



*Procurement & Contracting Division
Electrification Project*

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TENDER No. 51403

For

**the Supply and Maintenance of
Double Deck Electric Multiple Units**

VOLUME A

INSTRUCTIONS TO BIDDERS

March 16th, 2016

TENDER DOCUMENTS

VOLUMES A TO C

Volume A

Instructions to Bidders

Schedules

Attachments to the Instructions to Bidders

Volume B

Technical Specifications

Volume C

Form of Agreement

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Attachments

VOLUME A – INSTRUCTIONS TO BIDDERS**1. INVITATION FOR BIDS**

1.1 ISR, in accordance with the requirements of the Israeli Mandatory Tenders Laws, 5752-1992 and the regulations thereunder, wishes to obtain bids from bidders ~~(each—a "Bidder")~~ for (i) the supply of a fleet of new double deck electrical multiple units (comprised of units with six (6) vehicles and of units with four (4) vehicles); the design-build of a maintenance depot; and (iii) the maintenance of part of the fleet in such maintenance depot, under all of the terms and conditions of the Agreement.

1.2 Capitalized terms used herein and in the Attachments and not otherwise defined in Section ~~19 below~~ shall have the meaning ascribed to them in these Instructions to Bidders and/or in the Agreement (Volume C), as applicable.

1.3 The following provisions shall apply to Bidders:

~~1.3.1 — A Bidder shall only be a company, duly organized and validly existing under the laws of the jurisdiction in which it is organized.~~

~~1.3.2 — Bidder shall disclose its ownership and organizational structure in Attachment A1.~~

~~1.3.3~~ 1.3.1 Bidder must submit a Bid Guarantee as per Section ~~2 below~~ 2 below.

1.3.2 Bidder must comply with all of the pre-requisites specified in Sections ~~33~~ and ~~5 below~~ (each a "Pre-requisite" and collectively the "Pre-requisites").

1.4 **Without derogating from any other instructions herein, Bidder is required to sign the following documents in order to submit its Bid:**

1.4.1 **Attachment H1** (Commercial Proposal).

1.4.2 **Attachment J1** (Bid Submission Signature Form).

It is hereby clarified that a Bidder which shall not submit Attachments H1 and J1 duly signed by an Authorized Signatory shall be disqualified.

1A. BIDDERS, SINGLE COMPANY, CONSORTIUM, AND MEMBERS**1A.1 Composition of a Bidder**

~~A Bidder may be either (i) a Single Company; or (ii) a Consortium.~~

~~Bidder shall disclose its ownership and organizational structure in Attachment A1 (for a Single Company) or in Attachment A3 (for a Consortium).~~

"Single Company" – shall mean one (1) single company (i.e. not a Consortium) duly organized and validly existing under the laws of the jurisdiction in which it is organized, which is submitting a Bid.

"Consortium" - Shall mean a joint venture or any other form of ad hoc entity comprised of two (2) or three (3) Members (as defined below), which has not yet been duly incorporated and which submits a Bid.

1A.2 Consortium

1A.2.1 A Consortium can only be comprised of one of the following alternatives:

- a. A First Member (as defined below) and a Second Member (as defined below).
- b. A First Member and an Israeli Member (as defined below).
- c. A First Member, a Second Member and an Israeli Member.

as further detailed in Section 1A.3 below.

1A.2.2 A Consortium shall attach to its Bid Attachment A4 evidencing the formation of the Consortium and signed by all Members.

1A.2.3 During the Bid Validity Period, Bidder must immediately notify ISR in writing of any change in the ownership and/or Control and/or organizational structure of the Consortium and/or of any Member. ISR will review such changes and shall have the right at its sole discretion (i) to disqualify the Consortium on such grounds; or (ii) not to disqualify the Consortium, provided that after such change, the Consortium and all Members still complies with all Pre-requisites and all other requirements in these Instructions to Bidders.

1A.2.4 In the event that a Member in a Consortium is unwilling or unable to continue its participation in the Consortium and/or if a Member is disqualified by ISR, and the Consortium still complies with all the Pre-requisites and all other requirements in these Instructions to Bidders without such Member, then the removal of such Member shall not, in and by itself, result in the disqualification of the Consortium.

1A.3 Members

1A.3.1 A Consortium must be comprised of two (2) or three (3) Members as follows (each a "Member"):

- (i) The first Member (the "First Member") shall be a company fulfilling all the Technical Pre-requisites (by itself and/or through an Affiliate as specified in Section 6 below), and all the Financial Pre-requisites (by itself or through its Parent Company as specified in Section 4

below). Each Consortium must include a First Member as defined above.

(ii) In addition, a Consortium must include one (1) or two (2) additional Member(s) as follows: the Second Member (as defined below) and/or the Israeli Member (as defined below).

(iii) The second Member (the "**Second Member**") must fulfill the two (2) following conditions:

a. The Second Member is an Affiliate (as defined in Section 19.2 ~~below~~19.2 below) of the First Member; and

b. The Second Member is a manufacturer of components and/or equipment for new-built trains. Bidder shall submit **Attachment E11** with respect to the Second Member.

(iv) An Israeli Affiliate (as defined in Section 19.27 ~~below~~19.27 below) can be a Member in the Consortium, subject to the following conditions (the "**Israeli Member**"):

a. if Bidder is selected as the Winning Bidder, the Israeli Member will be appointed by Supplier as the Israeli Entity for the purposes of Section 23.3 of the Agreement; and

b. Such appointment will be subject to all the provisions of Section 23.4 of the Agreement applying to the Israeli Affiliate.

c. Bidder must submit **Attachment E12** signed by the First Member and the Israeli Member, evidencing the appointment of the Israeli Member as Israeli Entity (as defined in the Agreement) if the Bidder is selected as the Winning Bidder in the Tender.

d. Bidder must demonstrate compliance by the Israeli Member with the requirements of, and provide all approvals and affidavits required pursuant to, the Public Entities Transactions Law, 5736-1976, as further specified in Section 6.2.3 ~~below~~6.2.3 below.

1A.3.2 Each Member must comply at least with the Financial Pre-requisites in Sections 3.5~~3.5~~ and 3.6 ~~below~~3.6 below.

1A.3.3 For clarification: (i) compliance with the Financial Pre-requisites shall not be divided between Members; (ii) compliance with the Technical Pre-requisites shall not be divided between Members (except if expressly permitted

under these Instructions to Bidders).

1A.3.4 Each of the Members in a Consortium shall be responsible and liable, jointly and severally with all other Member(s) in that Consortium, for all obligations undertaken by Bidder pursuant to the Tender documents (including for the removal of doubt pursuant to the Agreement if selected as Winning Bidder).

1A.3.5 Each Member must be a company duly organized and validly existing under the laws of the jurisdiction in which it is organized. For clarification, a Member may not itself be a consortium or an individual.

1A.3.6 A Member in a Consortium may not be a Member in another Consortium or submit a Bid as a Single Company.

2. **BID GUARANTEE**

In order to secure the due, timely and complete performance of each Bidder's obligations under its Bid, including validity thereof, Bidder shall submit a bid guarantee in accordance with all the requirements of this Section below (the "**Bid Guarantee**").

2.1 The Bid Guarantee shall be an irrevocable bank guarantee to the order of Israel Railways Ltd., in the amount of eight millions (8,000,000) Euro (in EURO currency) or nine millions (9,000,000) US dollars (in US dollar currency) or thirty five millions (35,000,000) NIS (in New Israeli Shekels currency). The amount of the Bid Guarantee may, or may not, be linked to certain indexes.

2.2 The Bid Guarantee shall be issued by either:

2.2.1 a licensed Israeli bank or a licensed Israeli insurance company (provided that a Bid Guarantee issued by a licensed Israeli insurance company shall be signed by the Israeli insurer itself and not by its agent).

Such bank or insurance company should have a credit rating (issued in the last twelve (12) months prior to the Submission Date) by one of the following local rating firms, of at least:

2.2.1.1 (ilAA-) in the rating scale published by S&P Maalot; or

2.2.1.2 (Aa3) in the rating scale published by Midroog.

Or by:

2.2.2 a foreign bank which:

2.2.2.1 is licensed in accordance with the banking licensing laws in a country which has diplomatic relations with the State of Israel; and

2.2.2.2 shall have at all times a credit rating (issued in the last twelve (12) months prior to the Submission

Date) by one of the following international rating firms, of at least:

2.2.2.2.1 (Baa2) in the rating scale published by Moody's Investor Service.

2.2.2.2.2 (BBB) in the rating scale published by Standard & Poor's Corporation.

2.2.2.2.3 (BBB) in the rating scale published by Fitch Investor Service.

- 2.3 Bidder may submit its Bid Guarantee for review by ISR at least thirty (30) days prior to the Submission Date. A non-binding example of a form of bid guarantee is attached as **Attachment B1** hereto. ISR strongly suggests to each Bidder to submit its Bid Guarantee to ISR's review as per the above.
- 2.4 The Bid Guarantee shall be in full force and effect at least until August 8th, 2017. In any event that a Bidder is requested to extend the Bid Validity Period as per Sections ~~11.5.11.5~~ and/or ~~11.11.2 below~~~~11.11.2 below~~, Bidder shall extend the term of the Bid Guarantee for the same duration of the extension of the Bid Validity Period and submit such extended Bid Guarantee seven (7) days at least prior to the expiration date of the initial Bid Guarantee. ISR shall have the right, at its sole discretion, to disqualify a Bid submitted by a Bidder who fails to extend the term of the Bid Guarantee as required above.
- 2.5 ISR shall be entitled to exercise the Bid Guarantee or any part thereof, after Bidder was given the opportunity to present its arguments, in case that one of the following occurs: (i) during the Tender procedure Bidder has acted in a misleading manner or not in good faith; (ii) Bidder has provided misleading information or inaccurate material information; (iii) Bidder has retracted its Bid after the Submission Date; (iv) after being selected as the Winning Bidder in the Tender, Bidder did not follow the instructions of the Tender which constitute a condition for the engagement of ISR with the Bidder; and/or (v) Bidder was the next best-ranked Bidder and did not follow the instructions of the Tender.
- 2.6 Upon the receipt of the Notification of Winning Bid, the Winning Bidder shall forthwith extend the validity of the Bid Guarantee which shall also secure, commencing on the Effective Date, the performance of all of Supplier's obligations under the Agreement, until replacement thereof by the Basic Performance Guarantee (as defined in the Agreement). For the purpose of this Section ~~2.6.2.6~~, Supplier and Winning Bidder shall be construed to relate to the same entity.
- 2.7 Upon issuance by ISR of the Notification of Winning Bid, the next best-ranked Bidder shall extend the validity of its Bid and of its Bid Guarantee as specified in Section ~~11.11 below~~~~11.11 below~~.

3. FINANCIAL PRE-REQUISITES

3.1 Definitions, Accounting Principles and Currency

3.1.1 Definitions

"**Reference Fiscal Years**" shall mean the period comprised of all three (3) Fiscal Years FY1, FY2 and FY3 (as defined in Section 3.1.1A below).

"**Financial Statements**" – Shall mean the financial statements of ~~Bidder~~the Single Company (or Member) for the Reference Fiscal Years, in English or Hebrew, audited by the CPA, duly executed by ~~Bidder~~the Single Company (or Member) and the CPA, and prepared and presented in accordance with one of the Accounting Principles described in Section ~~3.1.2 below~~3.1.2 below.

"**CPA**" – Shall mean the certified public accountant that has audited the financial statements of ~~Bidder~~the Single Company (or Member) for the relevant Fiscal Year.

"**Minority Interests**" – shall mean the portion of a company's shares that is not owned by the parent (i.e. less than 50% of outstanding shares), as defined by the IFRS.

3.1.1A Fiscal Year

"**Fiscal Year**" - Shall mean, with respect to each specific ~~Bidder~~Single Company (or Member), each of the three (3) last consecutive 'years' for which ~~Bidder~~the Single Company's (or Member's) Financial Statements are available, i.e. each of (i) 2013, 2014, and 2015, or (ii) 2012, 2013 and 2014, as confirmed by the CPA in **Attachment C1**.

'year' for the purpose of this definition only: - as applicable to each specific ~~Bidder~~Single Company (or Member), i.e., the period with respect to which the annual financial statements of ~~Bidder~~the Single Company (or Member) for a specific year were prepared, in accordance with the Accounting Principles. For the purpose of demonstrating compliance with the Financial Pre-requisites, a Fiscal Year shall include a period of not less than six (6) calendar months of the specified year, for example if ~~Bidder~~the Single Company's (or Member's) fiscal year ended on March 31, 2016, the applicable Financial Statements shall relate to Fiscal Year 2015.

Fiscal Years shall be referred to in these Instructions to Bidders as "**FY1**", "**FY2**" and "**FY3**", defined as follows:

	If Bidder <u>the Single Company (or Member)</u> 's last available Financial Statements as of the Submission Date	If Bidder <u>the Single Company (or Member)</u> 's last available Financial Statements as of the Submission Date
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	relates to Fiscal Year 2015, as confirmed by the CPA in <u>Attachment C1</u> :	relates to Fiscal Year 2014, as confirmed by the CPA in <u>Attachment C1</u> :
FY1	2013	2012
FY2	2014	2013
FY3	2015	2014

For clarification, a **BidderSingle Company (or Member)** which does have Financial Statements for 2015 must demonstrate compliance with the Financial Pre-Requisites with respect to Fiscal Years 2013, 2014 and 2015. **BidderA Single Company (or Member)** will only be allowed to demonstrate compliance with the Financial Pre-Requisites with respect to Fiscal Years 2012, 2013 and 2014 if the CPA has confirmed in **Attachment C1** that Financial Statements for 2015 are not yet available.

3.1.2 Accounting Principles

Financial Statements shall be prepared ~~and presented~~ in accordance with one of the following accounting principles (the "**Accounting Principles**"):

- 3.1.2.1 Israeli GAAP (including, with respect to the cash flow statements, Standard No. 51 of the Institute of Certified Public Accountants in Israel);
- 3.1.2.2 US GAAP (including, with respect to the cash flow statements, FAS (Financial Accounting Standards No. 95); or
- 3.1.2.3 International Financial Reporting Standards (IFRS), (including, with respect to the cash flow statements, IAS (International Accounting Standards) No. 7);

A **BidderSingle Company (or Member)** whose financial statements are presented based on different accounting principles than those listed in sub-clauses ~~3.1.2.13-1.2.1-3.1.2.33-1.2.3~~ above, is required to submit a specific request to ISR to approve the submission of such financial statements, at least forty five (45) days prior to the Submission Date. ISR will consider each request on a case by case basis.

3.1.3 Currency

The Pre-requisites in Sections ~~3.23-2, 3.33-3~~ and ~~3.4 below~~ refer to the EURO currency. If the Financial Statements of a **BidderSingle Company (or Member)** were originally

prepared in another currency, financial data, for each Fiscal Year shall be converted by ISR to EURO in accordance with the annual (12 months) average exchange rate between the original currency in which the Financial Statements were prepared and the EURO, in accordance with the following exchange rates (where applicable):

- a. Pre-requisites in Sections ~~3.23.2~~ (Equity) and ~~3.4.2 below~~ (value AD):

the nominal noon exchange rate published by the Bank of Canada to EURO for the last day of Fiscal Year FY3 (in accordance with the reporting date of the Bidder/Single Company's (or Member's) Financial Statements):

<http://www.bankofcanada.ca/rates/exchange/10-year-lookup/>.

- b. Pre-requisites in Sections ~~3.33.3~~ (Revenue), ~~3.4.13.4.1~~ (Cash Flow), ~~3.4.23.4.2~~ (Cash Flow to Equity Ratio) and ~~3.4.3 below~~ (EBITDA): the official relevant annual (calendar year) average exchange rates published by the Bank of Canada at:

<http://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/>

such that any currency will be first converted into Canadian Dollar, and then to EURO, in accordance with the applicable annual (Fiscal Year) average exchange rates.

For convenience, certain applicable conversion rates are attached in Schedule 1.

3.2 Equity

The total equity (excluding Minority Interests) of Bidder/the Single Company (or First Member) as reported in its Financial Statements of Fiscal Year FY3 is not less than one hundred twenty five (125) Million EURO.

3.3 Revenue

The weighted average annual revenue of the Bidder/Single Company (or First Member) during the Reference Fiscal Years (i.e. the WAR value as defined below) was not less than three hundred ~~sixty~~ (360/300) Million EURO, calculated in accordance with the following formula:

$$\text{WAR} = (\text{R}_t * 3 + \text{R}_{t-1} * 2 + \text{R}_{t-2}) / 6$$

Where:

WAR – weighted average annual revenue.

R_t – the annual revenue of Bidder/the Single Company (or First Member) in its Financial Statements of Fiscal Year FY3.

R_{t-1} – the annual revenue of ~~Bidder~~ the Single Company (or First Member) in its Financial Statements of Fiscal Year FY2.

R_{t-2} – the annual revenue of ~~Bidder~~ the Single Company (or First Member) in the Financial Statements of Fiscal Year FY1.

3.4 **Other Financial Pre-requisite**

~~Bidder~~The Single Company (or First Member) must comply with AT LEAST ONE of Sections ~~3.4.13-4.1, 3.4.23-4.2, or 3.4.3 below~~3.4.3 below or 3.4.4 below:

3.4.1 **Cash Flow**

The weighted average annual cash flow of ~~Bidder~~ the Single Company (or First Member) during the Reference Fiscal Years (i.e. the WACF value as defined below) was positive, calculated in accordance with the following formula:

$$WACF = (CF_t * 3 + CF_{t-1} * 2 + CF_{t-2}) / 6$$

Where:

WACF – weighted average annual cash flow.

CF_t – the annual cash flow from operating activities of ~~Bidder~~ the Single Company (or First Member) in its Financial Statements of Fiscal Year FY3.

CF_{t-1} – the annual cash flow from operating activities of ~~Bidder~~ the Single Company (or First Member) in its Financial Statements of Fiscal Year FY2.

CF_{t-2} – the annual cash flow from operating activities of ~~Bidder~~ the Single Company (or First Member) in its Financial Statements of Fiscal Year FY1.

3.4.2 **Cash Flow to Equity Ratio**

With respect to ~~the Bidder~~the Single Company (or First Member), the ratio between the absolute value of WACF, calculated as per Section ~~3.4.1 above~~3.4.1 above, and the equity (excluding Minority Interests) of ~~the Bidder~~ the Single Company (or First Member) in the Financial Statements of Fiscal Year FY3, is less than, or equal to, twenty five percent (25%), i.e.:

$$|WACF| / EQ_t \leq (25)\%$$

Where:

WACF – calculated as per Section ~~3.4.1 above~~3.4.1 above.

EQ_t – the equity (excluding Minority Interests) of ~~the Bidder~~ the Single Company (or First Member) in the Financial Statements of Fiscal Year FY3.

3.4.3 **Financial Debt (net) to EBITDA Ratio**

With respect to ~~Bidder~~ the Single Company (or First

Member), the ratio between the Annual Debt (i.e. the value AD calculated as defined below) and the Weighted Average Annual EBITDA (i.e. the value WAAE calculated as defined below) during the Reference Fiscal Years is less than or equal to eight (8), i.e.:

$$(AD/WAAE) = < 8$$

Where:

AD – Annual Debt, calculated as follows:

$$AD = FL_t - FA_t$$

Where:

FL_t – the financial liabilities of Bidder the Single Company (or First Member) in its Financial Statements of Fiscal Year FY3.

FA_t – the financial assets of Bidder the Single Company (or First Member) in its Financial Statements of Fiscal Year FY3.

WAAE – Weighted Average Annual EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization), calculated as follows:

$$WAAE = (E_t * 3 + E_{t-1} * 2 + E_{t-2}) / 6$$

Where:

E_t – the Annual EBITDA of Bidder the Single Company (or First Member) based on its Financial Statements of Fiscal Year FY3.

E_{t-1} – the Annual EBITDA of Bidder the Single Company (or First Member) based on its Financial Statements of Fiscal Year FY2.

E_{t-2} – the Annual EBITDA of Bidder the Single Company (or First Member) based on its Financial Statements of Fiscal Year FY1.

3.4.4 Credit Rating

3.4.4.1 The last credit rating issued with respect to the Single Company (or First Member) in the last twelve (12) months prior to the Submission Date by one of the following international rating firms, is at least:

3.4.4.1.1 (Baa1) - published by Moody's Investor Service;

3.4.4.1.2 (BBB-) - published by Standard &

Poor's Corporation;

3.4.4.1.3 (BBB-) - published by Fitch Investor Service.

And;

3.4.4.2 In the event that such Single Company's (or First Member) last credit rating is equal to one of the credit ratings specified in Section 3.4.4.1 above, such last credit rating shall not include any of the following applicable credit ratings watch lists:

3.4.4.2.1 Credit Review for possible downgrade (CR DNG) for Moody's Investor Service's rating;

3.4.4.2.2 Credit Watch Negative (Watch Neg) for Standard & Poor's Corporation's rating;

3.4.4.2.3 Rating Watch Negative (RWN) for Fitch Investor Service's rating.

3.5 **No Going Concern Notice**

The BidderSingle Company's (or Member's) Financial Statements for Fiscal Year FY3 do not include a going concern notice.

3.6 **No Insolvency**

As of the Submission Date, ~~Bidder~~the Single Company (or Member) is not under any voluntary or involuntary bankruptcy (liquidation or reorganization), or receivership or commencement of a similar insolvency proceeding.

4. COMPLIANCE WITH THE FINANCIAL PRE-REQUISITES THROUGH A PARENT COMPANY

4.1 Any ~~Bidder~~Single Company (or First Member) may demonstrate compliance with all (but not part) of the Financial Pre-requisites in Section ~~3 above~~3-above as a whole through its Parent Company, *provided that:*

4.1.1 The Parent Company is a company, duly organized and validly existing under the laws of the jurisdiction in which it is organized;

4.1.2 Bidder shall disclose the ownership and organizational structure of ~~its-the~~ Parent Company of the Single Company (or First Member) in **Attachment A2**;

4.1.3 The Parent Company fulfills all the Financial Pre-requisites applicable to the BidderSingle Company (or First Member);

4.1.4 ~~The Bidder~~The Single Company (or each of the Members in the Consortium) complies by itself with Sections ~~3.53-5~~ and ~~3.6 above~~3.6 above; and

4.1.5 The Parent Company will guarantee all the Bidder's financial obligations in connection with the Tender and the Agreement (if Bidder is selected as the Winning Bidder) and will execute the Parent Company's Declaration, Warranty and Undertaking in the form attached hereto as **Attachment D4**.

For the purpose hereof the term “**Parent Company**” shall mean a company that Controls ~~Bidder~~The Single Company (or the First Member).

4.2 For clarification, a Parent Company’s financial strength shall be attributed in its entirety (100%) to ~~Bidder~~The Single Company (or First Member), regardless of the exact ownership percentage of the Parent Company in Bidder.

4.3 It is further clarified that the Technical Pre-requisites may not be complied with through a Parent Company.

5. TECHNICAL PRE-REQUISITES

~~Bidder~~The Single Company (or First Member) must comply with all of the following three (3) Technical Pre-requisites in Sections 5.1, 5.2 and ~~5.3 below~~5.3 below:

5.1 Supply Experience

~~Bidder~~The Single Company (or First Member) must comply with AT LEAST ONE of Section 5.1.1 or 5.1.2 below:

5.1.1 ~~Bidder~~The Single Company (or First Member) has supplied and commissioned, during the period commencing on January 1st, 2005 and ending on the Submission Date, all the rolling stock in subsections (a) and (b) below, which were designed, manufactured, and fully assembled by ~~Bidder~~the Single Company (or First Member):

(a) at least thirty (30) double deck passenger trainsets.

'double deck passenger trainset' shall mean:

- (i) a configuration of at least four (4) double deck passenger vehicles; and/or
- (ii) a double deck electric multiple unit (as defined below).

'double deck electric multiple unit' shall mean ~~an electric multiple unit with a configuration of at least~~

- (i) an electric multiple unit with a configuration of at least two (2) double deck vehicles; ~~and/or~~
- (ii) an electric multiple unit with a configuration of

at least four (4) combined single and double deck vehicles, with ~~no more than~~ at least two (2) ~~single-double~~ deck vehicles per unit.

For clarification, the Single Company (or First Member) shall be entitled to present any of the following:

- certain 'double deck electric multiple units' according to item (i) above and certain units according to item (ii) above;

- only units according to item (i); or

- only units according to item (ii).

and;

(b) at least thirty (30) electric multiple units which complied with all the following requirements:

(i) AC catenary system; and

(ii) suitable to be operated at a speed of at least 140 km/h.

'*electric multiple unit*' shall mean an electric multiple unit with a configuration of at least two (2) vehicles.

For clarification, the same rolling stock shall not be presented to demonstrate compliance with both subsection (a) and subsection (b) above, and ~~Bidder~~ the Single Company (or First Member) shall present at least sixty (60) units/trainsets in order to fulfill the Technical Pre-requisites in this Section 5.1.1 above.

OR;

5.1.2 ~~Bidder~~The Single Company (or First Member) has supplied and commissioned, during the period commencing on January 1st, 2005 and ending on the Submission Date, at least thirty (30) double deck electric multiple units (as defined in Section 5.1.1(a) above) which were designed, manufactured, and fully assembled by ~~Bidder~~ the Single Company (or Member), and complied with all of the following requirements:

(i) AC catenary system; and

(ii) suitable to be operated at a speed of at least 140 km/h.

5.2 Maintenance Experience

~~Bidder~~The Single Company (or Member) has maintained electric rolling stock (including at least one (1) fleet of not less than ten (10) units) for an aggregate period of at least three (3) years during the period commencing on January 1st, 2009 and ending on the Submission Date.

'*unit*' for the purpose of this Section 5.2 only, shall mean (i) one (1)

electric locomotive; (ii) one (1) electric multiple unit; (iii) one (1) light rail train; or (iv) one (1) metro train.

5.3 Certification

~~Bidder~~The Single Company (or Member) must be certified for a quality management system in accordance with (i) ISO 9001 standard; and/or (ii) IRIS (International Railway Industrial Standard).

6. COMPLIANCE WITH THE TECHNICAL PRE-REQUISITES THROUGH AN AFFILIATE

6.1 A ~~Bidder~~Single Company (or First Member) may request to demonstrate its compliance with the Technical Pre-requisites in Sections 5.1.2 and/or 5.2 above through an Affiliate, subject to all the terms and conditions in this Section ~~66~~ below. For clarification, if Bidder is a Consortium, the Affiliate under this Section 6 might, or might not, be a Member in the Consortium.

~~"Affiliate" shall mean a company (i) duly organized and validly existing under the laws of the jurisdiction in which it is organized; and (ii) Controlling, Controlled by or under common Control with Bidder. (For clarification, this definition does not apply to the Israeli Affiliate which is defined in the Agreement).~~

Bidder shall disclose the ownership and organizational structure of the Affiliate and submit **Attachment E2** with respect to each Affiliate.

6.2 The following requirements shall apply to all Affiliates under this Section 66:

6.2.1 The Affiliate shall comply with the Technical Pre-requisite in Section ~~5.3 above~~5.3 above. For the removal of doubt, ~~Bidder~~the Single Company (or First Member) shall comply itself with the Technical Pre-requisite in Section ~~5.3 above~~5.3 above, whether or not an Affiliate is presented.

6.2.2 Each Affiliate shall comply with the following financial requirements:

6.2.2.1 Its Financial Statements for Fiscal Year FY3 (as defined in Section 3.1.1A above, *mutatis mutandis*) do not include a going concern notice; and

6.2.2.2 As of the Submission Date, it is not under any voluntary or involuntary bankruptcy (liquidation or reorganization), or receivership or commencement of a similar insolvency proceeding.

In order to demonstrate compliance by an Affiliate with the above financial requirements, Bidder must submit **Attachment E3** and **Attachment E4** with respect to each

Affiliate.

6.2.3 In the event that an Affiliate is incorporated in the State of Israel, it must demonstrate compliance with the requirements of, and provide all approvals and affidavits required pursuant to, the Public Entities Transactions Law, 5736-1976, including:

6.2.3.1 an affidavit in the form attached as **Attachment E5**, signed by an authorized officer;

6.2.3.2 a Valid Tax Withholding Certificate issued by the Israeli Tax Authorities (in Hebrew: אישור לצורך "ניכוי מס"); and

6.2.3.3 a Valid Books Keeping Certificate issued by the Israeli Tax Authorities (in Hebrew: אישור על ניהול פנקסי חשבונות ורשומות לפי חוק עסקאות גופים ציבוריים (התשל"ו-1976)).

6.3 In addition to the provisions of this Section ~~6 above~~, all the following terms and conditions shall apply ~~if Bidder to the Single Company (or First Member)~~ requesting to demonstrate compliance with the Technical Pre-requisite in Section 5.1.2 above through an Affiliate:

6.3.1 ~~the Single Company (or First Member) Bidder~~ must fulfill the following Technical Pre-requisite:

~~The Single Company (or First Member) Bidder~~ has supplied and commissioned, during the period commencing on January 1st, 2005 and ending on the Submission Date, electric multiple units and/or 'double deck passenger trainsets' (as defined in Section 5.1.1 above) which were designed, manufactured, and fully assembled by ~~the Single Company (or First Member) Bidder~~. ~~The Single Company (or First Member) Bidder~~ shall submit **Attachment E6** in order to demonstrate compliance with this Technical Pre-requisite.

6.3.2 The Affiliate must fulfill the Technical Pre-requisite in Section 5.1.2 above. Bidder shall submit **Attachment E7** (Supply Experience and Reference List) with respect to the Affiliate.

6.3.3 Bidder shall submit **Attachment E8** (Affiliate Undertaking with respect to Supply) signed by the Affiliate, under which the Affiliate irrevocably and unconditionally undertakes to provide to ~~the Single Company (or First Member) Bidder~~ (if ~~the Single Company (or First Member) Bidder~~ will be selected as the Winning Bidder) any and all know-how and technical, professional and other support and assistance as requested through the entire term of the Agreement in order to enable Supplier to timely and fully fulfill all its obligations under the Agreement in connection with the design, manufacturing, assembly, supply, commissioning, Warranty and Maintenance

(if applicable) of the Units.

6.4 In addition to the provisions of this Section ~~6 above~~, all the following terms and conditions shall apply if a Single Company (or First Member) Bidder requests to demonstrate compliance with the Technical Pre-requisite in Section 5.2 above through an Affiliate:

6.4.1 The Affiliate must fulfill the Technical Pre-requisite in Section 5.2 above. Bidder shall submit **Attachment E9** (Maintenance Experience and Reference List) with respect to the Affiliate.

~~Bidder must submit **Attachment E10** signed by the Bidder and the Affiliate, evidencing the appointment of the Affiliate for the execution of the applicable Works if the Bidder is selected as the winning bidder in the Tender.~~

6.4.2 The Affiliate shall:

(i) execute the relevant Works which are the subject matter of the Technical Pre-requisite in Section 5.2 above and the Affiliate shall be considered as a Subcontractor of Supplier for any and all purposes, in which case Bidder must submit **Attachment E10** signed by the Single Company (or First Member) and the Affiliate, evidencing the appointment of the Affiliate for the execution of the Maintenance Works if the Bidder is selected as the Winning Bidder in the Tender; or

~~(ii)~~ irrevocably and unconditionally undertakes to provide to Supplier any and all know-how and technical, professional and other support and assistance as requested through the entire term of the Agreement in order to enable Supplier to timely and fully fulfill all its Maintenance obligations under the Agreement, in which case Bidder shall submit **Attachment E10A** (Affiliate Undertaking with respect to Maintenance) signed by the Affiliate. Nothing contained herein shall be construed as derogating from any responsibility and liability imposed on Supplier and/or on the Israeli Affiliate and/or on any Member in the Consortium under the Agreement (including in the event that the above Affiliate is a Member in the Consortium).

For clarification: (i) a Single Company (or First Member) Bidder may present only one (1) Affiliate (if applicable) in order to demonstrate compliance with the Technical Pre-requisite in Section 5.1.2 above and one (1) Affiliate (if applicable) in order to demonstrate compliance with the Technical Pre-requisite in Section 5.2 above; (ii) the same Affiliate may be presented in order to demonstrate compliance with both Technical Pre-requisites.

6.5 For the removal of doubt, compliance with the Technical Pre-requisite in

Section 5.1.1, 5.3 and ~~6.3.1 above~~ (as applicable) shall not be demonstrated through an Affiliate.

6A. COMPLIANCE WITH TECHNICAL PRE-REQUISITES AFTER A BUSINESS RESTRUCTURING EVENT

6A.1 This Section 6A shall apply ~~to a Bidder,~~ with respect to compliance with the Technical Pre-requisites only, and shall not apply to compliance with the Financial Pre-requisites.

6A.2 In the event of a spin off, business combination, merger, reorganization, acquisition of a company or a business unit, or any similar event (the "**Business Restructuring Event**") with respect to any legal entity other than the Single Company (or First Member)~~Bidder~~ (the "**Business Entity**"), a Single Company (or First Member)~~Bidder~~ may request that the experience of such Business Entity with respect to the Technical Pre-requisites in Sections 5.1 and/or 5.2 above will be attributed to such Single Company (or First Member)~~Bidder~~, subject to the following conditions:

- (a) The experience of the Business Entity, as relevant with respect to any Technical Pre-requisite, was, upon and as of the date of the Business Restructuring Event, duly in the possession of a certain division/business unit owned by, or forming part of, the Business Entity as of such time (the "**Business Division**").
- (b) All the relevant business activities and know-how of such Business Division are owned, by reason of the Business Restructuring Event or any subsequent transaction, by Bidder as of the Submission Date.
- (c) The majority of the key employees of the Business Division employed by the Business Entity prior to the Business Restructuring Event are employed by Bidder as of the Submission Date.
- (d) The majority of the employees who have fulfilled engineering functions in the Business Division prior to the Business Restructuring Event are employed by Bidder on the Submission Date.

6A.3 Bidder must submit all documents as required to prove compliance by the Business Entity with any or all Technical Pre-requisites, including but without limitation with respect to the Business Entity's experience and with the Business Restructuring Event.

6A.4 Compliance with any Technical Pre-requisite through a Business Division shall be deemed as compliance by the Single Company (or First Member)~~Bidder~~ itself, if all the conditions in this Section 6A are fulfilled.

6B. COMPLIANCE WITH TECHNICAL PRE-REQUISITES THROUGH

JOINT PROJECTS

6B.1 This Section 6B shall apply ~~to a Bidder~~ with respect to compliance with the Technical Pre-requisites in Section 5.1 above only, and shall not apply to compliance with the other Technical Pre-requisites and/or the Financial Pre-requisites.

6B.2 With respect to the Technical Pre-requisites in Section 5.1 above, a Single Company (or First Member) Bidder may request that the experience gained by it in the course of a joint project which have been performed together with one or several third party(ies) (the "**Joint Project**"), will be attributed to such Single Company (or First Member) Bidder, subject to the following terms and conditions:

- (a) Bidder can demonstrate to ISR's satisfaction that most of the part and/or the essential part of the Joint Project which is relevant for the proof of compliance with the relevant Technical Pre-requisite has been performed by the Single Company (or First Member) Bidder; and
- (b) All relevant business activities, key employees and know-how as necessary in order to perform the Works which are the subject matter of the Technical Pre-requisite in subsection (a) above are held by such Single Company (or First Member) Bidder as of the Submission Date.
- (c) Bidder's request shall be submitted to ISR ~~in writing at least seventy five (75) days prior to the Submission Date~~ with its Bid;
- (d) Such request shall include all documents as required to demonstrate the Single Company (or First Member) Bidder's part in the Joint Project(s) as per this Section 6B.2 above; and
- (e) ISR will review Bidder's request and shall be entitled, at its sole discretion, to request additional data and information and to determine if the Single Company (or First Member) Bidder has fulfilled the Technical Pre-requisites in Section 5.1 above or any of them through such Joint Project(s).

6B.3 Compliance with any Technical Pre-requisite by presenting a Joint Project shall be deemed as compliance by the Single Company (or First Member) Bidder itself, if all the conditions in this Section 6B above are fulfilled.

7. PROOF OF COMPLIANCE WITH THE PRE-REQUISITES

Bidder is required to submit, as part of its Bid, all documents and certificates necessary to prove compliance with all of the Pre-requisites, including, *inter alia*, the following:

7.1 Compliance with the Financial Pre-requisites by a Single Company (or a First Member) Bidder

7.1.1 Financial Pre-requisites in Sections ~~3.23.2~~, ~~3.33.3~~ and 3.4

above3.4 above:

Bidder must submit a statement in the form attached as **Attachment C1**, certified by the CPA of the Single Company (or First Member).

7.1.2 Financial Pre-requisites in Section 3.5 above3.5 above:

If Bidder is a Single Company, Bidder must submit a statement in the form attached as **Attachment C2**, certified by the CPA of the Single Company.

If Bidder is a Consortium, Attachment C2 must be submitted separately for each of the Members, certified by the CPA of such Member.

7.1.3 Financial Pre-requisites in Section 3.6 above3.6 above:

If Bidder is a Single Company, Bidder must submit a statement in the form attached as **Attachment C3**, certified by Bidder's the Single Company's chief financial officer.

If Bidder is a Consortium, Attachment C3 must be submitted separately for each of the Members, certified by the chief financial officer of such Member.

7.2 **Compliance with the Financial Pre-requisites through a Parent Company**

7.2.1 In the event that Bidder requests to fulfill the Financial Pre-requisites through its—the Parent Company of a Single Company (or of the First Member) :

7.2.1.1 Section 7.1 above7.1 above shall not apply;

7.2.1.2 Section 3.1 above3.1 above shall apply *mutatis mutandis* with respect to the Parent Company; and

7.2.1.3 Bidder shall submit all the Attachments specified in this Section 7.27.2 below.

7.2.2 Financial Pre-requisites in Sections 3.23.2, 3.33.3 and 3.4 above3.4 above:

Bidder must submit a statement in the form attached as **Attachment D1**, certified by the CPA of the Parent Company.

7.2.3 Financial Pre-requisites in Section 3.53.5 above:

Bidder must submit a statement in the form attached as **Attachment D2**, certified by the CPA of the Parent Company.

7.2.4 Financial Pre-requisites in Section 3.6 above3.6 above:

Bidder must submit a statement in the form attached as **Attachment D3**, certified by the Parent Company's chief financial officer.

7.2.5 Other Attachments to be submitted by Bidder:

- 7.2.5.1 **Attachment A2** (ownership and organizational structure of the Parent Company).
- 7.2.5.2 **Attachment D4** (Parent Company's Declaration, Warranty and Undertaking).
- 7.2.5.3 With respect to a ~~Bidder~~ **Single Company** demonstrating compliance with the Financial Pre-requisites through a Parent Company:
- 7.2.5.3.1 a statement in the form attached as **Attachment C2**, certified by the CPA **of the Single Company**.
- ~~7.2.5.3.2~~ a statement in the form attached as **Attachment C3**, certified by the chief financial officer of ~~Bidder~~ **the Single Company**.
- ~~7.2.5.4~~ **With respect to a Consortium demonstrating compliance with the Financial Pre-requisites through the Parent Company of the First Member:**
- ~~7.2.5.4.1~~ **With respect to each of the Members separately: a statement in the form attached as Attachment C2, certified by the CPA of such Member.**
- ~~7.2.5.3.2~~ ~~7.2.5.4.2~~ **With respect to each of the Members separately: a statement in the form attached as Attachment C3, certified by the chief financial officer of such Member.**
- 7.3 **Compliance with the Technical Pre-requisites by ~~Bidder~~ a Single Company (or First Member)**
- 7.3.1 **Technical Pre-requisites in Sections 5.1 and 5.2:**
 Bidder must submit an Experience and References List **relating to the Single Company (or First Member, as applicable)** in the form attached as **Attachment E1**.
~~Bidder must submit all valid certificate(s) of homologation in compliance with the requirements of Section 5.1.1(b) (iii) or 5.1.2(iii), as applicable.~~
- 7.3.2 **Technical Pre-requisite in Section 5.3:**
 Bidder must submit a valid certificate issued by an independent accredited certification body, stating that **Bidder the Single Company (or First Member, as applicable)** meets the requirements of ISO 9001 and/or of IRIS, as applicable.
 Such independent certification body should be accredited in its own country of incorporation or registration (as applicable) for

carrying out ISO and/or IRIS certification.

- 7.3.3 To the extent that a Bidder requests to comply with any Technical Pre-requisite through a Business Entity as per Section 6A above, Bidder must submit all documents as specified in Section 6A.3 above.
- 7.3.4 To the extent that a Bidder requests to comply with any Technical Pre-requisite through a Joint Project as per Section 6B above, Bidder must submit all documents as specified in Section 6B.42 above.

7.4 **Compliance with the Technical Pre-requisite in Sections 5.1.2 and/or 5.2 above through an Affiliate(s)**

To the extent that ~~Bidder a Single Company (or First Member)~~ requests to comply with the Technical Pre-requisite(s) in Sections 5.1.2 and/or ~~5.2 above~~ ~~5.1 above~~ through an Affiliate, Bidder shall submit all of the Attachments and documents below with respect to each Affiliate:

- 7.4.1 The structure and organization of the Affiliate in the form attached as **Attachment E2**.
- 7.4.2 Certificate(s) as per Section ~~7.3.2 above~~ ~~7.3.2 above~~, issued with respect to the Affiliate.
- 7.4.3 a statement in the form attached as **Attachment E3**, certified by the CPA of the Affiliate.
- 7.4.4 a statement in the form attached as **Attachment E4**, certified by the chief financial officer of the Affiliate.
- 7.4.5 If the Affiliate is incorporated in the State of Israel: **Attachment E5**, certified by a lawyer licensed in Israel and the other documents referred to in Section 6.2.3 above ~~6.2.3 above~~.
- 7.4.6 With respect to the Technical Pre-requisite in Section 5.1.2 above:
- 7.4.6.1 A Supply Experience and References List of Bidder as per Section ~~6.3.16.3.1 above~~, in the form attached as **Attachment E6**.
- 7.4.6.2 A Supply Experience and References List of the Affiliate as per Section ~~6.3.2 above~~ ~~6.3.2 above~~, in the form attached as **Attachment E7**.
- 7.4.6.3 All valid certificate(s) of homologation with respect to the Supply Experience and References List of Affiliate and of Bidder, in compliance respectively with the requirements of Section 5.1.2(iii) and ~~6.3.16.3.1 above~~.
- 7.4.6.4 An Affiliate Undertaking with respect to Supply as per Section ~~6.3.3 above~~ ~~6.3.3 above~~, in the form

attached as **Attachment E8**.

7.4.7 With respect to the Technical Pre-requisite in Section 5.2 above-5.1 above:

7.4.7.1 A Maintenance Experience and References List of the Affiliate as per Section 6.4.1 above-6.4.1 above, in the form attached as **Attachment E9**.

7.4.7.2 A document evidencing the appointment of the Affiliate as per Section 6.4.2(i) above-6.4.2 above, in the form attached as **Attachment E10**.

OR

an Affiliate Undertaking with respect to Maintenance in the form attached in Attachment E10A as per Section 6.4.2(ii) above, as applicable.

7.5 **Additional Data and Information**

ISR shall have the right, at its sole discretion, to request from any of the Bidders additional data and information, documents, financial statements, approvals, recommendations and/or certificates as deemed necessary by ISR to examine Bidder's compliance with the Pre-requisites.

8. **MANDATORY INDUSTRIAL COOPERATION**

8.1 Pursuant to the Israeli Mandatory Tenders Regulations (Mandatory Industrial Cooperation) 5767 – 2007 ("**Industrial Cooperation Regulations**"), Bidder must submit with its proposal a plan for the execution of industrial cooperation in Israel, to be implemented in the event that Bidder will be declared as the Winning Bidder in the Tender, in the form attached as **Attachment F1** hereto.

8.2 The signature by ISR of the Agreement with the Winning Bidder shall be subject to the Industrial Cooperation Authority's ("**ICA**") approval that the plan meets the terms and conditions stipulated in Chapter B of the Industrial Cooperation Regulations. In the event that ICA will not inform ISR of its non-approval within twenty one (21) days from the date ICA has been informed that Bidder is the Winning Bidder, ISR shall have the right to enter into the Agreement with such Winning Bidder.

9. **THE AGREEMENT**

9.1 **General**

9.1.1 The Agreement in Volume C shall govern the contractual relations between ISR and Supplier.

9.1.2 The Maintenance Depot Contract to be attached as **Attachment F1** to the Agreement is currently expected to be published by ISR in Hebrew within forty five (45) days from the date of publication of the Tender. ~~A non-binding translation to~~

~~English should follow.~~

9.2 Approvals.

The Agreement is subject to various approvals, including (i) the required budgetary approval by the Government of the State of Israel, the receipt of which is *not* guaranteed (except that issuance of IPO1, IPO2 and IPO3, execution of the Maintenance Depot Contract and order of Maintenance in the initial Maintenance Period for the Units to be supplied under IPO1 is *not* subject to budgetary approval), and (ii) the successful completion of various internal procedures and requirements of ISR.

9.3 Depot Subcontractor for the construction of the Maintenance Depot

9.3.1 As a condition for signature of the Agreement by ISR, the Winning Bidder shall appoint a Subcontractor for the construction of the Maintenance Depot under **Attachment F1** to the Agreement ('*Maintenance Depot Contract*'), subject to all the terms and conditions of this Section 9.3 (the "**Depot Subcontractor**").

9.3.2 ISR will request from (i) any or all Bidders that were not disqualified after evaluation of their Technical Proposals as per Section ~~13.1 below~~~~13.1 below~~, or (ii) from the Winning Bidder only, at ISR's discretion, to submit to ISR's approval, within seven (7) ~~Business Days~~ days from ISR's request, the identity of one or several alternative subcontractor(s) to be appointed as Depot Subcontractor and all documents and certificates as required to demonstrate that such proposed subcontractor(s) meet at least the following requirements:

9.3.2.1 Professional certificates:

9.3.2.1.1 Subcontractor holds a valid certificate of registration in the Israeli Contractor's Registrar (branch 100, financial classification Guimel'5) (In Hebrew: פנקס רשם הקבלנים בענף 100, סיווג כספי ג'5)

9.3.2.1.2 Subcontractor holds a valid certificate of authorized contractor for the performance of public works (branch 100, financial classification Guimel'5) issued by the inter-ministerial committee for contractor's works (in Hebrew: בעל תעודת קבלן מוכר בתוקף לביצוע עבודות ממשלתיות מטעם הועדה הבין (משרדית למסירת עבודות לקבלנים).

9.3.2.2 Financial conditions:

9.3.2.2.1 The weighted average annual revenue of Subcontractor during the Reference

Fiscal Years (i.e. the WAR value as defined below) was not less than eighty (80) Million NIS, calculated in accordance with the following formula:

$$\text{WAR}=(R_t*3+R_{t-1}*2+R_{t-2})/6$$

Where:

WAR – weighted average annual revenue.

R_t – the annual revenue of Subcontractor in its Financial Statements of Fiscal Year FY3 (as defined in Section 3.1.1A above, *mutatis mutandis*).

R_{t-1} – the annual revenue of Subcontractor in its Financial Statements of Fiscal Year FY2 (as defined in Section 3.1.1A above, *mutatis mutandis*).

R_{t-2} – the annual revenue of Subcontractor in the Financial Statements of Fiscal Year FY1 (as defined in Section 3.1.1A above, *mutatis mutandis*).

- 9.3.2.2.2 Subcontractor's Financial Statements for Fiscal Year FY3 (as defined in Section 3.1.1A above, *mutatis mutandis*) do not include a going concern notice.
- 9.3.2.2.3 As of the date of submission to ISR of the above documents, Subcontractor is not under any voluntary or involuntary bankruptcy (liquidation or reorganization), or receivership or commencement of a similar insolvency proceeding.
- 9.3.2.2.4 compliance with the requirements of, and provide all approvals and affidavits required pursuant to, the Public Entities Transactions Law, 5736-1976, including:
- 9.3.2.2.4.1. an affidavit in the form attached as **Attachment E7E5**, signed by an authorized officer;

9.3.2.2.4.2. a Valid Tax Withholding Certificate issued by the Israeli Tax Authorities (in Hebrew: "אישור לצורך ניכוי מס"); and

9.3.2.2.4.3. a Valid Books Keeping Certificate issued by the Israeli Tax Authorities (in Hebrew: אישור על ניהול פנקסי חשבונות ורשומות לפי חוק עסקאות גופים (ציבוריים התשל"ו-1976)

ISR may request from the Bidders to provide any data, information and documents to demonstrate compliance by the proposed subcontractor(s) with the requirements in this Section above.

9.3.3 Bidders are hereby advised that ISR may elect to review the information submitted by Bidders with respect to this Section above at any time until signature of the Agreement with the Winning Bidder. In case the subcontractor(s) proposed by Bidder are not approved by ISR, Bidder will be requested to present an alternative subcontractor for appointment as Depot Subcontractor to ISR's approval within seven (7) days from ISR's request. Such approval by ISR and the appointment of the Depot Subcontractor, as evidenced by a written document in a form acceptable to ISR that will be attached to the Agreement, shall be a condition for signature of the Agreement by ISR.

9.3.4 For the removal of doubt, (i) the Depot Subcontractor is a Subcontractor (as defined in the Agreement) for any and all purposes, and shall be subject to all applicable provisions of the Agreement; and (ii) nothing herein shall be construed to derogate from the provisions of the Agreement and of the Maintenance Depot Contract with respect to appointment by Supplier of major Subcontractors.

10. PROPOSED DELIVERY TIME (FINAL ACCEPTANCE) FOR IPO1

10.1 Bidder shall specify in **Attachment G1** the timetable proposed for the Final Acceptance of each Unit in IPO1, taking into account that:

10.1.1 ISR shall issue IPO1 within ~~sixty-thirty~~ (6030) days from the Effective Date, subject to Section 7 of the Agreement; and

10.1.2 IPO1 shall include twenty four (24) Units ((six (6) Short Units and eighteen (18) Long Units, as defined in the Agreement).

10.2 The timetable proposed by Bidder in **Attachment G1** for the Final Acceptance of the Units in IPO1 shall comply with all the following conditions:

10.2.1 The time of delivery of each Unit shall be specified in months

- from the date of issuance of IPO1 (and not as a specific date);
- 10.2.2 The date of Final Acceptance of the first Unit to be delivered under IPO1, as proposed by Bidder, shall be within not less than thirty (30) months and not more than thirty six (36) months from the date of issuance of IPO1;
- 10.2.3 Commencing on the date of Final Acceptance of the first Unit to be delivered under IPO1:
- 10.2.3.1 the aggregated number of Units regarding which Final Acceptance will be completed during each calendar month shall be at least two (2).
- 10.2.3.2 During each calendar month, Final Acceptance shall be completed for at least one (1) Short Unit and one (1) Long Unit, until Final Acceptance of all Short Units has been completed.
- 10.3 The timetable proposed by Bidder in **Attachment G1** for the Final Acceptance of the Units in IPO1 (the "**Proposed Delivery Time for IPO1**") will be scored in accordance with the criteria and evaluation process specified in Section 13.1A below.
- 10.4 The Proposed Delivery Time for IPO1 submitted by the Winning Bidder will be attached as **Attachment B** to the Agreement.

11. TENDER PROCEDURE

11.1 **Purchase of the Tender Documents**

- 11.1.1 Tender Documents are available for review, download and purchase at ISR's website at the following address:
<http://www.rail.co.il/HE/ISRTenders/Pages/TenderList.aspx>
- 11.1.2 Purchase of the Tender Documents is subject to payment (non-refundable) of the amount of fifteen thousand (15,000) New Israeli Shekels (including VAT), whether:
- 11.1.2.1 by credit card at ISR website, or
- 11.1.2.2 by payment voucher, available daily between 09:00-15:00 (except Fridays and Jewish or national holiday) at the following address: Israel Railways Ltd., Procurement & Contracting Division, Tel Aviv Central Train Station – Savidor (Arlozorov), Tel Aviv, Israel. Vouchers shall be paid in a bank only (excluding the postal bank), by cash only. However, vouchers paid in the bank in which the payer has an account may be paid by check.

It is hereby clarified that (i) the above amount shall not be refunded under any circumstances; and (ii) ISR shall not be

responsible in the event that payment cannot be performed by credit card at ISR's website prior to the Submission Date for any reason whatsoever.

- 11.1.3 Submission of a Bid in the Tender is subject to purchase of the Tender Documents by Bidder as set forth in this Section 11.1 above, and submission with its Bid of a document evidencing such purchase (receipt issued by ISR's website or voucher with the stamp of the bank). **It is hereby clarified that a Bidder which shall not submit such evidence shall be disqualified.**

11.2 Inquiries, Clarifications, Notices to Bidders, Meetings

- 11.2.1 Bidders may submit to ISR, in writing, inquiries and/or requests for clarification regarding the Tender or relating to the Tender Documents in English, as specified herein below (a "**Request for Clarification**"). A Request for Clarification shall be titled "Request for Clarification", submitted as tables in Word format, and shall clearly specify to which Tender Documents (volume, attachment, section) it refers.
- 11.2.2 Request for Clarifications should be addressed in writing only, by no later than May 30th, 2016, to Ms. Sophia Katsely, International Procurement Coordinator, by e-mail: sophiak@rail.co.il. Bidders shall be responsible for verifying receipt by ISR of Requests for Clarification.
- 11.2.3 Bidders shall submit Requests for Clarification with respect to any errors, ambiguities, inconsistencies, omissions, erroneous, unclear or imperfect provisions ("**Errors**") in the Tender Documents. It is clarified that by submitting its Bid, Bidder irrevocably and unconditionally waives any claim, demand or legal or administrative proceeding alleging or claiming that the selection process in the Tender has been influenced or biased by an Error and/or that Bidder has suffered any damages as a result of such Error.
- 11.2.4 Should ISR decide, at its sole discretion, to issue a notice to Bidders and/or to respond to any Requests for Clarifications, such notice or response shall be published on ISR's website (in the tenders section under the Tender's name) and, as of the date of such publication, shall constitute an integral part of the Tender Documents (each a "**Notice to Bidders**").
- 11.2.5 Bidders shall be solely responsible to check ISR's website on a regular basis in order to follow publications by ISR. Any Notice to Bidders published at ISR's website as per the above shall be binding upon each Bidder, whether or not Bidder is aware of such Notice to Bidders, and Bidder shall not have any claim in connection therewith.
- 11.2.6 It is hereby clarified that only information provided by ISR to

Bidders by the way of a Notice to Bidders as per the above shall be binding upon ISR (unless expressly specified otherwise therein), and ISR shall not be bound by any oral or written response or information communicated to Bidders in any other way, including any response or information conveyed during any meeting held with the Bidders (if held).

- 11.2.7 ISR, at its sole discretion, may arrange clarification meetings, site visits, conferences or discussions, and instruct Bidders that participation is compulsory on all Bidders wishing to submit a Bid.

11.3 Amendments of Tender Documents

At any time prior to the Submission Date, ISR may amend the Tender Documents (including but without limitation these Instructions to Bidders, the Technical Specifications and the Agreement) by issuing Notices to Bidders.

11.4 Submission Date

All Bids must be submitted by ~~August 8th~~ September 28th, 2016 by 13:00 (Israel time), unless such deadline is extended by ISR at its sole discretion, after giving notice to all ~~Eligible~~ Bidders on ISR's website (such date, as may be extended by ISR, shall be referred to as the "**Submission Date**"). Bids may be submitted at the earliest forty eight (48) hours prior to the Submission Date.

Bids must be submitted to ISR in sealed envelopes as specified in Section ~~12 below~~ 12 below, at the address set forth below:

Israel Railways Ltd.
Procurement & Contracting Division – Tender Box # 5
Tel Aviv Central Train Station – Savidor (Arlozorov)
Tel Aviv, Israel

11.5 Validity Period of the Bid

11.5.1 Bids shall remain valid until ~~August~~ September 28th, 2017 (the "**Bid Validity Period**"). Bids which were submitted may not be revoked or changed by Bidder prior to the expiration of the Bid Validity Period for any reason whatsoever, except at ISR's request as expressly specified in these Instructions to Bidders.

11.5.2 Should ISR not reach a final decision as to the Winning Bidder before the expiration of the Bid Validity Period, ISR shall be entitled to request any or all Bidders to extend the Bid Validity Period by an additional period of up to six (6) months. Any Bidder requested to extend the Bid Validity Period of its Bid as per the above shall extend the term of its Bid Guarantee as per Section 2.4 above.

11.5.3 In the event that ISR will conduct 'best and final' stage(s) as specified in Section ~~11.7.3 below~~ 11.7.3 below, the Bid Validity Period for Bidders that will be selected to participate

in such stage will be extended accordingly.

11.5.4 Extension of the Bid Validity Period shall not entitle Bidder to change, amend, add or delete any of the contents of its Bid, except at ISR's request as expressly specified in these Instructions to Bidders. Any other change, amendment, addition or deletion shall entitle ISR, at its sole discretion, to disqualify Bidder from any further participation in the Tender.

11.5.5 For clarification, Bidder (by itself or through the entity complying with any Pre-requisites, as applicable) shall maintain compliance with all Pre-requisites during the entire Bid Validity Period (as may be extended by ISR pursuant to the provisions above).

11.5.6 Without derogating from the provisions of the Instructions to Bidders, each Bidder shall promptly notify ISR in writing of any change after the Submission Date with respect to Bidder and/or the information and/or the representations made by Bidder in connection with this Tender, including all the warranties and representations set forth in the Agreement, and in particular, any change which affects or can reasonably be expected to affect Bidder's compliance with the Pre-requisites.

ISR shall be entitled to take any action it deems fit in response to such change, and Bidders shall not have any claim in connection therewith.

11.6 **Clarification and Presentations by Bidders**

At any time until Notification of the Winning Bid, ISR may request any or all of the Bidders, individually, to clarify or give presentation of their Bids.

11.7 **Negotiations**

11.7.1 ISR reserves the right, at its sole discretion, to conduct negotiations in one or several stages, at any time, with any of the Bidders, with respect to their Commercial and/or Technical Proposals and/or the Agreement, all in accordance with the requirements of the Israeli Mandatory Tenders Laws, 5752-1992 and the regulations promulgated thereunder.

11.7.2 At the end of each negotiation stage, ISR may request submittal of an improved Commercial and/or Technical Proposal. This process of negotiation and submittal of improved Commercial and/or Technical Proposals may be conducted once or several times at ISR's sole discretion.

11.7.3 ISR reserves the right to conduct 'best and final' stage(s), in which ISR will request Bidders, who have scored the highest scores in the Tender, to submit their 'best and final' offers. The method of conducting the above 'best and final' stage(s) shall be determined by ISR at its sole discretion.

11.8 Selection of the Winning Bid

ISR shall select the winning Bid as further detailed in Section ~~13 below~~^{13 below}.

11.9 Notification of the Winning Bid

11.9.1 ISR shall send notification to the Bidder selected as the winner in the Tender (the “**Notification of Winning Bid**” and the “**Winning Bidder**”). Notification shall also be sent to the other Bidders. For the removal of doubt, the Notification of Winning Bid will not constitute the formation of a contract between ISR and the Supplier.

11.9.2 Upon the receipt of the Notification of Winning Bid, the Winning Bidder shall extend the validity of the Bid Guarantee until replacement thereof by the Basic Performance Guarantee as per Section 2.6 above.

11.10 Signature of the Agreement

11.10.1 Within seven (7) days from request by ISR, the Winning Bidder shall provide ISR with the Agreement (including the attachments thereto) signed on each page by the authorized signatory of the Winning Bidder.

11.10.2 If the Winning Bidder fails to sign the Agreement within seven (7) days from ISR's request and/or if the Winning Bidder fails to submit the Basic Performance Guarantee to ISR as per Section 25.2 of the Agreement, ISR may select another Bidder and consider the selection of the Winning Bidder to be cancelled, without prejudice to any claims, rights or remedies that ISR may have in respect of such failure (including ISR's right to collect the amount of the Bid Guarantee submitted by the Winning Bidder), and the Winning Bidder shall have no claim or demand whatsoever towards ISR.

11.11 Next Best-Ranked Bidder.

11.11.1 In case the Agreement with the Winning Bidder is not executed for any reason whatsoever (other than due to ISR refraining from signing the Agreement for no reason) within three (3) months following the Notification of Winning Bid, or in case such signed Agreement is nullified within eight (8) months from the signing of the Agreement, ISR reserves the right to send a replacing Notification of Winning Bid to the next best-ranked Bidder, who shall substitute the Bidder originally selected in the Tender as the Winning Bidder.

11.11.2 ISR may request the next-best ranked Bidder to extend the validity of its Bid and of its Bid Guarantee until three (3) months after signature of the Agreement by ISR and the Winning Bidder, as applicable.

- 11.11.3 In such case, the next best-ranked Bidder shall be entitled to the payment by ISR of a monthly amount of twenty thousand (20,000) NIS (+ VAT) (and pro-rata for part of a month), commencing on the date of Notification of the Winning Bid and for the entire period during which its Bid Guarantee is extended as per ISR's request, as sole and exclusive remedy (monetary or otherwise) for any and all costs, expenses, losses and/or damages that may be caused to the next best-ranked Bidder in connection with the extension of the period of validity of its Bid and/or its Bid Guarantee. For clarification, Bidder shall not be entitled to any other payment or recourse of whatever kind and nature (including but without limitation in the form of reimbursement of expenses and/or compensation for lost of profits).

12. DOCUMENTS COMPRISING THE BID

Each Bid shall be comprised of all of the Attachments and documents specified in this Section 12 below, which shall comply with all requirements of the Tender Documents as may have been amended by any Notice to Bidders.

- 12.1 Bidder shall print the Tender Documents to be submitted with its Bid as specified in Section ~~12.2 below~~ and prepare four (4) stickers as follows: "**Envelope No. 1**", "**Envelope no. 2**", "**Envelope no. 3**" and "**the Main Envelope**". Bidder shall glue each sticker on one empty envelope (one sticker per envelope). Such four envelopes shall not bear any other wording and/or identification signs or markings.

- 12.2 The Bid shall include all four (4) envelopes as described below, in accordance with all the provisions in Section ~~12.2~~ below.

- 12.2.1 **ENVELOPE NO. 1-** with the sticker "Bid Submission and Compliance with the Pre-requisites – Tender No. 51403", shall include one (1) original and two (2) copies of the following:

- (a) Document evidencing the purchase of the Tender Documents as per Section ~~11.1 above~~ (receipt issued by ISR's website or voucher with the stamp of the bank).

- (b) **Attachment J1** (Bid Submission Signature Form) signed by Bidder (and, if Bidder is a Consortium, by both Members).

- (c) The Bid Guarantee.

(d) If Bidder is a Single Company:

- i. **Attachment A1** (~~Bidder's Single Company~~'s Structure and Organization)

- ii. All the Attachments specified in Section 7.1 above;

OR

all the Attachments specified in Section 7.2 above, as applicable.

iii. All the Attachments and documents specified in Section 7.3 above.

(e) If Bidder is a Consortium:

i. Attachment A3 (Structure and Organization of the Consortium and of the Members).

ii. Attachment A4 (Consortium Formation and Members' Undertaking).

iii. All the Attachments specified in Section 7.1 above; OR

all the Attachments specified in Section 7.2 above, as applicable.

iv. All the Attachments and documents specified in Section 7.3 above.

v. If the Consortium includes a Second Member: Attachment E11 (Experience and References List – Second Member).

vi. If the Consortium includes an Israeli Member:

1. Attachment E5 (Affidavit) and the other documents referred to in Section 1A.3.1(iv) above with respect to the Israeli Member.

2. Attachment E12 (Appointment of the Israeli Member as Israeli Entity).

~~(d)~~ (f) Attachment G1 (Delivery Schedule for IPO1).

~~(e) All the Attachments specified in Section 7.1 above OR all the Attachments specified in Section 7.2 above, as applicable.~~

~~(f) All the Attachments and documents specified in Section 7.3 above.~~

~~(g) If Bidder the Single Company (or the First Member) request to fulfill the Technical Pre-requisite(s) in Sections 5.1.2 and/or 5.2 through an Affiliate: all the applicable Attachments and documents specified in Section 7.4 above.~~

~~(h) Attachment F1 (Foreign Bidder's Industrial Cooperation Undertaking) signed by Bidder. [Note: Bidder is allowed to submit in Envelope 1 a copy of Attachment F1 where the numbers in the column "Transaction Value" in Section 3 of the attachment to the Industrial Cooperation~~

Undertaking have been concealed. In such event Bidder shall include the original Attachment F1 in Envelope 3, with unconcealed data.].

- (i) **Attachment K1** (Declaration on Non-Payment of "Intermediation Fee"). This **Attachment K1** shall be submitted separately with respect to each of the following entity as applicable: ~~Bidder~~Single Company, each Member, the Parent Company, and each Affiliate.
- (j) **Attachment L1** (Attorney's Confirmation) signed by a legal adviser. This **Attachment L1** shall be submitted separately with respect to each of the following entity as applicable: Single Company, each Member~~Bidder~~, the Parent Company, and each Affiliate.
- (k) A CD containing soft copies of all paper documents submitted as part of ENVELOPE 1.

12.2.2 **ENVELOPE NO. 2** – with the sticker “Technical Proposal – Tender No. 51403”, shall include one (1) original and two (2) copies of the following:

- (a) **Attachment I1** (Technical Information).
- (b) **Attachment I3-1** (Evaluation form- ~~Long-Short~~ Units).
- (c) **Attachment I3-2** (Evaluation form- ~~Short-Long~~ Units)
- (d) **Attachment I4** (Customer's satisfaction form- delivery).
- (e) **Attachment I5** (Customer's satisfaction form-maintenance).
- (f) **Attachment I6** (Homologation)
- (g) All documents to be submitted by Bidder as requested in **Attachments I1, I2, I3-1, I3-2, I4, I5, I6, I7, I8 and I9.**
- (h) a CD containing softcopies of all paper documents submitted as part of the Technical Proposal.

12.2.3 **ENVELOPE NO. 3** - with the sticker “Commercial Proposal – Tender No. 51403”, shall include one (1) original and two (2) copies of the following:

- (a) **Attachment H1** (Commercial Proposal), signed by Bidder.
- (a)(b) **Attachment F1** (Foreign Bidder's Industrial Cooperation Undertaking) signed by Bidder. *[Note: If Bidder has submitted in Envelope 1 a copy of Attachment F1 where the numbers in the column "Transaction Value" in Section 3 of the attachment to the Industrial Cooperation Undertaking have been concealed, Bidder shall include the original Attachment F1 in this Envelope 3, with unconcealed data.].*

~~(b)~~(c) **A CD containing soft copies of all paper documents submitted as part of the Commercial Proposal.**

- 12.2.4 **THE MAIN ENVELOPE:** with the sticker "Main Envelope – Tender No. 51403" shall include Envelope No. 1, Envelope No. 2 and Envelope No. 3.
- 12.3 For clarification, the Bid shall include all four (4) envelopes as described above, in accordance with all the provisions of this Section 6.
- 12.4 All the documents on the CDs specified above shall be in Word or Excel format (except for documents not produced by Bidder or on its behalf, which may be in PDF format). CDs shall not contain any “viruses”, “time bombs”, “Trojan horses” or other destructive or disabling devices or devices allowing remote access.
- 12.5 All Attachments shall be completed and submitted in exact conformity with the instructions specified therein and shall include all the details, documents and confirmations required. All Attachments and documents which are required to be signed by Bidder and/or by any other parties should be duly signed. Bidder shall attach all the Attachments and documents required in these Instructions to Bidders. ISR shall be entitled to disregard any details or documents submitted by Bidder and not explicitly required in this Volume A.
- 12.6 ISR strongly urges Bidders not to amend the language and/or the form of the Attachments in any way whatsoever (except as expressly required to complete such Attachments in accordance with the instructions therein).
- 12.7 If a Bid or any Attachment and/or document attached thereto is conditioned, lacking or including any amendment, change, addition or omission, ISR shall be entitled, at its sole discretion to determine any of the following, and Bidder shall not have any claim in connection therewith:
- 12.7.1 To disqualify such Bid;
- 12.7.2 To deem such Bid, for all intents and purposes, as having been submitted without the said conditions, changes, additions or omissions and/or to request Bidder to confirm that such conditions, changes, additions or omissions are withdrawn;
- 12.7.3 To request a Bidder, as a condition to its continued participation in the Tender, to complete or amend its Bid by a date determined by ISR.
- For clarification, the above shall also apply in the event of any mistake in completion of Attachments and/or in the event that Bidder submits Attachments which were not completed with respect to the right entity and/or the right circumstances to which such Attachment applies.
- 12.8 Each Bid shall be submitted by a single Bidder. Bids submitted by more than one Bidder will be disqualified.
- 12.9 Each Bidder shall only be entitled to submit one (1) Bid.

13. TWO STAGES EVALUATION PROCESS

The evaluation of the Bids submitted by Bidders shall be conducted by ISR in a two stages process, where the Commercial Proposal and the Proposed Delivery Time for IPO1 shall be opened only after the determination of the Technical Proposal score by ISR.

13.1 Evaluation of the Technical Proposal

13.1.1 ISR will check compliance of Bidder's Technical Proposal with the Technical Specifications in accordance with the provisions of **Attachment II**. For the removal of doubt, Bidder's Technical Proposal shall fully comply with the Technical Specifications, *however* ISR shall have the right to accept slight deviations from certain requirements, at ISR's sole discretion.

13.1.2 Technical Proposals which have been found compliant with the Technical Specifications by ISR as per Section [13.1.1](#) ~~above~~ will be scored in accordance with the criteria and evaluation process specified in **Attachment I2**.

13.1.3 ISR shall have the right, at its sole discretion, to disqualify a Bid that will be awarded less than sixty (60) points of the one hundred (100) points allocable to the Technical Proposal.

However, in the event that less than three (3) Bids will be awarded sixty (60) points or more as per the above, ISR may, at its sole discretion, decide not to disqualify the three (3) Bids awarded the highest Technical Proposal scoring.

13.1.4 With respect to Bidders which Bids were not disqualified in accordance with the provisions of this Section 13.1 above, ISR will assess Bidders' ability to comply with ISR's requirements under the Agreement, including but without limitation delivery timetables, as further detailed in **Attachment I7**. For this purpose:

13.1.4.1 Bidders are required *inter alia* to submit in their Bid a mobilization plan for the production and supply of the Units, as further detailed in **Attachment I7**.

13.1.4.2 ISR shall have the right (but not the obligation), at its sole discretion, to visit and inspect the manufacture plant of certain or all Bidders, in order *inter alia* to evaluate the accuracy of the information submitted by Bidder under **Attachment I7**. ISR will give prior notice to Bidder prior to such visit. Bidder shall afford free of charge any assistance and access reasonably requested by ISR's representatives in order to

enable them to carry out inspection, checking, test and measurements in connection with the information submitted in the Bid and further provide ISR's representatives with any material certification, manufacturing and inspection procedures and records of works in process as requested by them.

13.1.4.3 ISR will be entitled to disqualify a Bidders which may if there is a serious concern that such Bidder will not have the capabilities of complying with ISR's delivery requirements, as shall be determined by ISR.

13.1A Delivery Time Scoring for the first Unit to be delivered under IPO1

The Delivery Time Scoring for the first Unit to be delivered under IPO1 (DT Scoring) shall be determined as follows:

<u>The time for Final Acceptance of the first Unit to be delivered under IPO1, as proposed by Bidder in Attachment G1 (expressed in number of calendar months from the date of issuance by ISR of IPO1)</u>	<u>Delivery Time Scoring</u>
<u>30-32</u>	<u>3</u>
<u>33-34</u>	<u>2</u>
<u>35</u>	<u>1</u>
<u>36</u>	<u>0</u>

For clarification, the date of Final Acceptance of the remaining Units in IPO1 will not be scored.

13.2 Evaluation of the Commercial Proposals

13.2.1 After completion of the evaluation of the Technical Proposals and determination of the Delivery Time Scoring pursuant to Section 13 above~~13 above~~~~13.1 above~~, the Commercial Proposals submitted by Bidders which were not disqualified pursuant to Section 13.1 above~~13.1 above~~ will be evaluated as further described in this Section 13.2 below.

13.2.2 First, ISR will calculate the Total Weighted Price proposed by Bidder in accordance with the following formula:

$$\text{WP} = \text{DPT} + \text{PRO} + \text{M} + 3 * \text{TSP}$$

Where:

- WP** - Total Weighted Price proposed by Bidder.
- DPT** - Weighted price for design-build and maintenance of the Maintenance Depot, calculated as specified in Schedule 2 hereto.
- PRO** - Weighted purchase price of Short and Long Units, calculated as specified in Schedule 2 hereto.
- M** - Weighted Maintenance prices of Short and Long Units, calculated as specified in Schedule 2 hereto.
- TSP** - Total evaluated prices of Certain Spare Parts, as calculated in Table 2 of Chapter 2 of the Payment Schedule.

- 13.2.3 Based on the Total Weighted Price proposed by Bidder, Bidder's Commercial Proposal Scoring shall be calculated by ISR in accordance with the following formula:

$$\text{CP Scoring} = \text{LWP} / \text{BWP} * 100$$

Where

CP Scoring – Commercial Proposal Scoring

LWP - Lowest Weighted Price (WP calculated as per Section 13.2.2 above)) of any ~~other~~ Bidder not disqualified as per Section 13.2.1 of the Instructions to Bidders

BWP - Bidder's Weighted Price (WP calculated as per Section 13.2.2 above).

- 13.2.4 Wherever Bidder is requested by ISR to submit an improved Commercial Proposal under these Instructions to Bidders and Bidder elects not to do so, ISR shall evaluate the last Commercial Proposal submitted by such Bidder.

13.3 – Evaluation of the Proposed Delivery Time for IPO1

~~The Delivery Time Index of IPO1 shall be calculated as follows:~~

$$\text{DTI} = [(\text{DTF} * 3) + \text{DTL}] / 24$$

~~Where:~~

~~DTI – The Delivery Time Index of IPO1.~~

~~DTF – The time for Final Acceptance of the first Unit ordered under IPO1, as proposed by Bidder in Attachment G1~~

~~(expressed in number of calendar months from the date of issuance by ISR of IPO1).~~

~~**DTL**— The difference between (i) the date for Final Acceptance of the last Unit ordered under IPO1, as proposed by Bidder in Attachment G1 (expressed in number of calendar months from the date of issuance by ISR of IPO1); and (ii) DTF.~~

~~And by the way of example only:~~

~~If Bidder has proposed that the date of Final Acceptance of the first Unit under IPO1 will be 32 months from the date of issuance of IPO1, and the date of Final Acceptance of the last Unit under IPO1 will be 38 months from the date of issuance of IPO1, then DTI shall be calculated as follows:~~

$$\begin{aligned} DTI &= [(32*3)+(38-32)]/24 \\ &= (96+6)/24=4.25 \end{aligned}$$

~~13.3.1— After DTI will be determined, the scoring for the Proposed Delivery Time for IPO1 will be calculated pursuant to the following formula:~~

$$DT \text{ Scoring} = [SDT*100]/SW$$

~~**Where:**~~

~~**DT Scoring**— Scoring of Bidder's Proposed Delivery Time for IPO1~~

~~**SDT**— Lowest DTI, calculated as per Section 13.3.1 above.~~

~~**SW**— the specific DTI of Bidder, calculated as per Section 13.3.1 above.~~

14. SELECTION OF THE WINNING BID

14.1 Without derogating from Section ~~11.7~~ above, ISR shall select the Winning Bid after determination of the Bid receiving the highest Final Score (FS) pursuant to the following formula:

$$FS = 0.42*TP \text{ Scoring} + 0.55*CP \text{ Scoring} + 0.03 DT \text{ Scoring}$$

Where:

FS – Final Score.

TP Scoring – Technical Proposal Scoring, determined pursuant to Attachment I2 attached hereto.

CP Scoring – Commercial Proposal Scoring, calculated pursuant to Section ~~13.2~~ above.

DT Scoring — ~~Scoring of the Proposed~~ Delivery Time Scoring for the first

Unit in IPO1, ~~calculated-determined~~ pursuant to Section 13.1A above.

14.2 ISR reserves the right, at its sole discretion, to take into consideration negative past experience of ISR and/or any other entity with any particular Bidder (and/or its Affiliate(s), if applicable) and ISR may disqualify any Bid based solely on such past experience as well as other considerations detailed in the Tender Documents and/or otherwise permitted by law.

14.3 ISR shall have the right, at its sole discretion, to visit and inspect the manufacture plant of certain or all Bidders, in order *inter alia* to evaluate the accuracy of the information submitted by Bidder in its Bid. ISR will give prior notice to Bidder prior to such visit. Bidder shall afford free of charge any assistance and access reasonably requested by ISR's representatives in order to enable them to carry out inspection, checking, test and measurements in connection with the information submitted in the Bid and further provide ISR's representatives with any material certification, manufacturing and inspection procedures and records of works in process as requested by them.

Bidder is advised that ~~any-in the event of~~ discrepancy and/or omission between the information submitted by Bidder in its Bid and the results of the examination conducted by ISR's representatives in the manufacturing plant of Bidder shall entitle ISR, at its sole discretion, to disqualify such Bidder.

For clarification, ISR shall not be obliged to visit the manufacture plant of any Bidder in order to select the Winning Bidder.

14.4 Prior to the Submission Date, ISR will prepare an estimation of the prices and values that Bidders are required to quote in the Commercial Proposal, and will deposit same in an envelope in the tender box referred to in Section 11.4 above~~11.4 above~~. ISR shall review the reasonableness of Bidders' Commercial Proposals in accordance with such estimation. In the event that certain values proposed by Bidders in the Commercial Proposals complying with the Tender requirements, are significantly higher or lower than the values in such estimation, ISR shall have the right, subject to the Israeli Mandatory Tenders Law, 5752-1992 and to the regulations thereunder, to either cancel the Tender or to instruct all Bidders which Commercial Proposals were evaluated, to submit an additional improved Commercial Proposal. For clarification, nothing contained herein shall be construed to derogate from any right of ISR under the Tender Documents and/or Applicable Law.

14.5 ISR shall not be bound to accept the lowest priced Bid and/or the Bid with the highest Final Score (as defined in Section 14.1 above~~14.1 above~~) and/or any Bid whatsoever. ISR, at its sole discretion, may decide not to select any of the Bids or may decide to cancel the Tender at any time (including but not only pursuant to Section 17.6 below~~17.6 below~~).

15. CONFIDENTIALITY AND PROPRIETARY RIGHTS

15.1 **Bidder Confidentiality**. By participating in the Tender, each

~~Bidder~~Single Company (or Member) is deemed to have agreed to keep in strict confidence, not to disclose and not to make any use of any information or data, in any form or media, partial or complete, provided to them by ISR or on its behalf or made known to them otherwise as a result of or in connection with the Tender; except that each ~~Bidder~~Single Company (or Member) may use such information or data solely for the purpose of preparing its Bid. It is hereby clarified that this Section ~~15.1+5.4~~ shall not apply to documents and/or information published by ISR on its website.

- 15.2 **Proprietary Rights.** By submitting a Bid, each ~~Bidder~~Single Company (or Member) shall be deemed to represent and warrant to ISR that (i) it is not bound by any contractual or statutory obligation which would preclude ~~Bidders~~such Single Company (or Member) from providing the data and information contained in the Bid or any portion thereof, and (ii) it has the right to make all disclosures that are made in the Bid.
- 15.3 **Disclosure of the Bid.** Bidder is hereby instructed to indicate in its Technical Proposal whether any data and information included therein, which shall be expressly referred to, constitute a commercial secret, confidential information, trade secrets or other confidential proprietary information of Bidder (or any Member), which should be protected from disclosure. However, Bidder (and each Member in the Consortium, if applicable) hereby acknowledges that subject to the provisions of the Israeli Mandatory Tenders Regulations, 5753-1993, should its Bid be selected as the Winning Bid, such Bid or any part thereof may be disclosed to any third party, including, *inter alia*, to any other Bidder.
- 15.4 **Rights in Tender Documents.** All rights and titles in and to any and all drawings, charts and other technical documents and information provided by ISR or on its behalf to Bidder as well as to all of the Tender Documents and the contents thereof, shall be deemed to be the sole and exclusive property of ISR.

16. GENERAL TERMS AND CONDITIONS

16.1 **Verification and Additional Documents**

ISR shall have the right, at its sole discretion, to verify any documents submitted by the Bidder, and to request from any of the Bidders additional data and information, details, approvals, recommendations, clarifications and/or certificates as deemed necessary by ISR to select the Winning Bidder.

16.2 **Language of Bids**

- 16.2.1 All documents submitted by Bidder in this Tender (including but not limited to all attachments, schedules, annexes, drawings, maps, diagrams, tables and charts) and any additional information, questions, requests for clarification

and interpretation, or any other communication, must be in English only, unless otherwise specifically stated in the Tender Documents or approved by ISR in advance and in writing.

- 16.2.2 Documents prepared in languages other than English and required to be submitted hereunder will be submitted in the original language in which they were made, together with an official English translation and/or a translation certified by a notary. It is hereby clarified that in the event of any conflict, discrepancy or inconsistency between the original form and the English translation thereof, the latter shall prevail.

16.3 **Order of Precedence**

- 16.3.1 ISR shall only be bound by the Tender Document published at ISR's website, which shall prevail over any other publication and/or documents (including but without limitation publication in newspapers and/or any documents allegedly printed from ISR's website).

- 16.3.2 In the event of any discrepancy, conflict, inconsistency, ambiguity and/or uncertainty between the provisions of the various Tender Documents (including any instructions or data contained therein), the order of precedence prevailing shall be as specified in the Agreement.

16.4 **Attachments and Schedules**

All Attachments and schedules to these Instructions to Bidders constitute an integral and inseparable part thereof.

16.5 **Bid Cost**

Each Bidder shall solely bear all costs associated with the preparation and submission of its Bid. This shall include, without limitation, any and all expenses and losses, which may be incurred by Bidder in connection with visits, consultations with professionals, conducting investigations and inquiries of any kind, preparation of surveys and documents and the authentication and translation thereof and any other aspect in connection with the Tender and the Bid. ISR will in no case be responsible or liable for any of the above costs, nor shall it be required, under any circumstances, to reimburse any such costs to any Bidder.

16.6 **Bidders to Perform Independent Research**

- 16.6.1 Bidder shall be deemed to have reviewed all relevant information relating to the Tender. Further, Bidder shall make its own independent research, investigations and inquiries about the Works and any aspect thereof.

- 16.6.2 It shall be the sole responsibility of Bidder to obtain and review any data and information needed by such Bidder for the preparation and submission of its Bid.

16.6.3 Neither ISR nor anyone acting on its behalf shall bear any responsibility whatsoever for any loss, damage or injury suffered by Bidder, ~~and/or a Member, its/their~~ employees, officers, agents, or any other persons for whom Bidder ~~and/or a Member~~ may be contractually or legally responsible by reason of any use of data and information contained in the Tender Documents, or for any action or forbearance in reliance thereon.

16.6.4 Any neglect or failure on the part of Bidder, ~~and/or a Member~~ to obtain reliable data and information shall not release Bidder, ~~and/or a Member~~ from any risks or liabilities under the Tender documents and/or from the responsibility of timely performing and completing and handing over the all Works (if Bidder is selected as the Winning Bidder).

16.7 Compliant Bids

Bidders shall fulfill all the requirements specified in this Tender. Non fulfillment of any requirement hereunder may result in the disqualification of the Bid.

16.8 Authorized Representative

Bidder shall nominate a contact person to serve as Bidder's authorized representative with ISR. Bidder's representative shall be authorized to represent Bidder for any and all purposes with respect to the Tender. Bidder shall specify the name of its authorized representative in Section 2 of Attachment A1 (for a Single Company) or of Attachment A3 (for a Consortium).

16.9 Authorized Signatory

Bidder shall submit with its Bid Attachment L1 duly completed and signed by a legal adviser, separately for each of the following entities (as applicable): ~~Bidder~~Single Company, each Member, Parent Company, and each Affiliate.

16.10 Business Practices

16.10.1 Bidder, and any other person or entity acting on its behalf, shall not communicate with any other Bidder regarding any aspect of the Tender or their respective Bids.

16.10.2 In addition, any Bidder, and any other person or entity acting on its behalf, shall not lobby or solicit, directly or indirectly, ISR or any other person or entity affiliated with ISR, including but not limited to any employee, consultant or representative of ISR, with respect to the Tender process, and shall avoid any actual or potential conflict of interest between Bidder ~~and/or any of its Member (if applicable)~~ and ISR. Bidder shall submit with its Bid Attachment K1 duly completed and signed by a legal adviser, separately for each of the following entities (as applicable): ~~Bidder~~Single Company, each Member, Parent

Company, and each Affiliate.

16.11 **Excluded Consultants**

Bidders are advised that the consultants listed in **Attachment M1** served as consultants to ISR and/or its consultants in connection with this Tender and therefore, Bidders should not retain (directly or indirectly) the services of any such entity (including such entity's employees and former employees) or individual in connection with the preparation of their Bids or otherwise in connection with this Tender, as such conduct may result in the disqualification of their Bids.

16.12 **Captions**

The captions appearing in this Volume A are included only as a matter of convenience and in no way define, limit, construe or describe the scope or interpretation thereof.

16.13 **Severability**

Should any provision of this Volume A be held or considered invalid or unenforceable, the validity of the remainder of this Volume A shall not be affected thereby and shall remain in full force and effect, and ISR shall be entitled to replace the invalid provision with a valid one that conforms as closely as possible to the economic and commercial intent of ISR of the invalid provision.

17. **CERTAIN PREROGATIVES OF ISR**

17.1 ISR does not undertake herein or otherwise makes any commitment whatsoever to enter into the Agreement or any other agreement with any of the Bidders.

17.2 Without derogating from any rights granted to ISR under applicable law, the following conditions or events may, at the sole discretion of ISR, result in disqualification of a Bidder, at any time during the Tender process:

17.2.1 Bidder does not have, in ISR's view, adequate financial strength as required for the performance of Bidder's/ Supplier's obligations under this Tender (including the Agreement);

17.2.2 Legal proceedings, which relate to an offence that ISR deems, at its sole discretion, to have a bearing on the professional integrity of Bidder, were commenced;

17.2.3 Bidder is suspected of being involved in criminal activity or hostile to the State of Israel or is found to be a resident of a country that has no diplomatic relations with the State of Israel;

17.2.4 The existence of any material conflict of interest between Bidder and ISR and/or unethical conduct by Bidder (including

- under Sections ~~16.10~~~~16.10~~ and 16.11 above);
- 17.2.5 Bidder is in breach of the terms of these Instructions to Bidders;
- 17.2.6 Bidder is suspected to have made misrepresentation with regard to information required for participation in the Tender;
- 17.2.7 Any change in the composition of or the holdings in Bidder;
- ~~17.2.8~~ 17.2.8 Any other event or circumstance, which ISR may consider, at its sole discretion, as reasonably justifying disqualification of Bidder, including the occurrence of any event that ISR considers as having a material adverse effect on the Bidder.
- ~~17.2.8~~~~17.2.9~~ 17.2.9 Any of the circumstances in this Section 17.2 above~~17.2 above~~ with respect to the Single Company or any Member.

At ISRs' request, each Bidder will certify in writing and provide evidence satisfactory to ISR, that none of the above conditions and events applies to Bidder.

- 17.3 ISR shall have the right, at its sole discretion, not to disqualify Bids which do not contain all of the documents and certificates necessary to prove Bidder's compliance with the Pre-requisites and/or with any other requirement under this Tender.
- 17.4 ISR reserves the right at its sole and absolute discretion, to reinstate any Bidder at any stage of the process, subject to the agreement of such Bidder and to its compliance with all the terms and conditions related to such stage.
- 17.5 ISR shall have the right, at its sole discretion, to request from any of the Bidders additional data and information, approvals, recommendations and/or certificates as deemed necessary by ISR to select the Winning Bidder.
- 17.6 In addition to any other event which entitles ISR, under law, to cancel the Tender, ISR reserves the right to cancel this Tender in each of the following events:
- 17.6.1 If only one of the Bids complies with the Pre-requisites and/or other Technical Specifications' requirements and/or the Tender Documents;
- 17.6.2 If ISR determines that there was a defect in the Tender process and/or in the evaluation of the Bids;
- 17.6.3 If ISR has found that a crucial mistake has been made in the Technical Specifications, *inter alia*, by giving false, missing, or incomplete data;
- 17.6.4 If the circumstances and/or ISR's requirements have been significantly changed, to such extent which requires, at ISR's sole discretion, the cancellation of the Tender; and/or
- 17.6.5 In the event of a governmental decision to cancel the Tender.

17.7 In the event of cancellation of the Tender by ISR for any reason whatsoever, Bidders, ~~Single Companies and all Members~~ shall not be entitled to any payment or recourse of whatever kind and nature (including but without limitation in the form of reimbursement of expenses and/or compensation for lost of profits), and by participating in the Tender, Bidders, Single Companies and all Members irrevocably and unconditionally waives any claim, demand or legal or administrative proceeding in connection with cancellation of the Tender by ISR.

17.8 For the removal of doubt, cancellation of the Tender by ISR shall in no way limit ISR or restrict it from publishing new tender or tenders, which may be identical or similar to the Tender, as ISR shall decide at its sole discretion.

18. GOVERNING LAW AND JURISDICTION

The Tender and all Tender Documents shall be governed by and construed solely in accordance with the substantive laws of the State of Israel, irrespective of its choice of law principles, and the competent courts in Tel-Aviv-Jaffa, Israel, shall have sole and exclusive jurisdiction over every dispute arising from, or in connection with, the Tender Process. Bidder agrees that the Sale (International Sale of Goods) Law, 5760-1999, the Uniform Law on the International Sales of Goods (1964) and the United Nations Convention on Contracts for the International Sale of Goods, will not govern the Tender, the rights and obligations of the Bidders, nor any agreement (including the Agreement) that may be executed pursuant to the Tender.

19. DEFINITIONS

Capitalized terms defined below shall have the meaning ascribed to them, as specified opposite each of them:

19.1 "**Accounting Principles**" - Shall have the meaning indicated in Section 3.1.2 above.

19.2 "**Affiliate**" – ~~Sshall have the meaning indicated in Section~~ mean a company Controlling, Controlled by or under common Control with (i) the First Member, if Bidder is a Consortium; or (ii) the Single Company, if Bidder is a Single Company.

19.3 "**Agreement**" – Shall mean an agreement in the form attached as Volume C.

19.4 "**Attachment**" - Shall mean any attachment referred to in the List of Attachments to the Instructions to Bidder, attached hereto.

19.5 "**Authorized Signatory**" - Shall mean an authorized signatory as specified in **Attachment L1**.

19.6 "**Bid**" – Shall mean a proposal submitted by a Bidder, in accordance with the terms of the Tender Documents.

- 19.7 “**Bid Guarantee**” – Shall have the meaning indicated in Section ~~2 above~~2 above.
- 19.8 “**Bid Validity Period**” – Shall have the meaning indicated in Section ~~11.5.1 above~~11.5.1 above.
- 19.9 “**Bidder**” – Shall have the meaning indicated in Section ~~1.1 above~~1.1 above.
- 19.10 “**Business Division**” – Shall have the meaning indicated in Section 6A.2 above.
- 19.11 “**Business Entity**” – Shall have the meaning indicated in Section 6A.2 above.
- 19.12 “**Business Restructuring Event**” – Shall have the meaning indicated in Section 6A.2 above.
- 19.13 “**Commercial Proposal**” – Shall mean **Attachment H1**, completed and submitted by Bidder in accordance with these Instructions to Bidders.
- ~~19.14~~ “**Consortium**” – Shall have the meaning indicated in Section 1A.1 above.
- ~~19.14~~19.15 “**Control**” (including, with correlative meanings, the terms “Controlling” “Controlled” and “under common Control with”) shall mean all the following rights cumulatively: (i) the right to appoint more than half of the directors (or similar officers); and (ii) the right to direct and control the operations of the Controlled entity. Control may be exercised through one or more Controlled company(ies).
- ~~19.15~~19.16 “**CPA**” – Shall have the meaning indicated in Section ~~3.1.1 above~~3.1.1 above.
- ~~19.16~~19.17 “**Depot Subcontractor**” – Shall have the meaning indicated in Section ~~9.3 above~~9.3 above.
- ~~19.17~~19.18 “**Errors**” – Shall have the meaning indicated in Section ~~11.2.3 above~~11.2.3 above.
- ~~19.18~~19.19 “**Financial Pre-requisites**” – Shall mean the Pre-requisites specified in Section ~~3 above~~3 above.
- ~~19.19~~19.20 “**Financial Statements**” – Shall have the meaning indicated in Section ~~3.1.1 above~~3.1.1 above.
- ~~19.21~~ “**First Member**” – Shall have the meaning indicated in Section 1A.3 above.
- ~~19.20~~19.22 “**Fiscal Year**” - Shall have the meaning indicated in Section ~~3.1.1 above~~3.1.1 above.
- ~~19.21~~19.23 “**FY1**”, “**FY2**”, “**FY3**” - Shall have the meaning indicated in Section 3.1.1A above.
- ~~19.22~~19.24 “**ICA**” – Shall have the meaning indicated in Section ~~8.2 above~~8.2 above.

~~19.23~~19.25 **“Industrial Cooperation Regulations”** – Shall have the meaning indicated in Section ~~8.1 above~~8.1 above.

19.26**“Joint Project”** – Shall have the meaning indicated in Section 6B.2 above.

19.27**“Israeli Affiliate”** – Shall mean the Affiliate incorporated in the State of Israel and referred to in Section 23.4 of the Agreement.

19.28**“Israeli Member”** – Shall have the meaning indicated in Section 1A.3 above.

~~19.24~~**“Member”** – Shall have the meaning indicated in Section 1A.3 above.

~~19.25~~19.29 **“Minority Interests”** – Shall have the meaning indicated in Section ~~3.1.1 above~~3.1.1 above.

~~19.26~~19.30 **“Notice to Bidders”** – Shall have the meaning indicated in Section ~~11.2.4 above~~11.2.4 above.

~~19.27~~19.31 **“Notification of Winning Bid”** – Shall have the meaning indicated in Section ~~11.9.1 above~~11.9.1 above.

~~19.28~~19.32 **“Parent Company”** – Shall have the meaning indicated in Section ~~4.1 above~~4.1 above.

~~19.29~~19.33 **“Pre-requisite” or “Pre-requisites”** - Shall have the meaning indicated in Section ~~1.3.2 above~~1.3.2 above.

~~19.30~~19.34 **“Proposed Delivery Time for IPO1”** - Shall have the meaning indicated in Section 10.3 above.

~~19.31~~19.35 **“Reference Fiscal Year”** - Shall have the meaning indicated in Section ~~3.1.1 above~~3.1.1 above.

19.36 **“Request for Clarification”** – Shall have the meaning indicated in Section ~~11.2.1 above~~11.2.1 above.

19.37**“Single Company”** – Shall have the meaning indicated in Section 1A.1 above.

~~19.32~~19.38 **“Second Member”** – Shall have the meaning indicated in Section 1A.3 above.

~~19.33~~19.39 **“Submission Date”** – Shall have the meaning indicated in Section ~~11.4 above~~11.4 above.

~~19.34~~19.40 **“Supplier”** - Shall mean the entity entering into the Agreement with ISR.

~~19.35~~19.41 **“Technical Pre-requisites”** – Shall mean the Pre-requisites specified in Section ~~5 above~~5 above and, if applicable, in Section ~~6.3.1 above~~6.3.1 above.

~~19.36~~19.42 **“Technical Proposal”** – Shall mean all Attachments and documents specified in Section ~~12.2.2 above~~12.2.2 above, as completed and submitted by Bidder in accordance with these Instructions to Bidders.

~~19.37~~19.43 **“Technical Specifications”** – Shall mean Volume B of the Tender

Documents.

~~19.38~~19.44 **“Tender”** – Shall mean Tender No. 51403.

~~19.39~~19.45 **“Tender Documents”** – Shall mean any and all documents issued by ISR to Bidders in the course and as a part of the Tender and/or submitted by Bidder to ISR as required by ISR in the course and as a part of the Tender, whether or not attached or referred to explicitly.

~~19.40~~19.46 **“Winning Bidder”** – Shall have the meaning indicated in Section 11.9.1 above~~11.9.1 above~~.

LIST OF SCHEDULES TO THE INSTRUCTIONS TO BIDDERS

TENDER NO. 51403

Schedule 1 - Certain Exchange Rates

Schedule 2 – Certain Formulas for Evaluation of the Commercial Proposal

Schedule 1 - Certain Exchange Rates**1. Exchange Rates for Pre-requisites in Sections 3.2 (Equity) and 3.4.3 (value AD) of the Instructions to Bidders**

Table 1 below shows nominal noon exchange rates from certain currencies to EURO, as published by the Bank of Canada at:

<http://www.bankofcanada.ca/rates/exchange/10-year-converter/>

Table 1: Certain nominal noon exchange rates to EURO – 31.12.2015

USD	CAD	CNY	GBP	CZK	KRW
0.9209 €	0.6654 €	0.1418 €	1.3578 €	0.03700€	0.000783€

Table 1a: Certain nominal noon exchange rates to EURO – 31.12.2014

USD	CAD	CNY	GBP	CZK	KRW
0.8264€	0.7124€	0.1331€	1.2873€	0.03607€	0.000757€

2. Exchange Rates for Pre-requisites in Sections 3.3 (Revenue), 3.4.1 (Cash Flow), and 3.4.3 (EBITDA) of the Instructions to Bidders

Such rates shall be calculated based on the official relevant annual (calendar year) average Exchange Rates published by the Bank of Canada, such that any currency will be first converted to Canadian Dollar in accordance with the applicable rates in Table 2 below, and then to EURO in accordance with the applicable rates in Table 3 below.

Table 2: Certain Annual Average Exchange Rates to CAD – years 2012, 2013, 2014, and 2015 (for Fiscal Years ending on December 31st)

	USD	EUR	CNY	GBP	CZK	KRW
2012	0.999	1.285	0.1584	1.583	0.0511	0.000887
2013	1.029	1.368	0.1675	1.611	0.0526	0.000941
2014	1.104	1.467	0.1793	1.819	0.0533	0.001049
2015	1.2787	1.4182	0.2034	1.954	0.0520	0.001129

The rates are published at:

<http://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/>

Table 3: Annual average Exchange Rates from CAD to EUR – years 2012, 2013, 2014, and 2015 (for Fiscal Years ending on December 31st)

	EUR
2012	0.778
2013	0.731
2014	0.682
2015	0.6654

[Note: the rates above have been calculated on the basis of the EURO-CAD exchange rate in Table 2 above]

Table 4: Certain Annual Average Exchange Rates to EUR – years 2012, 2013, 2014 and 2015 (for Fiscal Years ending on December 31st)

	USD	CNY	GBP	CZK	KRW
2012	0.7772	0.1232	1.2316	0.0398	0.0006901
2013	0.7522	0.1224	1.1776	0.0384	0.0006878
2014	0.7529	0.1223	1.2406	0.0364	0.0007154
2015	0.9016	0.1434	1.3778	0.0367	0.000796

[Note: the rates above have been calculated on the basis of the exchange rates in Tables 2 and 3 above]

Schedule 2 – Certain Formulas for Evaluation of the Commercial Proposal

The values DPT, PRO and M in Section 13.2.2 of the Instructions to Bidders shall be calculated by ISR in accordance with the formulas specified below.

1. Value 'DPT'

$$\text{DPT} = \text{DP} + \text{MDP}$$

Where:

- DPT** - Weighted price for design-build and maintenance of the Maintenance Depot
- DP** - Maintenance Depot Price as quoted by Bidder in Table 1 in Chapter 3A of the Payment Schedule.
- MDP** - Evaluated Depot Maintenance Fees (based on the Depot Maintenance Fees specified in Section 5 of Chapter 3 of the Payment Schedule).

$$\text{MDP} = \sum_{i=1}^{15} \frac{1.2\% * \text{DP}}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{1.2\% * \text{DP}}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{1.2\% * \text{DP}}{(1 + 5.25\%)^i}$$

2. Value 'PRO'

$$\text{PRO} = 15 * \text{SUP} + 45 * \text{LUP} + 30 * 0.94 * (0.25 * \text{SUP} + 0.75 * \text{LUP})$$

Where:

- PRO** - Weighted purchase prices of Short and Long Units.
- SUP** - Unit Price per one (1) Short Unit, as detailed in Table 1 in Chapter 1 of the Payment Schedule).
- LUP** - Unit Price per one (1) Long Unit, as detailed in Table 1 in Chapter 1 of the Payment Schedule.

3. Value 'M'

$$M = 6 * (ESUKP + ESUHOP) + 18 * (ELUKP + ELUHOP) + 22 * \{0.25 * [ESUKP * (1 - AD) + ESUHOP]\} + 0.75 * [ELUKP * (1 - AD) + ELUHOP]$$

Where:

M - Weighted Maintenance price of Short and Long Units.

AD - Discount rate on ESUKP and ELUKP applying to Units in Supplier Maintained Fleet above 24 Units, as quoted by Bidder in Table 2b in Chapter 3 of the Payment Schedule.

ESUKP - Evaluated payments of the Price per Kilometer for one (1) Short Unit, calculated as per the following formula:

$$ESUKP = \sum_{i=1}^{15} \frac{(140,000 + 35,000 * 0.88) * PPKSU}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{(140,000 + 35,000 * 0.88) * PPKSU}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{(140,000 + 35,000 * 0.88) * PPKSU}{(1 + 5.25\%)^i}$$

$$ESUKP = \sum_{i=1}^{15} \frac{175,000 * PPKSU}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{175,000 * PPKSU}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{175,000 * PPKSU}{(1 + 5.25\%)^i}$$

Where:

PPKSU - Price per Kilometer per one (1) Short Unit, as detailed in Table 2 in chapter 3 of the Payment Schedule.

ESUHOP - Evaluated payments for Overhauls for one (1) Short Unit, calculated as per the following formula:

$$ESUHOP = \sum_{i=1}^{15} \frac{HOPSU_i}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{HOPSU_i}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{HOPSU_i}{(1 + 5.25\%)^i}$$

Where:

HOPSU_i - The total evaluated payments for all Overhauls for one (1) Short Unit for each 175,000 km interval (i.e. the total price of all Overhauls in the *i* interval of 175,000 Km, as detailed in Table 4 in Chapter 3 of the Payment Schedule).

Note:

- the total payments for all Overhauls per Short Unit in the first four (4) intervals (i.e. until 700,000 km) shall be equal to 0 (i.e. no Overhauls shall be scheduled in such intervals).
- The first Overhaul shall not be scheduled prior to 750,000 km.

ELUKP - Evaluated payments for Price per Kilometer for one (1) Long Unit, calculated as per the following formula:

$$ELUKP = \sum_{i=1}^{15} \frac{175,000 * PPKLU}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{175,000 * PPKLU}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{175,000 * PPKLU}{(1 + 5.25\%)^i}$$

$$ELUKP = \sum_{i=1}^{15} \frac{(140,000 + 35,000 * 0.88) * PPKLU}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{(140,000 + 35,000 * 0.88) * PPKLU}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{(140,000 + 35,000 * 0.88) * PPKLU}{(1 + 5.25\%)^i}$$

Where:

PPKLU - Price per Kilometer per one (1) Long Unit, as detailed in Table 2 in Chapter 3 of the Payment Schedule.

ELUHOP - Evaluated payments for Overhauls for one (1) Long Unit, calculated as per the following formula:

$$ELUHOP = \sum_{i=1}^{15} \frac{HOPLU_i}{(1 + 5.25\%)^i} + 0.9 * \sum_{i=16}^{22} \frac{HOPLU_i}{(1 + 5.25\%)^i} + 0.8 * \sum_{i=23}^{29} \frac{HOPLU_i}{(1 + 5.25\%)^i}$$

Where:

HOPLU_i - The total evaluated payment for all Overhauls for one (1) Long Unit in each 175,000 km interval (i.e. the total price of all Overhauls in the *i* interval of 175,000 Km, as detailed in Table 3 in Chapter 3 of the Payment Schedule).

Note:

- the total payments for all Overhauls per Long Unit in the first four (4) intervals (i.e. until 700,000 km) shall be equal to 0 (i.e. no Overhauls may be scheduled in such intervals).

- *The first Overhaul may not be scheduled prior to 750,000 km.*

4. All Assumptions for Evaluation Purposes only

For the removal of doubt, all assumptions made in this Schedule 2 and/or in Section 13.2 of the Instructions to Bidders regarding *inter alia* the number of km travelled by any Units, the intervals of 175,000 km, the number of Units, the quantity of Spare Parts and the Maintenance periods are for evaluation purposes only and unless expressly specified otherwise in the Agreement, nothing herein shall be construed as a representation made by, or as an obligation imposed on, ISR, including but without limitation the obligation to purchase a certain quantity of Units or of Spare Parts, to travel a certain number of kilometer and/or to extend the Initial Maintenance Period.

LIST OF ATTACHMENTS TO THE INSTRUCTIONS TO BIDDERS

TENDER NO. 51403**Attachment A: Structure and Organization**

<u>Attachment A1</u>	Bidder's Single Company's Structure and Organization
<u>Attachment A2</u>	Parent's Company's Structure and Organization
<u>Attachment A3</u>	Structure and Organization of the Consortium and of the Members
<u>Attachment A4</u>	Consortium Formation and Members' Undertaking

Attachment B: Bid Guarantee (non-binding example)

<u>Attachment B1</u>	Bid Guarantee (non-binding example)
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Attachments C: Compliance with the Financial Pre-requisites (Bidder)

<u>Attachment C1</u>	CPA Certificate with respect to Sections 3.23.2, 3.33.3 and 3.43.4 (Bidder <u>Single Company or First Member</u>)
<u>Attachment C2</u>	CPA Certificate with respect to Section 3.53.5 (Bidder <u>Single Company, First Member, Second Member, Israeli Member</u>)
<u>Attachment C3</u>	CFO's Certificate with respect to Section 3.63.6 (<u>Single Company, First Member, Second Member, Israeli Member</u> Bidder)

Attachments D: Compliance with the Financial Pre-requisites (Parent Company)

<u>Attachment D1</u>	CPA Certificate with respect to Sections 3.23.2, 3.33.3 and 3.43.4 (Parent Company)
<u>Attachment D2</u>	CPA Certificate with respect to Section 3.53.5 (Parent Company)
<u>Attachment D3</u>	Parent Company's CFO Certificate with respect to Section 3.63.6

Attachment D4 Parent Company's Declaration, Warranty and Undertaking

Attachment E: Compliance with the Technical Pre-requisites

Attachment E1 Experience and References List - ~~Bidder~~Single Company or First Member (Section ~~Error! Reference source not found.~~ 5.1 and 5.2 of the Instructions to Bidders)

Attachment E2 Structure and Organization of the Affiliate (Section ~~6.16.1~~ of the Instructions to Bidders)

Attachment E3 CPA Certificate (Affiliate) with respect to Section ~~6.2.2.16.2.2.1~~ of the Instructions to Bidders

Attachment E4 Affiliate's CFO Certificate with respect to Section ~~6.2.2.26.2.2.2~~ of the Instructions to Bidders

Attachment E5 Affiliate Affidavit pursuant to the Public Entities Transactions Law, 5736-1976 (if the Affiliate is incorporated in the State of Israel) (Sections ~~1A.3.1(iv) and 6.2.3.16.2.3.1~~ of the Instructions to Bidders)

Attachment E6 Supply Experience and References List - ~~Bidder~~Single Company or First Member (Section ~~6.3.16.3.1~~ of the Instructions to Bidders)

Attachment E7 Supply Experience and References List - Affiliate (Section ~~6.3.26.3.2~~ of the Instructions to Bidders)

Attachment E8 Affiliate Undertaking with respect to Supply (Section 6.3.3 of the Instructions to Bidders)

Attachment E9 Maintenance Experience and References List - Affiliate (Section ~~6.4.16.4.1~~ of the Instructions to Bidders)

Attachment E10 Appointment of the Affiliate for Maintenance (Section ~~6.4.2(i)00~~ of the Instructions to Bidders)

Attachment E10A Affiliate Undertaking with respect to Maintenance (Section 6.4.2 (ii) of the Instructions to Bidders)

Attachment E11 Experience and References List – Second Member (Section 1A.3.1(iii)(b) of the Instructions to Bidders)

[Attachment E12](#) [Appointment of the Israeli Member as Israeli Entity \(Section 1A.3.1\(iv\) of the Instructions to Bidders\)](#)

Attachment F: Industrial Cooperation

Attachment F1 Foreign Bidder's Industrial Cooperation Undertaking

Attachment G: Delivery Schedule

Attachment G1 Delivery Schedule for IPO1

Attachment H : Commercial Proposal

Attachment H1 Commercial Proposal form

Attachment I: Technical Proposal

Attachment I1 Technical Information

Attachment I2 Instructions for the submission of the Technical Proposal

Attachment I3-1 Evaluation form (~~Long~~Short Unit)

Attachment I3-2 Evaluation form (~~Short~~Long Unit)

Attachment I4 Customer's satisfaction form - delivery

Attachment I5 Customer's satisfaction form – maintenance

Attachment I6 Homologation

Attachment I7 Bidder's Manufacturing Capabilities Assessment

Attachment I8 Maintenance Depot

Attachment I9 Maintenance Services Proposal

Attachment J: Bid Submission

Attachment J1 Bid Submission Signature Form

Attachment K: "Intermediation Fee"

Attachment K1 Declaration on Non-Payment of "Intermediation Fee"

Attachment L: Attorney's Confirmation

Attachment L1 Attorney's Confirmation

Attachment M: Excluded Consultants

Attachment M1 Excluded Consultants

Attachment A

Structure and Organization

Attachment A1***Bidder's Single Company's Structure and Organization**

** Bidder shall only submit this Attachment if Bidder is a Single Company. This Attachment shall not be submitted by a Consortium.*

1. Structure And Organization

Bidder shall provide the following information:

1.1 General Details

Name of Bidder <u>Single Company</u>	
Number and country of registration	
Date of establishment of <u>Single Company</u>Bidder	
Address	
Telephone number	
Facsimile number	
Registered office address	
E-mail Address	
Website	
General Description of <u>Single Company</u>Bidder (activities)	

1.2 ~~Bidder's~~ Single Company's organizational structure

1.3 Single Company's~~Bidder's~~ ownership structure, including organizational chart with percentage of holdings by or in parent company(ies), affiliates, and subsidiary(ies).

1.4 Names and positions of key personnel who shall be involved in the Works (including C.V.)

2. Authorized Representative

~~Bidder's~~ The Single Company's authorized representative as per Section

~~16.8~~^{16.8} of the Instructions to Bidders is _____, which serves as
_____ of ~~Bidder~~ the Single Company [*Note: please specify name and title*].

Attachment A2***Parent Company's Structure and Organization**

* This Attachment shall only be submitted ~~by a Bidder~~ with respect to a Single Company or a First Member requesting to comply with the Financial Pre-requisites through a Parent Company as per Section 44 of the Instructions to Bidders.

1. Structure And Organization

Bidder shall provide the following information:

1.1 This Attachment A2 is submitted with respect to the Parent Company of:

The Single Company

The First Member

2. General Details

Name of Parent Company	
Number and country of registration	
Date of establishment of Parent Company	
Address	
Telephone number	
Facsimile number	
Registered office address	
E-mail Address	
Website	
General Description of Parent Company (activities)	

3. ~~Bidder's Parent Company's~~ organizational structure
4. ~~Bidder's Parent Company's~~ ownership structure, including organizational chart with percentage of holdings by or in parent company(ies), affiliates, and subsidiary(ies), and demonstrating the relationship with the Single Company (or First Member) (including but without limitation all Controlling entities involved and the way Control is exercised).

Attachment A3***Structure and Organization of the Consortium and of the Members**

** Bidder shall only submit this Attachment if Bidder is a Consortium. This Attachment shall not be submitted by a Single Company.*

1. Members in the Consortium**

*** The Consortium shall be comprised of two (2) or three (3) Members: (i) the First Member; and (ii) the Second Member and/or the Israeli Member.*

<u>Member</u>	<u>Full Name</u>
<u>First Member</u>	
<u>Second Member</u>	
<u>Israeli Member</u>	

2. Authorized Representative of the Consortium

The Consortium's authorized representative as per Section 16.8 of the Instructions to Bidders is _____, which serves as _____ of the First Member [Note: please specify name and title].

3. Structure And Organization of the First Member

Bidder shall provide the following information with respect to the First Member:

3.1 General Details

<u>Name of the First Member</u>	
<u>Number and country of registration</u>	
<u>Date of establishment of the First Member</u>	
<u>Address</u>	
<u>Telephone number</u>	
<u>Facsimile number</u>	
<u>Registered office address</u>	
<u>E-mail Address</u>	
<u>Website</u>	
<u>General Description of the First Member (company's activities)</u>	

3.2 First Member's organizational structure

3.3 First Member's ownership structure, demonstrating the relationship with the other Member(s) (including but without limitation all Controlling entities involved and the way Control is exercised).

3.4 Names and positions of key personnel who shall be involved in the Works (including C.V.)

4. Structure and Organization of the Second Member

Bidder shall provide the following information with respect to the Second Member:

4.1 General Details

<u>Name of the Second Member</u>	
<u>Number and country of registration</u>	
<u>Date of establishment of the Second Member</u>	
<u>Address</u>	
<u>Telephone number</u>	
<u>Facsimile number</u>	
<u>Registered office address</u>	
<u>E-mail Address</u>	
<u>Website</u>	
<u>General Description of the Second Member (company's activities)</u>	

4.2 Second Member's organizational structure

4.3 Second Member's ownership structure demonstrating the relationship with the First Member (including but without limitation all Controlling entities involved and the way Control is exercised).

4.4 If applicable: Names and positions of key personnel who shall be involved in the Works (including C.V.)

5. Structure and Organization of the Israeli Member

Bidder shall provide the following information with respect to the Israeli Member:

5.1 General Details

<u>Name of the Israeli Member</u>	
<u>Number and country of registration</u>	
<u>Date of establishment of the Israeli Member</u>	
<u>Address</u>	
<u>Telephone number</u>	
<u>Facsimile number</u>	
<u>Registered office address</u>	
<u>E-mail Address</u>	
<u>Website</u>	
<u>General Description of the Israeli Member (company's activities)</u>	

5.2 Israeli Member's organizational structure

5.3 Israeli Member's ownership structure demonstrating the relationship with the First Member (including but without limitation all Controlling entities involved and the way Control is exercised).

5.4 If applicable: Names and positions of key personnel who shall be involved in the Works (including C.V.)

Attachment A4*Consortium Formation and Members' Undertaking

* Bidder shall submit this Attachment if Bidder is a Consortium. This Attachment needs not to be submitted by a Single Company.

Each of the undersigned hereby irrevocably and unconditionally represents, warrants and undertakes as follows:

1) We, _____ [Note: please complete the name of all Members in the Consortium] have formed a Consortium for the sole purpose of participating in the Tender.

2) We are and will be at any time all of the members in the Consortium.

3) We undertake to be liable and responsible, jointly and severally, for the full performance of all of the Consortium's obligations under the Tender, including under any agreement that may be entered into by the Consortium with ISR.

4) ISR shall have the right, at its sole and absolute discretion, through the entire term of the Tender process, to require that the Consortium shall comply with any or all obligations of any of its members alone, as ISR may elect at its sole discretion, without having to require first same from, and/or to exhaust its claims towards, any and/or all of the other undersigned. It is further clarified that any said claim and/or demand which will be brought or made against any one of the undersigned shall be considered a claim and/or demand against each and all of the undersigned.

This instrument may not be revoked, transferred or changed in any way without the prior written approval of ISR.

IN WITNESS WHEREOF, the parties hereto have signed this instrument as of _____, 2016:

[Note: the Attachment shall be signed by all Members of the Consortium, as applicable.]

	<u>Name</u>	<u>Signature of an authorized signatory</u>	<u>Name and title</u>
<u>The First Member</u>			
<u>The Second Member</u>			
<u>The Israeli Member</u>			

Attachment B

Bid Guarantee
(non-binding example)

Attachment B1**Bid Guarantee**
(non-binding example)Bank/Insurance Company _____
Branch _____

For the attention of
Israel Railways Ltd.
Tel Aviv Central Train Station
P.O.B 18085
Tel-Aviv 61180
ISRAEL

Dear Sir/Madam,

Re: Bank Guarantee Number _____
Tender for the Supply and maintenance of Electric Multiple Units

1. Further to the request of _____ [*Note: please complete the name of the Bidder*] (the "**Bidder**"), we hereby provide you with a definitive, irrevocable and unconditional guarantee, for the payment of all amounts up to a limit of _____ (_____) (the "**Guaranteed Amount**"). [*Note: please complete amount and currency – 8 million Euro OR 9 million US\$ OR 35 million NIS*].
2. We shall pay you, upon receipt of your first written demand and no later than fourteen days after the receipt of your demand at our address stated below, all amounts stated in such demand, provided that they do not exceed the Guaranteed Amount, and you shall not be obliged to prove the validity of such demand, to authenticate it or to make a prior demand for such amount from the Bidder.
3. You may exercise this guarantee on one or a number of occasions, according to your absolute discretion provided that the aggregate amount payable hereunder, shall not exceed the Guaranteed Amount.
4. This Guarantee shall remain in force until, and including _____, 2017 [*Note: expiration date to be filled in by the bank/insurance company in accordance with the provisions of Section 2.4 of the Instructions to Bidders*], and after such date it shall expire and no longer be enforceable.
5. A demand under this Guarantee needs to be made in writing and received at the address stated below, no later than the date stated above and prior to the end of customer-banking hours for such branch. A written demand pursuant to this Guarantee must be delivered by hand.
6. This Guarantee may not be assigned or endorsed.

7. This Guarantee, and our obligations hereunder, shall be governed by and construed solely in accordance with the substantive laws of the State of Israel (irrespective of its choice of law principles) and the competent courts in Tel Aviv, Israel, shall have sole and exclusive jurisdiction over every dispute arising from, or in connection with, this Guarantee.

Bank/Insurance Company_____

Address: _____

Attachments C

Compliance with the Financial Pre-requisites

(Bidder)

Attachment C1***CPA Certificate with respect to Sections 3.23.2, 3.33.3 and 3.43.4 of the Instructions to Bidders (Single Company or First Member)**

* *Bidder shall submit this Attachment with respect to the Single Company or to the First Members, as applicable.*

This Attachment needs not to be provided with respect to a Bidder fulfilling the Financial Pre-requisites through a Parent Company.

This Attachment may be submitted on the accounting firm logo paper.

This Attachment C1 is submitted with respect to:

The Single Company

The First Member

The undersigned, a certified public accountant (CPA) who has audited the financial statements of _____ ("**BidderCompany**") for the Reference Fiscal Years (as defined in the Instructions to Bidders to which this Attachment C1 is attached), hereby certifies as follows:

1. The last Fiscal Year regarding which **BidderCompany**'s Financial Statements (as defined in the Instructions to Bidders) are available is [Note: please mark only one of the following alternatives]:

Fiscal Year 2015, and accordingly, the terms FY1, FY2 and FY3 with respect to **BidderCompany** shall mean as follows:

FY1: 2013

FY2: 2014

FY3: 2015

Fiscal Year 2014. The undersigned expressly confirms that as of the Submission Date, **BidderCompany**'s Financial Statements for Fiscal Year 2015 are not available, and accordingly, the terms FY1, FY2 and FY3 with respect to **BidderCompany** shall mean as follows:

FY1: 2012

FY2: 2013

FY3: 2014

2. The Financial Statements of BidderCompany were prepared in accordance with the accounting principles specified below *[Note: please mark only one of the following alternatives]*:
- Israeli GAAP (including, with respect to the cash flow statements, Standard No. 51 of the Institute of Certified Public Accountants in Israel);
- US GAAP (including, with respect to the cash flow statements, FAS (Financial Accounting Standards) No. 95); or
- International Financial Reporting Standards (IFRS), (including, with respect to the cash flow statements, IAS (International Accounting Standards) No. 7)
- Other GAAP approved by ISR as per the provisions in Section 3.1.2 of the Instructions to Bidders.
3. With respect to Section 3.23.2 of the Instructions to Bidders: The total equity of BidderCompany in its Financial Statements of Fiscal Year FY3 (excluding Minority Interests) is _____ EURO *[Note: please complete]*.
4. With respect to Section 3.33.3 of the Instructions to Bidders: The weighted average annual revenue of BidderCompany during the Reference Fiscal Years (i.e. the value WAR as calculated there) is _____ EURO (i.e. not less than three hundred ~~and sixty~~ (360300) Million EURO).
5. With respect to Section 3.43.4 of the Instructions to Bidders:
[Note: please mark and complete at least one of the following alternatives]:
- With respect to Section 3.4.13.4.1 of the Instructions to Bidders: WACF of Company is equal to _____ EURO *[Note: please complete]* (i.e. WACF is positive).
- With respect to Section 3.4.23.4.2 of the Instructions to Bidders: the absolute value of WACF of Company is equal to _____ EURO, i.e. ___ % *[Note: please complete]* of the equity of BidderCompany in the Financial Statements of Fiscal Year FY3 (i.e. less than, 25%).
- With respect to Section 3.4.33.4.3 of the Instructions to Bidders: the ratio between AD and WAAE (as these values are calculated there with respect to Company) during the Reference Fiscal Years is _____ *[Note: please complete]* (i.e. the ratio is equal to, or less than eight (8)).
- With respect to Section 3.4.4 of the Instructions to Bidders: the last credit rating of Company issued by _____ *[Note: please complete the name of one of the international rating firms in Section 3.4.4]* in the last twelve (12) months prior to the Submission Date is _____ *[Note: please complete rating]*

complying with the requirements in Section 3.4.4]. This credit rating is not under, and does not include, any of the applicable credit ratings watch lists specified in Section 3.4.4 of the Instructions to Bidders.

6. Currency

6.1 The last business day of each of BidderCompany's Reference Fiscal Years is:

6.1.1 Fiscal Year FY1: _____ [Note: please complete.]

6.1.2 Fiscal Year FY2: _____ [Note: please complete.]

6.1.3 Fiscal Year FY3: _____ [Note: please complete.]

6.2 Please complete the tables in this Section 6 below as follows:

- If the Financial Statements of BidderCompany were prepared in EURO, please complete only the first and the last column in the applicable tables.

- If the Financial Statements of BidderCompany were prepared in a currency other than EURO, please complete all columns in the applicable tables.

[Note: Bidder is advised to check consistency of the data in the tables below with the data in Sections 3, 4 and 5 above. Without derogating from any provision of the Instructions to Bidders, in the event of any inconsistency between the data in Sections 3, 4 and/or 5 above and the data in any table below, ISR shall have the right (but not the obligation) to calculate the values by itself and to determine whether any Financial Pre-requisite has been fulfilled by Bidder, based on such values calculated by ISR.]

6.3 Section 3.2 of the Instructions to Bidders (Equity)

Original Currency of the Financial Statements	Equity in original currency (as reported in Bidder Company's Financial Statements of Fiscal Year FY3 excluding Minority Interests)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Equity in EURO

6.4 Section 3.3 of the Instructions to Bidders (Revenue)

	Original currency of the Financial Statements	Value in original currency (as reported in Bidder Company's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (R_{t-2})				
FY2 (R_{t-1})				
FY3 (R_t)				
WAR			[Note: not applicable]	

6.5 Section 3.4.1 or 3.4.2 of the Instructions to Bidders (Cash Flow)

	Original currency of the Financial Statements	Value in original currency (as reported in BidderCompa ny 's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (CF_{t-2})				
FY2 (CF_{t-1})				
FY3 (CF_t)				
WACF			<i>[Note: not applicable]</i>	

6.6 Section 3.4.3 of the Instructions to Bidders (AD)

	Original currency of the Financial Statements	Value in original currency (as reported in BidderCompa ny 's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY3 (FL_t)				
FY3 (FA_t)				
AD			<i>[Note: not applicable]</i>	

6.7 Section 3.4.3 of the Instructions to Bidders (WAAE)

	Original currency of the Financial Statements	Value in original currency (as reported in BidderCompa ny's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (E_{t-2})				
FY2 (E_{t-1})				
FY3 (E_t)				
WAAE			<i>[Note: not applicable]</i>	

CPA's signature: _____

Name of the CPA **or firm**: _____License number/**registration number**: _____

Address: _____

Telephone: _____

Date: _____

Attachment C2***CPA Certificate**
with respect to Section 3.53.5 of the Instructions to Bidders
(Single Company, First Member, Second Member)

** This Attachment C2 shall be submitted with respect to the Single Company, or each of the First Member, the Second Member and the Israeli Member, as applicable.*

This Attachment may be submitted on the accounting firm logo paper.

The undersigned, a certified public accountant (CPA) who has audited the financial statements of _____ ("**BidderCompany**") for Fiscal Year FY3 (as defined in the Instructions to Bidders to which this Attachment C2 is attached and in Attachment C1 as submitted by **BidderCompany**), hereby certifies and confirms that Company's financial statements for the Fiscal Year FY3 do not include a going concern notice or an equivalent thereof under accounting rules applicable to Company.

CPA's signature: _____

Name of the CPA **or firm**: _____

License number/**registration number**: _____

Address: _____

Telephone: _____

Date: _____

Attachment C3***CFO's Certificate****with respect to Section 3.63.6 of the Instructions to Bidders
(Single Company, First Member, Second Member)**

** This Attachment C3 shall be submitted with respect to the Single Company, or each of the First Member, the Second Member and the Israeli Member, as applicable.*

The undersigned, the chief financial officer of _____ ("**BidderCompany**"), hereby represents and confirms as follows:

1. Since the completion of the Financial Statements of **BidderCompany** for Fiscal Year FY3 (as defined in the Instructions to Bidders and in Attachment C1 as submitted by **BidderCompany**) and through the Submission Date, no material adverse change has occurred in the assets and/or liabilities of **BidderCompany**, which (alone or together with any other material adverse change(s)) might affect **BidderCompany**'s ability to meet its undertakings, and there are no doubts with respect to its continued functioning as a going concern.
2. As of the Submission Date:
 - 2.1 **BidderCompany** is not insolvent, does pay its debts as they become due, and no liquidation, receiverships, or reorganization proceedings (whether temporary or not) have been commenced by or against **BidderCompany**.
 - 2.2 No trustee and/or receiver and/or manager and/or liquidator has been appointed for **BidderCompany** and/or its businesses or assets, in whole or in part.
 - 2.3 No judicial decision has been issued against **BidderCompany** for the receivership of its businesses or assets, in whole or in part, and/or for its dissolution.

Chief financial officer's signature: _____

Name of chief financial officer: _____

Address: _____

Telephone: _____

Date: _____

Attachments D

Compliance with the Financial Pre-requisites
(Parent Company)

Attachment D1***CPA Certificate with respect to Sections 3.23.2, 3.33.3 and 3.43.4 of the Instructions to Bidders (Parent Company)**

* Bidder shall only submit this Attachment if Bidder requests to fulfill the Financial Prerequisites through a Parent Company *of the Single Company (or the First Member)* as per Section 44 of the Instructions to Bidders.

This Attachment may be submitted on the accounting firm logo paper.

The undersigned, a certified public accountant (CPA) who has audited the financial statements of _____ (the "**Parent Company**") for the Reference Fiscal Years (as defined in the Instructions to Bidders to which this Attachment D1 is attached), hereby certifies as follows:

1. The **last** Fiscal Year regarding which the Parent Company's Financial Statements (as defined in the Instructions to Bidders) are available is [Note: please mark only one of the following alternatives]:

- Fiscal Year 2015, and accordingly, the terms FY1, FY2 and FY3 with respect to the Parent Company shall mean as follows:

FY1: 2013

FY2: 2014

FY3: 2015

- Fiscal Year 2014. The undersigned expressly confirms that as of the Submission Date, the Parent Company's Financial Statements for Fiscal Year 2015 are not available. and accordingly, the terms FY1, FY2 and FY3 with respect to the Parent Company shall mean as follows:

FY1: 2012

FY2: 2013

FY3: 2014

2. The Financial Statements of the Parent Company were prepared in accordance with the accounting principles specified below *[Note: please mark only one of the following alternatives]*:

- Israeli GAAP (including, with respect to the cash flow statements, Standard No. 51 of the Institute of Certified Public Accountants in Israel);
- US GAAP (including, with respect to the cash flow statements, FAS (Financial Accounting Standards) No. 95); or
- International Financial Reporting Standards (IFRS), (including, with respect to the cash flow statements, IAS (International Accounting Standards) No. 7)
- Other GAAP approved by ISR as per the provisions in Section 3.1.2 of the Instructions to Bidders.

3. With respect to Section 3.2 of the Instructions to Bidders: The total equity of the Parent Company in its Financial Statements of Fiscal Year FY3 (excluding Minority Interests) is _____ EURO *[Note: please complete]*.

4. With respect to Section 3.3 of the Instructions to Bidders: The weighted average annual revenue of the Parent Company during the Reference Fiscal Years (i.e. the value WAR as calculated there) is _____ EURO (i.e. not less than three hundred ~~and sixty (360300)~~ Million EURO);

5. With respect to Section 3.4 of the Instructions to Bidders:

[Note: please mark and complete at least one of the following alternatives]:

- With respect to Section 3.4.1 of the Instructions to Bidders: WACF of the Parent Company is equal to _____ EURO *[Note: please complete]* (i.e. WACF is positive).
- With respect to Section 3.4.2 of the Instructions to Bidders: the absolute value of WACF of the Parent Company is equal to _____ EURO, i.e. ___ % *[Note: please complete]* of the equity of the Parent Company in the Financial Statements of Fiscal Year FY3 (i.e. less than 25%).
- With respect to Section 3.4.3 of the Instructions to Bidders: the ratio between AD and WAAE (as these values are calculated there with respect to the Parent Company) during the Reference Fiscal Years is

____ [Note: please complete] (i.e. the ratio is equal to, or less than eight (8)).

With respect to Section 3.4.4 of the Instructions to Bidders: the last credit rating of the Parent Company issued by _____ [Note: please complete the name of one of the international rating firms in Section 3.4.4] in the last twelve (12) months prior to the Submission Date is _____ [Note: please complete rating complying with the requirements in Section 3.4.4]. This credit rating is not under, and does not include, any of the applicable credit ratings watch lists specified in Section 3.4.4 of the Instructions to Bidders.

6. Currency

6.1 The last business day of each of the Parent Company's Reference Fiscal Years is:

6.1.1 Fiscal Year FY1: _____ [Note: please complete.]

6.1.2 Fiscal Year FY2: _____ [Note: please complete.]

6.1.3 Fiscal Year FY3: _____ [Note: please complete.]

6.2 Please complete the tables in this Section 6 below with respect to the Parent Company, as follows:

- If the Financial Statements of the Parent Company were prepared in EURO, please complete only the first and the last column in the applicable tables.

- If the Financial Statements of the Parent Company were prepared in a currency other than EURO, please complete all columns in the applicable tables.

[Note: Bidder is advised to check consistency of the data in the tables below with the data in Sections 3, 4 and 5 above. Without derogating from any provision of the Instructions to Bidders, in the event of any inconsistency between the data in Sections 2, 3 and/or 4 above and the data in any table below, ISR shall have the right (but not the obligation) to calculate the values by itself and to determine whether any Financial Pre-requisite has been fulfilled by the Parent Company, based on such values calculated by ISR.]

6.3 Section 3.2 of the Instructions to Bidders (Equity)

Original Currency of the Financial Statements	Equity in original currency (as reported in the Parent Company's Financial Statements of Fiscal Year FY3, excluding Minority Interests)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Equity in EURO

6.4 Section 3.3 of the Instructions to Bidders (Revenue)

	Original currency of the Financial Statements	Value in original currency (as reported in the Parent Company's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (R_{t-2})				
FY2 (R_{t-1})				
FY3 (R_t)				
WAR			<i>[Note: not applicable]</i>	

6.5 Section 3.4.1 or 3.4.2 of the Instructions to Bidders (Cash Flow)

	Original currency of the Financial Statements	Value in original currency (as reported in the Parent Company's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (CF_{t-2})				
FY2 (CF_{t-1})				
FY3 (CF_t)				
WACF			<i>[Note: not applicable]</i>	

6.6 Section 3.4.3 of the Instructions to Bidders (AD)

	Original currency of the Financial Statements	Value in original currency (as reported in the Parent Company's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY3 (FL_t)				
FY3 (FA_t)				
AD			<i>[Note: not applicable]</i>	

6.7 Section 3.4.3 of the Instructions to Bidders (WAAE)

	Original currency of the Financial Statements	Value in original currency (as reported in the Parent Company's Financial Statements for the applicable fiscal year)	Exchange rate determined in accordance with the provisions in Section 4.1.3 of the Instructions to Bidders	Value in EURO
FY1 (E_{t-2})				
FY2 (E_{t-1})				
FY3 (E_t)				
WAAE			<i>[Note: not applicable]</i>	

CPA's signature: _____

Name of the CPA **or firm**: _____ |License number/**registration number**: _____ |

Address: _____

Telephone: _____

Date: _____

Attachment D2***CPA Certificate with respect to Section 3.53.5 of the Instructions to Bidders
(Parent Company)**

* Bidder shall only submit this Attachment if Bidder requests to fulfill the Financial Pre-requisites through a Parent Company *of the Single Company (or the First Member)* as per Section 44 of the Instructions to Bidders.

This Attachment may be submitted on the accounting firm logo paper.

The undersigned, a certified public accountant (CPA) who has audited the financial statements of _____ (the "**Parent Company**") for Fiscal Year FY3 (as defined in the Instructions to Bidders to which this Attachment D2 is attached and in Attachment D1 submitted by Bidder), hereby certifies and confirms that the Parent Company's financial statements for the Fiscal Year FY3 do not include a going concern notice or an equivalent thereof under accounting rules applicable to the Parent Company.

CPA's signature: _____

Name of the CPA or firm: _____

License number/registration number: _____

Address: _____

Telephone: _____

Date: _____

Attachment D3***Parent Company's Certificate with respect to Section 3.63.6 of the Instructions to Bidders**

* Bidder shall only submit this Attachment if Bidder requests to fulfill the Financial Pre-requisites through a Parent Company *of the Single Company (or the First Member)* as per Section 44 of the Instructions to Bidders.

The undersigned, the chief financial officer of _____ (the "Parent Company"), hereby represents and confirms as follows:

1. Since the completion of the Financial Statements of the Parent Company for Fiscal Year FY3 (as defined in the Instructions to Bidders and in Attachment D1 submitted by Bidder) and through the Submission Date, no material adverse change has occurred in the assets and/or liabilities of the Parent Company, which (alone or together with any other material adverse change(s)) might affect Bidder's ability to meet its undertakings, and there are no doubts with respect to its continued functioning as a going concern.
2. As of the Submission Date:
 - 2.1 the Parent Company is not insolvent, does pay its debts as they become due, and no liquidation, receiverships, or reorganization proceedings (whether temporary or not) have been commenced by or against the Parent Company.
 - 2.2 No trustee and/or receiver and/or manager and/or liquidator has been appointed for the Parent Company and/or its businesses or assets, in whole or in part.
 - 2.3 No judicial decision has been issued against the Parent Company for the receivership of its businesses or assets, in whole or in part, and/or for its dissolution.

Chief financial officer's signature: _____

Name of chief financial officer: _____

Address: _____

Telephone: _____

Date: _____

Attachment D4*Parent Company's Declaration, Warranty and Undertaking

* Bidder shall only submit this Attachment if ~~Bidder~~ the Single Company or the First Member requests to fulfill the Financial Pre-requisites through a Parent Company as per Section 44 of the Instructions to Bidders.

Israel Railways Ltd. ("ISR")
Tel Aviv Central Train Station – Savidor (Arlozorov),
Tel-Aviv, Israel

In connection with the Instructions to Bidders for Tender No. 51403 published by ISR, we the undersigned hereby irrevocably and unconditionally declare, warrant and undertake towards ISR as follows:

1. We, _____, a company duly incorporated and validly existing under the laws of _____, and having our offices at _____ (the "**Parent Company**"), are the Controlling shareholders ("Controlling" shall have the meaning ascribed thereto in the Instructions to Bidders to which this Attachment D4 is attached) of _____ (the "~~Bidder~~**Company**").
2. We have carefully read and fully understood the contents of the Tender Documents in their entirety.
3. We understand that the ~~Bidder~~Company desires to demonstrate its compliance with the Financial Pre-requisites through us, and we fully agree to that and to the submission of our Financial Statements and other relevant financial information, as may be required by ISR for such purpose.
4. We hereby create an unlimited, irrevocable and unconditional guarantee (the "**Parent Undertaking**") in favor of ISR, to fully and timely cover any and all of ~~the Bidder's~~Company's financial liabilities, undertakings and obligations, whether present or future, with respect to the Tender, the Agreement and all Attachments thereto (including for the removal of doubt the LUL Agreement and the Maintenance Depot Contract), the Works and the Project (including but without limitation the indemnification of ISR pursuant to the Tender Documents, the payment to ISR of all damages and the provision to ISR of all guarantees that may be required under the Agreement (for clarification, including but without limitation in connection with Supplier ~~and/or~~ its Members (if Supplier is a Consortium), its Affiliate(s) , and/or the Depot Subcontractor and the Israeli Affiliate, if applicable)).
5. The validity of the Parent Undertaking and/or its extent shall not be affected by and/or prejudiced due to any change and/or amendment in the Tender documents (including but without limitation the Agreement) and we hereby confirm our consent and willingness to any such change and/or amendment and we shall remain guarantors and liable for all the ~~Bidder's~~Company's financial liabilities, undertakings and obligations as the same may be changed and/or amended from time to time.
6. We hereby undertake to deliver to ISR any information, including any financial information, which may be required at any stage during the Tender Process, and to sign any document deemed by ISR to be required as part of the Parent Undertaking.
7. Without derogating from the provisions of Section 15 of the Instructions to Bidders, we

hereby undertake to keep in strict confidence, not to disclose and not to make any use of any information and data, in any form or media, partial or complete, that was made known to us as a result of, or in connection with, the Tender.

8. We understand that by allowing the ~~Bidder Company~~ to demonstrate the applicable Financial Pre-requisites through us and by accepting the Parent Undertaking, ISR agrees to rely on our financial strength. Accordingly, the Parent Undertaking shall remain in full force and effect notwithstanding any change in our holdings in ~~the Bidder Company~~ and/or any other change in our relationship with ~~the Bidder Company~~ (including, for the removal of doubt, in the event that we will sell or otherwise dispose of any or all of our holdings in ~~the Bidder Company~~), unless ISR, at its sole and absolute discretion, discharges us from the Parent Undertaking by a written instrument specifically referring to the provisions of this Declaration, Warranty and Undertaking. Further, the Parent Undertaking shall remain in full force and effect even if ~~the Bidder Company~~'s legal status is changed in any way, including but without limitation by merger, liquidation and winding up, or if we cease to Control ~~the Bidder Company~~.

Parent Company: _____

By its Authorized Signatory

Name: _____

Title: _____

The undersigned, as legal counsel to the above Parent Company, hereby confirms that this document has been signed on behalf of the Parent Company by authorized signatories whose signatures are binding upon the Parent Company and that the Parent Company is the Controlling shareholder of the Bidder.

Sincerely,

Attorney's signature: _____

Name of Attorney: _____

License number: _____

Address: _____

Telephone: _____

Date: _____

Attachment E

Compliance with the Technical Pre-requisites

Attachment E1**Experience and References List – Bidder Single Company or First Member***
(Sections 5.1 and 5.2 of the Instructions to Bidders)

* Bidder shall submit this Attachment E1 if ~~Bidder~~ the Single Company or the First Member fulfills the Technical Pre-requisites in Section 5.1 and/or 5.2 without an Affiliate.

This Attachment E1 is submitted with respect to:

The Single Company

The First Member

1. **Customers**

Bidder is requested to fill Table 1 below with respect to each customer referred to in Tables 2, 3 and 4 below.

Table 1: Customers

Customer No. _____	
Name of Customer	
Country of Customer	
Is the Customer a Railway Company?	
Customer's Contact Person (name and title)	
Contact Person's Telephone No.	
Contact Person's Fax No.	
Contact Person's E-mail address	

2. **Fulfillment of the Technical Pre-requisites in Section 5.1 of the Instructions to Bidders**

Note: Bidder shall not complete this Section 2 below if Bidder requests to fulfill the Technical Pre-requisite in Section 5.1.2 through an Affiliate of the Single Company or of the First Member.

Bidder shall specify below if Bidder requests to fulfill the Technical Pre-requisites in Section 5.1.1 OR the Technical Pre-requisites in Section 5.1.2 [Note: please mark only one of the following alternatives]:

Section 5.1.1 (Table 2 below)

OR

Section 5.1.2 (Table 3 below)

For clarification, in the event that a Bidder complying with the Technical Pre-requisites under one of the alternatives above has marked the other alternative in its Bid, ISR shall be entitled to deem the Bid amended such that the alternative under which Bidder effectively fulfills the Technical Pre-requisites has been marked in this Section 2 above.

3. Supply Experience - (Section 5.1.1 of the Instructions to Bidders)**Table 2**

	Name of Customer	Date of supply and commissioning of the units/trainsets	Quantity of units/trainsets	Type/name of units/trainsets	number of vehicles within each unit/trainset	All units/trainsets were designed, manufactured and fully assembled by Bidder	AC catenary system	Maximum speed at which the units/trainsets can be operated (km/hour) [Note: please complete speed]
1						Yes/No	Yes/No	
2						Yes/No	Yes/No	
3						Yes/No	Yes/No	
...								

Note: - as per Section 5.1.1 of the Instructions to Bidders, Bidder shall complete Table 2 above with respect to at least thirty (30) double deck passenger trainsets (as defined there) and thirty (30) ~~single-deck~~ electric multiple units (as defined there)

- Bidder shall not complete this Table 2 above if Bidder requests to fulfill the Technical Pre-requisite in Section 5.1.2, ~~by itself or through an Affiliate~~.

4. Supply Experience (Section 5.1.2 of the Instructions to Bidders)**Table 3**

	Name of Customer	Date of supply and commissioning of the units	Quantity of units	Type/ name of units	Quantity of vehicles in each unit	All units were designed, manufactured and fully assembled by Bidder	AC catenary system	Maximum speed at which the units can be operated (km/hour) [Note: please complete speed]
1						Yes/No	Yes/No	
2						Yes/No	Yes/No	
3						Yes/No	Yes/No	
...								

Note: Bidder shall not complete Table 4 above if Bidder requests to fulfill the Technical Pre-requisite in Section 5.1.2 through an Affiliate.

5. Maintenance Experience (Section 5.2 of the Instructions to Bidders)**Table 4**

	Name of Customer	Type/name of electric rolling stock maintained	Quantity of rolling stock maintained	Period of maintenance of such rolling stock
1				
2				
3				
...				

Note: Bidder shall not complete Table 4 above if Bidder requests to fulfill the Technical Pre-requisite in Section 5.2 through an Affiliate.

Attachment E2***Structure and Organization of the Affiliate**

* Bidder shall only submit this Attachment **E2** if Bidder requests to fulfil the Technical Pre-requisite in Section(s) **5.1.2** and/or **5.2** of the Instructions to Bidders through Affiliate(s) **of the Single Company or the First Member**. This Attachment shall be submitted separately with respect to each Affiliate (if applicable).

This Attachment E2 is submitted with respect to an Affiliate of:

The Single Company

The First Member

1. **Structure And Organization**

The Affiliate shall provide the following information:

1.1 **General Details**

Name of the Affiliate	
Number and country of registration	
Date of establishment of the Affiliate	
Address	
Telephone number	
Facsimile number	
Registered office address	
E-mail Address	
Website	
General description of the Affiliate (activities)	

1.2 The Affiliate's organizational structure

1.3 The Affiliate's ownership structure, including organizational chart with percentage of holdings by or in parent company(ies), affiliates, and subsidiary(ies).

1.4 Names and positions of key personnel who shall be involved in the Works (including C.V.)

Attachment E3***CPA Certificate (Affiliate) with respect
to Section ~~6.2.2.16.2.2.1~~ of the Instructions to Bidders**

* *Bidder shall only submit this Attachment E3 if Bidder requests to fulfil the Technical Pre-requisite in Section(s) 5.1.2 and/or 5.2 of the Instructions to Bidders through Affiliate(s) of the Single Company or the First Member. This Attachment shall be submitted separately with respect to each Affiliate (if applicable). This Attachment may be submitted on the accounting firm logo paper.*

The undersigned, a certified public accountant (CPA) who has audited the financial statements of _____ ("Affiliate") for Fiscal Year FY3 (as defined in the Instructions to Bidders to which this Attachment E3 is attached), hereby certifies and confirms that the Affiliate's financial statements for the Fiscal Year FY3 do not include a going concern notice or an equivalent thereof under accounting rules applicable to Affiliate.

CPA's signature: _____

Name of the CPA or firm: _____

License number/registration number: _____

Address: _____

Telephone: _____

Date: _____

Attachment E4***Affiliate's CFO Certificate with respect
to Section ~~6.2.2.26.2.2.2~~ of the Instructions to Bidders**

** Bidder shall only submit this Attachment E4 if Bidder requests to fulfil the Technical Pre-requisite(s) in Sections 5.1.2 and/or 5.2 of the Instructions to Bidders through Affiliate(s) of the Single Company or the First Member. This Attachment shall be submitted separately with respect to each Affiliate (if applicable).*

The undersigned, the chief financial officer of _____ ("Affiliate"), hereby represents and confirms as follows:

1. Since the completion of the Financial Statements of Affiliate for Fiscal Year FY3 (as defined in the Instructions to Bidders) and through the Submission Date, no material adverse change has occurred in the assets and/or liabilities of Affiliate, which (alone or together with any other material adverse change(s)) might affect Affiliate's ability to meet its undertakings, and there are no doubts with respect to its continued functioning as a going concern.
2. As of the Submission Date:
 - 2.1 Affiliate is not insolvent, does pay its debts as they become due, and no liquidation, receiverships, or reorganization proceedings (whether temporary or not) have been commenced by or against Affiliate.
 - 2.2 No trustee and/or receiver and/or manager and/or liquidator has been appointed for Affiliate and/or its businesses or assets, in whole or in part.
 - 2.3 No judicial decision has been issued against Affiliate for the receivership of its businesses or assets, in whole or in part, and/or for its dissolution.

Chief financial officer's signature: _____

Name of chief financial officer: _____

Address: _____

Telephone: _____

Date: _____

Attachment E5***Affidavit pursuant to the Public Entities Transaction Law, 5736-1976**

* This Attachment ~~E7~~-E5 shall only be submitted if Bidder requests to fulfil the Technical Pre-requisite(s) through an Affiliate of the Single Company or the First Member which is an entity incorporated in the State of Israel and/or if Bidder is a Consortium including an Israeli Member. In the event that more than one Israeli entity is involved, this Attachment E5 shall be submitted separately for each such entity.

תצהיר בהתאם להוראת סעיף 2(ב) לחוק עסקאות גופים ציבוריים, תשל"ו – 1976

אני הח"מ _____ נושא תעודת זהות מספר _____ לאחר שהוזהרתי כי עלי לומר את האמת וכי אהיה צפוי לעונשים הקבועים בחוק אם לא אעשה כן, מצהיר בזאת בכתב כדלקמן:

1. הנני משמש כמנהל בחברת _____ בע"מ (להלן: "הספק") ח.פ. _____ והוסמכתי ליתן תצהיר זה מטעמו.
2. המונחים והביטויים בתצהירי זה, הנם כמשמעתם בחוק עסקאות גופים ציבוריים, תשל"ו – 1976.
3. הנני מצהיר כי עד מועד ההתקשרות לא הורשעו הספק ובעל זיקה אליו ביותר משתי עבירות, ואם הורשעו ביותר משתי עבירות - כי במועד ההתקשרות חלפה שנה אחת לפחות ממועד ההרשעה האחרונה.
4. אישור זה הנו בנוסף לאישורים הנדרשים על פי סעיף 2 (א) לחוק עסקאות גופים ציבוריים הנ"ל, הקיימים בידי וצורפו להצעתי.

זה שמי, זו חתימתי וכל האמור לעיל אמת.

אישור

הריני לאשר כי ביום _____ התייצב בפני עו"ד _____ מרח' _____ מר / גב' _____ המוכר לי באופן אישי / שזוהה על ידי באמצעות תעודת זהות מספר _____, ולאחר שהוזהרתי כי עליו לומר את האמת וכי יהיה צפוי לעונשים הקבועים בחוק אם לא יעשה כן, אישר את נכונות הצהרתו דלעיל וחתם עליה בפני.

תאריך

עו"ד

Attachment E6***Supply Experience and Reference List – Bidder Single Company or First Member**
(Section 6.3.16.3.1 of the Instructions to Bidders)

* Bidder shall only submit this Attachment E6 if ~~Bidder~~ the Single Company or the First Member requests to fulfil the Technical Pre-requisite(s) in Section 5.1.2 of the Instructions to Bidders through an Affiliate.

This Attachment E6 is submitted with respect to:

- The Single Company
- The First Member

1. **Customers**

Bidder is requested to fill Table 1 below with respect to each of ~~its~~ the customers referred to in Table 2 below.

Table 1: Customers of the Bidder

Customer No. _____	
Name of Customer	
Country of Customer	
Is the Customer a Railway Company?	
Customer's Contact Person (name and title)	
Contact Person's Telephone No.	
Contact Person's Fax No.	
Contact Person's E-mail address	

2. Supply Experience – ~~Bidder~~ Single Company or First Member (Section 6.3.16.3.1 of the Instructions to Bidders)

Table 2

	Name of Customer	Date of supply and commissioning of the units/trainsets	Quantity of units/trainsets	Type/name of units/trainsets	Number of vehicles within each unit/trainset	All units/trainsets were designed, manufactured and fully assembled by Bidder	AC catenary system	Maximum speed at which the units/trainsets can be operated (km/hour) [Note: please complete speed]
1						Yes/No	Yes/No	
2						Yes/No	Yes/No	
3						Yes/No	Yes/No	
...								

Attachment E7***Supply Experience and Reference List – Affiliate
(Section 6.3.2 of the Instructions to Bidders)**

* Bidder shall only submit this Attachment **E7** if Bidder requests to fulfil the Technical Pre-requisite(s) in Section 5.1.2 of the Instructions to Bidders through an Affiliate **of the Single Company or the First Member**.

1. **Customers**

Bidder is requested to fill Table 1 below with respect to each customer of the Affiliate referred to in Table 2 below.

Table 1: Customers of the Affiliate

Customer No. _____	
Name of Customer	
Country of Customer	
Is the Customer a Railway Company?	
Customer's Contact Person (name and title)	
Contact Person's Telephone No.	
Contact Person's Fax No.	
Contact Person's E-mail address	

2. Supply Experience – Affiliate (Section 6.3.2 and 5.1.2 of the Instructions to Bidders)**Table 2**

	Name of Customer	Date of supply and commissioning of the units/trainsets	Quantity of units/trainsets	Type/name of units/trainsets	Number of vehicles within each unit/trainset	All units/trainsets were designed, manufactured and fully assembled by the Affiliate	AC catenary system	Maximum speed at which the units/trainsets can be operated (km/hour) [Note: please complete speed]
1						Yes/No	Yes/No	
2						Yes/No	Yes/No	
3						Yes/No	Yes/No	
...								

Attachment E8***Affiliate Undertaking with respect to Supply
(Section 6.3 of the Instructions to Bidders)**

** Bidder shall only submit this Attachment E8 if Bidder requests to fulfil the Technical Pre-requisite(s) in Section 5.1.2 of the Instructions to Bidders through an Affiliate of the Single Company or the First Member.*

Israel Railways Ltd. ("ISR")
Tel Aviv Central Train Station – Savidor (Arlozorov),
Tel-Aviv, Israel

In connection with the Instructions to Bidders for Tender No. 51403 published by ISR, we the undersigned hereby irrevocably and unconditionally declare, warrant and undertake towards ISR as follows:

1. We, _____, a company duly incorporated and validly existing under the laws of _____, and having our offices at _____, are an Affiliate (as defined in the Instructions to Bidders to which this Attachment E8 is attached) of _____ (the "Bidder Company").
2. We have carefully read and fully understood the contents of the Tender Documents and we confirm that we are aware of and agree to all provisions of the Agreement, including the Technical Specifications, as they relate or apply (expressly or implicitly) to the works to be performed and/or to the equipment and/or components and/or materials to be supplied by Supplier.
3. We understand that ~~the Bidder Company~~ desires to demonstrate its compliance with the Technical Pre-requisite in Section 5.1.2 of the Instructions to Bidders through us, and we fully agree to that.
4. We hereby irrevocably and unconditionally undertake to provide to ~~Bidder Company~~ (if Bidder Company (or the Consortium in which Company is the First Member, as applicable) will be selected as the Winning Bidder and Supplier) any and all know-how and technical, professional and other support and assistance as requested through the entire term of the Agreement in order to enable Supplier to timely and fully fulfill all its obligations under the Agreement in connection with the design, manufacturing, assembly, supply, commissioning, Warranty and Maintenance (if applicable) of the Units (as defined in the Agreement).
5. The validity of this Affiliate Undertaking and/or its extent shall not be affected by and/or prejudiced due to any change and/or amendment in the Tender documents (including but without limitation the Agreement) and we hereby confirm our consent and willingness to any such change and/or amendment.
6. We hereby undertake to deliver to ISR any information which may be required at any stage during the Tender Process, and to sign any document deemed by ISR to be required as part of this Affiliate Undertaking.
7. Without derogating from the provisions of Section 15 of the Instructions to Bidders, we hereby undertake to keep in strict confidence, not to disclose and not to make any use of any information and data, in any form or media, partial or complete, that was made known to us as a result of, or in connection with, the Tender.
8. We understand that by allowing ~~the Bidder Company~~ to demonstrate the Technical Pre-

requisites in Section 5.1.2 of the Instructions to Bidders through us and by accepting this Affiliate Undertaking, ISR agrees to rely on our professional know how and expertise. Accordingly, this Affiliate Undertaking shall remain in full force and effect notwithstanding any change in our holdings and/or any other change in our relationship with ~~the Bidder~~Company (including, for the removal of doubt, in the event that we cease to be an Affiliate (as defined in the Instructions to Bidders) of ~~Bidder~~Company), unless ISR, at its sole and absolute discretion, discharges us from the Affiliate Undertaking by a written instrument specifically referring to the provisions of this Affiliate Undertaking. Further, the Affiliate Undertaking shall remain in full force and effect even if the ~~Bidder's Company's~~ legal status is changed in any way, including but without limitation by merger, liquidation and winding up.

- 9. We agree that we shall not have any claim or demand for any payment or reimbursement of expenses by ISR in connection with the Affiliate Undertaking, and that that the consideration and reimbursement of expenses that we may be entitled to for our support and assistance, if any, will be paid to us directly by Supplier.
- 10. We agree that we shall have no legal recourse against ISR in any matter arising out of or connected with the Agreement and/or our support and assistance to Supplier.

Affiliate: _____

By its Authorized Signatory

Name: _____

Title: _____

The undersigned, as legal counsel to the above Affiliate, hereby confirms that this document has been signed on behalf of the Affiliate by authorized signatories whose signatures are binding upon the Affiliate and that the Affiliate is an Affiliate (as defined in the Instructions to Bidders) of the Bidder.

Sincerely,

Attorney's signature: _____

Name of Attorney: _____

License number: _____

Address: _____

Telephone: _____

Date: _____

Attachment E9*

* Bidder shall only submit this Attachment **E9** if Bidder requests to fulfill the Technical Pre-requisite in Section 5.2 of the Instructions to Bidders through an Affiliate of the Single Company or the First Member.

Maintenance Experience and References List - Affiliate
(Section 6.4.16.4.1 of the Instructions to Bidders)

1. **Customers**

Bidder is requested to fill Table 1 below with respect to each customer of the Affiliate referred to in Table 2 below.

Table 1: Customers of the Affiliate

Customer No. ____	
Name of Customer	
Country of Customer	
Is the Customer a Railway Company?	
Customer's Contact Person (name and title)	
Contact Person's Telephone No.	
Contact Person's Fax No.	
Contact Person's E-mail address	

2. Maintenance Experience of the Affiliate (Sections 6.4.1 and 5.2 of the Instructions to Bidders)Table 2

	Name of Customer	Type/name of electric rolling stock maintained	Quantity of rolling stock maintained	Period of maintenance of such rolling stock
1				
2				
3				
...				

Attachment E10***Appointment of the Affiliate for Maintenance**
(Section 6.4.2(i) of the Instructions to Bidders)

* Bidder shall only submit this Attachment if Bidder requests to fulfil the Technical Pre-requisite in Section 5.2 of the Instructions to Bidders through an Affiliate of the Single Company or the First Member under Section 6.4.2(i) of the Instructions to Bidders.

The undersigned, being the ~~Bidder—Single Company/ First Member~~ [Note: please delete as applicable] in Tender No. 51403 published by Israel Railways Ltd., in accordance with the provisions of Section 6 of the Instructions to Bidders to which this ~~Attachment E4-E10~~ is attached, hereby appoints _____ [name of the Affiliate] (the "Affiliate") to be our Subcontractor for:

- (i) the fulfillment of the Technical Pre-Qualification Requisite in Section 5.2 of the Instructions to Bidders, and
- (ii) the execution of the relevant Works which are the subject matter of the Technical Pre-Qualification Requisite in Section 5.2 of the Instructions to Bidders, if we will be selected by ISR as the winning bidder in the Tender.

For clarification, the appointment of the Affiliate as per the above shall not derogate from our responsibility and/or liability under the Tender with respect to any obligation imposed on Bidders and/or on the Winning Bidder (if applicable) and/or on Supplier.

This instrument of appointment may not be revoked, transferred or changed in any way without the prior written approval of ISR.

Date: _____

Name of Bidder—Single Company/First Member <u>[Note: please delete as applicable]</u>	Signature of authorized signatory	Name and title of authorized signatory	

If Bidder is a Consortium:

We agree to the above and undertake to act accordingly.

Date: _____

[Note: to be signed by all Members of the Consortium, as applicable.]

<u>Name</u>	<u>Name and title of authorized signatory</u>	<u>Signature of authorized signatory</u>	
<u>Second Member</u>			
<u>Israeli Member</u>			

We hereby agree to and accept the above appointment, and undertake to comply with

all of the obligations imposed, expressly or implicitly, on the Affiliate and on Subcontractors under the Tender and the Agreement. We understand that Israel Railways Ltd. shall not have any obligations whatsoever at any time towards the Affiliate and that we shall not have any legal recourse against ISR. Our above undertakings may not be revoked, transferred or changed in any way without the prior written approval of ISR.

Date: _____

Name of the Affiliate	<u>Name and title</u> Signature of the Affiliate's authorized signatory	<u>Signature of authorized signatory</u> Name and title

Attachment E10A*Affiliate Undertaking with respect to Maintenance
(Section 6.4.2(ii) of the Instructions to Bidders)

* Bidder shall only submit this Attachment E10A if Bidder requests to fulfil the Technical Pre-requisite(s) in Section 5.2 of the Instructions to Bidders through an Affiliate of the Single Company or the First Member under Section 6.4.2(ii) of the Instructions to Bidders.

Israel Railways Ltd. ("ISR")
Tel Aviv Central Train Station – Savidor (Arlozorov),
Tel-Aviv, Israel

In connection with the Instructions to Bidders for Tender No. 51403 published by ISR, we the undersigned hereby irrevocably and unconditionally declare, warrant and undertake towards ISR as follows:

1. We, _____, a company duly incorporated and validly existing under the laws of _____, and having our offices at _____, are an Affiliate (as defined in the Instructions to Bidders to which this Attachment E10A is attached) of _____ (the "Company").
2. We have carefully read and fully understood the contents of the Tender Documents and we confirm that we are aware of and agree to all provisions of the Agreement, including the Technical Specifications, as they relate or apply (expressly or implicitly) to the works to be performed and/or to the equipment and/or components and/or materials to be supplied by Supplier and/or to Maintenance.
3. We understand that Company desires to demonstrate its compliance with the Technical Pre-requisite in Section 5.2 of the Instructions to Bidders through us, and we fully agree to that.
4. We hereby irrevocably and unconditionally undertake to provide to Company (if Company (or the Consortium in which Company is the First Member, as applicable) will be selected as the Winning Bidder and Supplier) any and all know-how and technical, professional and other support and assistance as requested through the entire term of the Agreement in order to enable Supplier to timely and fully fulfill all its Maintenance obligations under the Agreement.
5. The validity of this Affiliate Undertaking and/or its extent shall not be affected by and/or prejudiced due to any change and/or amendment in the Tender documents (including but without limitation the Agreement) and we hereby confirm our consent and willingness to any such change and/or amendment.
6. We hereby undertake to deliver to ISR any information which may be required at any stage during the Tender Process, and to sign any document deemed by ISR to be required as part of this Affiliate Undertaking.
7. Without derogating from the provisions of Section 15 of the Instructions to Bidders, we hereby undertake to keep in strict confidence, not to disclose and not to make any use of any information and data, in any form or media, partial or complete, that was made known to us as a result of, or in connection with, the Tender.
8. We understand that by allowing Company to demonstrate the Technical Pre-requisites in Section 5.2 of the Instructions to Bidders through us and by accepting this Affiliate Undertaking, ISR agrees to rely on our professional know how and expertise.

Accordingly, this Affiliate Undertaking shall remain in full force and effect notwithstanding any change in our holdings and/or any other change in our relationship with Company (including, for the removal of doubt, in the event that we cease to be an Affiliate (as defined in the Instructions to Bidders) of Company), unless ISR, at its sole and absolute discretion, discharges us from the Affiliate Undertaking by a written instrument specifically referring to the provisions of this Affiliate Undertaking. Further, the Affiliate Undertaking shall remain in full force and effect even if the Company's legal status is changed in any way, including but without limitation by merger, liquidation and winding up.

9. We agree that we shall not have any claim or demand for any payment or reimbursement of expenses by ISR in connection with the Affiliate Undertaking, and that that the consideration and reimbursement of expenses that we may be entitled to for our support and assistance, if any, will be paid to us directly by Supplier.
10. We agree that we shall have no legal recourse against ISR in any matter arising out of or connected with the Agreement and/or our support and assistance to Supplier.

Affiliate: _____

By its Authorized Signatory

Name: _____

Title: _____

The undersigned, as legal counsel to the above Affiliate, hereby confirms that this document has been signed on behalf of the Affiliate by authorized signatories whose signatures are binding upon the Affiliate and that the Affiliate is an Affiliate (as defined in the Instructions to Bidders) of the Bidder.

Sincerely,

Attorney's signature: _____

Name of Attorney: _____

License number: _____

Address: _____

Telephone: _____

Date: _____

Attachment E11***Experience and References List – Second Member (Section 1A.3.1(iii)(b) of the Instructions to Bidders)**

** Bidder shall only submit this Attachment E11 if Bidder is a Consortium which includes a Second Member.*

1. Customers

Bidder is requested to fill Table 1 below with respect to each of the customers of the Second Member referred to in Table 2 below.

Table 1: Customers of the Second Member

<u>Customer No.</u>		
<u>Name of Customer</u>		
<u>Country of Customer</u>		
<u>Is the Customer a Railway Company?</u>		
<u>Customer's Contact Person (name and title)</u>		
<u>Contact Person's Telephone No.</u>		
<u>Contact Person's Fax No.</u>		
<u>Contact Person's E-mail address</u>		

2. Experience – Second Member (Section 1A.3.1(iii)(b) of the Instructions to Bidders)**Table 2**

	<u>Name of Customer</u>	<u>Type/name of components/equipment</u>	<u>Type/name of new built trains</u>	<u>Date of supply</u>
<u>1</u>				
<u>2</u>				
<u>3</u>				
<u>...</u>				

Attachment E12***Appointment of the Israeli Member as Israeli Entity**

** Bidder shall only submit this Attachment if Bidder is a Consortium including an Israeli Member. If Bidder is a Consortium, the Attachment shall be signed by all Members of the Consortium, as applicable.*

The undersigned, being the First Member in the Consortium submitting a Bid in Tender No. 51403 published by Israel Railways Ltd., in accordance with the provisions of Section 1A.3.1 of the Instructions to Bidders to which this Attachment E12 is attached, hereby appoints _____ [name of the Israeli Member] (the "**Israeli Member**") to be the Israeli Entity (as defined in Section 23.3 of the Agreement under Tender No. 51403), in full compliance with all the terms and conditions of all the Tender documents and the aforesaid Agreement, including but without limitation Sections 23.3 and 23.4 of the Agreement. For clarification, the appointment of the Israeli Member as Israeli Entity as per the above shall not derogate from the responsibility and/or liability of the First Member and/or of any other Member of the Consortium under the Tender with respect to any obligation imposed on Bidders and/or on the Winning Bidder (if applicable) and/or on Supplier.

This instrument of appointment may not be revoked, transferred or changed in any way without the prior written approval of ISR.

Date: _____

<u>Name of First Member</u>	<u>Signature of authorized signatory</u>	<u>Name and title of authorized signatory</u>

We hereby agree to and accept the above appointment, and undertake to comply with all of the obligations imposed, expressly or implicitly, on the Israeli Entity under the Tender and the Agreement. Our above undertakings may not be revoked, transferred or changed in any way without the prior written approval of ISR.

Date: _____

<u>Name of Israeli Member</u>	<u>Signature of authorized signatory</u>	<u>Name and title of authorized signatory</u>

We agree to all of the above and undertake to act accordingly.

Date: _____

<u>Name of Second Member</u>	<u>Signature of authorized signatory</u>	<u>Name and title of authorized signatory</u>

--	--	--	--

Attachment F

Industrial Cooperation

Attachment F1

Foreign Bidder's Industrial Cooperation Undertaking

Attachment F1**Foreign Bidder's Industrial Cooperation Undertaking**

This form, including Attachment A thereof, has to be filled out, duly signed and submitted by each Proponent together with the Proponent's Proposal in response to the Tender/Request for Proposals referred to below. Failure to comply with this requirement may disqualify the Proponent's Proposal. The Proponent shall be referred to herein as the "Supplier".

Annex to Invitation to Tender/Request for Proposals no. _____,
issued by _____ (hereinafter referred to as the
"Buyer") dated _____ for the supply of _____

Foreign Supplier's Industrial Cooperation Undertaking**As per the Mandatory Tenders Regulations****(Mandatory Industrial Cooperation), 5767-2007 (hereinafter the "Regulations")**

We, (name of Supplier) _____

having offices at (full address) _____

Commit to the State of Israel that in the event of winning the above mentioned Tender/Request for Proposals (hereinafter referred to as the "Tender"), we shall put into practice Industrial Cooperation in Israel, in accordance with the outlined below:

1. We are aware of the fact that this undertaking is provided pursuant to the Regulations and that the terms used herein shall have the same meanings as ascribed to them in the Regulations.
2. The extent of Industrial Cooperation that shall be carried out by us, shall equal at least 35% (for suppliers of non-excluded products from GPA member states, the extent of industrial cooperation is 20%), of the value of the contract or of the transaction, that will be concluded with us, in the event of winning this tender in whole or in part. With respect to the foregoing, the value of the contract or transaction shall also include the following: (i) the exercise of any option related thereto; (ii) any follow-on procurement in excess of USD 500,000 that is made within a period of five years from the date of the original contract and (iii) any acquisition of spare parts, training activities, maintenance, technical assistance, guarantees etc. that will be procured from us, in connection with the main services and/or products acquired from us, within the framework of the Tender.
3. We are aware that our undertaking for Industrial Cooperation may be fulfilled by using any of the following means: local subcontracting, local investments, Know-How transfer, R&D, acquisition of Israeli products, work or services, or by any

other means if approved in advance by the Industrial Cooperation Authority ("ICA"), but excluding those listed in clause 10 below. For the removal of doubt such investments and activities as defined in this section are not limited to the transaction related to this tender.

4. (a) Within the framework of our undertaking, we commit to carry out Local Subcontracting in a value not less than 10% of the contract/transaction value and additionally, carry out Industrial Cooperation in one or more of the other ways set forth in clause 3 above, in a value not less than 25% or 10 % (subject to the rule outlined in clause 2 above) of the contract/transaction value.
(b) We are aware that once we've committed to carry out Local Subcontracting in the value outlined above, at the end of work done, we'll have to provide the Buyer and the ICA with a signed by a CPA report, indicating the value and nature of Local Subcontracting actually materialized.
5. We are aware of that in accordance with the provisions of the tender, we are required to provide in conjunction with our price proposal and this duly signed undertaking form, a detailed fulfillment program with respect to our undertaking, in the event that we win the Tender, as further described below in clause 11. Failure to provide the fulfillment program as required will disqualify our bid.
6. We are aware that if we win the Tender, the ICA will be in charge on behalf of the Government of Israel with the appraisal, classification and monitoring of the hereby attached fulfillment program.
7. Our undertaking for industrial cooperation shall be carried out throughout the delivery period of the Initial Purchase and until no later than three (3) years following the date of issuance of issuance of IPO1 ((as defined in the Agreement). The ICA may upon request, approve an extended period of time for the fulfillment of our undertaking, considering the nature of Industrial Cooperation to be implemented or the complexity of the contract/transaction. In any case, our undertaking for Industrial Cooperation remains in force until completed.
8. The records of ICA pertaining to the execution of our undertaking shall be *prima facie* evidence in any matter relevant to the fulfillment of this requirement in the tender.
9. We are aware that in order to value the extent of Industrial Cooperation activities carried out by us pursuant to this undertaking, the following rules shall apply:
 - (a) New or incremental procurement by the Supplier of Israeli products or services, compared to the Supplier's average extent of procurements carried out in the last three years, or the award of orders for local subcontracting, **both comprising a level of Israeli added value of at least 35%**, shall result in Industrial Cooperation credits in a value of 100% of the business deal nominal price.
 - (b) In some instances, subject to the rules to be published and on a case by case basis, the ICA will be entitled to grant credits exceeding 100% of the business deal price, by virtue of Industrial Cooperation activities of a unique nature, or activities implemented with preferred industry sectors and regions.
10. Furthermore we are aware that:
 - (a) Any grant that was provided by the Government of Israel as part of a plan for

an investment, acquisition or funding of a R&D project shall not be taken into account for the purpose of calculating our Industrial Cooperation.

(b) Expenditures such as: agent commissions, personnel expenses, office expenses and other expenses that were incurred for the purpose of promoting our sales in Israel, shall not be recognized as Industrial Cooperation activities.

(c) Purchase of shares of Israeli companies to which the Securities Law 5728-1968 applies, to the extent in which the purchaser is not deemed to be "a party with an interest" as defined in the said Law, will not be considered as Industrial Cooperation.

(d) Any activity of ours with the Israeli industry that was carried out prior to being awarded with the Buyer's contract shall not be eligible for crediting purposes.

(e) Any Industrial Cooperation activity to be carried out by us which is not part of our fulfillment program will be subject to ICA's prior approval.

(f) Activities of the Supplier with Israeli industry due to which credits are to be requested, but at the same time are to incur offset/Industrial Cooperation obligations on the Israeli industry, will be subject to the ICA's earlier written approval on a case by case basis, otherwise, same activities shall not be eligible for crediting purposes.

11. Aimed at demonstrating our serious intentions regarding the fulfillment of our undertaking, we commit to take the following steps:

(a) To furnish along with the submission of our bid or price proposal (the latest between the two), a fulfillment program for our undertaking, if we win the above mentioned tender. We will use Attachment A to specify the program including as many details as possible of subjects for Industrial Cooperation with the Israeli industry, implementation mile stones and time frame of completion, having regard to activities as outlined in clause 3 above.

(b) Part of that program will be the appointment and written notification of a competent person to act as our Industrial Cooperation Coordinator (ICC), who will be responsible on our behalf for the fulfillment of this undertaking, for managing the activities in this regard and serve as our contact with the ICA, with the Israeli industry and other business entities. The appointee's name and position in our organization and all other complementary information will be fully outlined in the program submitted.

In case the ICC is replaced at any time in the future, we are committed to notify the ICA within 72 hours from the time the replacement took place.

(c) To take all conventional measures, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel and vice versa, or any other means aimed at the examination of business feasibilities in Israel.

(d) Once every year (on January 31) and until our undertaking is fully satisfied, we shall furnish the ICA with written - in a format to be set by the ICA - reports, having regard to the fulfillment of our undertaking for Industrial Cooperation, which will include the following data:

(1) Full identifying details of orders for Israeli products, work and services, local Subcontracts, investments or any other Industrial Cooperation activities carried out during the reporting period, subject to the rules set forth in clause 9 above.

(2) Any additional information that might be required by the ICA, regarding activities we've carried out aimed at the fulfillment of our undertaking.

Non compliance with any of the requirements outlined in clause 11 will be deemed as a violation of our undertaking.

12. All communications on our behalf having regard to the fulfillment of this undertaking will be sent to the ICA at the following address:

**Industrial Cooperation Authority
Ministry of Economy
86 Menachem Begin Rd.,
P.O. Box 36049 Tel Aviv 67138, Israel.
Tel: +(972) 3 7247514 Fax: +(972) 3 7347639**

and additionally, for U.S. and Canadian companies:

**Government of Israel Economic Mission - US Director ICA
800 Second Ave. 17th Floor,
New York, NY 10017, U.S.A.
Tel: (212) 499 5741, Fax: (212) 499 5745**

Signature of an authorized officer on behalf of the Supplier:

If the bid is submitted by an importer and/or a leasing services provider, this document should be signed by an authorized officer on behalf of the foreign manufacturer of the goods or services to be supplied pursuant to the a.m. tender.

Name: _____ Title: _____

Phone No.: _____ Fax No: _____

Signature: _____ Date: _____

Email: _____ Web Site: _____

8/8/2013

Attachment A

to the

Industrial Cooperation Undertaking

Related to Tender/RFP No.

Issued by Dated

.....

Pursuant to clause 11(a) of the a.m. document, we (full company name) hereby submit our Fulfillment Program, that will serve as our initial draft, aimed at the satisfaction of our a.m. undertaking, as follows:

1. In accordance with clause 3 of our undertaking, our fulfillment activities will be in the fields of one or more of the following Industrial Cooperation Categories:

- | | |
|---|--|
| <input type="checkbox"/> Local Subcontracting | <input type="checkbox"/> R&D Orders |
| <input type="checkbox"/> Investments | <input type="checkbox"/> Acquisition of Israeli Products, Work or Services |
| <input type="checkbox"/> Know-How transfer | <input type="checkbox"/> Other |

2. Anticipated / Approximate dates of the following mile stones implementation:

- a. Conducting an Israeli industry survey:
- b. Projects and partners selection:
- c. Starting date of IC activities implementation:
- d. Full program accomplishment:

3. Following is our prospective Fulfillment Program.

Industrial Cooperation Category	Transaction Description	Estimated Timeframe		Names of Israeli Entities Involved	Transaction Value	Israeli entity's Contact Person info.
		Start Date	Due Date			
Total Fulfillment Value						

(Additional records, should be registered in the same matrix format).

4. Following is the info of our Industrial Cooperation Coordinator (ICC)

I.C.C. Name:

.....Title:.....

Full address:.....

Tel.no.....

Fax no.:.....

Cell:.....

E-Mail:.....

Signature of an authorized officer on behalf of the Supplier

Name:

Title:

Signature:

Date:

Note: For further clarifications or assistance in filling out this document, feel free to contact the corresponding ICA representative, to be found at: www.ica.gov.il

Attachment G
Delivery Schedule

Attachment G1**Proposed Delivery Time for IPO1**

Bidder shall propose the delivery time of each Unit in the table below, as per Section 1040 of the Instructions to Bidders.

Unit No.	Short Unit/Long Unit	Time of Delivery (in months from the date of issuance of IPO1 and until Final Acceptance of such Unit)
1	Long Unit	
2	Short Unit	
3	Long Unit	
4	Short Unit	
5	Long Unit	
6	Short Unit	
7	Long Unit	
8	Short Unit	
9	Long Unit	
10	Short Unit	
11	Long Unit	
12	Short Unit	
13	Long Unit	
14	Long Unit	
15	Long Unit	
16	Long Unit	
17	Long Unit	
18	Long Unit	
19	Long Unit	
20	Long Unit	
21	Long Unit	
22	Long Unit	
23	Long Unit	
24	Long Unit	

Attachment H
Commercial Proposal

Attachment H1

Commercial Proposal form

[Note: attached separately]

Attachment I
Technical Proposal

Attachment I1

Technical Information

[Note: attached separately]

Attachment I2

Instructions for the submission of the Technical Proposal

[Note: attached separately]

Attachment I3-1

Evaluation form (~~Long-Short~~ Units) |

[Note: attached separately]

Attachment I3-2

Evaluation form (~~Short-Long~~ Units) |

[Note: attached separately]

Attachment I4

Customer's satisfaction form - delivery

[Note: attached separately]

Attachment I5

Customer's satisfaction form - maintenance

[Note: attached separately]

Attachment I6

Homologation

[Note: attached separately]

Attachment I7

Bidder's Manufacturing Capabilities Assessment

[Note: attached separately]

Attachment I8

Maintenance Depot

[Note: attached separately]

Attachment I9

Maintenance Services Proposal

[Note: attached separately]

Attachment J

Bid Submission

Attachment J1**Bid Submission Signature Form**

To: Israel Railways Ltd. ("ISR")
 Tel Aviv Central Train Station - Savidor (Arlozorov)
 P.O.B. 18085
 Tel Aviv 61180,
Israel

Re: **Tender No. 51403 ("the Tender")**

The undersigned, being an authorized signatory of _____ [*Note: please complete Bidder's name*] for the purpose of submitting a bid in the Tender, hereby confirm as follows:

- Bidder has read and fully understood all of the Tender Documents, including Volume A, Attachment H1, Attachment I and all other attachments to the Instructions to Bidders, Volume B, Volume C and the attachments thereto (including but without limitation the Maintenance Depot Contract and the Maintenance Chapter), and all Notices to Bidders issued by ISR until the Submission Date in ISR's website (and which constitute an integral part of the Tender Documents).
- The terms of the Bid submitted by Bidder with this Bid Submission Signature Form, and any and all documents, financial statements, certificates and authorizations submitted as part of such Bid, are complete, correct, and are not misleading in any respect.
- Signature on this Bid Submission Signature Form constitutes a binding commitment of Bidder (and, if Bidder is a Consortium, of each of its Members), fully enforceable by ISR, to comply with all of the terms and obligations imposed on Bidder pursuant to the Tender Documents, and, if Bidder is selected as the Winning Bidder, to enter into the Agreement with ISR in accordance with the terms offered by Bidder in Bidder's Technical Proposal and Bidder's Commercial Proposal.
- By signing this Bid Submission Signature Form, Bidder (and, if Bidder is a Consortium, each of its Members) shall be deemed to have signed on any and all pages of the final version of the Tender Documents as of the Submission Date, and on any and all pages of its Bid.

On _____, 2016:

Name of Bidder	Name and title of- authorized signatory	Signature of authorized signatory

If Bidder is a Consortium: [Note: If Bidder is a Consortium, this Attachment shall be signed by all Members of the Consortium, as applicable.]

<u>Name</u>	<u>Name and title of authorized signatory</u>	<u>Signature of authorized signatory</u>
<u>First Member</u>		
<u>Second Member</u>		
<u>Israeli Member</u>		

Attachment K
"Intermediation Fee"

Attachment K1**Declaration on Non-Payment of "Intermediation Fee"**

1. In addition to the obligations and prohibitions imposed on us by law, including the Penal Law, 5737-1977, we, the undersigned _____ [*Note: please complete Bidder's name*], hereby undertake and declare as follows:
 - A. Not to offer and/or give and/or receive, directly and/or indirectly, any benefit and/or money and/or anything of value, in order to affect, directly and/or indirectly, any decision and/or action and/or inaction of Israel Railways Ltd. (hereinafter – "ISR") or an officer at ISR and/or any ISR employee or ISR officer and/or ISR employee and/or any person on the behalf thereof and/or any other person, in connection with the engagement process and/or contract/order deriving from the same.
 - B. Not to solicit and/or cooperate, directly and/or indirectly, with a ISR officer and/or ISR employee and/or any person on the behalf thereof and/or any other person, in order to receive privileged/confidential information in connection with the engagement process and/or contract/order deriving from the same.
 - C. Not to solicit and/or cooperate, directly and/or indirectly, with ISR officer and/or ISR employee and/or any person on the behalf thereof and/or any other person, in order to fix prices artificially and/or anti-competitively.
 - D. We have not acted in contrast to the provisions of par. A-C above in connection with the engagement processes of the Railway and/or contract/order deriving from the same.
2. In case a reasonable concern has risen that we have acted in contrast to Section 1 above, we are aware that ISR reserves the right, according to its exclusive discretion, not to allow us to participate in an engagement process regarding which there is concern that such action has been done, and/or in any other process (in this Section: "the Engagement Process") and/or not to accept our offer in the Engagement Process and/or cancel, at any time, our award in the Engagement Process and/or cancel, at any time, the order/contract deriving from the Engagement Process.
3. We will inform our employees, subcontractors, agents, representatives and any person on our behalf that is involved in any manner in an engagement process of ISR and/or contract/order deriving from the same, regarding the contents of this section.

In witness whereof we have signed:

Name of Bidder:

Name: _____

Name: _____

ID: _____

ID: _____

Signature: _____

Signature: _____

Stamp: _____

* *This Attachment shall be provided with respect to ~~Bidder~~ the Single Company, or separately for each of the Members, as applicable.*

** *If Bidder requires to fulfil the Financial Pre-requisites through ~~its-a~~ Parent Company, then this Attachment ~~L1-K1~~ shall also be provided for the Parent Company.*

*** *If Bidder requires to fulfil the Technical Pre-requisite(s) in Section(s) 5.1.2 and/or 5.2 of the Instructions to Bidders through an Affiliate, then this Attachment ~~L1-K1~~ shall also be provided for each Affiliate.*

Attachment L

Attorney's Confirmation

Attachment L1**Attorney's Confirmation**

To: Israel Railways Ltd. ("ISR")
Tel Aviv Central Train Station - Savidor (Arlozorov)
P.O.B. 18085
Tel Aviv 61180,
Israel

Ladies and Gentlemen,

Re: **Tender No. 51403 ("the Tender")**

The undersigned, being legal counsel to _____ [*name of Company*] hereby confirms that all of the Attachments to Instructions to Bidders in the Tender that were signed and submitted by our above client were duly signed on behalf of the client, by the authorized signatories whose signatures are binding upon the client.

Sincerely,

Attorney's signature: _____

Name of Attorney: _____

License number: _____

Address: _____

Telephone: _____

Date: _____

* *This Attachment shall be provided with respect to the Single Company, or separately for each of the Members, as applicable.*
Bidder.

** *If Bidder requires to fulfill the Financial Pre-requisites through ~~its a~~ Parent Company, then this Attachment L1 shall also be provided for the Parent Company.*

*** *If Bidder requires to fulfill the Technical Pre-requisite(s) in Section(s) 5.12 and/or 5.2 of the Instructions to Bidders through an Affiliate, then this Attachment L1 shall also be provided for each Affiliate.*

Attachment M

Excluded Consultants

Attachment M1**Excluded Consultants**

Railistics GmbH
Prose AG
DB International GmbH
BDO Ziv Haft Consulting Group
KPMG Somekh Chaikin
ENOTRAC AG
Louis Berger Group, Inc.
Ingeniería Y Economía Del Transporte S.A.
Salinger, Confino, Ben-Zvi, Lichtenstein & Co., Advocates
Barchana Architects & Town Planners LTD
A.Epstein and Sons (1995) Ltd
D.E.L Engineering Ltd.
AD- Landscape Architects Ltd
Sapir Electricity Engineering Ltd
Blank-Lehrer Engineering Company Ltd
J.Gordon Engineers Ltd
Y.Yancovich Fire Protection Engineering Ltd
MEDVA Survey & Engineering Ltd
Shamir Posner Brown Ltd
M.N.M Engineering Ltd
Eyal Shalev, D.E.L Engineering Ltd
Lavi Natif Elgavish (2014) Ltd
Kor Az Ltd
Zinger-Horowitz-Buch-Dickman
M. Cherniak Consulting Engineers
Saham-Sec

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