to the Contractor, then the time for executing such Tests shall be extended accordingly and the Contractor may claim any additional Costs incurred thereby, pursuant to the provisions of Clause 19.

13.10 Completion Certificate

13.10.1 When the Project and the Works have been substantially completed in accordance with all the terms and provisions of the Contract and in compliance with all applicable Laws, and all of the Tests (with the exception of the Hot Commissioning tests) have been successfully completed to the full satisfaction of the Company, the Company shall grant the Contractor, at the Company's sole and exclusive discretion, a written authorization to issue a Completion Certificate for the Project and the Works. Subject to its receipt of the Company's above authorization, the Contractor shall issue and provide the Company with a Completion Certificate substantially in the form attached hereto as **Exhibit B** (as such form may be changed at the sole discretion of the Company from time to time).

13.10.2 If the Contractor has not fulfilled some of its obligations concerning the Project and the Works, which (i) at the Company's sole discretion do not affect the safety and/or operation of the PRMS; and (ii) the Company wishes, at its sole discretion, to authorize the issuance of a Completion Certificate based on Clause 11.1 above, the Company may direct the Contractor to

issue a Completion Certificate that shall not apply to the abovementioned unfulfilled obligations as enumerated in a punch list, which shall be attached to such Completion Certificate, which the Contractor shall be obligated to complete in a timely fashion in accordance with the time table set for that purpose by the Company at its sole discretion.

14 Taking-Over

14.1 Taking-Over

When (i) the Project and the Works have been substantially completed in accordance with all the terms and provisions of the Contract and in compliance with all applicable Laws; (ii) all required permits and approvals have been obtained by the Contractor; (iii) without derogating from the provisions of Clause 14.3, all of the Tests have been successfully completed to the Company's full satisfaction and a Completion Certificate for the Project and the Works has been issued in accordance with the provisions of Clause 13.10 above; (iv) the Company has received all materials set forth in Clause 7.21; then the Company shall issue a Take Over Certificate pursuant to the provisions of this Clause 14.

14.2 Take Over Certificate

14.2.1 The Contractor may apply, by notice to the Company, for a Take Over Certificate not earlier than fourteen (14) days before the PRMS, in the Contractor's opinion, is completed and ready for taking over in accordance with Clause 14 above.

14.2.2 The Company shall, within twenty one (21) days of receiving such notice, either:

14.2.2.1 Based on the Company Representative's report and recommendation, issue the Take Over Certificate stating the date upon which the PRMS are deemed to be taken over; or

14.2.2.2 Based on the Company Representative's report and recommendation, reject the notice giving its reasons, and specifying in writing the outstanding Works, which upon completion, and following any

necessary testing as set forth in such statement of rejection, would enable a Take Over Certificate to be issued.

14.2.3 If the Contractor has not fulfilled some of its obligations concerning the Project and the Works, which do not affect the safety and/or operation of the PRMS ; and (ii) the Company wishes, at its sole discretion, to issue a Take Over Certificate based on Clause 14.1 above, the Company shall issue a Take Over Certificate that shall not apply to the abovementioned unfulfilled obligations as enumerated in a punch list, which shall be attached to such Take Over Certificate, which the Contractor shall be obligated to complete in a timely fashion in accordance with the time table set for that purpose by the Company at its sole discretion.

14.2.4 For the avoidance of any doubt it is hereby clarified that the issuance of a Take Over Certificate shall not derogate from the Contractor's obligation to assist the Company in carrying out the Hot Commissioning tests in accordance with the provisions of Clause 13.1.2 above, and to make all necessary repairs and/or adjustments in the Works as may be required according to this Contract in order to enable a successful completion of the Hot Commissioning Test or retest.

14.3 Use before Take Over

The Company shall not use the PRMS unless a Take Over Certificate has been issued in respect thereof. For the avoidance of any doubt it is hereby clarified that a Hot Commissioning test, in and of itself, conducted by the Company in accordance with the provisions of Clause 13 hereof, shall not be deemed as a use of the PRMS by the Company and the PRMS shall not be deemed to have been taken over by the Company from the date of such Hot Commissioning test.

15 Defects after Taking Over

15.1 Defect Liability Period

The Defect Liability Period shall commence on the earlier of the following dates and shall last respectively as follows:

15.1.1 the issuance of a Take Over Certificate provided that the Contractor completed the Works on or before the Completion Date (with the exception of any delays which were not caused by the Contractor). In such case the

Defect Liability Period shall last twenty four (24) months from such date, provided however that in the event there is a punch list attached to the Take Over Certificate, the Defect Liability Period for the items enumerated therein shall only begin upon their completion, the completion of which shall be confirmed in writing by the Company; or,

15.1.2 the successful completion of the Factory Acceptance Tests (FAT) (as this term is defined in the Technical Volumes) for the PRMS , in which case the Defect Liability Period shall last thirty six (36) months from such date

15.2 For the avoidance of any doubt it is hereby clarified that nothing herein shall derogate from the provisions of Clause 15.1 concerning the Defect Liability Period for the items enumerated in the punch list and/or Contractor's liability for any latent defects, or Defects resulting from willful misconduct or Gross Misconduct, in the PRMS.

15.3 Repairing Defects

15.3.1 The Contractor shall be responsible for repairing all Defects, including, without limitation, any minor Defects, or damage to the PRMS which may appear or occur during the Defect Liability Period in order that the PRMS be ready and fully serviceable for the purposes for which it were intended, and in full compliance with all the terms and provisions of the Contract, including, without limitation, all of the Specifications set forth in the Technical Volumes.

15.3.2 During the Defect Liability Period, the Contractor shall replace by new, any part of the PRMS supplied or installed by the Contractor, which to the Company's sole discretion should not be repaired considering the nature of such part and Defect. Such replacement shall be performed by the Contractor at its sole expense and in reasonable time schedule as shall be set by the Company.

15.3.3 All costs required for the remedying of any Defects, including of replacement of defective parts by new, all repairing services, spare parts and all other resources and costs shall be at the Contractor's sole expense.

15.3.4 The Contractor and all adequate certified technical personnel shall be available to provide repair services 24 hours a day, 7 days a week, 365 days per year. The Contractor shall respond to any trouble call as follows: with respect of Critical Failures (as defined in Clause 15.3.5.1 below), an analysis

and proposed solution for solving the Critical Failure shall be submitted within six (6) hours from receipt of notice concerning the problem. If Contractor's Israeli team is unable to analyse and/or provide a proposed solution for a Critical Failure within six (6) hours, a foreign expert shall be brought to Israel within ninety six (96) hours from receipt of notice and shall submit to the Company an analysis and proposed solution within twelve (12) hours from arrival to Israel. With respect of Non Critical Failures (as defined in Clause 15.3.5.2 below), an analysis and proposed solution shall be submitted to the Company within six (6) days from receipt of notice.

15.3.5 The Contractor shall arrive to the Site to analyse, solve and/or carry out a repair of a Defect promptly after receipt of notification of the existence of a Defect from the Company as specified in Clause 15.3.4 above and shall take all necessary action to solve and repair the problem as soon as possible.

15.3.5.1 Critical Failures:

Critical Failures shall include: decrease in any value of redundancy or shut down of the PRMS or the formation of an unsafe operational condition; and;

15.3.5.2 Non Critical Failures:

all Defects other than Critical Failures shall be treated as Non Critical Failures.

15.3.6 Notwithstanding the above, where the time schedule dictated to the Company by the Israeli Natural Gas Authorities ("**NGA**") or if the Company's license issued by the State of Israel, provides for shorter response times for the repair of any Defect or damage to the PRMS than those specified in this Clause 15, or when the Contractor does not meet the above time schedules and fails to timely arrive to the Site, the following shall apply:

15.3.6.1 The Company shall advise the Contractor of the same and, until such time as Contractor's personnel shall arrive to the Site, the Company shall be entitled to send its own representatives to the Site in order to repair, permanently or temporarily, any such Defect or damage, according to the PRMS manuals provided by the

Contractor or, in the absence of reference in such manuals, according to the best industry practice in the State of Israel.

- 15.3.6.2 In such an event the Contractor shall not be released from any of its responsibilities and/or obligations pursuant to this Contract, including the obligation to provide a full Defect Liability Period for the PRMS and all above-mentioned repairs in accordance with the provisions of this Clause 15.

The Company's exercise of its rights hereunder shall not constitute a transfer of any of the Contractor's obligations, responsibilities or risks with regard to such remedying of Defects to the Company and/or a waiver by the Company of any of its rights according to the law and this Contract, and the Contractor waives any claim with regard to the above.

- 15.3.6.3 If in the Contractors's opinion a repair made by the Company under the above circumstances is deficient, the Contractor shall be responsible to advise of the same to the Company within seven (7) days from receipt of the Company's notice on such repair, and Clause 15 above shall apply.

- 15.3.7 The Contractor shall appoint a professional contact person who shall be in charge of and shall coordinate all repairing and service activities and who will be available twenty four (24) hours a day, seven (7) days per week.

The repairing services provided by the Main Israeli Subcontractors of the Contractor or by the Israeli Member of the Contractor (in case of a JV Contractor) will be carried out by adequate certified technical personnel only. Such personnel will be certified in the respective discipline of which they are providing service for, including, *inter alia*, the following disciplines: Regulators and SSV's, PSV (both low and high pressure), Metering equipment, Gas Chromatograph, Flow computers, Valves and Actuators, Boilers and Burners, Pumps, Control

(logic, software and hardware), Instrumentation, Electricity (including UPS system), Piping and tubing, Fire fighting and detection systems.

- 15.3.8 Notwithstanding Clause 15.3 above, with regard to the **gas chromatograph and meters** the Contractor shall be responsible for sending a technical

expert of the supplier of the gas chromatograph to the Site in order to repair on site any Defect, including, without limitation, any Minor Defects, or damage to the **gas chromatograph or meters**, or, if an immediate repair on site is not possible, to recommend a repair program and execute it.

Such expert shall be required to arrive to Site within seventy two (72) hours after receipt a notification from the Company.

After such ten (10) days the Company may repair the **gas chromatograph meter** by other means, or replace it, if necessary, at the full expense of the Contractor, without derogating from any other remedy and right of the Company in accordance with the Contract and any Law.

- 15.3.9 For every day of delay in meeting the response times set forth in this Clause 15, the Contractor shall pay the Company thousand Euro (€1,000). Nothing herein shall derogate from any other remedy or right of the Company under the Contract and/or applicable Law.

15.4 Notice of Defects

If any such Defect appears or damage occurs the Company shall notify the Contractor within five (5) days of its discovery.

15.5 Extension of Defect Liability Period

15.5.1 The provisions of this Clause 15 shall apply to all replacements and/or repairs carried out by the Contractor.

15.5.2 The Defect Liability Period for any such replacement and/or repair shall be twenty four (24) months from the date of installation of any such replacement and/or completion of any such repair.

15.6 Failure to Remedy Defects

15.6.1 If, at any time during the Defects Liability Period, the Contractor fails to remedy a Defect as required by the provisions of this Clause 15 then, the Company may repair such Defect on its own or employ and engage any other person for the purposes of carrying out the same and all reasonable costs consequent thereon shall be at the expense of the Contractor and may be set off from any sums owed by Company to the Contractor, including the

Contract Price, whether in whole or in part and/or from any Guarantee or part thereof.

15.6.2 The exercise by the Company of its rights pursuant to Clause 15.6.1 shall not release the Contractor from any of its responsibilities and/or obligations pursuant to this Contract, including the provisions of this Clause 15 and shall not constitute a transfer of responsibilities or risks with regard to such remedying of Defects to the Company. In addition, the exercise by the Company of its rights hereunder shall not derogate from any right or remedy of the Company pursuant to the terms of this Contract, including the right to draw down on any bank guarantee then in force, to terminate the Contract in accordance with the provisions of Clause 26 hereof, or if the Defect or damage is such that the Company is deprived of the benefit of the Works or any part thereof, then it may terminate the Contract in respect of the parts which cannot be put to their intended use, in which case the Company in addition to any other remedy shall be entitled to recover from the Contractor all sums paid in respect of those parts of the Works which cannot be put to their intended use and all other related expenses.

15.7 Removal of Defective Works

If the Defect or damage is such that the repairs cannot be carried out on Site, then the Contractor, with the Company's consent, may remove the defective or damaged PRMS or Works, as the case may be, from the Site for repair and then return for reinstallation. In this event, the Contractor shall be required to provide a temporary part or solution acceptable to the Company. All costs of such removal and reinstallation shall be borne by the Contractor.

Nothing in this Clause shall derogate from the Contractor's obligation to replace by new any part of the PRMS, in accordance with the provisions of sub-clause 15.3.2 above.

15.8 Further Tests

The Company may, at its sole discretion, request that further Tests be repeated on any part of the PRMS that has been repaired or replaced during the Defect Liability Period and the provisions of Clause 13 shall apply to such Tests.

15.9 Right of Access

Until the Take Over Certificate has been issued the Contractor shall have right-of-access to the PRMS and to the records of the working and performance of the

Works. Thereafter, access shall be coordinated with the Company or the Company Representative.

16 Changes and Change Orders

16.1 Company's Right to Change

- 16.1.1 The Company may, by issuance of a Change Order to the Contractor, at any time before the issuance of a Take Over Certificate instruct the Contractor to alter, amend, omit, add to or otherwise vary any part of the Works.
- 16.1.2 The Contractor shall not vary or alter, or add to any Works except in accordance with a Change Order. The Contractor may however propose a Change to the Company which shall consider the proposal at its sole discretion, and if in agreement with the suggestion of the Contractor, issue a Change Order.
- 16.1.3 If the Contractor receives a Change Order or a notice of intent to issue a Change Order, or if the Contractor believes that an instruction issued by the Company constitutes a Change Order, the Contractor shall submit to Company's Representative, within 7 days, a proposal for implementing the change. This proposal should detail all required adjustments, if necessary according to the Contractor's professional judgment, to the schedule for executing the work and/or to the Price Agreement.
- 16.1.4 It is hereby clarified that the proposal presented by the Contractor to the Company as described does not obligate the Company. The Company will determine whether the Contractor's claim is valid and the request is reasonable, considering the terms of the Agreement. Furthermore, the Company will decide on the duration of any extension to be granted and/or any additional payment to be made, if at all.
- 16.1.5 The following circumstances shall not serve as cause for any change in unit prices:
- 16.1.5.1 Instructions to be given to the Contractor by the Company Representative and/or any competent authority, in accordance with and within the framework of the standards referred to in the

Agreement, for as long as such standards and/or Technical Volumes were not changed;

16.1.5.2 Changes in planning (other than changes in the Typical Drawings and/or Special Specifications);

16.1.5.3 Changes in unit quantities.

16.1.6 It is hereby clarified that changes in the Typical Drawings and/or Special Specification for any item and/or instruction according to the above in event of a change in the standards and/or Technical Volumes, shall give cause to the issuance of a Change Order regarding price and/or schedule for the execution of such item, only if the Contractor proves in writing to the Company that the cost or the duration for the execution of the item was substantially changed.

16.1.7 The Contractor acknowledges and agrees that a modification in the Company's general documents and specifications (typical Drawings or special specifications) shall not constitute a "Change" for the purposes of this Agreement, except in the case of a quantity change in scope.

16.2 Procedure for Change Orders

16.2.1 The Company, shall notify the Contractor of its intent to effect a Change in the Works or the PRMS by way of written notice setting forth the desired Change.

16.2.2 Within seven (7) days of receiving such notification the Contractor shall submit to the Company and to the Company Representative for their review, comment and approval, a proposal for the execution of such Change, which proposal shall contain, inter alia, the following information:

16.2.2.1 A description of the work to be performed and a timetable for its execution; and

16.2.2.2 Any proposals for modification to the Schedule and Frame Schedule or to any of the Contractor's obligations under the Contract

which the Contractor believes are required by the contemplated Change; and

16.2.2.3 The Contractor's cost proposal for carrying out such Change.

Following receipt of the Contractor's submission the Company shall, at its sole discretion, decide at the earliest opportunity whether or not the Change shall be carried out and under what terms.

16.2.3 Where the Company decides that the Change must be carried out, it shall upon recommendation of the Company Representative issue a Change Order clearly setting forth the nature of the desired Change, the timetables for the execution thereof, and the cost of said Change.

16.2.4 The provisions of Clause 16.3 hereof shall apply with regard to the value of the Change and the adjustment of the Contract Price therefore.

16.3 Adjustment of Contract Price for Changes

16.3.1 All Changes and any addition to the Contract Price shall be calculated in accordance with the rates and prices set out in the Contract, where, in the opinion of the Company Representative, the same shall be applicable. Notwithstanding anything to the contrary, unit rates shall not be affected by increases or decreases in quantities.

16.3.2 When establishing the value of a Change the Company Representative shall consider the following points:

16.3.2.1 The Cost of any executed Works rendered abortive by the Change.

16.3.2.2 The Cost of modifying or making alterations to PRMS already constructed or in the construction process or already designed.

16.3.2.3 Additional Cost incurred by the Contractor due to the disruption of the agreed progress of the Works, if any.

16.3.2.4 The net effect of the Contractor's financial cost, including interest caused by the Change.

16.3.3 For the purposes of establishing the value of any Change, any such value shall be net of any savings and/or payments of any kind which have accrued

to the Contractor during the period of, and as a direct result of, such Change. Where a calculation of such savings and/or payments, by the Company Representative, is possible only after the Change has been executed, such sums may be set-off from any amounts owed by the Company to the Contractor pursuant to the terms of this Contract.

16.3.4 If the Contract does not contain any rates or prices applicable to the type of goods and services required to execute the Change Order, the adjustment of the Contract Price shall be mutually agreed between the parties based upon reasonable market prices including a discount taking into account the nature and scope of such a Change. Failure to reach agreement on the adjustment to the Contract Price or the Schedule and Frame Schedule shall not release the Contractor from its obligation to proceed with the Change, and the dispute shall be settled in accordance with Clause 30 or at any time by mutual agreement, if possible.

16.3.5 For the removal of doubt, the Contractor shall not be entitled to any adjustment or any other payment in the event that the Change Order was caused due to the Contractor's failure to uphold its obligations under the Agreement.

16.4 Contractor to Proceed

16.4.1 On receipt of a Change Order the Contractor shall forthwith proceed to carry out the Change and shall be bound by all of the terms and provisions of this Contract in so doing.

16.4.2 Works undertaken in order to execute a Change Order shall not be delayed pending an extension of time or Contract Price adjustment under Clause 16.3 hereof.

16.5 Records of Costs

In any case where the Contractor is instructed to proceed with a Change prior to price agreement the Contractor shall fully document through man-hour time sheets, equipment time sheet, material usage and consumable usage (including

comparative market prices of the above) the time and extras expended. These records will be verified by the Company Representative and made available to the Company at all times.

16.6 Duty to Mitigate.

The Contractor shall be required to mitigate, minimize and avoid and to cause any one working on its behalf, whether directly or indirectly, to mitigate, minimize and avoid in each case, to the maximum extent possible, any delays and other consequence of a Change (including an increase of costs).

17 Ownership of the PRMS

The PRMS to be constructed pursuant to the Contract shall become the sole property of the State of Israel, with rights to use licensed to the Company, when taken over by the Company on Site.

18 Final Invoice

18.1 Within forty five (45) days of the receipt of the Take Over Certificate, the Contractor shall submit to the Company Representative, with a copy to the Company, an application for final payment, which shall include documentation reasonably necessary to calculate the final payments to be made to the Contractor, a Release Form in the form of **Exhibit F**, duly executed by the Contractor and any other documentation as may be reasonably requested by the Company Representative. In the event that the Company Representative does not dispute the contents of said application, the

Company shall confirm in writing to the Contractor within forty five (45) days of receiving the application,

18.1.1 The final amount which, in the opinion of the Company Representative, is due to the Contractor pursuant to the Contract; and

18.1.2 The amount for payment after set off of all amounts already paid to the Contractor, or which the Company is entitled to set off, withhold and/or deduct, pursuant to the Contract.

18.2 Where there is no dispute as to the sum of the final payments, the Company shall make such payments to the Contractor within the time period set forth in the Purchase Order.

18.3 In case of dispute by the Company as to the sum of the final payments, it shall pay to the Contractor the undisputed part only and the remainder shall be paid after the settlement of the dispute.

18.4 Where the Contractor fails to apply for final payments within the time periods set forth in Section 5 of the Terms of Payment attached hereto as **Exhibit P**, the Company shall inform the Contractor in writing of the amount it deems correct.

18.5 The Contractor shall not be entitled to any compensation or reimbursement from the Company, including of interests and linkage, where the Company withheld any payment, including the final payment or any part thereof, caused by a failure of the Contractor to provide the Company, in a timely manner, the documents listed above for payment upon its completion according to Clause 18.1 above and subject to the provisions of the Term of Payment. The above shall also apply to circumstances of a dispute, if one exists, between the parties regarding the extent of the Works performed by the Contractor and the amount of such payment or final payment.

19 Claims Procedure

19.1 Within 21 days from the occurrence of an event which entitles the Contractor, in its opinion, to any extension of the Completion Deadline and/or any additional payment under this GTC, the Contractor shall submit a written claim ("Claim") to the

Company Representative, describing the event or circumstances giving rise to the Claim.

19.2 The Claim shall include full supporting particulars of the basis of the Claim and of the extension of time and/or additional payment claimed.

19.3 If the event or circumstance giving rise to the Claim has a continuing effect the following shall apply:

19.3.1 this fully detailed Claim shall be considered as an Interim Claim;

19.3.2 the Contractor shall submit to the Company Representative updates to the Interim Claim on a monthly basis, giving the accumulated delay and/or amount claimed, and such further particulars as the Company Representative may reasonably require

19.3.3 30 days after the event or circumstances giving raise to the Interim Claim have finalized, the Contractor shall submit a Final Claim summarizing all the particulars, and giving the overall accumulated delay and/or amount claimed.

19.4 Within 45 days after receiving a Claim or the Final Claim, the Company Representative shall respond with approval or disapproval and detailed comments. The Company Representative may also request any necessary further particulars as he may reasonably deem fit. The Company Representative may approve the Claim as is or partially. Notwithstanding the above, the Company may postpone its response to a Claim for an extension of time and/or relating to extension of time until the Works have been completed.

19.5 Each Payment Certificate shall include such additional payment for any Claim which has been duly substantiated by the Contractor and approved by the Company.

19.6 If the Contractor fails to timely submit a Claim or if the Claim is denied, the Completion Deadline shall not be extended, the Contractor shall not be entitled to additional payment and the Company shall be discharged from all liability in connection with the Claim. In such event, the Contractor will be considered as having waived his claims and all his related suppliers definitively, completely and unconditionally.

19.7 The Contractor shall keep such contemporary records as may be necessary to substantiate any Claim, either on the Site or at another location acceptable to the

Company Representative. Without admitting the Company's liability, the Company Representative may, after receiving any Claim under this Clause 19, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Company Representative is authorized to inspect all these records, and the Contractor shall, if instructed, submit copies of any such records to the Company Representative.

19.8 Any entitlement of the Contractor to additional costs pursuant to the provisions of this Contract shall be subject to the Contractor's duty to mitigate, minimize and avoid and to cause any one working on its behalf, whether directly or indirectly, to mitigate, minimize and avoid in each case, and to the maximum extent possible, any increase in costs.

20 Payment Terms

20.1 All payments made by the Company to the Contractor pursuant to this Contract shall be made in New Israeli Shekels or in other currency as set forth in the Terms of Payment attached hereto as **Exhibit P**. The provisions of Clause 31 shall apply to all such payments.

20.2 Payments to the Contractor shall be made pursuant to the provisions of the Terms of Payment attached hereto as **Exhibit P**.

20.3 In the event that the Insurance Certificate or any of the Guarantess under this Contract are not provided to the Company by the designated time, the Company may stop or prevent the Contractor from beginning the Works and/or to hold back any payment to the Contractor.

21 Risk and Responsibility

21.1 Company Risks

The Company shall bear responsibility for the risks set forth in this Clause 21 and only for such risks:

- 21.1.1 Loss or damage caused by use contrary to the manufacturer's written instructions and/or the Operation and Maintenance Manual by the Company of any PRMS or any part thereof, unless otherwise specified in the Contract.
- 21.1.2 Any loss or damage resulting from any fault, error, defect or omission in the basic design contained in the Tender Documents.
- 21.1.3 Any act, neglect, omission of the Company or of the Company Representative or any of their designated representatives.

21.2 Contractor Risks

The Contractor shall bear the entire risk and responsibility for all risks not specifically identified as Company's Risks in Clause 21.1 above.

Care of the PRMS and Passing of Risk

21.3 Contractor Responsibility for the Care of the PRMS

Without derogating from its obligation to provide continuing maintenance and up-keep services as set forth in this Contract, the Contractor shall be responsible for the care and upkeep of the Works and the PRMS from the Effective Date until the Risk Transfer Date applicable thereto. The Contractor shall also be responsible for the care of the PRMS upon which outstanding Works or repair Works are being carried out during the Defect Liability Period.

21.4 Risk Transfer Date

The Risk Transfer Date in relation to the Works and PRMS is the earliest of either:

- 21.4.1 The date of the Take Over Certificate issued with regard to the PRMS, or
- 21.4.2 The effective date of the termination of the Contract pursuant to the Termination Notice issued pursuant to Clause 26.5 or the cancellation of the relevant Works pursuant to Clause 10.7 hereof, as the case may be.

21.5 Responsibility to rectify Loss or Damage

Loss or damage to the Works and/or the PRMS occurring, prior to the Risk Transfer Date shall:

- 21.5.1 To the extent such loss or damage was caused solely by any of the Company's Risks, be made good by the Contractor at the Company's cost. The price

for making good shall be agreed prior to the execution of such Works by the Company and the Contractor based upon new price or Reasonable Costs as set forth in the provision of Clause 1916.3; and

21.5.2 To the extent such loss or damage was caused by any reason whatsoever other than those set forth in sub-Clause 21.5.1 above, be repaired, rectified and made whole by the Contractor at his sole expense, such that following such actions, the Works and the PRMS shall conform in every respect to the requirements set forth in the Contract, including, without limitation, all of the Specifications set forth in the Technical Volumes, to the complete satisfaction of the Company and the Company Representative.

21.6 Loss or Damage after Risk Transfer Date

21.6.1 The Contractor's responsibility for loss of or damage to the Works shall pass to the Company on the Risk Transfer Date.

21.6.2 Subject to and without derogating from the provisions of Clause 22 below, after the Risk Transfer Date the Contractor's liability in respect of loss or damage to any part of the Works shall, except in the case of damage, loss or expense resulting or arising out of Gross Misconduct of the Contractor or anyone working on its behalf, be limited to:

21.6.2.1 Fulfillment of the Contractor obligations under Clause 15 hereof;
and

21.6.2.2 Repairing, rectifying and making whole any loss or damage caused by the Contractor during the Defect Liability Period.

21.7 Contractor Liability

21.7.1 The provisions of this Contract do not, and shall not be interpreted to, make the Company or any other person working in its name or on its behalf, liable or to require any of the above to indemnify or make any other payments concerning any loss, damage or expense that may have been caused to the body or property of any person or entity, including without limitation that of the Contractor, its employees or other person or entity working on its behalf, as a result of any negligent action or omission or other reason relating to or caused by the fulfillment of the Contract or performing the Works

and the Contractor shall bear sole responsibility for all such actions and omissions.

- 21.7.2 Without derogating from the above and subject to the provisions of Clause 22 below, it is hereby clarified that the Contractor shall be liable for (i) any and all damage and/or harm caused to the property of third parties, including the property of governmental or other local authorities; and (ii) any latent defects, or Defects resulting from willful misconduct or Gross Misconduct, in the Site and/or PRMS. The Contractor shall remedy all damage and harm, at its sole expense in an efficient manner and to the complete satisfaction of the parties authorized to deal with the damaged property.

22 Third Party Liability and Indemnification

22.1 Contractor Indemnification

Without derogating from the provisions of this Contract, and from any liability and responsibility of the Contractor pursuant to any Law, the Contractor shall be liable for, and shall indemnify and hold the Company, the Company Representative, the State of Israel, anyone operating on their behalf, and any successors or assigns thereto, harmless against all damages, losses, liabilities, expenses, costs, penalties, compensation and claims in respect of any of the following:

- 22.1.1 death of, or injury to any third party, including, without limitation, the Contractor's employees, the Sub-Contractor(s) and/or other persons or entities acting on behalf of the Contractor, and any employees of the Company, the Company Representative, or anyone acting on behalf of the Company; and
- 22.1.2 loss of, or damage to, any property (other than the PRMS) owned by the Contractor or any third party, including the Company, whether tangible or intangible property rights, and including the loss of use arising from the damage to the property, which may arise out of or in consequence of the execution Works and completion of the PRMS, including losses, damages and claims which are discovered after the completion of the Works and the remedying of any Defects therein, and against all claims, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto; and
- 22.1.3 any trespass to any property adjoining the Site, any noise or any other nuisance insofar as such trespass, noise, or nuisance arises out of, or in the

course of, or be reason of the carrying out of the Works; to the extent that any of the above arise out of or are related to the carrying out of the Works or arising out of or related to any act or omission of the Contractor or anyone acting on its behalf, which act or omission constitutes a breach of this Contract and/or any Law. The Contractor shall be solely responsible for any damage for or on account of infringement of any Intellectual Property Right arising out of the Works and all losses and expenses arising out of or related thereto. Upon receipt of a written request from the Company for indemnification pursuant to this Contract, the Contractor shall promptly provide the Company with the requested sum.

22.2 Defense against Indemnified Claims

- 22.2.1 If any legal action is brought or any other proceedings (hereinafter "**Proceedings**") are commenced against the Company and the Company claims that it is entitled to indemnification pursuant to this Contract, then the Company shall promptly (but, in any event, no later than fourteen (14) days after having knowledge of such Proceedings) give notice of such Proceedings to the Contractor. Failure to give such notice, however, shall not affect the Company's right to indemnification, unless and to the extent the Contractor is prejudiced by such failure.
- 22.2.2 The Contractor shall have the right, at its expense, to join the Proceedings, to be represented by attorneys of its choice and to conduct the defense of any claim that relates to losses or damages in respect of which the Company claims indemnity under Clause 22.1 above or, if the Contractor does not or is not able to join such Proceedings, then the Company shall either allow the Contractor to conduct the defense of such Proceedings or itself conduct such defense in cooperation with the Contractor, provided, however, that where there is a conflict of interests between the Contractor and the Company with regard to such claim the defense shall be conducted by the Company at the Contractor's expense. By acting in accordance with the foregoing, the Contractor shall not be deemed to waive any right to challenge the claim for indemnity hereunder.
- 22.2.3 In the event that in accordance with the foregoing, the Company conducts the defense of such Proceedings (in cooperation with the Contractor), the Company shall be entitled to employ or retain the services of attorneys on their behalf. In the event that the Contractor is required to indemnify the

Company, such indemnity shall include also the expenses of the attorneys of the Company.

22.2.4 Without derogating from the foregoing, it is agreed that any settlement of such Proceedings requires the prior written consents of each of the Contractor and of the Company (which consents shall not be unreasonably withheld).

22.2.5 If Proceedings are commenced as stated above against the Company and against the Contractor, the Contractor shall give the Company notice of this promptly after receiving a copy of the Proceeding. The Company and the Contractor shall cooperate fully in connection with the defense, negotiation or settlement of any Proceedings.

22.2.6 The indemnification obligations of the Contractor set forth in this Clause 22.2 shall also apply to the State of Israel, as the owner of the Company Materials, provided however that the Contractor shall not be obligated to indemnify the State of Israel for a claim for which the Company has already received indemnification from the Contractor. Without derogating from the above, in the event as a result of an act or omission of the Contractor a court order is issued against the Company, the Contractor shall reimburse all parties damaged by such order, in addition to the obligation of the Contractor to take all necessary measures to have such court order removed.

22.3 Company Liability

22.3.1 The Company shall be liable for and shall indemnify the Contractor and hold it harmless against all direct losses, expenses or claims in respect of loss of or damage to any physical property, or of death or personal injury whenever occurring to the extent caused by or arising out of any of the Company Risks as set forth in Clause 21.1.

22.3.2 In no event shall the Company be liable for any loss of profit, loss of use, loss of production, or for any other indirect or consequential damage howsoever and whatsoever caused that may be suffered by the Contractor.

23 Limitation of Liability

23.1 The Contractor's liability towards the Company for any consequential loss and/or loss of profit to the Company - deriving out of physical defect or damage to the Site

and/or the Works and/or the System and/or any liability imposed on or attributed to the Company by any third party - shall be limited to the total Contract Price of the relevant Project (PRMS).

- 23.2 Notwithstanding the foregoing, any sums borne by the Contractor pursuant to the occurrence of any of the following events shall not be subject to the Limitation of Liability in this Contract, and shall not be counted towards the total aggregate liability: (i) any kind of bodily injury or personal injury; (ii) Contractor's liability satisfied by the proceeds of insurance required to be maintained in accordance with this GTC and/or the Agreement; (iii) Cases of willful misconduct, fraud or gross negligence of the Contractor or its Subcontractor or labor; (iv) Third party claims relating to an act or omission of the Contractor.

24 **Insurance**

24.1 **Company Insurance.**

24.1.1 Without derogating from the liability of the Contractor pursuant to the Contract or any Law, and without the Company assuming any liability towards the Contractor, the Company hereby declares that it will maintain a Contractors' All Risk Insurance Policy (the "**Car Policy**") covering the Works performed by the Contractor, subject to the conditions, exclusions and the retention amounts of the Car Policy and shall include the following insurance chapters:

24.1.1.1 Chapter 1 – Damage to the Works

Covering unexpected physical loss or damage caused to the Works at the Site during the period of the execution of the Works;

24.1.1.2 Chapter 2 – Third Party Liability

Covering liability towards third parties for bodily injury or damage to property caused during the insurance period.

24.1.2 The name of the insured under the Car Policy shall be extended to cover the Contractor and the Subcontractors working on its behalf. The Contractor undertakes to pay the Company, upon demand, an amount equal to one percent (1%) of any payment, partial or otherwise, due to the Contractor from the Company (before any withholding or set-offs to which the Company may be entitled), as participation in the insurance fees of the Car Policy. The Company reserves the right to increase the Contractor's

participation as detailed above in proportion to any changes that may occur in the premium to be paid by the Company.

- 24.1.3 The description of the policy set forth in Clause 24.1 is a general description only and does not obligate the Company. At the Contractor's request, the Contractor will be provided a copy of the Car Policy. The Contractor hereby undertakes to (i) study the content of the Car Policy; (ii) be familiar with all its terms prior to commencing the Works; and (iii) fulfill all of the terms set forth therein, as set forth therein, including without limitation, provisions concerning safety measures for the prevention of fire, damage to adjacent third party property caused by the weakening of construction support and vibrations. Contractor undertakes to immediately inform the Company, in writing, of any occurrence which may constitute a claim under the Car Policy. The Contractor further undertakes to cooperate with the Company as may be required in order to file any insurance claim under the Car Policy. It is hereby explicitly agreed that the Company's procurement of the Car Policy does not impose any liability upon the Company, and the Contractor hereby represents, warrants and affirms that it shall be precluded from raising any claim, action or demand of any kind with respect to the Car Policy, its content or the scope of coverage.
- 24.1.4 The Contractor shall pay all deductibles set forth in the Car Policy, in accordance with the decision of and as may be determined by the Company. The Company may set-off such amounts from any payment due to the Contractor.
- 24.1.5 The Company reserves the right to make changes to the Car Policy, provided however, that the Contractor shall be notified in writing of any change which reduces the scope of the coverage concerning the Contractor.
- 24.1.6 The Company reserves the right to include a chapter covering "Employer Liability Insurance" in favor of the Contractor in the Car Policy. In the event that such chapter shall cover the Contractor's liability, the Contractor shall not be required to include Section 1 (Employer Liability Insurance Policy) requested in the Insurance Certificate which the Contractor is obliged to present pursuant to this Contract.
- 24.1.7 The provisions of this Clause 24 shall not derogate from the Contractor's obligations under the Contract. It is hereby clarified that the Car Policy does

not cover the risks and/or events and/or insurance events which the Contractor must insure under its own insurance policies set forth in Clause 24.2 below.

24.1.8 Subject to the fulfillment by the Contractor of all its obligations hereunder, it is hereby agreed that in the event of the occurrence of an insurance event under Chapter 1 (Damage to the Works) of the Car Policy, the Company shall transfer to the Contractor, upon remedy by the Contractor of the damage causing such insurance event, the proceeds from the insurance payments received from the insurer, if received, up to a maximum of the amount necessary to repair the damage or loss, as approved by the insurer and its appraiser, less the deductible set forth in the Car Policy.

24.1.9 The Company may instruct the Contractor, upon 15 days prior notice, that the Contractor must insure itself separately and independently, with an insurance policy to replace the Car Policy, and which shall cover the risks covered thereunder. In such case, the Contractor shall not be required to transfer its participation set forth in Clause 24.1.2 above to the Company. The general provisions detailed in the Insurance Certificate shall apply to such insurance.

24.2 Contractor's Insurance.

24.2.1 In the event that the Contractor considers that the coverage amounts or scope of the Car Policy issued by the Company should be broadened, or that additional insurance policies should be arranged, the Contractor undertakes to expand or arrange the additional insurance at its own expense.

24.2.2 Throughout the period of provision of the works, The Contractor shall take out and maintain in full force and effect the insurance policies including terms and conditions which will not be inferior to those specified hereinafter (collectively: "Contractor Insurance"):

24.2.2.1 Employers' liability insurance with a limit of liability of no less than US\$5,000,000 per occurrence, per claimant, and in the aggregate for the period of insurance, covering the Contractor's legal liability towards all those engaged by the Contractor in the performance of

or in connection with the Project, including bodily injury caused during and/or as a result of performing the Works.

This policy shall include the Company and the State of Israel as additional insured parties in respect of their liability towards any engaged by the Contractor in the Project.

- 24.2.2.2 All Risk Insurance (For Tools and Equipment) For loss or damage to the Contractor's equipment and/or equipment brought to the Site by the Contractor and/or anyone on its behalf, for purposes of their activities (which are not considered part of the Works). The policy shall cover cranes, other lifting instruments, equipment, scaffolding and any kind of tools, but excluding private and commercial vehicles.

This policy includes an explicit clause by which the insurer waives its right of subrogation towards the Company and the State of Israel, and towards anyone acting on the Company's behalf and/or in its name, as well as towards any successors or assignees and towards other Contractors and consultants involved in the Project, and all their successors and assigns, provided that their insurance policies include a reciprocal waiver of right of subrogation. The waiver of right of subrogation shall not apply for the benefit of anyone who caused damage with malicious intent.

The Contractor may elect, at its own risk, not to insure, in whole or in part, tools and or equipment brought by the Contractor to the Site, and the Contractor hereby waives any right to claim any damage to such property from the Company and/or the State of Israel, and/or the Ministry of Defense and towards whoever acts on the Company's behalf and/or in its name, as well as towards any successors or assignees and towards other Contractors and consultants involved in performing the Works and the Project, and all of their successors and assignees.

- 24.2.2.3 Product liability insurance with a limit of liability of no less than US\$4,000,000 per occurrence and in the aggregate for the insurance period, covering the Contractor's legal liability for bodily injury and/or damage to property including consequential loss thereof which is caused as a result of and/or in connection with the equipment, including supplementary/ancillary equipment and/or any

type of machinery, spare parts, etc., which shall be supplied and/or installed and/or otherwise treated by the Contractor or on its behalf (the "Equipment") products and/or works whether they were executed by Contractor and/or its Subcontractors and all those acting on their behalf and/or any of the materials supplied and/or assembled and/or for completed operations by the Supplier and/or Subcontractors and all those acting on their behalf. Pursuant to the Contract.

The policy is extended to indemnify the Company and the State of Israel and all those acting on their behalf, for their liability for personal injury or damage to property, which is caused due to the Equipment, subject to a cross-liability clause. The policy shall apply retroactively as of the date at which the Contractor supplied the Equipment, even if supplied prior to the execution of the Agreement.

The insurance is subject to an extended reporting period of 12 months following the termination of the insurance period.

24.2.2.4 Professional liability insurance with a limit of liability of no less than US\$2,000,000 per occurrence and in the aggregate for the insurance period, covering professional act or omission of the Contractor and/or those acting on its behalf and/or in connection with the Project or during the provision of services pursuant to the Agreement. The insurance is not subject to any restrictions in respect of design, loss of use, delays due to an insured event. In addition, the policy shall not include any restriction in respect of consequential and/or pure financial loss or damage. This policy is extended to indemnify the Company and the State of Israel for their liability for the actions and/or omissions of the Contractor, subject to a cross-liability clause. The policy shall apply retroactively as of no later than the date of the commencement of the Contractor's work pursuant to the Agreement. The insurance is subject to an extended reporting period of 12 months following the termination of the insurance period.

24.2.3 In addition to the insurance requirements set forth in clause 24.2, the Contractor hereby undertakes to maintain the Product Liability Insurance Policy, for as long as it is liable with respect to the products and/or equipment

supplied by it under the Contract, and to maintain the Professional Liability Insurance policy for as long as liability may attach to the Contractor under any applicable Law for the services provided by it, and in any case in respect of both the above policies for a period of no less than seven (7) years from the date of the supply of the equipment and/or the provision of the services and/or the performance of the Works.

24.2.4 In addition to the insurance policies set forth in clause 24.2, the Contractor hereby undertakes to maintain, during the Contract Period and for as long as the Contractor is providing services to the Company, the following insurance policies:

24.2.4.1 Compulsory insurance as required by Law covering bodily injuries caused by the use of a vehicle by the Contractor or anyone on its behalf.

24.2.4.2 Insurance against liability for damage caused to third party property by the use of a vehicle by the Contractor or anyone on its behalf, with limit of liability of no less than US \$200,000 per occurrence. It is explicitly agreed that the term "vehicle" shall also include cranes, fork-lifts, tractors, towing vehicles and towed vehicles, as well as mobile motor tools of any sort.

24.2.5 General conditions which will apply for the policies stipulated in Section 24.2.2 above:

24.2.5.1 The insurance coverages stipulated above are extended to indemnify The Company, the state of Israel and anyone acting on their behalf (collectively, the: "Indemnified Parties") in respect of their liability for the acts and/or omissions of The Contractor and/or anyone operating on its 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.

24.2.5.2 The Limits of liability may be fulfilled by using Umbrella insurance. If such is used, then the total limits of such Umbrella should be at least the aggregate of all limits as required above.

24.2.5.3 The insurance policies are primary to any other insurance procured by the Company 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.

- 24.2.5.4 Include the insurer's waiver of the right to subrogation against the Company and the Indemnified Parties.
- 24.2.5.5 The policies shall not be detrimentally changed or cancelled, without 60 days' prior written notification by insurers, sent to the Company via registered mail.
- 24.2.5.6 Include a clause according to which noncompliance with the duties imposed upon The Contractor in good faith, and/or a breach of any of the policy conditions in good faith will not prejudice the rights of the Company and the Indemnified Parties, to obtain indemnity under the policy.
- 24.2.6 The Contractor shall provide the company the Insurance Certificate as attached to the Contract in **Exhibit D** no later than 14 days prior to the commencement date of the Agreement and thereafter, no less than 7 days before the expiry of each of the Insurance periods, all to Company full satisfaction.
- 24.2.7 Prior to commencing the Works, the Contractor shall provide the Company with the Insurance Certificate signed by its insurers at least seven (7) days following the Effective Date. In the event of a discrepancy between the Insurance Certificate and these Clauses, the Contractor undertakes, upon receipt of a request from the Company, to cause the immediate correction of the Insurance Certificate, no later than three (3) days following such request, so that it conforms to these Clauses. It is hereby explicitly agreed that the provision of the Insurance Certificate does attest to its conformance to these Clauses and shall not impose any liability on the Company and shall not derogate from the Contractor's liability pursuant to the Contract or any Law. The Contractor undertakes to provide an Insurance Certificate within seven (7) days of the expiration of the last Insurance Certificate provided to the Company, for every insurance period, for the Contract Period and until the completion of the Contractor's work hereunder. It is further agreed that failure to furnish the Insurance Certificate within the time period set forth above shall not exempt the Contractor from any obligation hereunder, including, without limitation, with respect to the Schedule and any of the

Contractor's payment obligations, even if the Contractor is prevented from performing the Works. Without derogating from the foregoing, it is further explicitly agreed that the Company shall be entitled, at its sole discretion, to delay any payment to the Contractor, in the event that the Insurance Certificate is not provided within the time period set forth above.

- 24.2.8 The Contractor undertakes to (i) fulfill all of the terms of the insurance policies procured pursuant to the Contract, (ii) pay all insurance fees in full and in a timely fashion, (iii) ensure that the insurance policies are renewed from time to time, as may be necessary and that they remain in effect until the end of the Defect Liability Period and as stated above in Section 24.2.3, (iv) cooperate with the Company for the preservation and realization of the Company's rights pursuant thereto, including without limitation, by informing the Company and the insurer, in writing, of the occurrence of an event which may serve as a basis for a claim pursuant to the Contractor's insurance policies immediately upon it becoming aware of such event.
- 24.2.9 The Contractor or anyone acting on its behalf represents and warrants that it shall not have any claims, demands and/or actions against the Company and/or the State of Israel, and/or the Ministry of Defense and towards whoever acts on the Company's behalf and/or in its name, as well as towards any successors or assignees and towards other Contractors and consultants involved in performing the Works and the Project, and all of their successors and assignees, concerning any damage with respect to property owned and/or in the possession of the Contractor or anyone acting on its behalf and/or damage which it is entitled to receive indemnification under the insurance policies the Contractor is obliged to maintain according to this Contract; and Contractor hereby exempts from liability and waives its claims, and its insurers subrogation claims rights for such damage against all the above. The foregoing shall not apply to person causing malicious damage.
- 24.2.10 The Contractor hereby undertakes to cause the insurance terms to be brought to the attention of its managers, employees, and Sub-Contractors, and the Contractor shall ensure that the changes necessary to effectuate the terms of the Contract shall be executed both with respect to its insurance policies and with respect to the insurance policies of Subcontractors for the performance of the Works. In this respect, the Contractor undertakes that all agreements with Subcontractors, shall not include a clause in which the Contractor waives (in its own name, in the name of the Company,

and in the name of the insurer of the Company relevant to the Car Policy) the right of recourse, subrogation or indemnification against such Contractors or relieves them from their legal or contractual liability. The Contractor hereby represents and warrants that it is aware that the obligation not to waive such right constitutes a condition for the rights of the Contractor and the Company under the Contractor Insurance Policy, and the Contractor shall indemnify the Company for any breach of this condition. The Contractor warrants and represents that it shall assure that all Subcontractors operating on its behalf shall arrange and maintain insurance policies appropriate for the scope of work that is under their responsibility. It is further clarified that with respect to insurance obligations to be borne by Subcontractors, the Contractor shall be considered solely liable.

24.2.11 It is hereby explicitly agreed that the insurance deductible in the Contractor's insurance policies and/or in lieu of any act and/or omission of the Contractor, shall apply solely to the Contractor, and it alone shall bear such fees.

24.2.12 In the event that (i) the Contractor does not enter into all of the insurance policies required hereunder, (ii) the Contractor does not fully or timely fulfill all of their requirements, (iii) any of the Contractor's insurance policies are cancelled or reduced, and/or (iv) the Contractor does not deliver to the Company the Insurance Certificate with respect to the procurement of its insurance policies and/or with respect to their renewal as set forth in Section 24.2.5, the following terms shall apply (without derogating from the obligations of the Contractor under the Contract or imposing any liability on the Company).

24.2.13 The Company may, upon seven (7) days prior written notice to the Contractor, procure insurance policies in the Contractor's stead and/or pay insurance fees, including without limitation, fees, interest and linkage, pursuant to the insurance policies, in which case, all the Company's expenses incurred as a result of this Clause shall be borne by the Contractor. Without derogating from the foregoing, any sums paid under this Clause shall be deemed advances, provided however that the Company may at any time, and in its sole discretion, withhold any sum it paid from any amount due to the Contractor under the Contract, any other agreement, or pursuant to applicable

Law, and the Company may collect such amounts from the Contractor in any other way.

24.2.14 Without derogating from the above, at all of the stages of the Works, the Contractor undertakes that it and all the Subcontractors shall fulfill all of the requirements and provisions of the Israeli National Insurance Law and the Israeli Public Health Insurance Law, and all of the orders, regulations, etc., issued pursuant to such laws, including without limitation to ensure that all of its employees and others who may be engaged in the Works on its behalf, including those temporarily engaged, shall at all times and during the entire period of the performance of the Works be entitled to all rights pursuant to such laws.

24.2.15 The insurance policies issued pursuant to this Clause 24.2 may be issued on behalf of either (i) the Contractor; or (ii) both Constituting Entities, instead of the Contractor, and all pursuant to the Company's sole discretion. Regardless of section (2) of the Insurance Certificate, the Contractor may elect, at its own risk, not to insure, in whole or in part, tools and or equipment brought by the Contractor to the Site, and the Contractor hereby waives any right to claim any damage to such property from the Company and/or the State of Israel, and/or the Ministry of Defence and towards whoever acts on the Company's behalf and/or in its name, as well as towards any successors or assignees and towards other contractors and consultants involved in performing the Works and the Project, and all of their successors and assignees.

25 Force Majeure

25.1 Definition of Force Majeure

25.1.1 Force Majeure shall mean an occurrence which is beyond the reasonable control of either of the parties to this Contract, 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 (i) materially delays the scheduled time of completion of all or any material portion of the Works and/or the PRMS; or (ii) causes material and unavoidable

physical damage or destruction to all or any material portion of the Works and/or the PRMS.

25.1.2 For the avoidance of doubt, the following events, but not only the following events, shall be specifically excluded from the definition of the term Force Majeure:

25.1.2.1 Shortage of materials or employees, except a national general shortage declared by order of the Government of Israel.

25.1.2.2 Strikes, labor disputes, lockouts, boycott or other similar occurrence declared directly against the Contractor or any of its Sub-Contractors or caused as a result of an act or omission of the Contractor or any of its Sub-Contractors; and

25.1.2.3 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 Contractor's obligations under this Contract; except where the foregoing in this sub-section 25.1.2.3 is a result of a Force Majeure event as set forth in Clause 25.1.1 above.

25.2 Procedure Pursuant to Force Majeure

25.2.1 Each party shall give notice to the other party of the occurrence of a perceived Force Majeure event and when such event has ceased to exist.

25.2.2 If the event for which notice is given in Clause 25.2.1 above continues for more than thirty (30) days, and the parties hereto have not succeeded in resolving, in good faith, whether the perceived event is actually an event of Force Majeure, then the affected party, then the affected party shall submit a request in accordance with the provisions of Clause 19 (Claims Procedure).

25.3 Consequences of Force Majeure

25.3.1 Termination of the Contract. If the effects of one or more events of Force Majeure continue for three (3) or more months in aggregate then either party shall be entitled to terminate this Contract upon sixty (60) days prior

notice and the provisions of Clause 10.8.3 shall apply with regard to the compensation paid to the Contractor upon such event.

25.3.2 Non-Termination.

25.3.2.1 Should an event of Force Majeure prevent the performance of all the undertakings of either party pursuant to this Contract, or any part thereof, then the party claiming the event of Force Majeure shall be excused from whatever performance is prevented thereby, and only to the extent so affected. In such circumstances, the other party shall not be entitled to terminate this Contract on the basis of such non-performance, except as provided in Clause 25.3.1 above and provided that the party claiming the event of Force Majeure shall have complied with the provisions of Clause 25.2.

25.3.2.2 The provisions of this Clause shall not release the party claiming an event of Force Majeure from its undertakings under this Contract or from fulfilling the provisions of this Contract due prior to the occurrence of the event of Force Majeure, or the performance of undertakings not affected by the event of Force Majeure, or from the full performance of its obligations pursuant to this Contract, once the effects of the event of Force Majeure have ceased to exist. In this regard the Contractor shall, to the maximum extent possible, continue the Works during the occurrence of an event of Force Majeure.

25.3.2.3 In the event of any delay caused by an event of Force Majeure, the Completion Deadline shall be extended by a time period necessary to take account of the effects of such event of Force Majeure as determined by the Company Representative.

26 Default and Remedies

26.1 **Default**

If, at any time during execution of the Works any of the following occur (each a "**Default**"),

26.1.1 the Company Representative judges that any part of the Works and/or the PRMS is defective or does not conform to the Contract or that the performance of the Works by the Contractor or by anyone acting on its behalf, is

deficient, or the Contractor is neglecting to perform his obligations in a professional workmanlike manner, in any way including, but not limited to, the following:

- 26.1.1.1 Failure to provide a sufficient number of properly qualified home and branch office employees, field employees and supervisors; or
- 26.1.1.2 Failure to provide satisfactory and sufficient equipment and supplies; or
- 26.1.1.3 Failure to execute any Works in accordance with the Contract and with generally accepted best engineering and construction practices in respect of engineering, PRMS, equipment, supplies or workmanship; or
- 26.1.1.4 Failure to achieve the Completion Deadline as specified in Clause 11.2, and as such date may be extended in accordance with the terms of this Contract;
- 26.1.1.5 Failure to indemnify, hold harmless and protect the Company from any claims by third parties for which the Contractor is liable pursuant to the terms of the Contract; or
- 26.1.1.6 Failure to execute the Works and any Change Order in accordance with the Detailed Schedule or Frame Schedule and the provisions of this Contract; or
- 26.1.1.7 Failure to provide or renew any guarantee or security which the Contractor undertook to provide or renew under this Contract, or upon the expiry of any of the guarantees or securities, whether fully

or in part, failure to remedy the above within thirty (30) days of being required to do so in writing by the Company;

26.1.1.8 Failure to take out and/or maintain required insurances, in accordance with Clause 24 hereof;

26.1.1.9 Failure to uphold safety and security requirements as set forth in Clauses 7.10 and 7.11; or

26.1.1.10 Failure to commence the Works or any part thereof, or unauthorized suspension of the Works or any part thereof, where such failure is a result of reasons attributable to the Contractor; or

26.1.1.11 The committing of any material or persistent breach of the Contract, which breach is not remedied despite notice thereof by the Company in accordance with Clause 26.2 below;

26.1.1.12 Failure to execute its obligations during the Defect Liability Period according to Clause 15 above.

26.1.2 Or one of the following events have occurred:

26.1.2.1 a court of competent jurisdiction makes an order for the liquidation of the Contractor or any Constituting Entity (in case of a JV Contractor), or a resolution for voluntary liquidation of the Contractor Or any Constituting Entity (in case of a JV Contractor), is passed, except for the purposes of merger or reconstruction on terms approved in advance and in writing by the Company, provided, however, that prior to exercising any of its rights pursuant to this Contract in such event, the Company shall be entitled to review, in case of a JV Contractor, any plan presented by the surviving Constituting Entity for continuing to perform all of its obligations pursuant to the Project and the Works, and then decide, at its sole discretion, whether to accept such a plan, demand changes or amendments thereto, or reject such plan and exercise any of its rights pursuant to this Contract;

26.1.2.2 a petition is filed in court for receivership, liquidation or reorganization proceedings against the Contractor and/or any Constituting Entity (if applicable), unless such proceedings are discharged within

sixty (60) days; or if an interim or permanent receiver or liquidator is appointed over the Contractor or its rights under this Contract, or over any Constituting Entity, or if the Contractor or any Constituting Entity comprising the Contractor (if applicable) has become insolvent;

THEN, without derogating from any other rights and remedies to which the Company is entitled pursuant to this Contract and pursuant to any applicable Law, the provisions of this Clause 26 shall apply.

26.2 Cure Notice

The Company shall, prior to exercising any of its rights under this Clause 26, send a written notice to the Contractor (hereinafter the “**Company Cure Notice**”) requesting it to remedy the event of Default within a period of time prescribed by the Company, provided that the above-mentioned period of time shall not be less than seven (7) days after receipt of said notice, unless the Company agrees otherwise. The Company Cure Notice shall state that if the event is not remedied within the said period of time the Company shall be entitled to suspend the Works, remove the Contractor, or terminate the Contractor effective immediately upon notification of the same to the Contractor.

26.3 Suspension for Contractor Default

26.3.1 Without derogation from any other right or remedy to which the Company is entitled under this Contract, where the Contractor does not, upon receipt of the Company Cure Notice, promptly undertake and proceed with diligence to remedy the Default set forth in the Company Cure Notice to the full satisfaction of the Company Representative, then the Company may, upon the advice of the Company Representative, order the Contractor, in writing, to suspend all or part of the Works within not later than seven (7) days from the date of such suspension order.

26.3.2 Suspension pursuant to this Clause 26.3 shall not (i) release the Contractor from any of its obligations under this Contract; (ii) entitle the Contractor to any additional Costs, extensions of deadlines, or any other remedies provided for by this Contract. The Contractor will be required to proceed with work on all unsuspended parts of the Works.

26.3.3 The suspended Works shall not be resumed until the Company Representative shall be satisfied, and shall have advised the Company that the

Contractor is prepared to promptly correct said Default and comply with the Contract. In such event, the Company Shall give notice to the Contractor to proceed.

26.3.4 For the removal of doubt, any additional costs to the Contractor resulting from a suspension pursuant to this Clause 26.3 shall be solely at the sole expense of the Contractor.

26.4 Removal and Step-In.

26.4.1 Without derogating from any other rights and remedies to which the Company is entitled pursuant to this Contract, where the Contractor does not, upon receipt of the Company Cure Notice promptly undertake and proceed with diligence to remedy the Default set forth in the Company Cure Notice, then the Company may, as an alternative or in addition to suspending any part of the Works pursuant to Clause 26.3 above, remove the Contractor from any part of the Works or all remaining Works, by way of written notice specifying the part of the Works from which the Contractor has been removed and the effective date of such removal.

26.4.2 Effects of Removal

26.4.2.1 Upon issuance of a removal notice as set forth in Clause 26.4.1 above, the Company may step in and complete part of the Works or all of the remaining Works from which the Contractor has been removed, by whatever means the Company deems most expedient, including, without limitation, by way of engaging a substitute contractor for such purpose without need for an additional tender, at the sole expense and risk of the Contractor.

26.4.2.2 The Contractor shall execute and deliver to the Company all documents required by the Company and take all steps necessary to fully vest to the Company all of the rights and benefits of the Contractor under any existing agreements, and shall take any and all actions requested by the Company in order to enable the Company to carry out the Works, as contemplated by this Clause 26.4, including, without limitation, (i) guaranteeing step in rights of the Company in any agreement with any SubContractor, supplier, or any third party and

(ii) returning to the Company all drawings, documents, specifications necessary to complete the Works.

26.4.2.3 Removal of the Contractor, as contemplated under this Clause 26.4 shall not release the Contractor from any of its obligations pursuant to this Contract, except for the obligation to proceed with work on the Section from which the Contractor has been removed, and only to the extent that the Contractor has been so removed. For the avoidance of doubt, all provisions of Contract shall continue in full force and effect as to all Works performed prior to the effective date of removal, and all provisions regarding care, responsibility and remedy of Defects shall apply to any part of the Works from which the Contractor has been removed, after such Works have been completed as contemplated in sub-Clause 26.4.2.1 above.

26.4.2.4 In the event of removal of the Contractor hereunder, the Company shall not be held liable for any damages or loss of anticipated profits by Contractor on account of such removal.

26.4.2.5 Where the Contractor has been removed from all or part of the Works pursuant to this Clause 26.4, the Contract Price shall be reduced by an amount equal to the actual reasonable cost to Company for completing said part of Works. Where the unpaid balance of Contract Price is less than the amount by which the Contract Price is reduced hereunder, the Contractor shall promptly refund the difference to the Company which shall be deemed a debt due to the Company and shall be recoverable according to all of the provisions of this Contract, including by way of set off as set forth in Clause 28 or drawdown on any of the bank guarantees then in force.

26.5 Termination

26.5.1 Without derogating from any other rights or remedies to which the Company is entitled pursuant to this Contract, where the Contractor has not promptly and diligently undertaken to remedy a Default set forth in a Company Cure Notice, then, the Company shall have the right, by written notice, to the Contractor (the "**Termination Notice**"), to terminate this Contract effective as of the date of the Termination Notice, regardless of whether any

Works under the Contract remain to be executed or not, or whether the time limit for the completion of the Works has expired or not.

26.5.2 Effects of Termination. Upon declaring the Contract terminated, the following provisions shall apply:

26.5.2.1 The Company shall have the right, by any legal means and proceedings it finds most expedient, to seize the Works and the PRMS and expel the Contractor from the Site (as well as all Contractor's personnel and any other person or persons and third parties deriving any rights from the Contractor) without thereby affecting the rights and powers conferred on the Company by the Contract or the Law and the Company shall have full proprietary rights to any and all Works completed as of the date of such termination, and all temporary works, supplies, or PRMS supplied by the Contractor, which have been deemed to be reserved exclusively for the construction and completion of the Works under the provisions of the Contract as the Company may think proper and the Company may at any time sell any of the said temporary works and unused supplies and apply the proceeds of sale in or towards the satisfaction of any sums due or which may become due to him from the Contractor under the Contract.

26.5.2.2 This Contract (other than those Clauses providing for compensation in the event of termination and Clauses 7.3, 22 (and any other Clause concerning indemnification), 30, 31.1 and 32.3) and any other clauses which by their nature are intended to survive termination, shall cease to have effect, subject to all rights and obligations of the parties hereto existing prior to such date, unless otherwise provided in this Contract. All rights of the Contractor pursuant to this Contract shall terminate.

26.5.2.3 The Contractor shall deliver to the Company all drawings and documentation, plans, specifications and materials whether at Site, the Contractor's premises, or any where else, which are related to the

Project and the Works and destroy all copies of such made by the Contractor.

- 26.5.2.4 In the event of termination pursuant to this Clause 26.5, the Performance Guarantee shall be forfeited in favor of Company, in addition to any penalty, which may have accrued or remedy to which the Company is entitled to under the respective provisions of the Contract or at Law.
- 26.5.2.5 The Contractor shall promptly and diligently execute all such documents and take all such other actions as may be reasonably required by the Company to give effect to this Clause 26.5
- 26.5.2.6 The Company Representative shall, as soon as may be practicable after the issuance of any Termination Notice, determine *ex parte*, or by or after discussion with the parties or after such investigations or inquiries as he may think fit, (i) what amount of the Contract Price, if any, had been reasonably earned by or would reasonably accrue to the Contractor in respect of the Works actually done by him under the Contract as of the date of the Termination Notice and (ii) the value of any of the unused or partially used materials which the Contractor shall transfer to the Company pursuant to this Clause 26.5 and less damages, penalties, set-off sums, debts, obligations or any other sums due to the Contractor pursuant to this Contract (the "**Preliminary Breakage Amount**").

Where the Company has terminated the Contract pursuant to this Clause 26.5, it shall not be liable to pay to the Contractor any Breakage Amount on account of the Contract, until the expiration of the Defect Liability Period under the Contract. At such time the Preliminary Breakage Amount shall be reduced to take into account the costs for execution, completion, remedy of defects and guarantee of the Works by the Company, and all damages for delay and all other relevant expenses incurred by the Company as a result of termination of the Contract have been ascertained and certified by the Company (the "**Defect Liability Period Expenses**"). The Company shall pay the Contractor the Preliminary Breakage Amount less the Defect Liability Period Expenses (the "**Final Breakage Amount**") Where such Defect Liability Period Expenses exceed the Preliminary

Breakage Amount, then the Contractor shall be obliged to pay, upon demand, to the Company, the Defect Liability Period Expenses less the Preliminary Breakage Amount.

26.5.2.7 In the event that the Contractor contests the termination of the Contract, such dispute shall be referred to the competent courts of Tel Aviv, Israel pursuant to Clause 30, provided, however, that such litigation shall not postpone the results or effects of termination, as set forth in Clause 26.5.2.

Where the court issues a decision in favor of the Contractor, both parties hereby agree that the Company shall not be required to reinstate the Contractor but rather the termination shall be deemed to be Cancellation of the Works by Company pursuant to Clause 10 hereof and shall be subject to all the relevant provisions thereof.

27 Remedies for Company Default

27.1 If, at any time during execution of the Works any of the following occur (each a "**Company Default**"):

27.1.1 The Company fails to pay the Contractor any amount due under the Contract and not disputed by the Company, within three (3) months after the due date of the payment: or

27.1.2 or gives written notice to the Contractor that, for whatever reason, it is impossible for the Company to meet its contractual obligations;

Then, without derogating from any other rights and remedies to which the Contractor is entitled pursuant to this Contract, the provisions of this Clause 27 shall apply.

27.2 **Contractor Cure Notice**. The Contractor shall send a written notice to the Company (hereinafter the "**Cure Notice**"), setting forth exactly the nature of the Company Default, requesting that the Company remedy said Default within not less than thirty (30) days after receipt of said notice (the "**Cure Period**").

27.3 If the Company has not remedied the Company Default by the expiry of the Cure Period, the Contractor shall be entitled to terminate this Contract by giving a written

notice thereof to the Company. That notice shall take effect 14 days after the date thereof.

27.4 Upon termination as set forth in this Clause 27, the Contractor shall be entitled to remove immediately all Contractor Equipment from the Site.

27.5 The Parties will take reasonable action, under the circumstances of each case, to resolve their differences as soon as possible.

27.6 Payment upon Contractor Termination

27.6.1 In the event that the Contract is terminated by the Contractor as aforesaid, the Company shall pay to the Contractor, insofar as such amounts or items have not already been covered by payments on account made to the Contractor, for all Work executed prior to the date of Termination, at the rates and prices as set forth in the Terms of Payment attached to the Bill of Quantities and in addition to:

27.6.1.1 The amounts payable in respect of any preliminary items referred to in the Bill of Quantities, so far as the work or service comprised therein has been carried out or performed.

27.6.1.2 The Reasonable Cost of materials or goods reasonably ordered for the Works which have been delivered to the Contractor or for which the Contractor cannot annul and is legally bound to accept delivery, provided that such materials, or goods shall be transferred to the Site and become the property of the Company upon such payments.

27.6.1.3 Such proportion of the cost as may be reasonable, taking into account payments made or to be made for work executed, of removal of Contractor's Equipment from the Site and return thereof, if required, to the Contractor's main plant yard in his country of registration or to such other destination as the Contractor shall request,

at no greater cost than the cost of transportation thereof to the Contractor's country of registration.

27.6.1.4 The reasonable cost of repatriation of all the Contractor's staff and workmen employed on or in connection with the Works at the time of such Termination.

27.6.1.5 Subject to the provisions of Clause 22.3 above, the amount of any loss or damage to the Contractor directly arising out of or in connection with or by consequence of such Termination provided, however, that against any payment due from the Company under this Clause, the Company shall be entitled to set off or be credited with any outstanding balances due from the Contractor any other sums which, at the date of Termination, were recoverable by the Company from the Contractor under the terms of the Contract.

27.6.2 Any sums payable under this Clause shall, after due consultation with the Company and with the Contractor, be determined by the Company Representative, who shall notify both parties thereof.

27.6.3 Notwithstanding anything to the contrary herein, the amount of payments under this Clause shall not exceed the Contract Price.

28 Right of Set Off

Without derogating from any specific right of set-off stipulated in this Contract, the Company shall have the right to set off against any monies owed by the Company to the Contractor pursuant to this Contract for any Works of any Project, any sum, payment or debt owed by the Contractor to the Company, pursuant to this Contract.

29 Changes in Cost

The Contractor, by the submission of its Tender, accepts that in calculating the prices it has taken into consideration all conditions for the execution of the Works, its obligations derived from the Tender Documents and therefore it guarantees the accuracy of the prices offered and moreover expressly and unreservedly waives any right or remedy in this regard arising from this Contract or from any applicable law. The Contractor accepts the risk of unforeseen changes in financial conditions and in currency markets without reservation.

30 Dispute Resolution

30.1 The parties to this Contract shall endeavour to settle by negotiation and in good faith any dispute arising out of or in connection with the Works and the Contract. Such dispute shall be duly notified in writing by the claiming party to the other party, with due reference to the present Clause, and the parties shall endeavour to settle such dispute by negotiation within 14 days from receipt of said notice.

30.2 Court

30.2.1 Subject to the provisions of Clause 30.1 above, in the event of any dispute between the parties hereto as to any matter arising out of or relating to this Contract or its rescission, termination or calling into Default or any matter which cannot be settled between the parties, such dispute shall be submitted only to the competent court of the city of Tel Aviv - Israel which shall have exclusive jurisdiction with regard to any matter relating to this Contract.

30.2.2 Neither party may refuse to perform or delay the performance of any obligation under the Contract unless the competent court has issued an order which expressly allows it to do so. Subject to the foregoing and until the final decision, the parties shall continue to perform all of their respective obligations under the Contract.

30.2.3 The Contractor is aware of the urgency and the national importance of the System; the necessity of the Works and the PRMS; the need of the Company to uphold its obligations to natural gas suppliers and consumers; the great damage, inter alia financial damages that may be caused to the Company, its clients and to the Israeli economy due to the failure to supply natural gas caused by non-completion of the Works according to this Contract in a timely manner. Therefore, the Contractor undertakes to refrain from taking any action, directly or indirectly, that may result in stopping and/or delaying

of the works at the System without derogating from any remedies pursuant to any provisions of the Law.

30.3 Applicable Law

The Contract shall be governed and construed exclusively in accordance with the laws of the State of Israel.

31 Tax Provisions

31.1 Contract Price Inclusive of Taxes

31.1.1 The Contract Price shall be deemed to include all taxes, duties and other charges imposed outside the State of Israel on the production, manufacture, sale, and transport of the Contractor's Equipment, PRMS, materials, and supplies to be used on or furnished under the Contract, and on the services performed under the Contract.

31.1.2 The Contract Price shall be deemed to include all customs duties, import duties, business taxes, stamp duties, levies, and income and other taxes that may be levied in accordance with the laws and regulations in the State of Israel on the Contractor's Equipment, PRMS, materials, and supplies (permanent, temporary, and consumable) acquired for the purpose of the Contract and on the services (including labor and related social benefits, etc.) performed under the Contract. Nothing in the Contract shall relieve the Contractor from his responsibility to pay any tax that may be levied in the State of Israel on profits made by him in respect of the Contract.

31.2 Responsibility for Payment of Taxes

31.2.1 The Contractor shall bear and be responsible for the payment of all taxes, stamp duties, rates, charges, impositions, duties and compulsory payments of every nature whatsoever (whether government or local) which shall from time to time be imposed on the Works or the PRMS or shall relate to or arise out of the construction, completion and maintenance thereof, including, without limitation, purchase tax, custom duties and excise duty on all equipment, plant, machinery, materials or other things purchased, acquired or imported for or in connection with the construction and completion of the

Works and the PRMS, business tax and stamp duty on the Contract and all documents used or executed in connection with the Works and the PRMS.

- 31.2.2 The Contractor's staff and labor will be liable to pay personal income taxes in respect of such of their salaries and wages as are chargeable under all applicable Law, and the Contractor shall perform such duties in regard to such deductions thereof as may be imposed on it by Law.
- 31.2.3 The Company shall deduct Israeli Income Tax at source from all sums stated on the Contractor's invoices, and transfer such sums to the Income Tax Authorities, unless the Contractor and/or any Israeli Sub- Contractor submits to the Company an official exemption certificate from the Israeli Income Tax Authorities.
- 31.2.4 The Contractor shall, as a condition precedent to the entry into force of the Contract and all payments thereunder, furnish to the Company a certificate, or a copy of a certificate, and keep such certificate in force, from an authorized officer or an auditor or an accountant or a tax adviser, and all necessary documents required by Law for payment by a public entity to the Contractor including, but not limited to, in the event that the Contractor is an Israeli entity, a certificate attesting that the Contractor keeps the account-books and records required to be kept under the Income Tax Ordinance or the Value-Added Tax Law 5736-1975 or in accordance with the provisions of said laws.

31.3 Value Added Tax

- 31.3.1 The sums set forth in this Contract do not include Israeli Value Added Tax ("VAT"), except where expressly stated otherwise.
- 31.3.2 VAT shall be added to all payments made between the parties pursuant to this Contract as required under Law.
- 31.3.3 In the event that, pursuant to the Law, VAT shall become due and payable, with regard to any Works, PRMS or Section of the PRMS immediately upon completion thereof, the Company shall pay the applicable VAT therefore, as follows:
- 31.3.3.1 Immediately upon the VAT obligation becoming due and payable pursuant to the LAW, the Contractor shall submit to the Company a

valid tax invoice (*Heshbonit Mas*) for all Works or PRMS for which VAT is due and payable, together with all details and information required in order to substantiate the amount of VAT set forth in the invoice.

31.3.3.2 The Contractor shall comply with all instructions of the Company with regard to such VAT payment, including, without limitation, any instruction to file an appeal, with the relevant authorities, regarding the amount of such VAT payment, or the time of its required payment.

31.3.3.3 The Company shall transfer to the Contractor, not later than fourteen (14) days following the receipt of the invoice, the full amount of the VAT payment set forth therein and duly evidenced.

31.3.3.4 Nothing in this Clause 31.3 shall derogate from the obligation of the Contractor to duly invoice and pay any VAT to the relevant tax authorities in the State of Israel.

32 Miscellaneous Provisions.

32.1 Entire Agreement

This Contract, including all attachments hereto, represents the entire agreement between the Parties and supersedes any or all previous representations, agreements or arrangements, whether oral or written, between the Parties.

32.2 Amendments

Any addition, amendment and update to this Contract shall be binding only if made in writing and signed by authorized representatives of each of the parties.

32.3 Confidentiality

32.3.1 The Contractor shall keep in strictest confidence any information and document received by it or on its behalf, from the Company, the Company Representative, or anyone operating on their behalf, in connection with the

Project and the Works, and shall not disclose such information or document in any manner otherwise than for the purpose of the Project and the Works.

32.3.2 The foregoing obligations of confidentiality shall not apply to:

32.3.2.1 Information which is available to the public or which, in the case of the Company, hereafter becomes available to the public not as a result of the acts or omissions of the Contractor or, in the case of the Contractor, hereafter becomes available to the public as a result of acts or omissions of the Company;

32.3.2.2 Information which was lawfully in the possession of the Contractor before the beginning of the Tender process which are the subject of this Contract;

32.3.2.3 Information which the Contractor or the Company, as the case may be, is obliged to disclose as a matter of law or upon the request of a governmental authority provided that it makes every reasonable effort to obtain confidential treatment by the person or entity to whom the information is disclosed.

32.3.3 The provisions of this Clause 32.3 shall survive termination of this Contract for any reason whatsoever.

32.4 Time and Indulgence

32.4.1 The failure of either party to insist upon the full and strict performance of any provisions of this Contract or to take steps to enforce their rights or to seek remedies to which they are entitled under the Law or this Contract shall not be construed as a waiver for such matter or as a waiver of a subsequent breach. The consent or approval by either party of any act by the other party requiring the consent or approval of such party shall not be construed as waiving or rendering unnecessary the requirement for the Company's or the Contractor's, as the case may be, consent or approval of any subsequent similar act by the other party. The payment of any amount due to the other party under this Contract with knowledge of a breach of any provision of the Contract by the party receiving the payment shall not be

deemed a waiver of such breach or as creating any estoppel of the party making the payment.

- 32.4.2 Unless stated otherwise any extension or other indulgence allowed by one party to the other, regarding performance of its duties and obligations under this Contract or to remedy any breach, shall not be construed as a waiver by the party giving such extension or indulgence of any of its rights under this Contract or under any Law.
- 32.4.3 If a provision prescribing a demand for approval by the Company or the Company Representative in accordance with this Contract or requiring a decision by the Company or the Contractor does not state the date for receiving the approval or not giving the approval, or granting the decision, then this date shall be after thirty (30) days have elapsed from receipt of notice in writing from the Contractor of the subject requiring approval or decision.
- 32.4.4 The Company shall be responsible for ensuring that the Company Representative shall give all responses, approvals and/or decisions within the time specified therefore in this Contract.

32.5 Relationship of Parties

- 32.5.1 The Contractor is an independent contractor and shall not be deemed an agent of the Company. In addition, this Contract should not be construed as creating any legal relationship whatsoever between the Company and the Contractor's Personnel or any third party whose services are retained by the Contractor or anyone on behalf of the Contractor.
- 32.5.2 Except if expressly stated otherwise in this Contract, the Contractor has the sole authority and responsibility vis-à-vis the Company to employ, discharge and control its employees. The Contractor has complete and sole responsibility for its employees, agents, Subcontractors, suppliers and all other persons that it hires in order to assist it in the performance of its obligations under this Contract (the "**Contractor's Personnel**") and neither the Contractor nor the Contractor's Personnel shall be deemed to be employees of the Company. The Contractor shall pay the wages, salaries and any other payments due to the Contractor's Personnel as a result of their employment,

and shall be responsible for all reports and obligations in connection with them under the provisions of any Law.

32.6 No Third Party Beneficiaries

This Contract is made exclusively for the benefit of the Company and the Contractor, and no other third party shall have any rights hereunder or be deemed to be a beneficiary hereof.

32.7 Subcontractors

The Contractor shall be fully responsible to the Company for the acts and omissions of any Sub-Contractors or consultants retained on the Contractor's behalf for the purposes of the Project and the Works.

32.8 Severability

If any provision of this Contract is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of this Contract and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of this Contract shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by the LAW.

32.9 Duty Same as Covenant

Whenever in this Contract any words of responsibility, obligation or duty regarding the Contractor or the Company are used, they shall have the same force and effect as those in the form of express covenant or undertaking.

32.10 Rights and Remedies

Unless stated otherwise, the duties and obligations imposed by this Contract and the rights and remedies available hereunder shall be in addition to, and not a limitation upon, any of the duties, obligations, rights and remedies otherwise imposed or available at Law or in equity.

32.11 Execution and Counterpart

This Contract may be executed on several dates and each counterpart shall be deemed an original. All of the signed counterparts cumulatively shall constitute the original Contract.

32.12 No Conflicting Obligations

The Contractor and each one of the Constituting Entities (if applicable) represents and undertakes that no economic, beneficial, employment or managerial relationship exists between the Contractor and/or any of the Constituting Entities (if applicable) and any third party, including, without limitation, any employee of the Company or any relative of any employee of the Company, which would tend in any way to influence such third party in connection with making any determination concerning the performance of the Works and this Contract. The Contractor and each one of the Constituting Entities (if applicable) further represents that its performance of this Contract and the Works does not and will not breach or conflict with any agreement or undertaking which the Contractor or any of the Constituting Entities (if applicable) is or may become a party.

32.13 Notices

32.13.1 Any notice or correspondence to be given under this Contract shall be delivered personally or sent by registered mail to the following addresses:

If to the Company:

Israel Natural Gas Lines Company LTD.
Atidim Tower (Building No. 8), 2184 St., Floor 33,
Kiryat Atidim,
Tel-Aviv, Israel
Att: Tender Manager, Ms. Shosh Yaacoby
Facsimile: 972-3-561-1322

If to the Company Representative :

[]
[]
[]

If to the Contractor:

[]
[]
[]

or to such other address in Israel as may be specified by the party by notice in writing to the other Party, as its substitute address for the purpose of this Contract.

32.13.2 A notice shall be deemed to have been duly served as follows:

- 32.13.2.1 If personally delivered, at the time of receipt; or
- 32.13.2.2 If sent by registered mail, on the third (3rd) business day following the date of posting; or
- 32.13.2.3 If sent by e-mail, the business day following receipt of confirmation of successful transmission.
- 32.13.2.4 For the purpose of such service it shall be sufficient to prove that personal delivery was made or that the letter was properly addressed and dispatched by registered mail.

In Witness Whereof, the parties hereto have executed this Contract as of the date and year below written:

<p>Israel Natural Gas Lines Company Ltd.</p> <p>Signed on behalf of INGL by the following: Name: Shmuel Turgeman Title: CEO</p> <p>Signature: _____</p> <p>Name: Daniel Szobel Title: CFO</p> <p>Signature: _____</p> <p>Company's Seal: _____</p>	<p>_____</p> <p>The Contractor</p> <p>Signed on behalf Contractor by the following:</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p> <p>Company's Seal: _____</p>
<p>_____</p> <p>The Member (if applicable)</p> <p>Signed on behalf _____ by the following:</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p>	<p>_____</p> <p>The Member (if applicable)</p> <p>Signed on behalf _____ by the following:</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Signature: _____</p>

Company's Seal: _____	Company's Seal: _____
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Project Title: Israel Gas Transmission Project

Document Title: General Conditions of Contract PRMS (updated version)

Document No.: 466203

Revision: 2 Date: 26/3/2024